

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
COMMERCIAL LIST**

**IN THE MATTER OF THE PROPOSAL OF METRO 360
GENERAL PARTNERSHIP AND THE PARTNERS
THEREOF**

MOTION RECORD

(Motion returnable June 17, 2020)

GOODMANS LLP
Barristers & Solicitors
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Canada M5H 2S7

L. Joseph Latham LSO#: 32326A
jlatham@goodmans.ca

Andrew Harmes LSO#: 73221A
aharmes@goodmans.ca

Tel: 416.979.2211

Fax: 416.979.1234

Lawyers for 957855 Alberta Ltd. (formerly
NewsWest Inc.), Rosebud Creek Financial Corp.,
and Metro 360 General Partnership.

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Estate / Court File No.: 31-2636843

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
COMMERCIAL LIST**

**IN THE MATTER OF THE PROPOSAL OF METRO 360
GENERAL PARTNERSHIP AND THE PARTNERS
THEREOF**

NOTICE OF MOTION

(returnable June 17, 2020)

957855 Alberta Ltd. (formerly NewsWest Inc.) (“**Alberta HoldCo**”) and Rosebud Creek Financial Corp. (“**Rosebud HoldCo**” and, together with Alberta HoldCo, the “**Partners**”), as the partners of the Metro 360 General Partnership (“**Metro 360**” and, together with the Partners, the “**CCAA Entities**”), will make a motion before Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on June 17, 2020, at 11:00 a.m. or as soon thereafter as the motion can be heard by videoconference call in light of the COVID-19 crisis. Please refer to the videoconference details attached at Schedule “A” hereto in order to attend the motion and advise if you intend to join the motion by emailing Andrew Harmes at aharmes@goodmans.ca.

PROPOSED METHOD OF HEARING: The motion is to be heard orally by videoconference or, alternatively, in writing.

THE MOTION IS FOR:

1. An Order (the “**Initial Order**”), in substantially the form attached at Tab 3 of the Motion Record dated June 10, 2020 (the “**Motion Record**”), among other things:

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- (a) abridging and validating the time for service of this Notice of Motion and the Motion Record and dispensing with further service thereof;
- (b) declaring that the Partners are parties to which the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) applies;
- (c) declaring that Metro 360 shall have the benefits and protections set forth in the Initial Order;
- (d) authorizing the continuation under the CCAA of the proceedings under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), commenced by the Partners pursuant to the Notices of Intention to Make a Proposal filed on April 6, 2020 (the “**Proposal Proceedings**”);
- (e) appointing KSV Kofman Inc. (“**KSV**”), as an officer of the Court to monitor the assets, business and financial affairs of the CCAA Entities (in such capacity, the “**Monitor**”);
- (f) staying all proceedings and enforcement processes taken or that might be taken in respect of the CCAA Entities or their assets, properties and undertakings, or the directors and officers of the Partners, or the Monitor;
- (g) approving a key employee retention program to address the need to retain three key employees (the “**KERP**”) through the wind-down of the Literature Business;
- (h) authorizing the CCAA Entities to pay certain expenses incurred prior to, on or after the date of the Initial Order, subject to provisions of the Initial Order;

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- (i) continuing the Proposal Administration Charge (as defined in the Shapiro Affidavit, defined below) in the CCAA proceedings, as amended by the Initial Order, and granting the Directors' Charge and the KERP Charge (each as defined in the Shapiro Affidavit), and ordering that such charges, as among them, shall have the following relative priorities:
 - (i) *first* – the Proposal Administration Charge in the aggregate amount of \$300,000 in favour of the Monitor, legal counsel to the Monitor and legal counsel to the CCAA Entities; and
 - (ii) *second* – the Directors' Charge to a maximum amount of \$300,000 in favour of the Partners' directors and officers; and
 - (iii) *third* – the KERP Charge to a maximum amount of \$180,000 in favour of the beneficiaries of the KERP; and
 - (j) ordering the sealing of the confidential appendix to the Second Report (as defined below) containing details regarding the KERP;
2. An Order, in substantially the form attached at Tab 5 of the Motion Record, among other things, approving the First Report of the Proposal Trustee dated April 6, 2020 and the Second Report of the Proposal Trustee dated June 10, 2020 (the "**Second Report**"), and approving the activities and conduct of the Proposal Trustee as reported therein; and
 3. Such further and other relief as this Court deems just.

THE GROUNDS FOR THE MOTION are as follows:

4. Metro 360 is a general partnership established under the laws of Ontario which operates a multi-faceted business that, prior to completing the TNG Transaction (as defined below), was focused primarily on the wholesale distribution of books, magazines and newspapers to various single-copy retail customers across Canada (the “**Literature Business**”).

5. The Partners filed notices of intention to make a proposal on April 6, 2020 to initiate the Proposal Proceedings in order to implement the sale of the Literature Business to Great Pacific Enterprises Inc. dba TNG (the “**TNG Transaction**”).

6. KSV was appointed as the proposal trustee in the Proposal Proceedings (in such capacity, the “**Proposal Trustee**”). The TNG Transaction was approved by this Court on April 7, 2020 and closed the next day on April 8, 2020.

7. The sale of the Literature Business pursuant to the TNG Transaction, which was supported by the Proposal Trustee, provided value for the Literature Business and to date has facilitated the retrieval and return of Metro 360’s unsold inventory, thereby reducing by approximately \$25 million the amount of outstanding accounts payable currently due to Metro 360’s trade creditors.

8. The process of retrieving the significant amount of unsold Metro 360 inventory related to the Literature Business is a considerable undertaking, particularly in the current COVID-19 environment, and Metro 360 estimates that the process will take until at least the end of October 2020 to complete.

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9. The Partners are seeking to continue the Proposal Proceedings under the CCAA as the CCAA provides the most appropriate forum for these insolvency proceedings and presents the best possible chance of developing a restructuring plan that will maximize value and hopefully repay Metro 360's creditors in full. Given the time required to complete the inventory return process, it is unlikely that a proposal could be filed within the six month period provided under the BIA.

10. Metro 360 has been able to implement the TNG Transaction and has been working diligently since the closing of the TNG Transaction to wind-down the Literature Business, but requires additional time to complete this process, including the return and processing of unsold Literature Business inventory and the collection of outstanding accounts receivable related to the Literature Business.

11. In addition, Metro 360 and Rosebud HoldCo have other investments in operating businesses which can generate revenue and returns to assist with the debt repayment over time as such business investments advance and mature.

12. Metro 360 and the Partners, in such circumstances, are seeking to continue the Proposal Proceedings under the CCAA as Metro 360 and the Partners believe that the flexibility and stability afforded by the CCAA will enable Metro 360 to continue to operate its remaining operating businesses while completing the wind-down of the Literature Business and afford Metro 360 additional time for its business investments to mature, in each case so that a value maximizing restructuring plan can be developed and presented to creditors.

13. Metro 360 is currently unable to satisfy in full its obligations to creditors and is therefore insolvent, and requires continued protection from its creditors in the CCAA proceedings.

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Without the benefit of continued creditor protection, there could be an immediate and significant erosion of value to the detriment of all stakeholders.

14. Metro 360 requires the continued assistance of three key employees who are integral to Metro 360's efforts to wind-down the Literature Business, including with respect to the return and processing of unsold Literature Business inventory and the collection of outstanding accounts receivable, and has developed a key employee retention program (the "**KERP**") intended to assist Metro 360 in retaining such employees.

15. KSV, who is also the Proposal Trustee, has consented to act as Monitor in the CCAA proceedings if so appointed by the Court.

16. The confidential appendix to the Second Report contains the letter agreements setting out the terms of the KERP, which contain private and confidential personal compensation information regarding the KERP that Metro 360 believes should not be made publicly available.

17. Such other grounds as further set out in the affidavit of Daniel P. Shapiro sworn June 10, 2020 (the "**Shapiro Affidavit**").

18. The provisions of the BIA, including sections 50.4, and this Court's equitable jurisdiction thereunder.

19. The provisions of the CCAA, including sections 11.001, 11.02, 11.6, 11.7 and this Court's equitable jurisdiction thereunder.

20. Rules 1.04, 1.05, 2.03, 3.02, 16, 37, and 39 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended.

21. Section 137(2) of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended.
22. Such further and other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

23. The Shapiro Affidavit and the exhibits attached thereto;
24. The Second Report of the Proposal Trustee, to be filed in connection with this Motion;
25. The consent of KSV to act as Monitor of the CCAA Parties; and
26. Such further and other materials as counsel may advise and this Court may permit.

June 10, 2020

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, Canada M5H 2S7

L. Joseph Latham LSO#: 32326A
jlatham@goodmans.ca

Andrew Harmes LSO#: 73221A
aharmes@goodmans.ca

Tel: 416.979.2211
Fax: 416.979.1234

Lawyers for 957855 Alberta Ltd. (formerly NewsWest Inc.), Rosebud Creek Financial Corp., and Metro 360 General Partnership

SCHEDULE “A”

Videoconference Details

To join hearing using a computer:

<https://us02web.zoom.us/j/84212963165?pwd=OUM3Qmk5NHNIROxaQUVtei9sdm45Zz09>

Meeting ID: 842 1296 3165

Password: 230407

To join hearing by phone:

One tap mobile

+16475580588,,84212963165#,,1#,230407# Canada

+16473744685,,84212963165#,,1#,230407# Canada

Meeting ID: 842 1296 3165

Password: 230407

OR Dial by your location

+1 778 907 2071 Canada

+1 438 809 7799 Canada

+1 587 328 1099 Canada

+1 647 374 4685 Canada

+1 647 558 0588 Canada

Meeting ID: 842 1296 3165

Password: 230407

Find your local number: <https://zoom.us/u/aeaLmcB9q8>

<p>ONTARIO SUPERIOR COURT OF JUSTICE (IN BANKRUPTCY AND INSOLVENCY) COMMERCIAL LIST Proceeding commenced at Toronto</p>	
<p>NOTICE OF MOTION (returnable June 17, 2020)</p>	
<p>GOODMANS LLP Barristers & Solicitors 333 Bay Street, Suite 3400 Toronto, Canada M5H 2S7</p>	
<p>L. Joseph Latham LSO#: 32326A jlatham@goodmans.ca</p>	
<p>Andrew Harmes LSO#: 73221A aharmes@goodmans.ca</p>	
<p>Tel: (416) 979-2211 Fax: (416) 979-1234</p>	
<p>Lawyers for 957855 Alberta Ltd. (formerly NewsWest Inc.), Rosebud Creek Financial Corp., and Metro 360 General Partnership</p>	

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Estate / Court File No.: 31-2636843

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
COMMERCIAL LIST

**IN THE MATTER OF THE PROPOSAL OF METRO 360
GENERAL PARTNERSHIP AND THE PARTNERS
THEREOF**

AFFIDAVIT OF DANIEL P. SHAPIRO
(sworn June 10, 2020)

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Estate / Court File No.: 31-2636843

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
COMMERCIAL LIST

**IN THE MATTER OF THE PROPOSAL OF METRO 360
GENERAL PARTNERSHIP AND THE PARTNERS
THEREOF**

AFFIDAVIT OF DANIEL P. SHAPIRO
(sworn June 10, 2020)

I, Daniel P. Shapiro, of the City of Toronto, in the Province of Ontario, **MAKE OATH**
AND SAY:

I. INTRODUCTION

1. I am the President of 957855 Alberta Ltd. (formerly NewsWest Inc.) (“**Alberta HoldCo**”) and the President of Rosebud Creek Financial Corp. (“**Rosebud HoldCo**” and together, with the Alberta HoldCo, the “**Partners**”). The Partners are holding companies which together hold 100% of the interests of Metro 360 General Partnership (“**Metro 360**”). Accordingly, I have personal knowledge of the matters to which I depose in this affidavit. Where I do not possess personal knowledge, I have stated the source of my information and, in all such cases, believe it to be true. Neither the Partners nor Metro 360 waive or intend to waive any applicable privilege by any statement herein.

2. This affidavit is sworn in support of the Partners' motion for an Order (the "**Initial Order**"), among other things, taking up and continuing the Proposal Proceedings (as defined below) under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). While Metro 360 is not a party to the Proposal Proceedings (except to the extent that certain protections afforded to the Partners in the Proposal Proceedings were extended to Metro 360) and is not proposed to be an applicant in the CCAA proceedings, the Partners request that this Court exercise its jurisdiction to extend the stay of proceedings and certain other protections under the proposed Initial Order to Metro 360 as it is through Metro 360 that the Partners conduct their business operations. Both Alberta HoldCo and Rosebud HoldCo are holding companies which do not conduct any active business other than as acting as a partner of Metro 360, or holding investments in certain other operating entities. The only reason that Metro 360 is not an applicant in the CCAA proceedings is that it is a partnership, and thus incapable of being an applicant under that legislation.

3. Unless otherwise indicated, monetary references in this affidavit are references to Canadian dollars.

II. OVERVIEW

4. Metro 360 is a general partnership established under the laws of Ontario which operates a multi-faceted business that, prior to completing the TNG Transaction (as defined and described below), was focused primarily on the wholesale distribution of books, magazines and newspapers to various single-copy retail customers across Canada (the "**Literature Business**").

5. In my affidavit sworn on April 6, 2020 in these proceedings (the “**April 6 Affidavit**”), a copy of which (without exhibits) is attached hereto as Exhibit “A”, I provided considerable detail on Metro 360, the Partners, the Literature Business and the issues which were facing it at the time, the options considered by Metro 360 and the reason why the sale of the Literature Business (the “**TNG Transaction**”) to Great Pacific Enterprises Inc. dba TNG (“**TNG**”) was the only viable option and was of benefit to the stakeholders of Metro 360 and the Partners. I do not repeat herein the detailed background information on these matters which was contained in the April 6 Affidavit.¹

6. On April 6, 2020, the Partners filed notices of intention to make a proposal (each, an “**NOI**” and together, the “**Proposal Proceedings**”) pursuant to section 50.4 of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) to initiate proceedings to implement the TNG Transaction. The April 6 Affidavit was sworn in support of the approval of the TNG Transaction, which was also supported by KSV Kofman Inc. (“**KSV**”), in its capacity as the proposal trustee in the Proposal Proceedings (in such capacity, the “**Proposal Trustee**”). Copies of the NOIs are attached to this affidavit as Exhibits “B” and “C”. This Court granted an Approval and Vesting Order on April 7, 2020 approving the TNG Transaction, a copy of which is attached hereto as Exhibit “D”, and the TNG Transaction closed the next day on April 8, 2020.

7. As was detailed in the April 6 Affidavit and at the April 7, 2020 hearing, Metro 360 and the Partners believe that the sale of the Literature Business pursuant to the TNG Transaction, in conjunction with the collection of accounts receivable and the return of unsold inventory,

¹ Capitalized terms used in this affidavit that are not otherwise defined have the meaning given to such terms in the April 6 Affidavit.

combined with the continuation of Metro 360's other business operations, would maximize value in the circumstances and assist Metro 360 in its efforts to eventually develop and advance a restructuring plan that would result in full repayment to its creditors. Since part of that restructuring plan will depend upon the performance of Metro 360's other businesses and investments, and in light of current economic conditions in the pandemic, it is likely that any such plan will take more than 6 months to formulate.

8. In consultation with their professional advisors and the Proposal Trustee, Metro 360 and the Partners have determined that the CCAA provides the most appropriate forum for them to develop a restructuring plan that will maximize value and hopefully repay Metro 360's creditors in full. As referenced above, Metro 360 has other operating businesses and investments which can generate revenue and returns to assist with the debt repayment over time. Metro 360 and the Partners require the flexibility and stability afforded by the CCAA to enable Metro 360 to continue to operate its remaining businesses and afford additional time for its business investments to generate more value for the benefit of Metro 360's stakeholders. I believe that the CCAA is the most appropriate forum for Metro 360 and the Partners to pursue their restructuring, as the potential additional time which it affords will provide Metro 360 and the Partners with the best opportunity to develop and advance a restructuring plan that will further the stated intention of repaying Metro 360's creditors in full.

9. Accordingly, the Partners are seeking the proposed Initial Order to convert and take up the Proposal Proceedings under the CCAA.

10. The Partners are also requesting that certain protections and authorizations under the proposed Initial Order, including a stay of proceedings, be extended for the benefit of Metro 360. The Partners believe that such relief is appropriate in the circumstances as Metro 360 is the entity through which their partnership's operating business is conducted. While Metro 360 did not file a NOI in anticipation of this motion to convert the Proposal Proceedings to proceedings under the CCAA, the stay of proceedings and certain other protections provided in the Proposal Proceedings were extended to Metro 360 pursuant to an order of this Court granted on April 7, 2020 (the "**Procedure Order**"), a copy of which is attached hereto as Exhibit "E". It would be detrimental to Metro 360's operating businesses and overall restructuring efforts, and to the stakeholders of Metro 360, if it does not continue to benefit from a stay of proceedings following the conversion of the Proposal Proceedings to proceedings under the CCAA. The granting of the requested Initial Order will maintain stability for Metro 360's operating businesses while a restructuring plan is advanced under the CCAA, thereby providing the best opportunity for an orderly restructuring and a value-maximizing outcome for the benefit of Metro 360's stakeholders.

III. METRO 360'S OTHER BUSINESS INTERESTS

11. As part of Metro 360's efforts to diversify its activities, Metro 360 has invested in a number of emerging businesses. As shown on the corporate chart attached as Exhibit "F" to this affidavit, Metro 360 has investments in the following businesses: Well Ventures Corp. ("**Well Ventures**"); Handfuel Inc. ("**Handfuel**"); All Day Nutritionals Canada Ltd. ("**All Day Nutritionals Canada**") and All Day Nutritionals Inc. ("**All Day Nutritionals U.S.**" and,

together with All Day Nutritionals Canada, “**Swift Work Wellness**”); Spectral Agriventures Inc. (“**Spectral Agriventures**”); and Retail Support Services (Canada) Ltd. (“**RS2**”).

12. Details of Metro 360’s emerging business investments are as follows:

- (a) Well Ventures: Well Ventures, through its wholly-owned subsidiary Well Juicery Canada Ltd., is a Canadian health drink company. Well Ventures manufactures and distributes a variety of cold pressed juices, nutrient infused lemonades and kombucha drinks under the brand name “Well” to retailers and restaurants across Canada, and also develops and supplies private label drink brands. Well Ventures has also recently launched an organic vodka infused lemonade line of products that is currently sold in liquor stores in Ontario and Western Canada, and is expected to be distributed in the United States through an arrangement with a significant American national grocery retailer. Metro 360 holds an approximately 14% interest in Well Ventures.²

- (b) Handfuel: Handfuel is a Canadian healthy snack company which is focused on manufacturing flavourful and nutritious snack products for health conscious consumers. Handfuel has retail listings at a number of nationally recognized grocers and restaurants in Canada, and its product is also expected to be distributed in the United States beginning in late 2020 or early 2021. Metro 360 holds a 50% interest in Handfuel.

² Rosebud HoldCo also holds a 9.7% interest Well Ventures.

- (c) Swift Work Wellness: Swift Work Wellness produces a liquid supplement designed to support immune system health, enhance focus and improve energy. Swift Work Wellness' liquid supplement is dispensed through a cooler system and is marketed towards use in workplace break rooms as a means of improving workplace wellness and overall employee performance. Metro 360's interest in Swift Work Wellness consists of a 27% holding in All Day Nutritionals U.S., the U.S. parent, and a 45% interest in All Day Nutritionals Canada, the Canadian subsidiary.

- (d) Spectral Agriventures: Spectral Agriventures has developed a cost-efficient turnkey greenhouse model which has the potential to reposition how Canadian grocery retailers source produce and leafy greens. In particular, Spectral Agriventures' turnkey greenhouse model allows for produce to be grown and distributed within Canada on a cost-efficient basis, ensuring freshness, and a reduced carbon footprint, and maintaining price competitiveness against international growers. Metro 360 directly holds an approximately 8% interest in Spectral Agriventures and also has a 36% interest in Spectral Agriventures indirectly through Well Ventures.

- (e) RS2: RS2 has developed a methodology to collect, organize, analyze and sell retail sales data, with a specific focus on magazines. RS2 also owns, manages and sells a cover analyzer database to publishers which allows publisher to assess the performance of their own and competing titles. Metro 360 holds a 37% interest in

RS2, with the Jim Pattison Group (which is also the ultimate owner of TNG, the purchaser of the Literature Business) owning the remaining interest.

13. Well Ventures, Handfuel, Swift Work Wellness, Spectral Agriventures and RS2 are not applicants in the proposed CCAA proceedings.³

IV. UPDATE ON MATTERS SINCE THE COMMENCEMENT OF THE PROPOSAL PROCEEDINGS

14. Since commencing the Proposal Proceedings, Metro 360 and the Partners, in consultation with and with the assistance of the Proposal Trustee, have been working diligently to, among other things, implement the TNG Transaction, facilitate the return of unsold Literature Business inventory for credit and a reduction of the Metro 360 payables, collect the outstanding accounts receivable related to the Literature Business, maintain the stability of its remaining operating businesses (with a focus on its consumer packaged goods businesses) and continue to grow its business investments, manage relationships with key stakeholders, and begin the process of working towards developing and advancing a restructuring plan that maximizes value for the benefit of creditors and other stakeholders, as discussed further in this affidavit.

³ Rosebud HoldCo, in addition to being a Partner of Metro 360, also owns a 50% interest in United Library Services Inc. (“**ULS**”), a wholesale distributor of books to schools and libraries primarily in Western Canada. Metro 360 does not hold any interest in ULS.

