

Endorsement of Justice Cavanagh re Plan Approval

From: Cavanagh, Justice Peter (SCJ)

Sent: January 14, 2022 1:02 PM

To: Harmes, Andrew <aharmes@goodmans.ca>; Latham, Joe <jlatham@goodmans.ca>; David Sieradzki <dsieradzki@ksvadvisory.com>; Bobby Kofman <bkofman@ksvadvisory.com>; Murtaza Tallat <mtallat@ksvadvisory.com>; zweigs@bennettjones.com; Danish Afroz <AfrozD@bennettjones.com>

Cc: Paterson, Louise (MAG); JUS-G-MAG-CSD-Toronto-SCJ Commercial List

Subject: CCAA Proceedings of 957855 Alberta Ltd. (formerly NewsWest Inc.) and Rosebud Creek Financial Corp. in respect of Metro 360 General Partnership (Court File No. CV-20-00642783-00CL)

Appearances:

See attached slip.

Endorsement:

This is a motion by the CCAA Entities (as defined in the motion materials) for an Order sanctioning the CCAA Entities' Plan of Compromise and Arrangement dated December 16, 2021 (the "Plan") pursuant to the CCAA and related relief.

The Plan results from extensive efforts by the CCAA entities, with assistance from the Monitor, to develop a restructuring plan that preserves the value of the CCAA Entities and their interests in subsidiaries, and provides creditors of the opportunity to be repaid in full over time. If implemented, the Plan will, among other things, provide for a significant initial cash distribution to Affected Creditors - an amount which, because Intercompany Claims would not participate in initial distribution, is projected to be greater than what Affected Creditors would receive in a bankruptcy or liquidation scenario - and enable Affected Creditors to potentially receive the rest of their claims over time through the proceeds of the Promissory Note (in the principal amount equal to the balance of all proven claims that remain after payment of all Convenience Class Creditors and the initial distribution to Affected Creditors) to be issued to the Monitor in trust for Affected Creditors other than Convenience Class creditors, all in exchange for the full and final settlement of the Affected Claims.

At the meeting of Affected Creditors to vote on the Plan held virtually on December 16, 2021, the Plan received unanimous support and was approved by every Affected Creditor present in person or by proxy. In addition, every Convenience Class Creditor was deemed to vote for the Plan as they will be paid 100% of their proven claims in cash on Plan implementation (or receive \$2,500 if such creditor elected to be treated as a Convenience Class Creditor).

The relevant facts are set out in the CCAA Entities' factum at paragraphs 5-25.

Pursuant to section 6 (1) of the CCAA, the Court has discretion to sanction a plan of compromise or arrangement if a majority in number representing two thirds in value of the creditors, or the class of creditors, as the case may be, agree to a compromise or arrangement. The general requirements for court approval of a CCAA plan are (a) there must be strict compliance with all statutory requirements; (b) all materials filed and procedures carried out must be examined to determine if anything has been done or purported to have been done which is not authorized by the CCAA; and (c) the plan must be fair and reasonable. See *Target Canada Co. (Re)*, 2016 ONSC 316, at para. 70, and cases cited therein.

I am satisfied that the statutory requirements for the sanction of the Plan under the CCAA have been satisfied. In this regard, I accept the submissions in the Factum of the CCAA, at paragraphs 29-34. I am also satisfied that nothing has been done or purported to be done that is not authorized by the CCAA. In this regard, accept the submissions in the CCAA Entities' Factum, at paragraphs 35-37. I am satisfied that the Plan is fair and reasonable. In this regard, I accept the submissions at paras. 38-41 of the CCAA Entities' Factum.

I am satisfied that the requested form of Order is proper. Order to issue in form of attached Order signed by me.

A handwritten signature in blue ink, appearing to read "Cavanagh J.", is enclosed in a light gray rectangular box.

Cavanagh J.