A. Activities Since the Commencement of the Proposal Proceedings

15. Metro 360's activities since the April 7 hearing include the following:

- (a) As referenced above and described further below, Metro 360 completed the TNG Transaction on April 8, 2020 in accordance with the Approval and Vesting Order. In connection with the implementation of the TNG Transaction, representatives of Metro 360 have engaged with its major retail customers and hundreds of its smaller retail customers in an effort to assist with the transition of the Literature Business to TNG;
- (b) Metro 360 has been working diligently since the closing of the TNG Transaction to facilitate the return and processing of unsold Literature Business inventory (which is discussed further below) and to collect its outstanding accounts receivable;
- (c) Metro 360 and the Partners have undertaken efforts following the implementation of the TNG Transaction to eliminate or reduce certain redundant expenses and have also commenced efforts, where applicable, to market certain remaining surplus assets in order to generate additional proceeds and in this regard has sold certain vehicles generating recoveries of \$31,119.47 (plus HST), in accordance with the terms of the Procedure Order;
- (d) Metro 360 and its counsel have been in discussions with certain creditors and their representatives to provide information and responses with respect to various inquiries regarding the Proposal Proceedings;

- (e) Metro 360 has reduced its employee headcount by approximately 335 employees following the sale of the Literature Business (the majority of such employees being offered employment with TNG as part of the TNG Transaction) and has also implemented a temporary 20 percent wage cut for its management employees;
- (f) Metro 360 has continued paying its remaining employees and personnel and has remitted pension contributions in the ordinary course in accordance with existing practices and, as discussed in further detail below, has developed a key employee retention plan (discussed further below) in an effort to retain the services of selected key employees and prevent their departures; and
- (g) Metro 360 has continued paying suppliers for goods and services that were contracted for and provided to Metro 360 after the commencement of the Proposal Proceedings.

16. Senior management of Metro 360 and the Partners have met regularly with their counsel and with the Proposal Trustee to provide ongoing updates with respect to Metro 360's remaining business operations, interactions with stakeholders, and other developments during the Proposal Proceedings. I understand that the Proposal Trustee will be filing a report in connection with this motion (the "**Second Report**") that will further detail the activities of Metro 360 and of the Proposal Trustee since the commencement of the Proposal Proceedings.

B. Implementation of the TNG Transaction and Collection and Return of Unsold Inventory

17. As referenced above, the TNG Transaction closed on April 8, 2020. The first installment of the \$925,000 purchase price, in the amount of \$185,000, was paid to Metro 360 at closing, and the second purchase price installment of \$185,000 was made in May. There are three monthly purchase price installments which remain to be paid to Metro 360 pursuant to the terms of the Purchase Agreement, including the June payment which Metro 360 expects to receive in short order.

18. In connection with the closing of the TNG Transaction, 23 of Metro 360's 70 salaried employees and 268 of its approximately 300 hourly employees were offered employment with TNG. Metro 360 currently has a staff of 43 employees to assist, among other things, with the wind-down of the Literature Business, the collection of outstanding accounts receivable and the operation of Metro 360's ongoing business activities. Those Metro 360 employees who were not offered employment with TNG and whose services were no longer required as a result of the sale of the Literature Business were advised following completion of the TNG Transaction that their employment with Metro 360 was being terminated.

19. As advised in the April 6 Affidavit, at that time, Metro 360 had approximately \$35 million of refundable Literature Business inventory at retail accounts and with its logistics provider. Pursuant to the TNG Transaction and the terms of the Purchase Agreement, TNG agreed to retrieve and return all of Metro 360's unsold Literature Business inventory at TNG's sole cost and expense. Following the closing of the TNG Transaction, representatives of Metro

360 and TNG worked together to develop a detailed standard operating procedure to facilitate the retrieval and processing of this unsold Literature Business inventory.

20. As at May 23, 2020, approximately \$25.8 million of Metro 360's inventory has either been returned to suppliers and processed for refund through Metro 360's software system or sold in the normal course. The process of retrieving Metro 360's significant amount of unsold Literature Business inventory is a considerable undertaking, particularly in the current COVID-19 environment, and Metro 360 estimates that the process will take until at least the end of October 2020 to complete.

21. Metro 360, in consultation with the Proposal Trustee, has been working diligently with TNG to facilitate the retrieval and return of Metro 360 inventory in a timely manner and will continue to do so following the conversion of these Proposal Proceedings to proceedings under the CCAA.

C. Discussions with BNS

22. I am advised by Goodmans LLP ("**Goodmans**"), counsel to Metro 360 and the Partners, that in advance of the hearing to approve the TNG Transaction, Goodmans conducted searches of the personal property registry systems in respect of Metro 360 in the provinces in which it operates in order to determine whether there were any secured parties that required advance notice pursuant to the BIA, and that such searches did not reveal any registrations against Metro 360. I am also advised by Goodmans that further searches were performed in respect of the Partners shortly before the sale hearing, which searches showed a registration in Ontario in favour of the Bank of Nova Scotia ("**BNS**") against Rosebud HoldCo relating to Rosebud

HoldCo's guarantee of a non-revolving credit facility made available by BNS to me personally pursuant to a commitment letter dated December 21, 2018. Although there was no registration in respect of Metro 360, notice of the sale hearing and the relief being sought, along with copies of the relevant materials, were provided to representatives of BNS on the morning of such hearing.

23. Following the hearing, Goodmans engaged with counsel to BNS. During this time, it was determined that Metro 360 had also provided a guarantee, although no security interest was registered against Metro 360. BNS amended its registration after the NOI filing to add Metro 360 as a debtor. Following discussions amongst counsel, the parties agreed that reasonable notice would be provided to BNS in respect of any sale outside of the ordinary course of business, and that BNS would be added to the service list in these proceedings.

D. Disposal of Redundant or Non-Material Assets

24. As referenced in the April 6 Affidavit, at the time of the sale hearing, the Court was advised that Metro 360 was in the process of considering and pursuing a number of other potential transactions with respect to non-material assets and/or businesses not included within the scope of the TNG Transaction (the "**Non-Material Residual Assets**"). The Procedure Order authorized Metro 360 to enter into and complete any transaction for the Non-Material Residual Assets for proceeds not exceeding \$200,000 in any one transaction or \$400,000 in the aggregate.

25. In this regard, Metro 360 has sold certain vehicles generating recoveries of \$31,119.47 (plus HST), and is currently in the process of pursuing and considering various other options with respect to its Non-Material Residual Assets.

V. FINANCIAL SITUATION

26. As referenced above, Alberta HoldCo and Rosebud HoldCo are both holding companies and it is Metro 360 that is the principal operating entity through which the Partners conduct their business operations. Accordingly, the discussion in this section is focused on Metro 360's financial situation.

A. Financial Statements

27. A copy of Metro 360's reviewed financial statements as of December 31, 2019 is attached as Exhibit "G" to this affidavit. These are the most recent set of annual reviewed financial statements prepared by Metro 360's auditor.

28. In addition, a copy of Metro 360's unaudited balance sheet and fiscal year-to-date income statement for the period ended May 23, 2020 is attached as Exhibit "H" to this affidavit.

29. As at May 23, 2020, Metro 360 had total consolidated assets with a net book value of approximately \$32.5 million, and total consolidated liabilities of approximately \$34.9 million. The book value of Metro 360's assets includes illiquid assets, such as intercompany receivables and its business investments. It should also be noted that, after and as a result of the TNG Transaction, no borrowings are outstanding or permitted under the Credit Agreement dated as of October 17, 2012 between Metro 360 and the Toronto Dominion Bank ("TD"), as described in the April 6 Affidavit.

B. Unsecured Creditors

30. As at May 23, 2020, Metro 360 had approximately \$32.6 million in outstanding accounts payable due to trade creditors.

31. As referenced above and described in greater detail in the April 6 Affidavit, the disruption caused by COVID-19 left Metro 360 in significant arrears to its supplier base, with approximately \$65 million in current liabilities owed to unsecured creditors at the time of the sale hearing, approximately \$51 million of which was owed to trade creditors. Through the TNG Transaction and the sale, retrieval and return of approximately \$25.8 million of Metro 360's unsold inventory to date, Metro 360 has been able to significantly reduce the amount of outstanding accounts payable currently due to trade creditors.

C. Cash Position

32. As at June 4, 2020, Metro 360's cash balance was approximately \$11.1 million.

33. Metro 360, with the assistance of the Proposal Trustee, has prepared a 13-week cash flow forecast (the "**Cash-Flow Forecast**") as required by the CCAA. I understand that the Cash-Flow Forecast will be attached as an appendix to the Second Report.

VI. CONTINUATION OF THE PROPOSAL PROCEEDINGS UNDER CCAA

34. The Partners seek to continue the Proposal Proceedings under the CCAA pursuant to Section 11.6 of the CCAA. The CCAA is the best forum for these proceedings and presents the

best possible chance of maximizing value for all stakeholders of Metro 360, including its creditors.

35. I am advised by counsel that pursuant to the BIA, Metro 360 is required to file with the Proposal Trustee a proposal, which would be acceptable to creditors, within a maximum of six months from the commencement of the Proposal Proceedings. Metro 360 has been focused in the Proposal Proceedings on maintaining the stability of its remaining operating businesses following the completion of the TNG Transaction and facilitating the wind-down of the Literature Business, and it requires additional time in the current economic environment to develop a restructuring plan that can be presented to creditors. In addition, Metro 360's other business investments are advancing, but require further runway for maximum value to be realized as these are early stage businesses. Converting the Proposal Proceedings to proceedings under the CCAA will afford Metro 360 greater flexibility and additional time to focus on growing its ongoing business and investments, thereby maximizing value for stakeholders.

36. In addition, I am also advised by counsel that if the Proposal Proceedings continue and Metro 360 fails to make a proposal or if such a proposal is rejected by its creditors, or if Metro 360 fails to meet certain statutory timelines under the Proposal Proceedings, the Partners, and thus Metro 360, will be automatically deemed bankrupt.

37. I am advised that KSV, as the Proposal Trustee, supports the Partners' motion to continue the Proposal Proceedings under the CCAA and consents to its appointment as Monitor in the proposed CCAA proceedings.

VII. CCAA PROCEEDINGS AND THE RELIEF SOUGHT

A. Objective of the CCAA Filing

38. As described above and in further detail in the April 6 Affidavit, as a result of the general decline in the print market and the unprecedented challenges impacting Metro 360 and the Literature Business in connection with the COVID-19 pandemic, Metro 360 sought protection from its creditors under the BIA in order to facilitate the TNG Transaction in respect of the Literature Business so that the value remaining in such business could be preserved, creditor claims could be reduced through the going concern continuation of the Literature Business (which facilitates the retrieval and return of unsold Literature Business inventory and the collection of outstanding accounts receivable), and the jobs of hundreds of employees could be protected. The TNG Transaction has been completed, but Metro 360 continues to require protection from its creditors as Metro 360 is currently unable to satisfy in full its obligations to creditors and is therefore insolvent. Continued creditor protection will maintain stability for Metro 360's remaining operating businesses (including its consumer packaged goods businesses) and provide additional time for its business investments to mature so that a value maximizing restructuring plan can be presented to creditors.

39. As part of Metro 360's restructuring strategy, while under CCAA protection, it intends, among other things, to:

- (a) use the time and stability afforded by the CCAA to continue to manage the remaining Metro 360 operating businesses and further develop Metro 360's emerging business investments;

- (b) continue to collect outstanding accounts receivable related to the Literature Business and work with TNG to complete the retrieval and return of unsold Literature Business inventory;
- (c) continue to explore opportunities for the sale of Non-Material Residual Assets and enter into and complete transactions in respect thereof in accordance with the proposed Initial Order (which contains the same asset-disposition thresholds as are set out in the Procedure Order);
- (d) continue to grow Metro 360's ongoing business operations (including its consumer packaged goods businesses) and investments and enable such businesses and investments time to develop; and
- (e) develop a plan of compromise or arrangement within the CCAA proceedings that can be presented to Metro 360's creditors,

in each case with a view to maximizing value for Metro 360's creditors and eventually having Metro 360 emerge from creditor protection.

40. The flexibility afforded by the CCAA will allow Metro 360 time to continue to carry on its business operations in the normal course and undertake to wind-down the Literature Business while concurrently advancing a restructuring plan, thereby preserving going concern value and enabling its emerging business investments time to develop. Metro 360 believes that the continuation of the Proposal Proceedings under the CCAA will provide the best opportunity for

Metro 360 to complete an orderly restructuring and achieve a value-maximizing outcome for all stakeholders.

B. Relief Sought

(i) Stay of Proceedings and Extension of Relief to Metro 360

41. Metro 360 requires continued protection from its creditors. In the present circumstances, Metro 360 is currently unable to satisfy all of its liabilities as they become due and is therefore insolvent. Without the benefit of continued creditor protection, there could be an immediate and significant erosion of value to the detriment of stakeholders.

42. Although Metro 360 is not an applicant to these proceedings (since it is a general partnership rather than a “company” to which the CCAA applies), the Partners are requesting that the benefit of certain protections and authorizations of the Initial Order in favour of Alberta HoldCo and Rosebud HoldCo, including the stay of proceedings and the restriction on the ability of contract counterparties to terminate or amend pre-filing agreements due to insolvency, be extended for the benefit of Metro 360. It is essential that Metro 360 benefit from CCAA protection given that:

- (a) the stay of proceedings under the BIA and the restriction under the BIA on the ability of contract counterparties to terminate or amend pre-filing agreements due to insolvency have both been extended in the Proposal Proceedings to Metro 360 pursuant to the Procedure Order;

- (b) Metro 360 is the entity through which the Partners conduct their business operations as the Partners are holding companies that do not conduct any active business in the ordinary course, and it would be extremely detrimental to the Partners, to Metro 360, and to Metro 360's business operations and stakeholders if a stay of proceedings under the CCAA was not extended to Metro 360;
- (c) it would also be extremely detrimental if any of Metro 360's customers, suppliers or service providers ceased performing under existing agreements or tightened terms as a result of the conversion of the Proposal Proceedings to proceedings under the CCAA;
- (d) if any enforcement proceedings were commenced against Metro 360, it would cause significant disruption to the Partners and defeat the purpose of obtaining CCAA protection to preserve the stability of, and provide additional time to, Metro 360 and its business; and
- (e) any impairment or disruption of Metro 360's ongoing business will adversely impact its ability to file a plan of compromise or arrangement for consideration by its creditors.

43. In the absence of extending CCAA protection to Metro 360, the management team of Metro 360 would be required to expend considerable time and effort addressing the foregoing risks rather than working to address Metro 360's efforts to pursue a value maximizing restructuring plan. The extension of CCAA protection to Metro 360 will provide stability for its business operations and enable management to pursue a value-maximizing restructuring in an

orderly manner. Having regard to the circumstances, and in an effort to preserve and maximize value for the benefit of Metro 360's stakeholders, I believe that granting a stay of proceedings and extending the stay and certain related relief to Metro 360 is in the best interests of Metro 360 and all stakeholders thereof.

44. I am advised by Goodmans that, in accordance with recent amendments to the CCAA, the proposed Initial Order provides that the stay of proceedings granted thereunder can only be effective for up to 10 days, or until June 26, 2020 (the "**Stay Period**"). However, given that the Proposal Proceedings have been ongoing for more than 60 days, that the Proposal Trustee has already provided notice of the Proposal Proceedings pursuant to the BIA to all of Metro 360's creditors who were owed more than \$250 at the date of the NOI filing, and that this motion to convert the Proposal Proceeding will be served 7 days prior to the hearing date, the Partners and Metro 360 intend to ask the Court to assist in permitting a path to extend the Stay Period, beyond the initial 10-day Stay Period, for an additional 90 days without the cost of an additional attendance. I understand that KSV, as the proposed Monitor, is supportive of the assistance to be sought from the Court in this regard.

(ii) Payments During the CCAA Proceedings

45. During the course of the CCAA proceedings, Metro 360 intends to make payments for goods and services supplied after the issuance of the Initial Order in the ordinary course as set out in the Cash Flow Forecast (as defined below) and as permitted by the proposed Initial Order.

46. The Partners are seeking authorization pursuant to the proposed Initial Order to pay all reasonable expenses incurred by Metro 360 in carrying on its business in the ordinary course

after the date of the Initial Order, and to pay certain expenses, whether incurred prior to, on or after the date of the Initial Order, in respect of:

- (a) outstanding and future wages, salaries, commissions, compensation, employee benefits, pension contributions, vacation pay and expenses (including, without limitation, payroll and benefits processing and servicing expenses) payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any consultants, agents, experts, accountants, counsel, investment bankers and financial advisors and such other persons retained or employed by Metro 360 in respect of the CCAA proceedings at their standard rates or charges; and
- (c) amounts owing for goods or services supplied or to be supplied to Metro 360 that:
 - (i) were incurred during the Proposal Proceedings or pertain to such period; or
 - (ii) pertain to the period prior to the commencement of the Proposal Proceedings if, in the opinion of Metro 360 and with the consent of the Monitor, the supplier of the applicable good or service is critical to the operation or preservation of Metro 360's business.

47. Metro 360's remaining operating businesses require the commitment and support of employees and the continued supply of goods and services from key vendors and service providers during these CCAA proceedings. Metro 360 has maintained long-term relationships with key suppliers and service providers, including certain logistics or supply chain providers

which are critical to the operation of Metro 360's remaining business operations. Preserving these services on an uninterrupted basis is essential to maintaining the stability of Metro 360's remaining operations, as discontinuance could have an adverse impact on the operation and value of such businesses and the development and implementation of a value maximizing restructuring plan.

(i) *KERP*

48. Metro 360 has been working diligently since the closing of the TNG Transaction to wind-down the Literature Business, including to facilitate the return and processing of unsold Literature Business inventory and to collect outstanding accounts receivable related to the Literature Business.

49. In an effort to ensure that Metro 360 employees who are integral to the wind-down of the Literature Business continue their employment with Metro 360 in the circumstances, Metro 360, in consultation with the Proposal Trustee, has developed a key employee retention program (the "**KERP**") for three key employees in the receivable and accounting groups (the "**KERP Participants**") whose continued efforts with respect to the collection of accounts receivable and the overseeing of the return and processing of unsold Literature Business, are expected to maximize recoveries for the benefit of Metro 360's creditors.

50. Pursuant to the terms of the KERP, and subject to Metro 360 obtaining Court approval of the KERP, each of the KERP Participants would be entitled to receive a specified amount (the "**KERP Payment**") in one lump sum installment with payment of their final pay following September 30, 2020 (the "**Termination Date**"). In each case, the KERP Payment would be in

full and final satisfaction of any and all claims the KERP Participant might have had for severance or termination pay under statute or common law. In addition, each KERP Participant would be entitled to receive their wages to the end of their employment and, consistent with the treatment of other employees, would be entitled to file a claim for their unused vacation pay. As a condition to receiving this treatment, each KERP Participant had to sign a form of letter agreement, acknowledging these and other terms, and deliver a signed release of Metro 360 from all other claims related to their employment. In addition, a KERP Participant forfeits their entitlement to the KERP Payment if, among other things, they resign or their employment is terminated with cause prior to the Termination Date.

51. The KERP Participants have been and will continue to be essential to the success of the wind-down of the Literature Business, and in particular, the collection of outstanding accounts receivable related to the Literature Business and the accounting of significant amounts returned Literature Business inventory. Their continued commitment is key to Metro 360's efforts in this regard, and is expected to have a direct and substantial effect on enhancing creditor recoveries. The KERP Participants are long term employees of Metro 360 and their experience and expertise cannot be easily replicated or replaced within a reasonable period of time.

52. I understand that the letter agreements for each of the KERP Participants which set out the terms of the KERP will be included in a confidential appendix to the Second Report.⁴ If approved by the Court, the maximum amount of KERP Payments pursuant to the KERP is

⁴ Metro 360 is requesting that this confidential appendix be sealed as it contains private and confidential personal compensation information regarding the KERP Participants who have a reasonable expectation that their personal compensation information will not be publicly disclosed. In addition, disclosure of the specific KERP details could be harmful to Metro 360's commercial interests.

approximately \$180,000. It is contemplated that amounts owing under the KERP would be secured by a court-ordered charge (the “**KERP Charge**”) in the amount of \$180,000 over the assets, property and undertaking of Metro 360.

(ii) Proposed Monitor

53. It is proposed that KSV, who was appointed as the Proposal Trustee in the Proposal Proceedings, will act as monitor in the CCAA proceedings (in such capacity, the “**Monitor**”) if the proposed Initial Order is granted. KSV has consented to act as the Court-appointed Monitor in the proposed CCAA proceedings. A copy of KSV’s consent is attached to this affidavit as Exhibit “I”.

54. KSV became involved with Metro 360 in early March 2020 and was appointed as the Proposal Trustee in the Proposal Proceedings. The professionals of KSV who will have carriage over KSV’s involvement in the CCAA proceedings as Monitor are the same as those who were involved in the Proposal Proceedings in KSV’s role as Proposal Trustee, and therefore have knowledge of Metro 360, its operating businesses and investments, its financial circumstances and its restructuring efforts to date. I believe that KSV is in the best position to continue to assist Metro 360’s restructuring efforts as Monitor in the proposed CCAA proceedings.

(iii) Administration Charge

55. Pursuant to the Procedure Order, this Court granted a charge (the “**Proposal Administration Charge**”) in favour of the Proposal Trustee, legal counsel to the Proposal Trustee, and Goodmans, as legal counsel to Metro 360 and the Partners, in an aggregate amount not to exceed \$300,000, securing the fees and reasonable disbursements of these parties. The

Proposal Administration Charge ranked ahead of all Encumbrances (as defined in the Procedure Order) in favour of any creditors of the Partners or Metro 360.

56. Pursuant to the proposed Initial Order, the Partners are requesting that this Court continue the Proposal Administration Charge in the CCAA proceedings with the same priority as set out in the Procedure Order. For greater certainty, the proposed Initial Order provides that the Monitor, counsel to the Monitor and Goodmans will be entitled to the benefit of the Proposal Administration Charge as security for their professional fees and disbursements incurred in connection with services rendered both before and after the commencement of the CCAA proceedings.

57. It is contemplated that each of the aforementioned parties: (i) will have extensive involvement during the CCAA proceedings; (ii) have contributed and will continue to contribute to the restructuring of Metro 360; and (iii) will ensure that there is no unnecessary duplication of roles among the parties.

58. I understand that the Proposal Trustee is of the view that it is reasonable and appropriate in the circumstances to continue the Proposal Administration Charge in the CCAA proceedings.

(iv) Directors' Charge

59. The directors and officers of the Partners (the “**Directors and Officers**”) have been actively involved in efforts to address the current challenges circumstances facing Metro 360, including efforts with respect to the identification and negotiation of the TNG Transaction, the commencement of the Proposal Proceedings, discussions with key stakeholders regarding the

Proposal Proceedings and the sale of the Literature Business, and initial efforts with respect to the development of a value maximizing restructuring plan. The Directors and Officers have been mindful of their duties with respect to their supervision and guidance of Metro 360 in connection with the Proposal Proceedings and the potential continuation thereof under the CCAA pursuant to the proposed Initial Order.

60. It is my understanding, based on advice from counsel, that in certain circumstances, directors and officers can be held personally liable for certain corporate obligations, including in connection with salaries, wages, payroll remittances, vacation pay, harmonized sales taxes, and certain other corporate obligations. However, the Partners do not maintain an insurance policy to cover the Directors and Officers for liabilities they may incur as directors or officers of the Partners.

61. The Directors and Officers have expressed their desire for certainty with respect to potential personal liability if they continue in their current capacities. The Partners require the active and committed involvement of the Directors and Officers during the CCAA proceedings as they seek to develop and advance a restructuring plan to address Metro 360's current circumstances.

62. Accordingly, the Partners request a Court-ordered charge in the amount of \$300,000 over the assets, properties and undertaking of Metro 360 and the Partners (the "**Directors' Charge**") to secure the indemnity of the Directors and Officers in the Initial Order in respect of obligations and liabilities that they may incur during the CCAA proceedings in their capacities as directors and officers. The amount of the Directors' Charge has been calculated based on the estimated

potential exposure of the Directors and Officers, has been reviewed with KSV as the proposed Monitor, and will be detailed in the Second Report.

(v) *Priority of Charges*

63. It is contemplated pursuant to the proposed Initial Order that the priorities of the Proposal Administration Charge, the Directors' Charge and the KERP Charge (collectively, the "**Charges**"), as among them, will be as follows:

- (a) First – the Proposal Administration Charge (up to a maximum amount of \$300,000);
- (b) Second – the Directors' Charge (up to a maximum of \$300,000); and
- (c) Third – the KERP Charge (up to a maximum of \$180,000).

64. Consistent with the "model order", the proposed Initial Order provides for the Charges to rank in priority to all other security interests, trusts, liens, charges, encumbrances and claims of secured creditors, statutory or otherwise (collectively, the "**Encumbrances**") in favour of any person, except for the security interest of any secured creditor of Metro 360 who did not receive notice of this motion. However, I am advised by Goodmans that this motion will be served on every party named in the service list for the Proposal Proceedings, which includes both TD and BNS, the only parties who we believe could have a secured claim in respect of Metro 360 or the Partners, as well as upon representatives of the federal government and the Ontario provincial tax authorities. Accordingly, the Partners and Metro 360 believe that the Charges should have priority over all Encumbrances.

VIII. FUNDING METRO 360 DURING THE INITIAL CCAA PERIOD

65. As indicated in the Cash Flow Forecast to be appended to the Second Report, it is expected that Metro 360 will have sufficient cash resources during the 13-week period following the commencement of the proposed CCAA proceedings to continue to operate and grow its businesses and other investments, work towards completion of the remaining wind-down activities related to the TNG Transaction and the sale of the Literature Business, seek to complete additional value maximizing transactions in respect of the Non-Material Residual Assets, and develop a restructuring plan that can be presented to creditors, among other things. For all of these reasons, Metro 360 and the Partners are not seeking the approval of any financing arrangements or any charges related thereto.

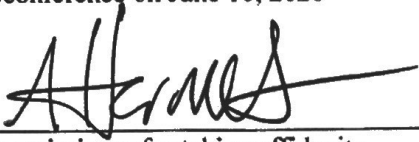
IX. CONCLUSION

66. In spite of the significant challenges facing Metro 360 as a result of the COVID-19 pandemic, Metro 360 has been able to complete the TNG Transaction and significantly reduce amounts outstanding to its trade creditors.

67. While Metro 360 has made significant progress to date in the Proposal Proceedings, Metro 360 requires the flexibility and stability afforded by the CCAA to continue to operate its remaining businesses and complete the wind-down of the Literature Business, including the collection of outstanding accounts receivable and retrieval and return of unsold inventory, and also allow its business investments time to advance and mature. Accordingly, the Partners are requesting that this Court grant the proposed Initial Order to convert and take up the Proposal Proceedings under the CCAA.

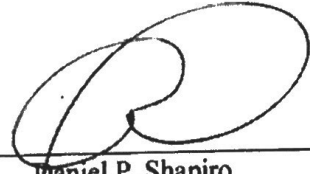
68. I believe that the relief sought by the Partners in the proposed Initial Order is in the best interests of Metro 360 and its stakeholders as it will provide Metro 360 with the best opportunity to develop and advance a restructuring plan that will further Metro 360's intention of repaying creditors in full.

SWORN BEFORE ME by two-way
videoconference on June 10, 2020



A Commissioner for taking affidavits
Name:

ANDREW HARMES



Daniel P. Shapiro

A

THIS IS EXHIBIT "A"
TO THE AFFIDAVIT OF DANIEL P. SHAPIRO
SWORN BEFORE ME BY TWO-WAY VIDEOCONFERENCE
THIS 10th DAY OF JUNE, 2020



Commissioner for Taking Affidavits

Estate / Court File No.: 31-2636843

Estate / Court File No.: 31-2636818

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
COMMERCIAL LIST

**IN THE MATTER OF THE NOTICES OF INTENTION TO
MAKE A PROPOSAL OF 957855 ALBERTA LTD.
(FORMERLY NEWSWEST INC.) AND ROSEBUD CREEK
FINANCIAL CORP. IN RESPECT OF METRO 360
GENERAL PARTNERSHIP**

AFFIDAVIT OF DANIEL P. SHAPIRO
(sworn April 6, 2020)

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AFFIDAVIT OF DANIEL P. SHAPIRO
(sworn April 6, 2020)

I, Daniel P. Shapiro, of the City of Toronto, in the Province of Ontario, **MAKE OATH
AND SAY:**

I. INTRODUCTION

1. I am the President of 957855 Alberta Ltd. (formerly NewsWest Inc.) (“**Alberta HoldCo**”) and the President of Rosebud Creek Financial Corp. (“**Rosebud HoldCo**” and together, with the Alberta HoldCo, the “**Partners**”). The Partners are holding companies which together hold 100% of the interests of Metro 360 General Partnership (“**Metro 360**” or the “**Partnership**”), a multi-faceted marketer of information and entertainment products, including magazines, books, newspapers, audio and visual media, and consumer packaged goods. Accordingly, I have personal knowledge of the matters to which I depose in this affidavit. Where I do not possess personal knowledge, I have stated the source of my information and, in all such

cases, believe it to be true. Neither the Partners nor the Partnership waive or intend to waive any applicable privilege by any statement herein.

2. Earlier today, on April 6, 2020, the Partners filed notices of an intention to make a proposal (each, an “**NOI**” and together, the “**NOIs**”) pursuant to section 50.4 of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”). KSV Kofman Inc. is named as the proposal trustee under the NOIs (“**KSV**” or the “**Proposal Trustee**”).

3. As further described below, the Partners filed the NOIs in response to significant financial challenges which Metro 360 began to face many years ago but have accelerated in light of recent global developments, including the COVID-19 pandemic and, in particular, to implement a sale transaction in respect of Metro 360’s magazine and book wholesale distribution business (the “**Literature Business**”). Book sales have declined generally and significantly during the pandemic; and magazine sales have been declining generally and have now experienced immediate and exponential sales declines as retailers have either been forced to temporarily close or in some cases have elected not to receive or display magazines. In addition, many of Metro 360’s store-level employees have elected not to work during the COVID-19 pandemic and, as a result, the magazine and book products are not being displayed at many of Metro 360’s larger retail accounts. Metro 360’s supply and distribution lines have been brought to a complete standstill, leading to most significant suppliers having already terminated key contracts with Metro 360 or simply refusing to ship new product.

4. These events have collectively and significantly exacerbated certain existing business and financial challenges related to the broader industry in which Metro 360 and the Literature Business operate, and caused a significant erosion of value to the Literature Business to the point

where this portion of Metro 360's business is days from being completely discontinued. It is critical that Metro 360 and the Partners take immediate action to preserve the value that remains in the Literature Business and protect hundreds of jobs through the closing of the proposed sale transaction discussed below.

5. While Metro 360 has undertaken efforts to address these unprecedented challenges, including investing significant capital into the business in the months leading up to the COVID-19 pandemic, the Literature Business has reached a critical point in these circumstances. The unexpected market shut-down has left the Literature Business in significant arrears to its supplier base, with approximately \$65 million in current liabilities owed to unsecured creditors. Needing an urgent solution to stabilize the Literature Business, the Partnership began exploring potential options for an expedited sale of the Literature Business.

6. Fortunately, these sale efforts have culminated in a sale agreement that, subject to the approval of this Court and satisfaction of the other closing conditions, will see Great Pacific Enterprises Inc. dba TNG ("**TNG**" or the "**Purchaser**") acquire, among other things: (i) all customer and title records of Metro 360; (ii) any and all magazine racks at Metro 360 customer locations; and (iii) the goodwill of Metro 360 in respect of its Canadian customers (the "**Transaction**"). In addition to these assets, the Purchaser will make offers of employment to almost 300 of Metro 360's employees and assume certain key customer contracts, for the significant direct benefit of those employees and contract-counterparties of Metro 360, all as more fully discussed below.

7. The Transaction is an important step for the Partnership and its stakeholders in the circumstances. As further discussed below, I understand that the Paperback and Periodical

Distributors Act (as defined and discussed below) makes Canadian ownership a condition for the registration of any businesses engaged in the distribution of paperback and periodical publications, effectively limiting the market of prospective purchasers for the Literature Business to only TNG, which is a Canadian operation. The only businesses in this industry in Canada are TNG and Metro 360. Based on such ownership restrictions and overall timing and market conditions, the Partnership and the Partners decided, in consultation with KSV, that an extensive sales process is not practical or appropriate in the circumstances, and elected to focus solely on approaching TNG to develop a potential sale transaction in respect of the Literature Business in real time.

8. Despite the limited market, the Partnership believes that the Transaction represents the only available transaction in the unique circumstances of this market. The Transaction provides value for the Literature Business and will see the Literature Business continue on a going concern basis for the benefit of customers, suppliers, and close to 300 employees. The Partnership, with the assistance of its professional advisors and KSV, has determined that the sale of the Literature Business pursuant to the Transaction, in conjunction with the collection of accounts receivable and the return of unsold inventory at retail locations, combined with the continuation of the Partnership's other business operations, represents the best available alternative in the circumstances and will allow the Partnership to work towards presenting a restructuring plan to Metro 360's creditors at a later time that will maximize value and recoveries to them. As a result, the Partners are seeking approval to proceed with the Transaction at this time, with the full support of KSV, as the Proposal Trustee.

9. While the purchase price being paid for the limited set of assets being sold under the Transaction (which are, essentially, customer lists, certain equipment and goodwill) is not overly

significant in the larger context of Metro 360's liabilities, the Transaction presents a series of other valuable benefits beyond just the purchase price:

- (a) the Transaction does maximize value for the purchased assets, such as they are;
- (b) the Transaction offers employment to a significant number of employees;
- (c) the Transaction involves the assumption of certain key customer contracts by the Purchaser, which is the largest player in Canada in this market, for the direct benefit of those contract-counterparties;
- (d) the Transaction represents the only reasonable opportunity for Metro 360 to access unsold or dated products, which represent a significant amount of refundable inventory (in the approximate amount of \$37 million), as TNG has agreed under the Transaction to retrieve all unsold inventory from retail accounts serviced by Metro 360 and process such returns for Metro 360's account. If successful, the retrieval and return of Metro 360's unsold inventory through TNG will significantly reduce the amount of supplier claims that will exist against the Metro 360 estate as this product is returnable for full credit;
- (e) the Transaction will improve Metro 360's ability to collect a significant amount of receivables that are owed to it (in the approximate amount of \$13 million), as the continuation of product flow to Metro 360's historic customers from TNG and the retrieval by TNG of Metro 360's unsold inventory will help Metro 360 to settle its customer accounts and reduce the risk that customers will assert set-off claims resulting from a disruption in supply; and

- (f) with the benefit of time, the Transaction will give Metro 360 a continuing ability to raise and realize value for its creditors through the above activities, the continuation of Metro 360's other business interests and the disposition of other assets of Metro 360 at the appropriate time, all keeping in mind the timing considerations that may exist and are likely material in light of the COVID-19 pandemic and related market disruption.

10. All of these benefits taken together establish, in my view, that the Transaction maximizes value for the assets being sold, and realizes several other material benefits referenced above that will serve to continue employment, significantly reduce creditor claims against Metro 360, and maximize Metro 360's ability to realize effectively on refunds and collections. Taken together, these benefits are material and significant to Metro 360 and its creditors and enhance the long-term viability of Metro 360, which will also allow it to formulate a restructuring plan for the benefit of its creditors.

11. In addition to seeking approval of the Transaction, the Partners are also seeking an Order, among other things: (i) administratively consolidating the proceedings related to the Partners' NOIs since the filing of such NOIs relate to Metro 360 and its business operations; (ii) approving a first priority administration charge in the aggregate amount of \$300,000; (iii) extending the stay of proceedings and other basic BIA protections resulting from the NOIs to Metro 360; (iv) approving the granting of an extension of the time to file a proposal and the corresponding stay of proceedings; and (v) authorizing Metro 360 and/or the Partners to complete the sale of redundant or non-material assets without further order of this Court for proceeds not exceeding \$200,000 in any one transaction or \$400,000 in the aggregate, in each case with the prior

approval of the Proposal Trustee. This affidavit is sworn in support of the Partners' motion seeking the foregoing relief.

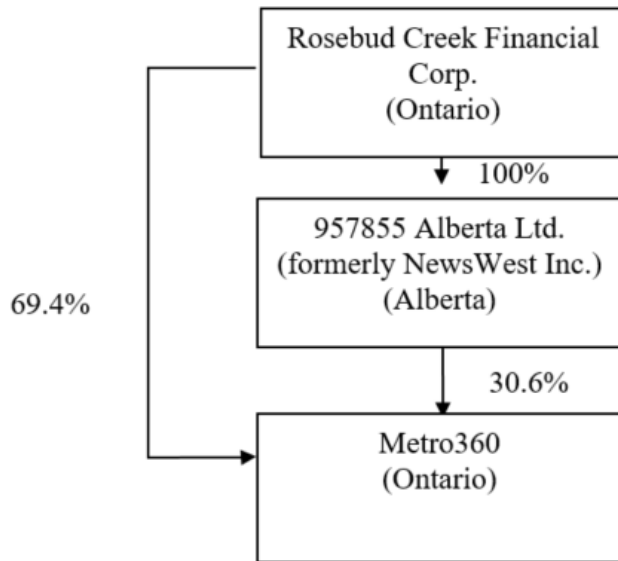
II. METRO 360

A. Overview of Corporate Structure

12. A corporate chart showing the organizational structure of the Partnership (and its other interests) is attached as Exhibit "A" to this affidavit.

(i) Metro 360

13. Metro 360 is a general partnership established under the laws of Ontario. As shown below, its partners are Alberta HoldCo and Rosebud HoldCo.



14. Metro 360 is the entity through which the Literature Business is operated, and including its predecessor entities, is approximately 100 years old. Metro 360 represents the consolidation of at least fourteen predecessor companies with roots in Alberta, Saskatchewan, Manitoba,

Ontario and Quebec. The consolidation of Metro 360 and its predecessor entities over the years was driven by significant contraction in the paperback and periodical print and distribution industry, largely due to the emergence of the internet and social media platforms. Density, sales volumes and cost reductions through consolidation were required for wholesalers and distributors to remain viable. Today, there are only two magazine and book wholesalers in Canada of any substance, being Metro 360 and the Purchaser.

15. As discussed further below, Metro 360 is also a wholesale distributor of various food brands, music (both compact discs and vinyl records), consumer electronic accessories and a line of “As Seen on TV” items, and provides various merchandising services to third parties. All of these other businesses of Metro 360 are in addition to the Literature Business. Further details concerning these other business operations of Metro 360 are provided below.

16. Metro 360’s principal liabilities consist of the trade liabilities related to the Literature Business and its other business operations. Metro 360 is also the borrower under a credit agreement dated as of October 17, 2012 between Metro 360, as borrower, and the Toronto Dominion Bank (“**TD**”), as lender (the “**Credit Agreement**”), pursuant to which TD has made available to Metro 360 a revolving credit facility in the aggregate amount of \$4 million. However, Metro 360 has not currently drawn any amounts under the Credit Agreement, and as such, it does not have any secured debt obligations outstanding. Notice of this motion was given to TD in any event.

(ii) *Alberta HoldCo*

17. Alberta HoldCo is a company incorporated under laws of Alberta. The registered office of Alberta HoldCo is in Calgary and its physical address is located in Scarborough, Ontario.

18. Alberta HoldCo is a holding company and owns a 30.6% interest in Metro 360.

19. Alberta HoldCo does not conduct any active business in the ordinary course other than acting as a partner of Metro 360, and, as a pure holding company with only an interest in Metro 360, does not have any cash, third-party creditors or other interests or investments.

(iii) Rosebud HoldCo

20. Rosebud HoldCo is a company amalgamated pursuant to the laws of Ontario. The registered office and physical address of Rosebud HoldCo are both located in Scarborough, Ontario.

21. Rosebud HoldCo is a holding company and owns a 69.4% interest in Metro 360, with the other 30.6% interest in Metro 360 being held by Alberta HoldCo. Rosebud HoldCo also holds a number of illiquid investments in other businesses.

22. Rosebud HoldCo does not conduct any active business in the ordinary course other than (i) acting as a partner of Metro 360, and (ii) holding illiquid investments and interests in various other operating entities. As a pure holding company, Rosebud HoldCo does not have any cash or third-party creditors.

B. Metro 360's Business Operations

23. Metro 360 operates a multi-faceted business employing a total of approximately 350 full and part-time employees which is focused primarily on the wholesale distribution of books, newspapers, audio and visual media, consumer electronic accessories and consumer packaged goods. Although a recent diversification effort has expanded Metro 360's business operations, its

core business is the Literature Business. A detailed corporate chart showing Metro 360's various business interests is attached as Exhibit "A" to this affidavit.

(i) *The Literature Business*

24. The Literature Business consists of the wholesale distribution of books, magazines and newspapers to various single-copy retail customers across Canada. Metro 360 receives product in bulk from its publishing partners, and through its logistics providers, delivers such product to more than 4,500 retailers from Alberta to the Quebec/New Brunswick border. Metro 360 has thousands of magazine and book titles available, covering a wide array of genres. The Literature Business is a legacy business of Metro 360, having been commenced by the Shapiro family in the early 1940s.

25. The Literature Business uses a relatively complex and proprietary software system to manage product allocations specific to each store size and the demographic profile of the shoppers in the area to optimize sales in every region of Canada. To my knowledge, the Purchaser is the only other entity operating in Canada with a system of this kind, which, as discussed further below, also makes the Purchaser the only logical and practical buyer for Metro 360's Literature Business.

26. This software system is also used to manage reverse logistics to account for the removed unsold product from retailers, as Metro 360, through a highly customized system, returns such unsold product to its publisher suppliers for full credit and simultaneously applies a credit to its retail customers. In connection with the Transaction, Metro 360 and the Purchaser will be able to work together to maximize Metro 360's ability to return inventory and thereby minimize, to the greatest extent possible, the amount of creditor claims that will exist against Metro 360.

(ii) *Customers*

27. The Literature Business services an expansive retail customer base of approximately 4,500 locations across Canada. Customers of the Literature Business mostly consist of independent retailers, regional grocery chains, convenience and drug retailers, and gas service stations. Generally speaking, customers in this space that are not serviced by Metro 360 in Canada, are serviced by the Purchaser.

(iii) *Suppliers*

28. As a wholesale distribution focused business, Metro 360 has many suppliers that are critical to its operations. With respect to the Literature Business, Metro 360 provides publishers with a route to market and sell their product, and accordingly, has maintained long-term relationships with a number of key publishers and literary suppliers.

29. As discussed further below, Metro 360 is currently in significant arrears with its supplier base and most key suppliers have already halted further supply. This discontinuance has had a significant and essentially terminal impact on Metro 360's ability to continue the Literature Business and it is only through the Transaction that Metro 360 will be able to re-establish a supply line to Metro 360's existing retail customer contracts .

(iv) *Employees*

30. Metro 360 currently employs approximately 350 employees, comprised of 70 salaried employees and approximately 300 hourly employees. Approximately 20 employees have been recently subject to a temporary layoff. None of Metro 360's employees are unionized.

31. Metro 360's employees are spread across the provinces of Alberta, Saskatchewan, Manitoba, Ontario and Quebec, with approximately 60 percent located in Ontario.

32. Metro 360's salaried employees are paid semi-monthly (24 pay periods per year), and its hourly employees are paid weekly. Prior to the COVID-19 pandemic, Metro 360's monthly payroll obligation was approximately \$370,000. This has recently been reduced as all management employees have accepted a 20% temporary salary reduction.

33. Metro 360's Ontario-based employees participate in a defined contribution pension plan administered through the Partners (originally established by Metro News East), pursuant to which employees are required to contribute a certain percentage of their earnings, with Metro 360 matching such contributions on a dollar-for-dollar basis (the "**Pension Plan**"). Benefits for employees under the Pension Plan used to be provided on a defined benefit basis but the defined benefit portion of the Pension Plan has been wound up.

34. Metro 360 contributed of approximately \$261,000 in 2019 to the Pension Plan. As at April 1, 2020, the Pension Plan is fully funded.

(v) *Other Business Operations of Metro 360*

35. As shown on the corporate chart attached as Exhibit "A" to this affidavit, Metro 360 also has a variety of other business operations and interests. Metro 360 has developed a presence in the consumer packaged goods space, both as a wholesale distributor for a variety of established consumer packaged goods brands, including food brands, music (both compact discs and vinyl records), consumer electronic accessories and a line of "As Seen on TV" items, and as an investor in three emerging consumer packaged goods businesses. Metro 360's consumer packaged goods investments include: (i) an approximately 14% interest in Well Ventures Corp., a cold pressed juice and kombucha company; (ii) a 50% interest in Handfuel Inc., which is a snack business that has retail listings at a number of nationally recognized grocers; (iii) a 45%

interest in All Day Nutritionals Canada Ltd. and a 27% interest in its parent, Swift Work Wellness, which is a U.S.-based producer of a liquid supplement designed for immunity support and marketed towards workplace break rooms; and (iv) certain direct and indirect interests in Spectral Agriventures Inc., which has developed a cost-efficient turnkey greenhouse model. These investments, among others, are advancing but require further runway for value to be realized.

36. Further, Metro 360 also leverages its expertise in the retail industry by offering merchandising services to third parties, which services include, among other things, maintaining retail display shelving and performing “mystery shopping” services to measure the quality of sales and service.

III. MATTERS LEADING UP TO THE NOI FILINGS

A. Business and Financial Challenges

37. Although Metro 360 and its predecessor entities have been servicing the Canadian paperback and periodical distribution industry for approximately 100 years, the Partnership has been impacted over the last number of years by challenging market conditions and changing consumer trends which are moving away from print mediums and toward online and other digital platforms. The recent proliferation of smartphones and social sharing, in particular, has impacted consumer behaviour and led to declines in the single-copy newsstand industry that Metro 360 services. Illustrative of the challenges facing Metro 360 and the broader industry in which the Literature Business operates is the fact that there are currently only two magazine and book wholesalers in Canada of any substance: Metro 360 and the Purchaser (TNG). There were as

many as 33 industry participants prior to a prolonged and significant period of consolidation where scale was used to combat the disruption caused by the emergence of alternative platforms.

38. Metro 360 had been able to survive in this increasingly challenging market environment through its own acquisition and consolidation efforts, however, the Literature Business' sales have been declining at an average annual rate over the last decade of approximately 10 percent. Net sales for Metro 360 overall were approximately \$120 million in 2019 (approximately \$103 million of which was attributable to the Literature Business), down from approximately \$470 million at its peak 12 years ago. The significant decline in sales revenue has had a negative impact on the overall business of Metro 360 and, although it has no secured debt outstanding, the Partnership has made only marginal profits over the last number of years.

39. Over the last approximately six months, Rosebud HoldCo and Alberta HoldCo, as Metro 360's partners, along with myself personally and a third-party investor, have invested approximately \$6.7 million of capital into Metro 360 in an effort to improve its overall financial and liquidity position. In addition, Rosebud HoldCo recently sold its interest in a joint venture company for approximately \$1 million to one of Metro 360's service providers, which in turn agreed to satisfy the purchase price through a corresponding reduction in the payables owing to it from the Partnership. It was management's intent that the foregoing cash funding and accounts payable reduction would provide sufficient runway for Metro 360 to continue its diversification efforts and also potentially pursue and complete a sale process for the Literature Business in due course.

40. However, the overall financial position of the Literature Business, while affected by difficult market conditions over the last number of years, has now been effectively brought to a

crippling halt by the COVID-19 pandemic. The outbreak has led to over 350 retail customers of the Literature Business temporarily closing, while many others are either not accepting deliveries or are removing their magazines due to the perception that magazines are touched by many people prior to their eventual sale, and to focus on other products deemed to be more essential in the circumstances. Supply channels have also been disrupted as delivery drivers at Metro 360's logistics provider have been unable to work, leaving new product stranded and Metro 360 unable to complete deliveries to its retail customers that remain open and receiving new product. Metro 360's merchandiser field force has also been impacted as many such employees have elected not to work in the field due to COVID-19 concerns and, as a result, Metro 360 has been forced to halt shipments to at least 14 of its best performing accounts.

41. With old product stranded at retailers, new product stranded with the logistics provider, magazine sales having nearly evaporated and book sales lagging, year over year sales in March 2020 for the Partnership were down by approximately 30 percent. It is also currently projected that April 2020 sales will be down approximately 50 to 60 percent as compared to April 2019. In these circumstances, Metro 360 fell into significant arrears to its supplier base and was unable to make certain supplier payments which became due and payable at the end of March 2020. This led to several key suppliers, which in the aggregate provide approximately 75 to 80 percent of Metro 360's product, halting further supply. This in turn means that, with no supply, Metro 360 will also very soon be in material breach of its retail customer agreements, at which time the value of its customer lists, which are included as a purchased asset to be sold to the Purchaser in the Transaction, will lose value, and its accounts receivable will be increasingly difficult to collect. Indeed, the purchase price under the Transaction reflects the stress on the business and will be reduced further or will evaporate if the Transaction is not completed as soon as

practically possible, as reflected in the closing conditions to the Transaction, which are summarized below.

B. Strategic Alternative Efforts

42. Despite the Partnership's efforts to date to manage the unprecedented economic circumstances and significant financial challenges facing Metro 360 and the Literature Business more particularly, it became apparent that an urgent solution was needed to manage supplier, customer and employee relationships and otherwise stabilize the Literature Business. In such circumstances, the Partnership began exploring potential options for an expedited sale of the Literature Business to a third-party purchaser that would be able to quickly take over and transition such business, most likely within an existing wholesale distribution network, so that the value of the Literature Business could be preserved. In this regard, KSV began working with Metro 360 approximately one month ago in order to consider restructuring alternatives and options available for Metro 360 and its stakeholders.

43. Complicating such sale efforts, however, is the fact that the market for potential purchasers of the Literature Business is restricted both by protectionist legislation and the results of consolidation. With respect to protectionist legislation, I am advised by Goodmans LLP ("**Goodmans**"), legal counsel to Metro 360 and the Partners, and understand that the *Paperback and Periodical Distributors Act, 1971* (the "**Paperback and Periodical Distributors Act**") requires that businesses engaged in the distribution of paperback and periodical publications in Ontario meet certain Canadian ownership requirements. As for consolidation, the widespread consolidation over the last 30 or so years has left very few remaining market participants that could be targeted as a potential strategic buyer. Outside of Metro 360, the only other significant

player in the Canadian paperback and periodical distribution business is the Purchaser, TNG. In fact, for this reason, Metro 360 has for some time had viewed TNG as the only real and viable potential transaction counterparty and therefore focused its sale efforts mainly on TNG, including since prior to the onset of the COVID-19 crisis.

44. Another further complicating factor to the potential sale of the Literature Business is the software system that is used to manage all product allocations and to manage reverse logistics. It is my view that a third-party purchaser (other than TNG) without experience with and access to such systems would face significant challenges in integrating the Literature Business and would likely not, as a result, offer the same value that TNG has offered.

45. In light of such circumstances, and based on overall timing and market conditions, the Partnership decided, in consultation with KSV, that an extensive sales process would not be a constructive use of time and resources, and elected instead to focus solely and squarely on approaching TNG to seek to negotiate a transaction on an expedited basis that could preserve the value of the Literature Business. These negotiations ultimately resulted in the Transaction.

C. Development of the Transaction

46. Once it became apparent that a transaction – or more specifically, a transaction that could be completed on an expedited timeline – was necessary in the circumstances and that TNG was in fact likely the only prospective third-party purchaser that could execute such a transaction given the legislative restrictions and limited market, Metro 360, in consultation with its professional advisors and KSV, engaged with TNG to discuss a potential transaction whereby TNG would acquire the Literature Business. Following initial discussions, the parties developed a non-binding term sheet which set out the principal terms on which TNG would acquire certain

assets of the Literature Business, including the book and magazine customer list, goodwill, and such other assets as the parties may agree.

47. Following further review, discussion and negotiation, the Partnership, with the assistance of its professional advisors and in consultation with KSV, and in the exercise of its business judgement, determined that the Partnership should proceed with the Transaction as the best available option in the circumstances and Metro 360 and TNG proceeded to finalize and execute the Purchase Agreement (as defined below).

48. In the extraordinary circumstances facing Metro 360 and the Literature Business, the Partnership believes that the Transaction, in conjunction with the collection of accounts receivable and the return of unsold or dated inventory, which will be facilitated by the completion of the Transaction, combined with the continuation of the Partnership's other business operations, represents the best (and only) available alternative in the circumstances and will allow the Partnership at a later time to present a restructuring plan to Metro 360's creditors that will maximize value and support the Partnership's intention of repaying its creditors in full. Of note, the Transaction will see the going concern sale of the Literature Business, which otherwise would likely be required to cease operations and be liquidated, for cash value payable upon closing of the Transaction that will form the base of a creditor pool to be used to advance an eventual restructuring plan. Additional benefits of the proposed Transaction include:

- (a) TNG making offers of employment to 23 of Metro 360's 70 salaried employees and 268 of its approximately 300 hourly employees;¹

¹ Two of Metro 360's salaried employees will only be receiving a six month contract offer from TNG.

- (b) TNG assuming and agreeing to perform certain of Metro 360's retail customer contracts, thereby facilitating the continued distribution and delivery of literature product for the benefit of such customers;
- (c) although TNG is not assuming any of Metro 360's supplier agreements, TNG has existing relationships with the majority of Metro 360's suppliers and is therefore expected to come to arrangements with such suppliers for increased supply, as appropriate;
- (d) TNG is not acquiring any of Metro 360's accounts receivable, leaving Metro 360 to collect outstanding accounts receivable. The Partnership estimates that there is approximately \$13 million in outstanding accounts receivable to be collected. Completion of the Transaction is expected to help facilitate Metro 360's accounts receivable collections given that product will continue to flow to these customers from TNG as a result of the Transaction, and disruption in supply should be minimized or non-existent. Further, with TNG agreeing to retrieve and return all of Metro 360's unsold inventory, Metro 360 will be better able to settle its customer accounts as customers in this industry deduct returns from their payments;
- (e) TNG is not acquiring any of Metro 360's inventory. Metro 360 estimates that it has approximately \$22 million of inventory currently with retail customers and an additional \$15 million with its logistics provider, all of which is fully returnable for a corresponding dollar-for-dollar reduction in amounts owed to suppliers. TNG has agreed pursuant to the Transaction to facilitate the pickup and return of

Metro 360's unsold inventory for processing at its sole cost and expense, which will greatly assist the refund process and directly cause a reduction of claims that would and could otherwise be made against Metro 360's estate; and

- (f) TNG has agreed to enter into a services agreement with CMMI Canadian Mass Media Inc. ("CMMI"), a company related to Metro 360, pursuant to which TNG will provide certain services to CMMI that have historically been performed by Metro 360, including services relating to billing and collections, customer service and in-field merchandising.

49. In addition, the Transaction is principally focused on the Literature Business. As referenced above and discussed further below, Metro 360 has other business interests which can assist in generating revenues to facilitate debt repayment over time.

50. As discussed above, the Proposal Trustee has been involved and kept informed of key developments regarding the Transaction as negotiations have progressed. I understand that the Proposal Trustee supports and approves of the proposed Transaction and will be filing a report with the Court in respect of same.

51. I am also advised by Goodmans that, in accordance with the requirements of section 65.13(8) of the BIA related to the approval of sale transactions in BIA proceedings, Metro 360 can and will make payments (or satisfactory arrangements therefor), if any, that are required under sections 60(1.3)(a) and (1.5)(a) of the BIA. In particular, Metro 360 has paid and continues to pay all employee wages and compensation referred to in Section 60(1.3)(a) of the BIA.

IV. THE PROPOSED TRANSACTION AND THE PURCHASE AGREEMENT

52. The terms of the Transaction are set forth in the asset purchase agreement dated as of April 3, 2020 between Metro 360 (by Alberta HoldCo as a partner of Metro 360) and TNG (the “**Purchase Agreement**”), a partially redacted copy of which is attached as Exhibit “A” to this affidavit. An unredacted copy of the Purchase Agreement will be provided to the Court in a confidential supplement to the first report of the Proposal Trustee. The unredacted Purchase Agreement contains certain sensitive commercial information (including Metro 360’s customer list, the customer contracts that are being assumed by TNG and the specific components of the purchase price, as well as the names and salary information of transferred employees) that, if disclosed prior to closing of the Transaction, could adversely impact the interests of the Partnership and its stakeholders, and the go-forward interests of TNG, as Purchaser. Accordingly, the Partners are requesting that this Court order that the confidential supplement be sealed.

53. The material terms of the Transaction are summarized below:²

- (a) TNG will acquire the Assets in exchange for cash consideration of \$925,000, payable in five equal monthly installments with the first such payment occurring on the Closing Date and each subsequent payment being made monthly thereafter;
- (b) the Assets include:
 - (i) all customer and title records of Metro 360;

² Capitalized terms used in this section that are not otherwise defined herein shall have the meaning given to such terms in the Purchase Agreement. The following constitutes a summary only; reference should be made to the Purchase Agreement for a complete understanding of its terms.

- (ii) any and all magazine racks located in customer locations; and
 - (iii) the goodwill of Metro 360 for customers located in Canada that relates to the distribution and sale of books and magazines;
- (c) the Assets are being purchased on an “as is, where is” basis;
- (d) Excluded Assets under the Transaction include Metro 360’s accounts receivable and inventory;
- (e) TNG making offers of employment to 23 of Metro 360’s 70 salaried employees and 268 of its approximately 300 hourly employees;
- (f) TNG will assume certain specified contractual liabilities of Metro 360, consisting of certain retail customer contracts; and
- (g) the Transaction is subject to certain customary closing conditions, including
 - (i) this Court issuing the Approval Order within three business days of the commencement of these BIA proceedings, and
 - (ii) the closing of the Transaction occurring within two business days of the Approval Order being issued by the Court. The Purchase Agreement provides that these deadlines can be extended with the consent of the Purchaser, however given market conditions and timing as discussed above, Metro 360 has no assurance that any such deadlines would be extended by the Purchaser, or even if so, on what terms.

V. ADDITIONAL RELIEF BEING SOUGHT

A. Extension of the Stay of Proceedings and Related Relief to Metro 360

54. The NOIs filed in connection with these proceedings are only in respect of the Partners. Metro 360 has not filed a notice of intention to make a proposal under the BIA as it is anticipated that these BIA proceedings may be converted to proceedings under the *Companies' Creditors Arrangement Act* (the "CCAA") due to the limited six month timeline contained in the BIA within which a proposal must be filed and presented to creditors. Converting to a CCAA proceeding will afford Metro 360 additional time to realize value for its creditors, which may take more than six months. In addition, I am advised by Goodmans and understand that a partnership cannot apply for relief under the CCAA, and so filing that Partnership in a BIA proceeding could mean that the Partnership becomes stuck within the BIA if filed, and thereby limited to only the six month window. By not filing the Partnership in the BIA, I am advised by Goodmans that the Partnership will have greater flexibility to potentially access the greater than six month window available as part of a CCAA proceeding to realize value for its creditors, if needed.

55. In these circumstances, the Partnership is requesting that protections provided under the BIA in favour of Alberta HoldCo and Rosebud HoldCo granted by the filing of the NOIs, including the stay of proceedings and the restriction on the ability of contract counterparties to terminate or amend pre-filing agreements due to insolvency, be extended for the benefit of Metro 360. Metro 360 is the entity through which the Literature Business is operated and so it would be extremely detrimental to the Partners, the Partnership and its business operations and stakeholders, if a stay of proceedings is not extended to Metro 360. It would also be extremely detrimental if Metro 360's customers, suppliers or service providers ceased performing under

existing agreements or tightened terms as a result of the NOIs and the commencement of these proceedings. I am advised by Goodmans that the extension of these protections to the Partnership is consistent with the *Lehndorff* principles, as discussed by Goodmans in its factum filed in support of this motion.

B. Disposal of Redundant or Non-Material Assets

56. Metro 360 is in the process of considering and pursuing a number of other potential transactions with respect to non-material assets and/or businesses not included within the scope of the Transaction (the “**Non-Material Residual Assets**”) in order to maximize value for the benefit of its creditors.

57. Metro 360 is seeking authorization to continue exploring opportunities for the sale of its Non-Material Residual Assets and, with the prior approval of the Proposal Trustee, to enter into and complete any transaction for Non-Material Residual Assets for not exceeding \$200,000 in any one transaction or \$400,000 in the aggregate. Metro 360 will still be required to seek Court approval for any transaction for proceeds in excess of the aforementioned thresholds.

VI. COMPETITION ACT MATTERS

58. Based on advice from Goodmans, I understand that the requirement to provide notice to the Commissioner of Competition before the Transaction is completed, pursuant to Part IX of the *Competition Act* (Canada) (the “**Competition Act**”), does not apply to the Transaction as the Transaction does not meet the requirements of that Part of the Competition Act for review or notice thereunder (as neither the aggregate value of the assets being acquired, nor the gross revenues from sales in or from Canada generated from those assets, is expected to exceed \$96 million, which is the monetary threshold under the Competition Act).

VII. CONCLUSION

59. Despite Metro 360's best efforts to manage the general decline in the print market and the unprecedented challenges arising as a result of the COVID-19 pandemic, its Literature Business is facing a significant and rapid erosion as both its supply and distribution networks have stalled, leaving Metro 360 product stranded and the Partnership in risk of breaching its customer arrangements and in significant payment arrears with its supplier base.

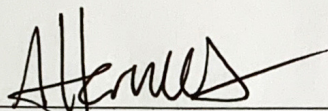
60. In such circumstances, Metro 360 began exploring potential sale options for the Literature Business and, with the assistance of its professional advisors, has determined that the Transaction is the best alternative in the circumstances. Metro 360 believes that completing the Transaction (which will realize value for the Literature Business, save the jobs of almost 80 percent of the Partnership's employees and will maintain supplier and customer relationships), in conjunction with the collection of accounts receivable and the return of inventory (which collectively are estimated to result in realizations of up to \$50 million), and the continuation of the Partnership's other business operations, represents the best available alternative in the circumstances. Metro 360 believes that this approach will maximize value for its creditors over time and assist the Partnership in its efforts to develop a restructuring plan that will result in full repayment to creditors.

61. Recent events have caused material reductions in the purchase price offered by TNG in the negotiations for the assets to be sold in the Transaction (which are mainly customer lists and associated goodwill) and it is critical that the Transaction be approved and implemented, with an Order from this Court to protect the Purchaser, in the immediate near-term to maintain the value offered by TNG in the executed Purchase Agreement. In my view, it is crystal clear that if TNG

does not acquire these assets through the Transaction, there will be no other buyer for like value for these assets.

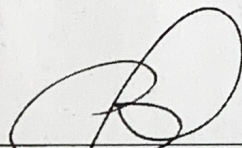
62. In the circumstances, I believe that the approval of the Transaction and the other relief requested on the within motion are in the best interests of the Partnership and its stakeholders.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, on April 6, 2020



A Commissioner for taking affidavits
Name:

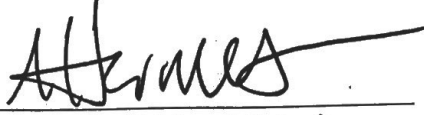
ANDREW HARRIES



Daniel P. Shapiro

B

THIS IS EXHIBIT "B"
TO THE AFFIDAVIT OF DANIEL P. SHAPIRO
SWORN BEFORE ME BY TWO-WAY VIDEOCONFERENCE
THIS 10th DAY OF JUNE, 2020



Commissioner for Taking Affidavits



Industry Canada

Office of the Superintendent
of Bankruptcy Canada

Industrie Canada

Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-2636843
Estate No. 31-2636843

In the Matter of the Notice of Intention to make a
proposal of:

957855 Alberta Ltd.

Insolvent Person

KSV KOFMAN INC.

Licensed Insolvency Trustee

Date of the Notice of Intention: April 06, 2020

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: April 06, 2020, 16:46

E-File/Dépôt Electronique

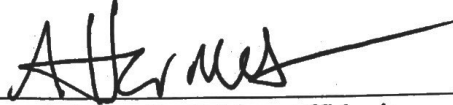
Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

C

**THIS IS EXHIBIT "C"
TO THE AFFIDAVIT OF DANIEL P. SHAPIRO
SWORN BEFORE ME BY TWO-WAY VIDEOCONFERENCE
THIS 10th DAY OF JUNE, 2020**



Commissioner for Taking Affidavits



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-2636818
Estate No. 31-2636818

In the Matter of the Notice of Intention to make a
proposal of:

Rosebud Creek Financial Corp.
Insolvent Person
KSV KOFMAN INC.
Licensed Insolvency Trustee

Date of the Notice of Intention: April 06, 2020

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: April 06, 2020, 16:43

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

D

THIS IS EXHIBIT "D"
TO THE AFFIDAVIT OF DANIEL P. SHAPIRO
SWORN BEFORE ME BY TWO-WAY VIDEOCONFERENCE
THIS 10th DAY OF JUNE, 2020



Commissioner for Taking Affidavits

Estate / Court File No.: 31-2636843
 Estate / Court File No.: 31-2636818

**ONTARIO
 SUPERIOR COURT OF JUSTICE
 (IN BANKRUPTCY AND INSOLVENCY)
 COMMERCIAL LIST**

THE HONOURABLE MR.)	TUESDAY, THE 7 TH
)	
JUSTICE HAINEY)	DAY OF APRIL, 2020

**IN THE MATTER OF THE NOTICES OF INTENTION TO
 MAKE A PROPOSAL OF 957855 ALBERTA LTD.
 (FORMERLY NEWSWEST INC.) AND ROSEBUD CREEK
 FINANCIAL CORP. IN RESPECT OF METRO 360
 GENERAL PARTNERSHIP**

APPROVAL AND VESTING ORDER

THIS MOTION, made by 957855 Alberta Ltd. (formerly NewsWest Inc.) ("**Alberta HoldCo**") and Rosebud Creek Financial Corp. ("**Rosebud HoldCo**") and, together with Alberta HoldCo, the "**Partners**", as the partners of the Metro 360 General Partnership ("**Metro 360**"), pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") for an order (i) approving the sale transaction (the "**Transaction**") contemplated by an asset purchase agreement (the "**Purchase Agreement**") between Metro 360, by Alberta HoldCo as one of Metro 360's partners, and Great Pacific Enterprises Inc. dba TNG (the "**Purchaser**") dated as of April 3, 2020, and (ii) vesting in the Purchaser all of Metro 360's right, title and interest in and to the Assets, was heard this day by videoconference call in light of the COVID-19 crisis.

ON READING the affidavit of Daniel P. Shapiro sworn April 6, 2020 (the "**Shapiro Affidavit**"), the first report (the "**First Report**") of KSV Kofman Inc. in its capacity as the proposal trustee (the "**Proposal Trustee**"), and on hearing the submissions of counsel for the Proposal Trustee, counsel for Metro 360 and the Partners, and those other parties present as



indicated on the counsel sheet, and on reading the affidavit of service of Andrew Harmes sworn April 6, 2020:

1. **THIS COURT ORDERS** that the time for the service of the Notice of Motion, the First Report, and the Motion Record is hereby abridged so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that unless otherwise indicated or defined herein, capitalized terms used in this Order shall have the meaning given to them in the Purchase Agreement or the Shapiro Affidavit, as applicable.
3. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Purchase Agreement by Alberta HoldCo on behalf of Metro 360 is hereby authorized and approved, with such minor amendments to the Purchase Agreement as Metro 360 and the Purchaser may agree to with the consent of the Proposal Trustee. Metro 360 and the Partners are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Assets to the Purchaser.
4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Proposal Trustee's certificate to Metro 360 and the Purchaser substantially in the form attached as Schedule A hereto (the "**Proposal Trustee's Certificate**"), all of Metro 360's right, title and interest in and to the Assets shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the

“Claims”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by any other Order of this Court in these proceedings; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are collectively referred to as the “Encumbrances” and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Assets are hereby expunged and discharged as against the Assets.

5. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims and Encumbrances, from and after delivery of the Proposal Trustee’s Certificate, the net proceeds from the sale of the Assets (the “Net Proceeds”) shall stand in the place and stead of the Assets and all Claims and Encumbrances shall attach to the Net Proceeds with the same priority as they had with respect to the Assets immediately prior to the sale, as if the Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. **THIS COURT ORDERS AND DIRECTS** the Proposal Trustee to file with the Court a copy of the Proposal Trustee’s Certificate, forthwith after delivery thereof to Metro 360 and the Purchaser.

7. **THIS COURT ORDERS** that the Proposal Trustee may rely on written notice from Metro 360 and the Purchaser or their respective counsel regarding the satisfaction of the Purchase Price and the fulfillment or waiver of conditions to closing under the Purchase Agreement and shall incur no liability with respect to the delivery of the Proposal Trustee’s Certificate.

8. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, Metro 360 is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in Metro 360's records pertaining to the past and current employees of Metro 360. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by Metro 360.

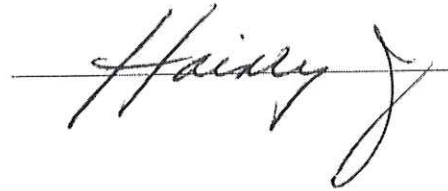
9. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy or receivership order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) or other applicable legislation in respect of Metro 360 or the Partners and any bankruptcy or receivership order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of Metro 360 or the Partners;

the entering into of the Purchase Agreement and the vesting of the Assets in the Purchaser pursuant to this Order, shall be binding on any trustee in bankruptcy that may be appointed in respect of Metro 360 or the Partners and shall not be void or voidable by creditors of Metro 360 or the Partners, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

10. **THIS COURT ORDERS** that the confidential supplement to the First Report be sealed, kept confidential and not form part of the public record, unless otherwise ordered by further Order of this Court.

11. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist Metro 360, the Partners, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist Metro 360, the Partners, the Proposal Trustee and their respective agents in carrying out the terms of this Order.

A handwritten signature in cursive script, appearing to read "Hairy J.", written over a horizontal line.

SCHEDULE A
FORM OF PROPOSAL TRUSTEE'S CERTIFICATE

Estate / Court File No.: 31-2636843
Estate / Court File No.: 31-2636818

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)
COMMERCIAL LIST

IN THE MATTER OF THE NOTICES OF INTENTION TO
MAKE A PROPOSAL OF 957855 ALBERTA LTD.
(FORMERLY NEWSWEST INC.) AND ROSEBUD CREEK
FINANCIAL CORP. IN RESPECT OF METRO 360
GENERAL PARTNERSHIP

PROPOSAL TRUSTEE'S CERTIFICATE

RECITALS

- A. On April 6, 2020, 957855 Alberta Ltd. (formerly NewsWest Inc.) ("**Alberta HoldCo**") and Rosebud Creek Financial Corp. ("**Rosebud HoldCo**") and, together with Alberta HoldCo, the "**Partners**"), as the partners of the Metro 360 General Partnership ("**Metro 360**"), filed notices of intention to make a proposal under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 and KSV Kofman Inc. was appointed as proposal trustee (the "**Proposal Trustee**").
- B. Pursuant to an Order of the Court dated April 7, 2020 (the "**Approval and Vesting Order**"), the Court approved the asset purchase agreement dated April 3, 2020 (the "**Purchase Agreement**") between Metro 360 General Partnership, by Alberta HoldCo as one of Metro 360's partners, and Great Pacific Enterprises Inc. dba TNG (the "**Purchaser**") and provided for the vesting in the Purchaser of all of Metro 360's right, title and interest in and to the Assets, which vesting is to be effective with respect to the Assets upon the delivery by the Proposal Trustee to Metro 360 and the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the Purchase Price for the Assets; (ii) that the conditions to Closing as set out in the Purchase Agreement have been

satisfied or waived by Metro 360 and the Purchaser, as applicable; and (iii) the Transaction has been completed to the satisfaction of Metro 360 and the Purchaser.

- C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Purchase Agreement.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser has paid and Metro 360 has received the Purchase Price for the Assets pursuant to the Purchase Agreement.
2. The conditions to Closing as set out in the Purchase Agreement have been satisfied or waived by Metro 360 and the Purchaser, as applicable.
3. The Transaction has been completed to the satisfaction of Metro 360 and the Purchaser.
4. This Certificate was delivered by the Proposal Trustee at _____ [a.m/p.m.] on _____, 2020.

KSV KOFMAN INC., in its capacity as Proposal Trustee of 957855 Alberta Ltd. (formerly NewsWest Inc.) and Rosebud Creek Financial Corp., as the partners of the Metro 360 General Partnership, and not in its personal or corporate capacity

Per: _____

Name:

Title:

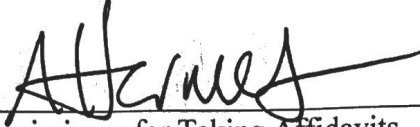
Estate / Court File No.: 31-2636843
Estate / Court File No.: 31-2636818

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF
957855 ALBERTA LTD. (FORMERLY NEWSWEST INC.) AND ROSEBUD CREEK
FINANCIAL CORP. IN RESPECT OF METRO 360 GENERAL PARTNERSHIP

<p>ONTARIO SUPERIOR COURT OF JUSTICE (IN BANKRUPTCY AND INSOLVENCY) COMMERCIAL LIST Proceeding commenced at Toronto</p>
<p>APPROVAL AND VESTING ORDER</p>
<p>GOODMANS LLP Barristers & Solicitors 333 Bay Street, Suite 3400 Toronto, Canada M5H 2S7</p> <p>Brendan O'Neill LSO#: 43331J boneill@goodmans.ca</p> <p>Andrew Harmes LSO#: 73221A aharmes@goodmans.ca</p> <p>Tel: (416) 979-2211 Fax: (416) 979-1234</p> <p>Lawyers for 957855 Alberta Ltd. (formerly NewsWest Inc.), Rosebud Creek Financial Corp., and Metro 360 General Partnership</p>

E

THIS IS EXHIBIT "E"
TO THE AFFIDAVIT OF DANIEL P. SHAPIRO
SWORN BEFORE ME BY TWO-WAY VIDEOCONFERENCE
THIS 10th DAY OF JUNE, 2020



Commissioner for Taking Affidavits

Estate / Court File No.: 31-2636843

Estate / Court File No.: 31-2636818

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
COMMERCIAL LIST

THE HONOURABLE MR.)

TUESDAY, THE 7TH

)

JUSTICE HAINEY)

DAY OF APRIL, 2020



**IN THE MATTER OF THE NOTICES OF INTENTION TO
 MAKE A PROPOSAL OF 957855 ALBERTA LTD.
 (FORMERLY NEWSWEST INC.) AND ROSEBUD CREEK
 FINANCIAL CORP. IN RESPECT OF METRO 360
 GENERAL PARTNERSHIP**

BANKRUPTCY PROCEDURE ORDER

THIS MOTION, made by 957855 Alberta Ltd. (formerly NewsWest Inc.) ("**Alberta HoldCo**") and Rosebud Creek Financial Corp. ("**Rosebud HoldCo**" and, together with Alberta HoldCo, the "**Partners**"), as the partners of the Metro 360 General Partnership ("**Metro 360**"), for an order: (i) if necessary, abridging the time for service and filing of the Notice of Motion and the Motion Record and dispensing with further service thereof; (ii) permitting the consolidation of the Partners' *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3 ("**BIA**") proposal proceedings ("**Proposal Proceedings**") for administration purposes, including, without limitation, the preparation and filing of motions and reports to creditors, the Proposal Trustee, and this Court, as may be required by the BIA; (iii) approving a first priority administration charge in the aggregate of \$300,000; (iv) extending the stay of proceedings resulting from the filing by the Partners' respective notices of an intention to make a proposal pursuant to section 50.4(1) of the BIA to

- 2 -

Metro 360; (v) approving the granting of an extension of the time to file a proposal and the corresponding stay of proceedings to and including June 19, 2020; and (vi) authorizing Metro 360 and/or the Partners to complete the sale of redundant or non-material residual assets without Order of this Court for proceeds not exceeding \$200,000 in any one transaction or \$400,000 in the aggregate, was heard this day by videoconference call in light of the COVID-19 crisis.

ON READING the affidavit of Daniel P. Shapiro sworn April 6, 2020 (the "**Shapiro Affidavit**"), the first report (the "**First Report**") of KSV Kofman Inc. in its capacity as the proposal trustee (the "**Proposal Trustee**"), and on hearing the submissions of counsel for the Proposal Trustee, counsel for Metro 360 and the Partners, and those other parties present as indicated on the counsel sheet, and on reading the affidavit of service of Andrew Harnes sworn April 6, 2020:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the First Report and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

ADMINISTRATIVE CONSOLIDATION

2. **THIS COURT ORDERS** that the Proposal Proceedings are hereby administratively consolidated (but not substantively consolidated) and are hereby authorized and directed to continue under the following joint title of proceedings:

**IN THE MATTER OF THE PROPOSAL OF METRO 360 GENERAL
PARTNERSHIP AND THE PARTNERS THEREOF**

3. **THIS COURT ORDERS** that, with respect to materials required to be filed with this Court, all further materials in the Proposal Proceedings shall be filed with the Commercial List Office only in Alberta HoldCo's estate, bearing Estate / Court File No.: 31-2636843.

ADMINISTRATION CHARGE

4. **THIS COURT ORDERS** that the Proposal Trustee, Bennett Jones LLP ("**Bennett Jones**"), as counsel to the Proposal Trustee, and Goodmans LLP ("**Goodmans**"), as counsel to Metro 360 and the Partners, shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by Metro 360 and/or the Partners, as the case may be, as part of the costs of these proceedings, both before and after the making of this Order in respect of these proceedings and related matters. Metro 360 and the Partners are hereby authorized to pay the accounts of the Proposal Trustee, Bennett Jones and Goodmans on a monthly basis, provided that the accounts as paid are passed from time to time, and for this purpose the accounts are hereby referred to a judge of the Ontario Superior Court of Justice (Commercial List) at Toronto, Ontario.

5. **THIS COURT ORDERS** that the Proposal Trustee, Bennett Jones and Goodmans shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the current and future assets, undertakings and properties of Metro 360 and the Partners, of every nature and kind whatsoever (including all real and personal property), and wherever situate including all proceeds thereof (collectively, the "**Property**"), which charge shall not exceed an aggregate amount of \$300,000, as security for their professional fees and disbursements incurred

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at their standard rates and charges, both before and after the making of this Order with respect to and incidental to the Proposal Proceedings, including the reasonable fees and disbursements of the Proposal Trustee, Bennett Jones, and Goodmans incurred in preparation of the filing of the Partners' respective notices of intention to make a proposal pursuant to section 50.4(1) of the BIA. The Administration Charge shall have the priority set out in paragraph 7 herein.

6. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge shall not be required and that the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

7. **THIS COURT ORDERS** that the Administration Charge shall constitute a charge on the Property in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**").

8. **THIS COURT ORDERS** that the beneficiaries of the Administration Charge may set down a date on notice to all parties to vary the terms of this Order and to seek additional relief as appropriate from the Court with respect to the Administration Charge.

9. **THIS COURT ORDERS** that except by further order of the Court, Metro 360 and the Partners shall not grant any Encumbrances over any Property that ranks in priority to, or *pari*

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passu, with the Administration Charge unless Metro 360 or the Partners, as the case may be, obtains the prior written consent of each of the beneficiaries of the Administration Charge.

10. **THIS COURT ORDERS** that the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the beneficiaries thereto shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds Metro 360 or the Partners, and notwithstanding any provision to the contrary in any Agreement:

- a. the creation of the Administration Charge shall not create or be deemed to constitute a breach by Metro 360 or the Partners of any Agreement to which they are a party;
- b. none of the Proposal Trustee, Bennett Jones or Goodmans shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Administration Charge; and
- c. the payments made by Metro 360 and/or the Partners, as the case may be, pursuant to this Order and the granting of the Administration Charge do not and will not

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constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

EXTENSION OF THE STAY OF PROCEEDINGS TO METRO 360

11. **THIS COURT ORDERS** that the stay of proceedings applicable to the Partners pursuant to section 69 of the BIA is hereby extended to apply, *mutatis mutandis*, to Metro 360 and all of its current and future assets, businesses, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof.

EXTENSION OF PROTECTIONS TO METRO 360

12. **THIS COURT ORDERS** that the protections provided to the Partners pursuant to section 65.1 of the BIA are hereby extended to apply, *mutatis mutandis*, to Metro 360.

EXTENSION OF TIME TO MAKE A PROPOSAL

13. **THIS COURT ORDERS** that the time within which to make a proposal pursuant to section 62(1) of the BIA and the corresponding stay of proceedings provided for in section 69 of the BIA, be and are hereby extended in accordance with section 50.4(9) of the BIA to and including June 19, 2020.

DISPOSAL OF NON-MATERIAL RESIDUAL ASSETS

14. **THIS COURT ORDERS** that Metro 360 and/or the Partners, as applicable, may explore opportunities for the sale of redundant or non-material residual assets that are not subject to the Transaction (as defined in the Shapiro Affidavit) (the “**Non-Material Residual Assets**”) and, with the prior approval of the Proposal Trustee, to enter into and complete any transaction for the Non-Material Residual Assets for proceeds not exceeding \$200,000 in any one transaction or

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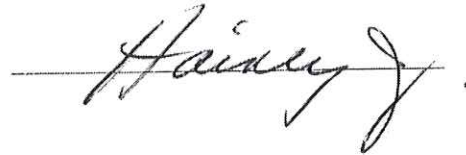
\$400,000 in the aggregate, provided that Metro 360 and/or the Partners, as applicable, shall seek this Court's approval for any transaction in respect of Non-Material Residual Assets in excess of such amount.

AID AND ASSISTANCE OF OTHER COURTS

15. **THIS COURT REQUESTS** the aid and recognition of any court or any judicial, regulatory, or administrative body in any province or territory of Canada and the Federal Court of Canada and any judicial, regulatory, or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States and the states of other subdivisions of the United States and of any other nation or state to act in aid of and to be complementary to this Court in carrying out the terms of this Order.

GENERAL

16. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven days' notice to Metro 360, the Partners, the Proposal Trustee, and any other party or parties likely to be affected by the Order sought or upon such other notice as this Court may order.

A handwritten signature in cursive script, appearing to read "Hainey", is written over a horizontal line.

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF 957855 ALBERTA LTD.
(FORMERLY NEWSWEST INC.) AND ROSEBUD CREEK FINANCIAL CORP. IN RESPECT OF METRO
360 GENERAL PARTNERSHIP

Estate / Court File No.: 31-2636843
Estate / Court File No.: 31-2636818

ONTARIO

**SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
COMMERCIAL LIST**

Proceeding commenced at Toronto

BANKRUPTCY PROCEDURE ORDER

GOODMANS LLP

Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, Canada M5H 2S7

Brendan O'Neill LSO#: 43331J
boneill@goodmans.ca

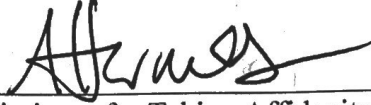
Andrew Harmes LSO#: 73221A
aharmes@goodmans.ca

Tel: (416) 979-2211
Fax: (416) 979-1234

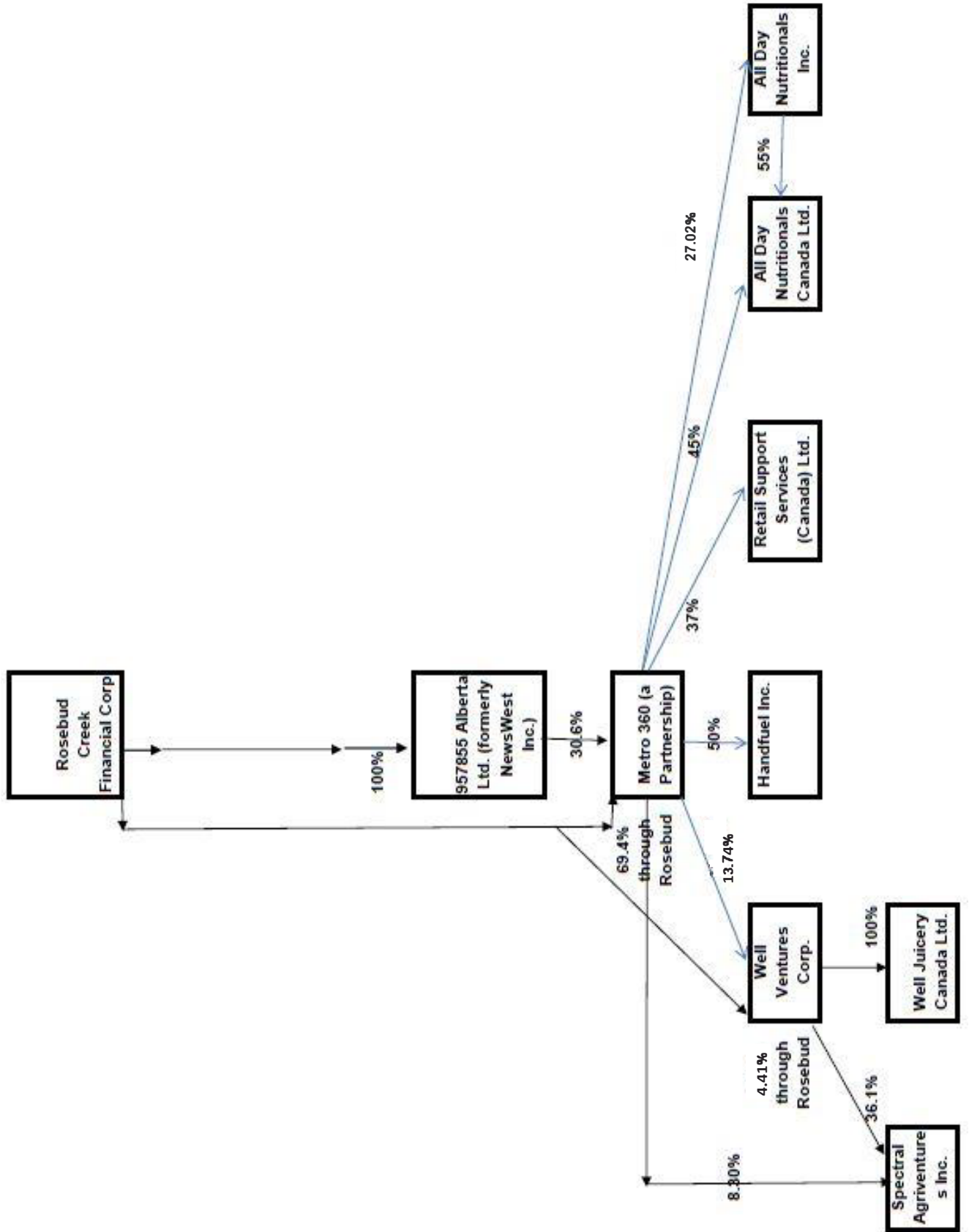
Lawyers for 957855 Alberta Ltd. (formerly NewsWest Inc.), Rosebud Creek Financial Corp., and Metro 360 General Partnership

F

THIS IS EXHIBIT "F"
TO THE AFFIDAVIT OF DANIEL P. SHAPIRO
SWORN BEFORE ME BY TWO-WAY VIDEOCONFERENCE
THIS 10th DAY OF JUNE, 2020

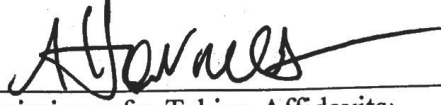


Commissioner for Taking Affidavits



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THIS IS EXHIBIT "G"
TO THE AFFIDAVIT OF DANIEL P. SHAPIRO
SWORN BEFORE ME BY TWO-WAY VIDEOCONFERENCE
THIS 10th DAY OF JUNE, 2020



Commissioner for Taking Affidavits

Non-consolidated Financial Statements

Metro 360

December 31, 2019

Metro 360
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December 31, 2019

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Independent Practitioners' Review Engagement Report

To the Partners of Metro 360

We have reviewed the accompanying non-consolidated financial statements of **Metro 360** that comprise the non-consolidated balance sheet as at December 31, 2019, and the non-consolidated statements of partners' deficiency, income, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal controls as management determines are necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Practitioners' Responsibility

Our responsibility is to express a conclusion on the accompanying non-consolidated financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of non-consolidated financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioners perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these non-consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the non-consolidated financial statements do not present fairly, in all material respects, the financial position of **Metro 360** as at December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.



**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Ontario
March 12, 2020

Fuller Landau LLP

151 Bloor Street West, 12th Floor, Toronto, Ontario M5S 1S4
416.645.6500 • www.fullerllp.com

Metro 360
Non-consolidated Balance Sheet
(Unaudited)

December 31	2019	2018
Assets		
Current:		
Cash and cash equivalents	\$ -	\$ 2,325,891
Accounts receivable, note 3	14,820,416	21,271,784
Inventory	37,231,073	35,158,026
Government remittances recoverable	3,292,194	809,492
Prepaid expenses	1,282,935	1,115,609
Current portion of note receivable	200,000	200,000
	56,826,618	60,880,802
Investments subject to significant influence, note 4	1,373,670	905,318
Investment in jointly controlled enterprise, note 5	358,451	215,714
Investments in subsidiaries, note 6	50,002	50,002
Other investment, note 7	83	-
Notes receivable, note 8	8,824,505	9,159,557
Equipment and leasehold improvements, note 9	813,769	706,962
	\$ 68,247,098	\$ 71,918,355
Liabilities		
Current:		
Bank indebtedness, note 10	\$ 3,577,797	\$ -
Publishers' accounts payable and accrued liabilities, note 11	52,415,266	63,388,302
Other accounts payable and accrued liabilities, note 12	8,602,462	11,097,265
Provision for sales returns	3,568,016	4,303,417
Notes payable, note 13	6,399,552	-
Deficiency in jointly controlled enterprise, note 7	-	133,425
	74,563,093	78,922,409
Partners' Deficiency	(6,315,995)	(7,004,054)
	\$ 68,247,098	\$ 71,918,355

See accompanying notes to the non-consolidated financial statements

Approved by the partners:

_____, Partner

_____, Partner

Metro 360
Non-consolidated Statement of Partners' Deficiency
(Unaudited)

For the year ended December 31, 2019

	Rosebud Creek Financial Corporation	957855 Alberta Ltd.	Total
Partnership interest	69.40 %	30.60 %	100.00 %
Balance, January 1, 2019	\$ (8,058,502)	\$ 1,054,448	\$ (7,004,054)
Share of net loss	(228,532)	(100,765)	(329,297)
Capital contributions	2,477,233	1,092,267	3,569,500
Distributions	(2,067,460)	(911,589)	(2,979,049)
Balance, December 31, 2019	\$ (7,877,261)	\$ 1,134,361	\$ (6,742,900)

For the year ended December 31, 2018

	Rosebud Creek Financial Corporation	957855 Alberta Ltd.	Total
Partnership interest	69.40 %	30.60 %	100.00 %
Balance, January 1, 2018	\$ (7,745,234)	\$ 1,192,575	(6,552,659)
Share of net income	1,451,709	640,091	2,091,800
Distributions	(1,764,977)	(778,218)	(2,543,195)
Balance, December 31, 2018	\$ (8,058,502)	\$ 1,054,448	\$ (7,004,054)

See accompanying notes to the non-consolidated financial statements

Metro 360
Non-consolidated Statement of Income
(Unaudited)

For the year ended December 31	2019	2018
Net sales, note 14	\$ 120,003,807	\$ 127,584,870
Cost of sales, page 5	92,144,287	95,061,353
Gross profit	27,859,520	32,523,517
Other revenue, note 15	2,323,676	3,238,869
Gross income from operations	30,183,196	35,762,386
Expenses:		
Logistics	18,223,808	19,710,754
Wages and benefits	12,180,420	11,412,371
Administration costs	1,310,296	1,932,487
Selling and promotion	1,005,427	951,919
Third party delivery	864,701	862,186
Occupancy	355,333	350,469
Racking expense	236,299	177,210
Bad debts (recovered)	(232,240)	58,582
Amortization of equipment and leasehold improvements	232,354	198,779
	34,176,398	35,654,757
Recovery of logistics expense	1,177,613	1,244,159
	32,998,785	34,410,598
Income (loss) from operations	(2,815,589)	1,351,788
Other income (expenses):		
Gain on forgiveness of debt, note 16	2,537,410	-
Share of income from jointly controlled enterprises	820,126	314,079
Interest income	46,827	123,166
Gain on disposal of equipment and leasehold improvements	12,521	-
Writedown of investment in jointly controlled enterprise	(503,687)	(374,821)
Gain on disposal of investment in subsidiary	-	599,751
Contingent consideration recovered	-	80,000
Realized loss on on foreign exchange	-	(2,163)
	2,913,197	740,012
Net income	\$ 97,608	\$ 2,091,800

See accompanying notes to the non-consolidated financial statements

Metro 360
Non-consolidated Schedule of Cost of Sales
(Unaudited)

For the year ended December 31	2019	2018
Inventory, beginning of year	\$ 35,158,026	\$ 39,513,590
Purchases	94,339,250	90,682,107
	129,497,276	130,195,697
Inventory, end of year	37,231,073	35,158,026
	92,266,203	95,037,671
Contract allowances (recovered)	(121,916)	23,682
	\$ 92,144,287	\$ 95,061,353

See accompanying notes to the non-consolidated financial statements

Metro 360
Non-consolidated Statement of Cash Flows
(Unaudited)

For the year ended December 31	2019	2018
Cash was provided by (used for):		
Operating activities:		
Net income	\$ 97,608	\$ 2,091,800
Items not affecting cash:		
Amortization of equipment and leasehold improvements	232,354	198,779
Gain on forgiveness of debt	(2,537,410)	-
Share of income from jointly controlled enterprises	(820,126)	(314,079)
Writedown of investment in jointly controlled enterprise	503,687	374,821
Gain on disposal of equipment and leasehold improvements	(12,521)	-
Gain on disposal of investment in subsidiary	-	(599,751)
	(2,536,408)	1,751,570
Cash was provided by (used to finance) changes in the following working capital items, note 17	(9,937,537)	(5,665,840)
	(12,473,945)	(3,914,270)
Financing activities:		
Proceeds from notes payable	6,399,552	-
Capital contributions	3,569,500	-
Distributions	(2,979,049)	(2,543,195)
	6,990,003	(2,543,195)
Investing activities:		
Purchase of investment subject to significant influence	(468,352)	(98,723)
Distributions from jointly controlled enterprise	249,475	-
Contributions to jointly controlled enterprise	(209,198)	-
Purchase of other investment	(83)	-
Proceeds from repayment of notes receivable	335,052	307,100
Purchase of equipment and leasehold improvements	(418,991)	(315,119)
Proceeds on disposal of equipment and leasehold improvements	92,351	5,608
Proceeds from disposal of investment in subsidiary	-	600,000
Issuance of notes receivable	-	(735,052)
	(419,746)	(236,186)
Change in cash position	(5,903,688)	(6,693,651)
Cash, beginning of year	2,325,891	9,019,542
Cash (bank indebtedness), end of year	\$ (3,577,797)	\$ 2,325,891
Cash and cash equivalents consists of:		
Cash and cash equivalents	\$ -	\$ 2,252,711
Money market investments	-	73,180
Bank indebtedness	(3,577,797)	-
	\$ (3,577,797)	\$ 2,325,891

Supplemental Cash Flow Information, note 17

See accompanying notes to the non-consolidated financial statements

Metro 360
Notes to Non-consolidated Financial Statements
(Unaudited)

December 31, 2019

1. Nature of Operations

Metro 360 ("the Partnership") is a multi-faceted marketer of information and entertainment products, including magazines, books, newspapers, audio and visual media, and consumer packaged goods. Metro 360 has an expansive service matrix including wholesale distribution, sales and marketing services, retail merchandising, data management, logistics, national distribution, publishing and retail display fixture design and manufacturing.

2. Significant Accounting Policies

These non-consolidated financial statements are prepared in accordance with Canadian accounting standards for private enterprises. The significant accounting policies are detailed as follows:

Basis of presentation

These non-consolidated financial statements reflect only the financial position and operating results of the Partnership. Accordingly, they do not include all the assets, liabilities, revenues and expenses of the partners and do not provide for any income taxes of the individual partners which may be payable by them on the net income of the Partnership.

Revenue recognition

Sales made to scan-based trading (SBT) customers through the Partnership's agent, Canadian Mass Media Inc. (CMMI) are recognized when the publications are sold by customers.

Sales to all other customers are recognized upon shipment less an appropriate provision for customer rebates. Customer rebates are accrued based on monthly sales to applicable customers at agreed upon rebate terms. A significant amount of products are sold to customers with the right to return, and an appropriate provision is made to reflect this policy.

Waste paper revenue consists of sales of shredded returned magazines and is recognized upon shipment and when the risk of ownership is transferred.

Service charges are recoveries from customers for costs incurred for delivery of merchandise.

Interest and all other revenue are recognized as they become known and collectible.

Provision for returns

Due to the nature of the industry, the Partnership has provided allowances for estimated future product returns. There is a certain degree of uncertainty inherent in the measurement of such allowances, as these are based on the historical rate of return and market conditions.

Metro 360
Notes to Non-consolidated Financial Statements
(Unaudited)

December 31, 2019

2. Significant Accounting Policies, continued

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method. The Partnership estimates net realizable value as the amount at which inventory is expected to be sold, less estimated costs necessary to complete the sale. Inventory is written down to net realizable value when the cost of inventory is estimated to not be recoverable due to obsolescence, damage or shrinkage.

Inventory includes balances held on consignment at SBT customers' premises.

Investments subject to significant influence

The Partnership accounts for its investments subject to significant influence using the cost method.

Investments in jointly controlled enterprises

The Partnership accounts for its investments in jointly controlled enterprises using the equity method.

Investments in subsidiaries

The Partnership accounts for its investments in subsidiaries using the cost method.

Other investments

The Partnership accounts for other investments using the cost method.

Equipment and leasehold improvements

Equipment and leasehold improvements are recorded at cost. Amortization is based on the estimated useful life of each asset using the following methods and rates:

Asset	Method	Rate
Vehicles	Declining balance	30%
Signage	Declining balance	5%
Computer equipment	Declining balance	30%
Computer software	Declining balance	100%
Furniture and fixtures	Declining balance	20%
Leasehold improvements	Straight-line	Over the term of the lease

Impairment of long-lived assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of an asset exceeds its fair value. The impairment loss is measured as the amount by which the carrying amount exceeds fair value.

Metro 360
Notes to Non-consolidated Financial Statements
(Unaudited)

December 31, 2019

2. Significant Accounting Policies, continued

Foreign exchange

The Partnership records foreign currency transactions using the temporal method at the Canadian dollar standard rate at the date of the transaction, and translates foreign currency monetary assets and liabilities at the year-end exchange rate. Exchange gains and losses are included in the determination of net income.

Variable interest entities

The Partnership has neither identified nor consolidated the accounts of any variable interest entities.

Financial instruments

Financial assets and liabilities are initially measured at fair value, and subsequently at amortized cost.

The Partnership's financial instruments consist of accounts receivable, notes receivable, bank indebtedness, publishers' accounts payable and accrued liabilities, other accounts payable and accrued liabilities, and notes payable.

Financial assets measured at cost are tested for impairment when there are indicators of impairment and the amount of the write-down is recognized in net income when incurred.

The Partnership recognizes transaction costs in net income in the period incurred.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

Metro 360
Notes to Non-consolidated Financial Statements
(Unaudited)

December 31, 2019

3. Accounts Receivable

	2019	2018
Trade accounts receivable	\$ 10,131,227	\$ 10,979,499
Other receivables	3,637,794	3,794,439
Other receivables - related parties	1,787,192	7,466,064
	15,556,213	22,240,002
Less allowance for doubtful accounts	735,797	968,218
	\$ 14,820,416	\$ 21,271,784

4. Investments Subject to Significant Influence

	2019	2018
Well Ventures Corp.	\$ 784,500	\$ 411,000
All Day Nutritionals Canada Inc.	300,000	300,000
All Day Nutritionals Inc.	289,170	194,318
	\$ 1,373,670	\$ 905,318

The Partnership holds a 12.69% (2018 - 8.28%) interest in Well Ventures Corp. During the year, the Partnership exercised options to purchase 198,000 Class A common shares of the company at a cost of \$1.25 per share. In addition, the Partnership exercised its conversion right as repayment of a note receivable totalling \$126,000. The Partnership received 81,875 Class A common shares of the company at a cost of 1.5389 per share.

As at year end, the Partnership holds the option to convert 75,000 warrants into Class A common shares of Well Ventures Corp. at an exercise price of \$0.50 per share.

The Partnership holds a 45.05% (2018 - 45.05%) interest in All Day Nutritionals Canada Inc.

The Partnership holds a 27.44% (2018 - 26.46%) interest in All Day Nutritionals Inc. During the year, the Partnership purchased 295,455 common shares of the company at a cost of \$0.2437 USD per share.

During the year, the Partnership received no income or distributions from its investments subject to significant influence.

Metro 360
Notes to Non-consolidated Financial Statements
(Unaudited)

December 31, 2019

5. Investment in Jointly Controlled Enterprises

	2019	2018
Retail Support Services Canada LP		
Opening equity	\$ 215,714	\$ 66,289
Share of income	392,212	149,425
Distributions	(249,475)	-
Closing equity	358,451	215,714
Coast to Coast Newsstand Services Partnership		
Opening equity (deficiency)	\$ (133,425)	76,742
Share of income	427,914	164,654
Contributions	209,198	-
Writedown of investment	(503,687)	(374,821)
Closing equity (deficiency)	-	(133,425)
Net investment in jointly controlled enterprises	\$ 358,451	\$ 82,289

The Partnership holds a 37% interest (2018 - 37%) in Retail Support Services Canada LP.

The Partnership is contingently liable for its share of the obligations in the jointly controlled enterprise. As at December 31, 2019, the balance of such contingent liabilities is approximately \$76,000 (2018 - \$167,000).

During the year, Coast to Coast Newsstand Services Partnership was dissolved, and the carrying amount of the investment was written down to nil.

6. Investments in Subsidiaries

	2019	2018
Handfuel Inc.	\$ 50,000	\$ 50,000
Metro News US, LLC	1	1
Grun Incorporated	1	1
	\$ 50,002	\$ 50,002

The Partnership holds a 50% (2018 - 50%) interest in Handfuel Inc.

The Partnership wholly-owns Metro News US, LLC and Grun Incorporated (2018 - 100%).

During the year, the Partnership received no income or distributions from its investments in subsidiaries.

Metro 360
Notes to Non-consolidated Financial Statements
(Unaudited)

December 31, 2019

7. Other Investment

	2019	2018
Spectral Agriventures Inc.	\$ 83	\$ -

During the year, the company acquired 83,333 Class A common shares of Spectral Agriventures Inc. which represents 8.33% of the outstanding shares. The Partnership received no income or distributions from this investment.

8. Notes Receivable

	2019	2018
Rosebud Creek Financial Corporation	\$ 8,794,505	\$ 8,794,505
Sinnott Road Inc.	200,000	400,000
Employees	30,000	30,000
Well Ventures Corp.	-	135,052
	9,024,505	9,359,557
Less current portion	200,000	200,000
	\$ 8,824,505	\$ 9,159,557

The note receivable from Rosebud Creek Financial Corporation, a related company, is non-interest bearing, unsecured and has no specific terms of repayment. Pursuant to the contribution agreement entered into between the Partnership and 957855 Alberta Ltd., the proceeds from the note receivable will be for the sole and exclusive benefit of 957855 Alberta Ltd. by way of a capital distribution.

The note receivable from Sinnott Road Inc., a related company, is non-interest bearing, unsecured and repayable in annual payments of \$200,000 to June 2020.

The notes receivable from employees are unsecured, non-interest bearing, and have no specific terms of repayment.

During the year, the note receivable from Well Ventures Corp, a related company subject to significant influence, was repaid through the issuance of 81,875 Class A common shares of the company. The conversion was based on a formula determined by the Board of Directors of the company and agreed to by the Partnership as disclosed in note 4.

Metro 360
Notes to Non-consolidated Financial Statements
(Unaudited)

December 31, 2019

9. Equipment and Leasehold Improvements

	2019		2018	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Vehicles	\$ 790,266	\$ 410,629	\$ 379,637	\$ 416,987
Signage	109,951	13,201	96,750	101,843
Computer equipment	1,553,556	1,480,484	73,072	88,113
Computer software	450,496	447,511	2,985	6,667
Furniture and fixtures	631,153	602,390	28,763	35,954
Leasehold improvements	450,052	217,490	232,562	57,398
	\$ 3,985,474	\$ 3,171,705	\$ 813,769	\$ 706,962

10. Bank Indebtedness

The Partnership has access to a \$4,000,000 operating facility. The facility bears interest at the bank's prime lending rate, is due on demand and is secured by a general security agreement and guarantee from a related company.

There are no financial covenants under the facility for which the Partnership must comply.

11. Publishers' Accounts Payable and Accrued Liabilities

	2019		2018	
Trade payables	\$ 52,415,266	\$ 57,662,870		
Trade payables - related parties	-	5,725,432		
	\$ 52,415,266	\$ 63,388,302		

12. Other Accounts Payable and Accrued Liabilities

	2019		2018	
Other accounts payable and accrued liabilities	\$ 7,159,210	\$ 9,432,890		
Other accounts payable and accrued liabilities - related parties	1,443,252	1,664,375		
	\$ 8,602,462	\$ 11,097,265		

Metro 360
Notes to Non-consolidated Financial Statements
(Unaudited)

December 31, 2019

13. Notes Payable

	2019	2018
Canadian Mass Media Inc.	\$ 4,776,301	\$ -
MN Holdings Ltd.	1,623,251	-
	\$ 6,399,552	\$ -

The note payable to Canadian Mass Media Inc., a related company, is non-interest bearing, unsecured and due on demand.

The note payable to MN Holdings Ltd. bears interest at the prevailing Banker's Acceptance rate plus 1.5% per annum, is unsecured and due on demand.

14. Net Sales

	2019	2018
Magazine	\$ 69,114,866	\$ 83,008,526
Book	35,923,219	31,425,256
Other products	14,892,396	15,143,632
Newspaper	2,284,988	2,277,334
Less customer rebates	(2,211,662)	(4,269,878)
	\$ 120,003,807	\$ 127,584,870

15. Other Revenue

	2019	2018
Service charge	\$ 1,890,809	\$ 1,949,811
Waste paper	432,867	1,289,058
	\$ 2,323,676	\$ 3,238,869

16. Gain on Forgiveness of Debt

During the year, the Partnership signed an agreement terminating a management services arrangement with an unrelated party. Under the terms of the agreement, the parties agreed that the Partnership's outstanding balance owing of \$2,537,410 would be forgiven and consequently, a corresponding gain has been recognized in the non-consolidated statement of income.

Metro 360
Notes to Non-consolidated Financial Statements
(Unaudited)

December 31, 2019

17. Statement of Cash Flows

Cash was provided by (used to finance) changes in the following working capital items:

	2019	2018
Accounts receivable	\$ 6,451,368	\$ (8,867,396)
Inventory	(2,073,047)	4,355,564
Government remittances receivable	(2,482,702)	1,992,071
Prepaid expenses	(167,326)	(24,525)
Publishers' accounts payable and accrued liabilities	(10,973,036)	(2,979,337)
Other accounts payable and accrued liabilities	42,607	1,063,025
Provision for sales returns	(735,401)	(1,205,242)
	\$ (9,937,537)	\$ (5,665,840)

Supplemental Cash Flow Information:

	2019	2018
Interest paid	\$ 35,325	\$ -
Interest received	46,827	123,166

18. Related Party Information

For reporting purposes, related parties are defined as the Partnership's corporate partners, entities under common control, entities subject to significant influence and subsidiaries of the Partnership.

The following table summarizes the Partnership's related party transactions for the year.

	2019	2018
Logistics	\$ 6,067,661	\$ 6,659,807
Administration costs	400,000	400,000
Racking expense	62,436	28,857
Returns	(1,367,307)	-
Purchases	-	7,416,280

Balances with related parties are disclosed in notes 3, 8, 12 and 13.

These transactions are in the normal course of operations and have been valued in these non-consolidated financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Metro 360
Notes to Non-consolidated Financial Statements
(Unaudited)

December 31, 2019

19. Significant Business Transactions

Approximately 55% (2018 - 57%) of the Partnership's sales are to one SBT customer.

Approximately 51% (2018 - 37%) of the Partnership's purchases are from one supplier.

20. Commitments

Contract allowances

The Partnership has entered, either directly or indirectly, into a number of agreements for the exclusive supply of products to certain retail chains that may be terminated by either party. Under these agreements, the Partnership is required to make certain fixed payments in the future on the anniversary dates of individual agreements. The Partnership is committed to payments totaling approximately \$108,000 (2018 - \$196,000) in the ensuing fiscal period.

Service agreements

Pursuant to a service agreement, the Partnership has granted Prologix Distribution Services in Toronto, Ontario and Acculogix Distribution Services in Calgary, Alberta, the exclusive rights to perform the logistics and distribution services related to the merchandise marketed by the Partnership. As consideration, the Partnership has agreed to pay a percentage of net sales. These agreements have a term of 25 years and expire in 2027.

Leases

The Partnership is committed to leases for premises, vehicles and office equipment expiring at various dates through March 2023. The future minimum annual lease payments are as follows:

	Premises	Vehicles	Office Equipment	Total
2020	\$ 138,763	\$ 35,564	\$ 6,420	180,747
2021	8,100	33,006	5,350	46,456
2022	-	13,644	-	13,644
2023	-	1,530	-	1,530
	\$ 146,863	\$ 83,744	\$ 11,770	242,377

21. Pension Plan

The Partnership maintains a defined contribution pension plan. During the period, the Partnership made contributions of \$261,670 (2018 - \$239,764) which are included in wages and benefits. These costs are expensed when the contributions are made.

Metro 360
Notes to Non-consolidated Financial Statements
(Unaudited)

December 31, 2019

22. Financial Instruments

The Partnership is exposed to various risks through its financial instruments. The following provides a measure of the Partnership's risk exposure as at December 31, 2019:

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Partnership is exposed to credit risk due to its economic dependence on a small group of customers. The Partnership minimizes its exposure to credit risk by monitoring the credit worthiness of its customers. At year end, approximately 60% of the gross trade receivable balance was owed from two customers (2018 - 83%).

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of risks: foreign currency risk, interest rate risk and price risk. The Partnership is exposed to foreign currency risk and interest rate risk.

Foreign currency risk

The Partnership's activities involve holding foreign currencies and purchases and sales denominated in foreign currencies. These activities result in exposure to fluctuation in foreign currency exchange rates. As at year end, the Partnership had net liabilities denominated in U.S dollars of approximately \$68,000 (2018 - net assets of \$87,000).

Interest rate risk

The company manages its exposure to interest rate risk through floating rate borrowings. The floating rate debt is subject to interest rate cash flow risk, as the required cash flows to service the debt will fluctuate as a result of changes in market rates. The company is exposed to interest rate risk as described in notes 10 and 13.

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**THIS IS EXHIBIT "H"
TO THE AFFIDAVIT OF DANIEL P. SHAPIRO
SWORN BEFORE ME BY TWO-WAY VIDEOCONFERENCE
THIS 10th DAY OF JUNE, 2020**



Commissioner for Taking Affidavits

METRO360
Balance Sheet
As at May 23, 2020

Assets

	Current Balance
Current Assets	
Cash	10,493,159
Accounts Receivable	4,457,865
SBT Inventory	5,511,497
Accounts Receivable GST	(568,714)
Inventory	1,204,188
Prepaid Expenses	67,802
Total Current Assets	21,165,797
Fixed Assets	
Fixed Assets	681,494
Promissory Notes Receivable	8,794,505
Investment in CMMI	
Investment in Metro US LLC	1
Investment in All Day Nutritionals	589,170
Investment in Spectral Agriventures	83
Investment in Coast to Coast	
Investment in Well Juicery	814,500
Investment in RS2	358,451
Investment in Grun	1
Investment in Handfuel	50,000
Total Assets	32,454,002

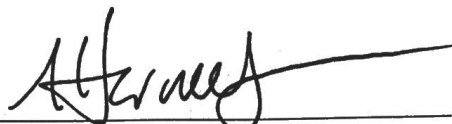
Liabilities and Partners' Equity

Current Liabilities	
Publishers Accounts Payable	21,343,185
Accounts Payable and Accrued Liabilities	11,270,409
Provision for Sales Returns	2,273,940
Total Current Liabilities	34,887,534
Partners' Equity	
Partners Equity	-6,319,422
Profit for Period	3,015,890
Payments from Partners	870,000
Total Partners' Equity	-2,433,532
Total Liabilities & Partners' Equity	32,454,002

METRO 360		
Income Statement - Consolidated		
For 5 Months Ending May 23, 2020		
(\$000's)		
	Year to Date	
	Actual	% Sales
Net Sales:		
Gross Sales	25,287	
Sell Through %	5.9%	
Return reserve change	1,298	
Customer rebates	(770)	
Contract signing allowance	0	
Net Sales	25,814	100%
Gross Margin:		
Cost of Sales	19,108	74.0%
Inventory Obsolescence	130	0.5%
Distribution Fee's	(185)	-0.7%
Publisher incentives	(346)	-1.3%
Product Cost of Sales	18,706	72.5%
Buying Gross Margin (before sales rebates)	6,581	26.0%
Net Gross Margin	7,108	27.5%
Expenses:		
Salaries wages & beneffts	3,689	14.3%
Contractors	351	1.4%
Occupancy costs	148	0.6%
Travel & entertainment	153	0.6%
Vehicle costs	160	0.6%
Advertising & promotion	106	0.4%
Computer costs	249	1.0%
Audit & legal	286	1.1%
Telephone	25	0.1%
Bad debt	6	0.0%
Depreciation	82	0.3%
Logistics Basic Fee	756	2.9%
Logistics Ancillary Charges	898	3.5%
Other S. G. & A	(95)	-0.4%
	6,813	26.4%
Operating income	296	1.1%
Other Income:		
Handling	194	0.7%
Reship & transportation	143	0.6%
Waste paper	77	0.3%
Delivery charges	240	0.9%
Other income (expense)	2,068	8.0%
	2,721	10.5%
Net income	3,016	11.7%
EBITDA	3,098	12.0%



**THIS IS EXHIBIT "I"
TO THE AFFIDAVIT OF DANIEL P. SHAPIRO
SWORN BEFORE ME BY TWO-WAY VIDEOCONFERENCE
THIS 10th DAY OF JUNE, 2020**



Commissioner for Taking Affidavits

Court File No.: _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF 957855 ALBERTA LTD. (FORMERLY
NEWSWEST INC.) AND ROSEBUD CREEK FINANCIAL
CORP. IN RESPECT OF METRO 360 GENERAL
PARTNERSHIP**

Applicants

MONITOR'S CONSENT

KSV Kofman Inc. hereby consents to act as Court-appointed monitor of 957855 Alberta Ltd. (formerly NewsWest Inc.) and Rosebud Creek Financial Corp. as the partners of the Metro 360 General Partnership in respect of these proceedings.

Dated as of June 9, 2020

KSV Kofman Inc.

Per: 

Name: DAVID SIERADCKI
Title: MANAGING DIRECTOR

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 957855 ALBERTA LTD. (FORMERLY NEWSWEST INC.) AND ROSEBUD CREEK FINANCIAL CORP. IN RESPECT OF METRO 360 GENERAL PARTNERSHIP

Court File No.:

Applicants

<p>ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST) Proceeding commenced at Toronto</p>
<p>MONITOR'S CONSENT</p>
<p>GOODMANS LLP Barristers & Solicitors 333 Bay Street, Suite 3400 Toronto, Canada M5H 2S7</p> <p>L. Joseph Latham LSO# 32326A jlatham@goodmans.ca</p> <p>Andrews Harmes LSO# 73221A aharmes@goodmans.ca</p> <p>Tel: 416.979.2211 Fax: 416.979.1234</p> <p>Lawyers for 957855 Alberta Ltd. (formerly NewsWest Inc.), Rosebud Creek Financial Corp., and Metro 360 General Partnership.</p>

ONTARIO

**SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
COMMERCIAL LIST**

Proceeding commenced at Toronto

**AFFIDAVIT OF DANIEL P. SHAPIRO
(Sworn June 10, 2020)**

GOODMANS LLP

Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, Canada M5H 2S7

L. Joseph Latham LSO#: 32326A
jlatham@goodmans.ca

Andrew Harmes LSO#: 73221A
aharmes@goodmans.ca

Tel: (416) 979-2211
Fax: (416) 979-1234

Lawyers for 957855 Alberta Ltd. (formerly
NewsWest Inc.), Rosebud Creek Financial Corp., and
Metro 360 General Partnership

3

Court File No.: _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)	WEDNESDAY, THE 17 TH
)	
JUSTICE HAINEY)	DAY OF JUNE, 2020

**IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED***

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF 957855 ALBERTA LTD.
(FORMERLY NEWSWEST INC.) AND ROSEBUD CREEK
FINANCIAL CORP. IN RESPECT OF METRO 360
GENERAL PARTNERSHIP**

Applicants

INITIAL ORDER

THIS APPLICATION, made by 957855 Alberta Ltd. (formerly NewsWest Inc.) (“**Alberta HoldCo**”) and Rosebud Creek Financial Corp. (“**Rosebud HoldCo**”) and, together with the Alberta HoldCo, the “**Applicants**”), being the partners of the Metro 360 General Partnership (“**Metro 360**”), pursuant to the *Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36*, as amended (the “**CCAA**”), was heard this day via videoconference at Toronto, Ontario.

ON READING the affidavit of Daniel P. Shapiro sworn June 10, 2020, and the Exhibits thereto (the “**Shapiro Affidavit**”), and the second report of KSV Kofman Inc. (“**KSV**”), in its capacity as the proposal trustee of the Applicants in the Proposal Proceedings (as defined below) (in such capacity, the “**Proposal Trustee**”) and in its capacity as the proposed monitor of the Applicants under the CCAA, dated June 10, 2020 (the “**Second Report**”), and on hearing the submissions of counsel for the Applicants and Metro 360, counsel for the Proposal Trustee and those other parties appearing, no one else appearing although duly served as appears from the

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affidavit of service of ● sworn June ●, 2020, and on reading the consent of KSV to act as the monitor of the Applicants (in such capacity, the “**Monitor**”),

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

CONTINUANCE UNDER THE CCAA

2. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies. Although not an applicant, Metro 360 (together with the Applicants, the “**CCAA Entities**” and each a “**CCAA Entity**”) shall have the benefit of the same protections and authorizations provided to the Applicants by this Order.

3. **THIS COURT ORDERS AND DECLARES** that effective June 17, 2020, the Applicants’ proceedings bearing Court File No. 31-2636843 (the “**Proposal Proceedings**”) commenced under Part III of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended (the “**BIA**”) are hereby taken up and continued under the CCAA and that, as of such date, the provisions of Part III of the BIA shall have no further application to the CCAA Entities, save that any and all steps, agreements and procedures validly taken, done or entered into by the CCAA Entities during the Proposal Proceedings shall remain valid and binding, notwithstanding the commencement of the CCAA proceedings, including, without limitation, the sale of any assets, property or undertaking of any of the CCAA Entities that was approved by the Court or otherwise permitted in the Proposal Proceedings, including, but not limited to (a) the TNG Transaction (as defined in the Shapiro Affidavit) and (b) any transaction entered into pursuant to paragraph 14 of the Bankruptcy Procedure Order of Hainey J. dated April 7, 2020 issued in the Proposal Proceedings (the “**Procedure Order**”).

PLAN OF ARRANGEMENT

4. **THIS COURT ORDERS** that the CCAA Entities shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the “**Plan**”).

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POSSESSION OF PROPERTY AND OPERATIONS

5. **THIS COURT ORDERS** that the CCAA Entities shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”). Subject to further Order of this Court, the CCAA Entities shall continue to carry on business in a manner consistent with the preservation of their business (the “**Business**”) and Property. The CCAA Entities are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

6. **THIS COURT ORDERS** that the CCAA Entities shall be entitled to continue to utilize their existing cash management system currently in place or replace it with another substantially similar cash management system (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the CCAA Entities of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the CCAA Entities, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

7. **THIS COURT ORDERS** that the CCAA Entities shall be entitled but not required to pay the following expenses and satisfy the following obligations, whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, commissions, compensation, employee benefits, pension contributions, vacation pay and expenses (including, without

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limitation, payroll and benefits processing and servicing expenses) payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;

- (b) the fees and disbursements of any Assistants retained or employed by the CCAA Entities in respect of these proceedings, at their standard rates and charges;
- (c) any payment referred to in paragraphs 8(a) to 8(b) of this Order that: (i) was incurred during the Proposal Proceedings or that pertains to such period; or (ii) pertains to the period prior to the commencement of the Proposal Proceedings if, in the opinion of the CCAA Entities and with the consent of the Monitor, the supplier of the applicable good or service is critical to the Business and the ongoing operation of the CCAA Entities.

8. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the CCAA Entities shall be entitled but not required to pay all reasonable expenses incurred by the CCAA Entities in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order and any other Order of this Court, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services supplied or to be supplied to the CCAA Entities.

9. **THIS COURT ORDERS** that the CCAA Entities shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

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- (b) all goods and services or other applicable sales taxes (collectively, “**Sales Taxes**”) required to be remitted by the CCAA Entities in connection with the sale of goods and services by the CCAA Entities, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the CCAA Entities.

10. **THIS COURT ORDERS** that, except as specifically permitted herein, the CCAA Entities are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the CCAA Entities to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business or pursuant to this Order or any other Order of this Court.

RESTRUCTURING

11. **THIS COURT ORDERS** that the CCAA Entities shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of their Business or operations, and to dispose of redundant or non-material assets not exceeding \$200,000 in any one transaction or \$400,000 in the aggregate;
- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate; and

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- (c) pursue all avenues of refinancing or restructuring of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the CCAA Entities to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

12. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the CCAA Entities shall be entitled to pay, without duplication, all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease, but, for greater certainty, excluding accelerated rent or penalties, fees or other charges arising as a result of the insolvency of the CCAA Entities or the making of this Order) or as otherwise may be negotiated between the CCAA Entities and the landlord from time to time (“**Rent**”), for the period commencing from and including the date of this Order, in accordance with past practice pursuant to the terms of the lease. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

13. **THIS COURT ORDERS** that the CCAA Entities shall provide each of the relevant landlords with notice of their intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the CCAA Entities’ entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the CCAA Entities, or by further Order of this Court upon application by the CCAA Entities on at least two (2) days notice to such landlord and any such secured creditors. If the CCAA Entities disclaim or resiliate the lease governing such leased premises in accordance with Section 32 of the CCAA, they shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer or resiliation of the lease shall be without prejudice to the CCAA Entities’ claim to the fixtures in dispute. **[NTD: Confirm whether there are any real property leases.]**

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14. **THIS COURT ORDERS** that if a notice of disclaimer or resiliation is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the CCAA Entities and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the CCAA Entities in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE CCAA ENTITIES OR THE PROPERTY

15. **THIS COURT ORDERS** that until and including June 26, 2020, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of any of the CCAA Entities or the Monitor, or affecting the Business or the Property, except with the written consent of the applicable CCAA Entity and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the CCAA Entities or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

16. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of any of the CCAA Entities or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the applicable CCAA Entity and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the CCAA Entities to carry on any business which the CCAA Entities are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

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NO INTERFERENCE WITH RIGHTS

17. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence or permit in favour of or held by any CCAA Entity (in each case whether written or oral), except with the written consent of the applicable CCAA Entity and the Monitor, or leave of this Court.

18. **THIS COURT ORDERS** that, until further Order of this Court, the Applicants shall not be deemed to have made an assignment based on their failure to file a proposal with the official receiver notwithstanding s. 50.4(8) of the BIA.

CONTINUATION OF SERVICES

19. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the CCAA Entities or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll and benefits services, insurance, transportation services, utility or other services to the Business or the CCAA Entities, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the CCAA Entities, and that the CCAA Entities shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the CCAA Entities in accordance with normal payment practices of the CCAA Entities or such other practices as may be agreed upon by the supplier or service provider and each of the CCAA Entities and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

20. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-

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advance any monies or otherwise extend any credit to the CCAA Entities. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

21. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before or arises after the date hereof and that relates to any obligation of any Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations.

KEY EMPLOYEE RETENTION PROGRAM

22. **THIS COURT ORDERS** that the key employee retention program (the “**KERP**”) described in the Shapiro Affidavit and in the Second Report is hereby authorized and approved, the CCAA Entities (or any other person that may be appointed on behalf of the CCAA Entities, and including, without limitation, any trustee, liquidator, receiver, interim receiver, receiver and manager or other person acting on behalf of any such person) is hereby authorized to perform the obligations under the KERP, including making all payments to the beneficiaries of the KERP (the “**KERP Participants**”) of amounts due and owing under the KERP in accordance with the terms and conditions of the KERP.

23. **THIS COURT ORDERS** that the CCAA Entities are hereby authorized to execute and deliver such additional documents as may be necessary to give effect to the KERP, subject to prior approval of such documents by the Monitor or as may be ordered by this Court.

24. **THIS COURT ORDERS** that the KERP Participants shall be entitled to the benefit of and are hereby granted a charge (the “**KERP Charge**”) on the Property, which charge shall not exceed the aggregate amount of \$180,000, as security for the obligations of the CCAA Entities to the KERP Participants under the KERP. The KERP Charge shall have the priority set out in paragraphs 38 and 40 herein.

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DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

25. **THIS COURT ORDERS** that the Applicants shall indemnify their current and future directors and officers (the “**D&Os**”) against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, including, without limitation, in respect of any failure to pay wages and source deductions, vacation pay, or other payments of the nature referred to in subparagraphs 7(a), 9(a), 9(b) or 9(c) of this Order except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of such director’s or officer’s gross negligence or wilful misconduct.

26. **THIS COURT ORDERS** that the D&Os of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the “**Directors’ Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$300,000 as security for the indemnity provided in paragraph 25 of this Order. The Directors’ Charge shall have the priority set out in paragraphs 38 and 40 herein.

APPOINTMENT OF MONITOR

27. **THIS COURT ORDERS** that KSV is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the CCAA Entities with the powers and obligations set out in the CCAA or set forth herein and that the CCAA Entities and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the CCAA Entities pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor’s functions.

28. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the CCAA Entities’ receipts and disbursements;

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- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) advise the CCAA Entities in their preparation of their cash flow statements;
- (d) advise the CCAA Entities in their development of the Plan and any amendments to the Plan;
- (e) assist the CCAA Entities, to the extent required by the CCAA Entities, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (f) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the CCAA Entities to the extent that is necessary to adequately assess the CCAA Entities' business and financial affairs or to perform its duties arising under this Order;
- (g) assist the CCAA Entities with respect to the consideration, development and implementation of any Restructuring initiatives;
- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable, including the services or employees of its affiliates, respecting the exercise of its powers and performance of its obligations under this Order; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

29. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

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30. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

31. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the CCAA Entities with information provided by the CCAA Entities in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by any of the CCAA Entities is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the applicable CCAA Entity may agree.

32. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

33. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the CCAA Entities shall be paid their reasonable fees and disbursements, in each case at their

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standard rates and charges and whether incurred prior to, on or after the date hereof, by the CCAA Entities as part of the costs of these proceedings. The CCAA Entities are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for CCAA Entities in accordance with the payment terms agreed to with such professionals.

34. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

35. **THIS COURT ORDERS** that the Proposal Trustee and counsel to the Proposal Trustee shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the CCAA Entities as part of the costs of these proceedings. The CCAA Entities are hereby authorized and directed to pay any outstanding accounts of the Proposal Trustee and counsel to the Proposal Trustee.

VALIDITY AND PRIORITY OF THE PROPOSAL ADMINISTRATION CHARGE

36. **THIS COURT ORDERS** that the Administration Charge as defined in and created by the Procedure Order (the “**Proposal Administration Charge**”), shall continue to be in force and effect in these CCAA proceedings, as may be amended by this Order, and the Proposal Administration Charge shall have the priority set out in paragraphs 38 and 40 hereof.

37. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and, for greater certainty, counsel to the CCAA Entities, shall be entitled to the benefit of the Proposal Administration Charge as security for their professional fees and disbursements incurred both before and after the granting of this Order at the standard rates and charges of the Monitor and such counsel.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

38. **THIS COURT ORDERS** that the priorities of the Proposal Administration Charge, the Directors’ Charge and the KERP Charge (collectively, the “**Charges**”), as among them, shall be as follows:

First – Proposal Administration Charge (to the maximum amount of

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\$300,000);

Second – Directors' Charge (to the maximum amount of \$300,000); and

Third – KERP Charge (to the maximum amount of \$180,000).

39. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

40. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person, except for any secured creditor of the CCAA Entities who did not receive notice of the motion seeking this Order which was filed in the Proposal Proceedings.

41. **THIS COURT ORDERS** that the CCAA Entities shall be entitled on any subsequent motion on notice to those Persons likely to be affected thereby, to seek priority of the Charges ahead of any Encumbrance over which the Charges may have not obtained priority.

42. **THIS COURT ORDERS** that, except as otherwise expressly provided for herein, or as may be approved by this Court, the CCAA Entities shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the CCAA Entities also obtains the prior written consent of the Monitor and the beneficiaries of the applicable Charges (collectively, the “**Chargees**”), or further Order of this Court.

43. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with

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respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds any of the CCAA Entities, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the CCAA Entities of any Agreement to which any CCAA Entity is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (c) the payments made by the CCAA Entities pursuant to this Order and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

44. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the CCAA Entities’ interest in such real property leases.

SEALING

45. **THIS COURT ORDERS** that the confidential appendix to the Second Report be sealed in its entirety, kept confidential and not form part of the public record, unless otherwise ordered by this Court.

SERVICE AND NOTICE

46. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in *The Globe and Mail* (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the CCAA Entities of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make

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it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

47. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/Toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that the Case Website established in connection with the Proposal Proceedings and referenced at the URL which follows shall constitute the Case Website for these CCAA proceedings in accordance with the Protocol: <https://www.ksvadvisory.com/insolvency-cases/case/metro360> (the “**Website**”).

48. **THIS COURT ORDERS** that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in these CCAA proceedings (the “**Service List**”). The Monitor shall post the Service List, as may be updated from time to time, on the Website, provided that the Monitor shall have no liability in respect of the accuracy of, or the timeliness or making any changes to, the Service List.

49. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the CCAA Entities and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile or other electronic transmission to the CCAA Entities’ creditors or other interested parties at their respective addresses as last shown on the records of the CCAA Entities and that any such service or distribution shall be deemed to be received; (a) if sent by courier, on the next business day following the date of forwarding thereof, (b) if delivered by personal delivery or facsimile or other electronic transmission, on the day so delivered, and (c) if sent by ordinary mail, on the third business day after mailing.

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50. **THIS COURT ORDERS** that the CCAA Entities and the Monitor and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the CCAA Entities' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

51. **THIS COURT ORDERS** that, subject to further Order of this Court in respect of urgent motions, any interested party wishing to object to the relief sought in a motion brought by the CCAA Entities or Monitor in these CCAA proceedings shall, subject to further Order of this Court, provide the Service List with responding motion materials or a written notice (including by e-mail) stating its objection to the motion and the grounds for such objection by no later than 5:00 p.m. (Toronto time) on the date that is four (4) days prior to the date such motion is returnable (the "**Objection Deadline**"). The Monitor shall have the ability to extend the Objection Deadline after consulting with the CCAA Entities.

52. **THIS COURT ORDERS** that following the expiry of the Objection Deadline, counsel to the Monitor or counsel to the CCAA Entities shall inform the Court of the absence or the status of any objections to the motion and the judge having carriage of the motion (the "**Presiding Judge**") may determine:

- (a) whether a hearing is necessary;
- (b) whether such hearing will be in person, by telephone, by videoconference or by written submissions only; and/or
- (c) the parties from whom submissions are required,

(collectively, the "**Hearing Details**"), and any such determination by the Presiding Judge shall be communicated thereafter to the Service List. In the absence any determination by the Presiding Judge regarding the Hearing Details, a hearing will be held in the ordinary course on the date and manner specified in the notice of motion.

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GENERAL

53. **THIS COURT ORDERS** that the CCAA Entities or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order, or for advice and directions concerning the discharge of their respective powers and duties under this Order or the interpretation or application of this Order.

54. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of any CCAA Entity, the Business or the Property.

55. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or any other foreign jurisdiction, to give effect to this Order and to assist the CCAA Entities, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the CCAA Entities and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the CCAA Entities and the Monitor and their respective agents in carrying out the terms of this Order.

56. **THIS COURT ORDERS** that each of the CCAA Entities and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

57. **THIS COURT ORDERS** that any interested party (including the CCAA Entities and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other Person(s) likely to be affected by the order sought or upon such other notice, if any, as this Court may order; provided, however, that the Chargees shall be entitled to rely on this Order as issued and entered and on the Charges with respect to any fees and disbursements incurred until the date this Order may be amended, varied or stayed.

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58. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Toronto time) on the date of this Order.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 957855 ALBERTA LTD. (FORMERLY NEWSWEST INC.) AND ROSEBUD CREEK FINANCIAL CORP. IN RESPECT OF METRO 360 GENERAL PARTNERSHIP

Court File No.: _____

Applicants

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

INITIAL ORDER

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, Canada M5H 2S7

L. Joseph Latham LSO#: 32326A
jlatham@goodmans.ca

Andrew Harmes LSO#: 73221A
aharmes@goodmans.ca

Tel: (416) 979-2211
Fax: (416) 979-1234

Lawyers for 957855 Alberta Ltd. (formerly NewsWest Inc.), Rosebud Creek Financial Corp., and Metro 360 General Partnership.

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Revised: January 21, 2014

Court File No. _____:

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE _____) ~~WEEKDAY~~ WEDNESDAY, THE # 17TH
JUSTICE HAINEY)
DAY OF ~~MONTH~~ JUNE, ~~20YR~~ 2020

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF ~~[APPLICANT'S NAME]~~ (the
"Applicant") 957855 ALBERTA LTD. (FORMERLY
NEWSWEST INC.) AND ROSEBUD CREEK FINANCIAL
CORP. IN RESPECT OF METRO 360 GENERAL
PARTNERSHIP

Applicants

INITIAL ORDER

THIS APPLICATION, made by ~~the Applicant~~ 957855 Alberta Ltd. (formerly NewsWest Inc.) ("Alberta HoldCo") and Rosebud Creek Financial Corp. ("Rosebud HoldCo") and, together with the Alberta HoldCo, the "Applicants"), being the partners of the Metro 360 General Partnership ("Metro 360"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), was heard this day via videoconference at ~~330 University Avenue~~, Toronto, Ontario.

ON READING the affidavit of ~~[NAME]~~ sworn [DATE] Daniel P. Shapiro sworn June 10, 2020, and the Exhibits thereto, ~~and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice~~ (the "Shapiro Affidavit"), and the second report of KSV Kofman Inc. ("KSV"), in its capacity as the proposal trustee of the Applicants in the Proposal Proceedings (as defined below) (in such capacity, the "Proposal Trustee") and in its capacity as the proposed monitor of the Applicants under the CCAA, dated June 10, 2020 (the

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“**Second Report**”), and on hearing the submissions of counsel for ~~[NAMES], no one appearing for [NAME]~~¹ the Applicants and Metro 360, counsel for the Proposal Trustee and those other parties appearing, no one else appearing although duly served as appears from the affidavit of service of ~~[NAME]~~² sworn ~~[DATE]~~ June 1, 2020, and on reading the consent of ~~[MONITOR’S NAME]~~ KSV to act as the monitor of the Applicants (in such capacity, the “Monitor”),

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated² so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

CONTINUANCE UNDER THE CCAA

2. **THIS COURT ORDERS AND DECLARES** that the ~~Applicant is a company~~ Applicants are companies to which the CCAA applies. Although not an applicant, Metro 360 (together with the Applicants, the “CCAA Entities” and each a “CCAA Entity”) shall have the benefit of the same protections and authorizations provided to the Applicants by this Order.

3. **THIS COURT ORDERS AND DECLARES** that effective June 17, 2020, the Applicants’ proceedings bearing Court File No. 31-2636843 (the “Proposal Proceedings”) commenced under Part III of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended (the “BIA”) are hereby taken up and continued under the CCAA and that, as of such date, the provisions of Part III of the BIA shall have no further application to the CCAA Entities, save that any and all steps, agreements and procedures validly taken, done or entered into by the CCAA

¹ ~~Include names of secured creditors or other persons who must be served before certain relief in this model Order may be granted. See, for example, CCAA Sections 11.2(1), 11.3(1), 11.4(1), 11.51(1), 11.52(1), 32(1), 32(3), 33(2) and 36(2).~~

² ~~If service is effected in a manner other than as authorized by the Ontario *Rules of Civil Procedure*, an order validating irregular service is required pursuant to Rule 16.08 of the *Rules of Civil Procedure* and may be granted in appropriate circumstances.~~

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Entities during the Proposal Proceedings shall remain valid and binding, notwithstanding the commencement of the CCAA proceedings, including, without limitation, the sale of any assets, property or undertaking of any of the CCAA Entities that was approved by the Court or otherwise permitted in the Proposal Proceedings, including, but not limited to (a) the TNG Transaction (as defined in the Shapiro Affidavit) and (b) any transaction entered into pursuant to paragraph 14 of the Bankruptcy Procedure Order of Hailey J. dated April 7, 2020 issued in the Proposal Proceedings (the “Procedure Order”).

PLAN OF ARRANGEMENT

4. ~~3.~~ **THIS COURT ORDERS** that the ~~Applicant~~CCAA Entities shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the “Plan”).

POSSESSION OF PROPERTY AND OPERATIONS

5. ~~4.~~ **THIS COURT ORDERS** that the ~~Applicant~~CCAA Entities shall remain in possession and control of ~~its~~their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “Property”). Subject to further Order of this Court, the ~~Applicant~~CCAA Entities shall continue to carry on business in a manner consistent with the preservation of ~~its~~their business (the “Business”) and Property. The ~~Applicant is~~CCAA Entities are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively “Assistants”) currently retained or employed by ~~it~~them, with liberty to retain such further Assistants as ~~it deems~~they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

6. ~~5.~~ **THIS COURT ORDERS** that the ~~Applicant~~CCAA Entities shall be entitled to continue to utilize ~~the central~~their existing cash management system³ currently in place ~~as~~

³ ~~This provision should only be utilized where necessary, in view of the fact that central cash management systems often operate in a manner that consolidates the cash of applicant companies. Specific attention should be paid to cross border and inter company transfers of cash.~~

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~~described in the Affidavit of [NAME] sworn [DATE]~~ or replace it with another substantially similar ~~central~~ cash management system (the "Cash Management System") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the ~~Applicant~~ CCAA Entities of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the ~~Applicant~~ CCAA Entities, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.}

7. ~~6.~~ **THIS COURT ORDERS** that the ~~Applicant~~ CCAA Entities shall be entitled but not required to pay the following expenses and satisfy the following obligations, whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, commissions, compensation, employee ~~and~~ benefits, pension ~~benefits~~ contributions, vacation pay and expenses (including, without limitation, payroll and benefits processing and servicing expenses) payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; ~~and~~
- (b) the fees and disbursements of any Assistants retained or employed by the ~~Applicant~~ CCAA Entities in respect of these proceedings, at their standard rates and charges;
- (c) any payment referred to in paragraphs 8(a) to 8(b) of this Order that: (i) was incurred during the Proposal Proceedings or that pertains to such period; or (ii) pertains to the period prior to the commencement of the Proposal Proceedings if, in the opinion of the CCAA Entities and with the consent of the Monitor, the supplier of the applicable good or service is critical to the Business and the ongoing operation of the CCAA Entities.

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8. ~~7.~~ **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the ~~Applicant~~ CCAA Entities shall be entitled but not required to pay all reasonable expenses incurred by the ~~Applicant~~ CCAA Entities in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order and any other Order of this Court, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services ~~actually~~ supplied or to ~~the Applicant following the date of this Order~~ be supplied to the CCAA Entities.

9. ~~8.~~ **THIS COURT ORDERS** that the ~~Applicant~~ CCAA Entities shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the ~~Applicant~~ CCAA Entities in connection with the sale of goods and services by the ~~Applicant~~ CCAA Entities, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured

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creditors and which are attributable to or in respect of the carrying on of the Business by the ~~Applicant~~ CCAA Entities.

~~9. THIS COURT ORDERS that until a real property lease is disclaimed [or resiliated]⁴ in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, twice monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.~~

10. THIS COURT ORDERS that, except as specifically permitted herein, the Applicant ~~is~~ CCAA Entities are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant CCAA Entities to any of ~~its~~ their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of ~~its~~ their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business or pursuant to this Order or any other Order of this Court.

RESTRUCTURING

11. THIS COURT ORDERS that the Applicant CCAA Entities shall, subject to such requirements as are imposed by the CCAA ~~and such covenants as may be contained in the Definitive Documents (as hereinafter defined)~~, have the right to:

~~⁴ The term "resiliate" should remain if there are leased premises in the Province of Quebec, but can otherwise be removed.~~

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- (a) permanently or temporarily cease, downsize or shut down any of ~~its business~~their Business or operations, ~~and~~ to dispose of redundant or non-material assets not exceeding \$~~200,000~~ in any one transaction or \$~~400,000~~ in the aggregate~~;~~⁵;
- (b) ~~terminate~~ the employment of such of ~~its~~their employees or temporarily lay off such of ~~its~~their employees as ~~it deems~~they deem appropriate~~};~~ and
- (c) pursue all avenues of refinancing or restructuring of ~~its~~their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the ~~Applicant~~CCAA Entities to proceed with an orderly restructuring of the Business (the "Restructuring").

12. THIS COURT ORDERS that until a real property lease is disclaimed in accordance with the CCAA, the CCAA Entities shall be entitled to pay, without duplication, all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease, but, for greater certainty, excluding accelerated rent or penalties, fees or other charges arising as a result of the insolvency of the CCAA Entities or the making of this Order) or as otherwise may be negotiated between the CCAA Entities and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, in accordance with past practice pursuant to the terms of the lease. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

13. ~~12.~~ THIS COURT ORDERS that the ~~Applicant~~CCAA Entities shall provide each of the relevant landlords with notice of ~~the Applicant's~~their intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant

⁵~~Section 36 of the amended CCAA does not seem to contemplate a pre-approved power to sell (see subsection 36(3)) and moreover requires notice (subsection 36(2)) and evidence (subsection 36(7)) that may not have occurred or be available at the initial CCAA hearing.~~

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landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the ~~Applicant's~~CCAA Entities' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the ~~Applicant~~CCAA Entities, or by further Order of this Court upon application by the ~~Applicant~~CCAA Entities on at least two (2) days notice to such landlord and any such secured creditors. If the ~~Applicant disclaims or resiliates~~CCAA Entities disclaim or resiliate the lease governing such leased premises in accordance with Section 32 of the CCAA, ~~it~~they shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer ~~for~~resiliation of the lease shall be without prejudice to the ~~Applicant's~~CCAA Entities' claim to the fixtures in dispute. [NTD: Confirm whether there are any real property leases.]

14. ~~13.~~ **THIS COURT ORDERS** that if a notice of disclaimer ~~for~~resiliation is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer ~~for~~resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the ~~Applicant~~CCAA Entities and the Monitor 24 hours¹⁷ prior written notice, and (b) at the effective time of the disclaimer ~~for~~resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the ~~Applicant~~CCAA Entities in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE ~~APPLICANT~~CCAA ENTITIES OR THE PROPERTY

15. ~~14.~~ **THIS COURT ORDERS** that until and including ~~[DATE—MAX. 30 DAYS]~~June 26, 2020, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of any of the ~~Applicant~~CCAA Entities or the Monitor, or affecting the Business or the Property, except with the written consent of the ~~Applicant~~applicable CCAA Entity and the Monitor, or with leave of this Court, and any and all Proceedings currently under

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way against or in respect of any of the ~~Applicant~~CCAA Entities or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

16. ~~15.~~ **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of any of the ~~Applicant~~CCAA Entities or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the ~~Applicant~~applicable CCAA Entity and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the ~~Applicant~~CCAA Entities to carry on any business which the ~~Applicant is~~CCAA Entities are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

17. ~~16.~~ **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence or permit in favour of or held by ~~the Applicant~~any CCAA Entity (in each case whether written or oral), except with the written consent of the ~~Applicant~~applicable CCAA Entity and the Monitor, or leave of this Court.

18. **THIS COURT ORDERS** that, until further Order of this Court, the Applicants shall not be deemed to have made an assignment based on their failure to file a proposal with the official receiver notwithstanding s. 50.4(8) of the BIA.

CONTINUATION OF SERVICES

19. ~~17.~~ **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the ~~Applicant~~CCAA Entities or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll and benefits

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services, insurance, transportation services, utility or other services to the Business or the ~~Applicant~~CCAA Entities, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the ~~Applicant~~CCAA Entities, and that the ~~Applicant~~CCAA Entities shall be entitled to the continued use of ~~its~~their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the ~~Applicant~~CCAA Entities in accordance with normal payment practices of the ~~Applicant~~CCAA Entities or such other practices as may be agreed upon by the supplier or service provider and each of the ~~Applicant~~CCAA Entities and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

20. ~~18.~~ **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of ~~lease~~leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the ~~Applicant~~CCAA Entities. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.⁶

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

21. ~~19.~~ **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the ~~Applicant~~Applicants with respect to any claim against the directors or officers that arose before or arises after the date hereof and that relates to any ~~obligations~~obligation of ~~the~~any Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or

⁶ ~~This non-derogation provision has acquired more significance due to the recent amendments to the CCAA, since a number of actions or steps cannot be stayed, or the stay is subject to certain limits and restrictions. See, for example, CCAA Sections 11.01, 11.04, 11.06, 11.07, 11.08, 11.1(2) and 11.5(1).~~

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performance of such obligations, ~~until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.~~

KEY EMPLOYEE RETENTION PROGRAM

22. THIS COURT ORDERS that the key employee retention program (the “KERP”) described in the Shapiro Affidavit and in the Second Report is hereby authorized and approved, the CCAA Entities (or any other person that may be appointed on behalf of the CCAA Entities, and including, without limitation, any trustee, liquidator, receiver, interim receiver, receiver and manager or other person acting on behalf of any such person) is hereby authorized to perform the obligations under the KERP, including making all payments to the beneficiaries of the KERP (the “KERP Participants”) of amounts due and owing under the KERP in accordance with the terms and conditions of the KERP.

23. THIS COURT ORDERS that the CCAA Entities are hereby authorized to execute and deliver such additional documents as may be necessary to give effect to the KERP, subject to prior approval of such documents by the Monitor or as may be ordered by this Court.

24. THIS COURT ORDERS that the KERP Participants shall be entitled to the benefit of and are hereby granted a charge (the “KERP Charge”) on the Property, which charge shall not exceed the aggregate amount of \$180,000, as security for the obligations of the CCAA Entities to the KERP Participants under the KERP. The KERP Charge shall have the priority set out in paragraphs 37 and 39 herein.

DIRECTORS’ AND OFFICERS’ INDEMNIFICATION AND CHARGE

25. ~~20.~~ THIS COURT ORDERS that the ApplicantApplicants shall indemnify ~~its~~their current and future directors and officers (the “D&Os”) against obligations and liabilities that they may incur as directors or officers of the ApplicantApplicants after the commencement of the within proceedings,⁷ including, without limitation, in respect of any failure to pay wages and

⁷The broad indemnity language from Section 11.51 of the CCAA has been imported into this paragraph. The granting of the indemnity (whether or not secured by a Directors' Charge), and the scope of the indemnity, are discretionary matters that should be addressed with the Court.

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source deductions, vacation pay, or other payments of the nature referred to in subparagraphs 7(a), 9(a), 9(b) or 9(c) of this Order except to the extent that, with respect to any ~~officer or director~~ or officer, the obligation or liability was incurred as a result of ~~the~~such director's or officer's gross negligence or wilful misconduct.

26. ~~21.~~ **THIS COURT ORDERS** that the ~~directors and officers~~D&Os of the ~~Applicant~~Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge")⁸ on the Property, which charge shall not exceed an aggregate amount of ~~\$~~\$~~300,000~~ as security for the indemnity provided in paragraph ~~[20]~~24 of this Order. The Directors' Charge shall have the priority set out in paragraphs ~~[38]~~37 and ~~[40]~~39 herein.~~22.~~

~~THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph [20] of this Order.~~

APPOINTMENT OF MONITOR

27. ~~23.~~ **THIS COURT ORDERS** that ~~[MONITOR'S NAME]~~KSV is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the ~~Applicant~~CCAA Entities with the powers and obligations set out in the CCAA or set forth herein and that the ~~Applicant~~CCAA Entities and ~~its~~their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the ~~Applicant~~CCAA Entities pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

28. ~~24.~~ **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

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- (a) monitor the ~~Applicant's~~ CCAA Entities' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- ~~(c) assist the Applicant, to the extent required by the Applicant, in its dissemination, to the DIP Lender and its counsel on a [TIME INTERVAL] basis of financial and other information as agreed to between the Applicant and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;~~
- (c) ~~(d)~~ advise the ~~Applicant~~ CCAA Entities in ~~its~~ their preparation of ~~the Applicant's~~ cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than [TIME INTERVAL], or as otherwise agreed to by the DIP Lender their cash flow statements;
- (d) ~~(e)~~ advise the ~~Applicant~~ CCAA Entities in ~~its~~ their development of the Plan and any amendments to the Plan;
- (e) ~~(f)~~ assist the ~~Applicant~~ CCAA Entities, to the extent required by the ~~Applicant~~ CCAA Entities, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (f) ~~(g)~~ have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the ~~Applicant,~~ CCAA Entities to the extent that is necessary to adequately assess the ~~Applicant's~~ CCAA Entities' business and financial affairs or to perform its duties arising under this Order;

⁸ ~~Section 11.51(3) provides that the Court may not make this security/charging order if in the Court's opinion the Applicant could obtain adequate indemnification insurance for the director or officer at a reasonable cost.~~

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- (g) assist the CCAA Entities with respect to the consideration, development and implementation of any Restructuring initiatives;
- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable, including the services or employees of its affiliates, respecting the exercise of its powers and performance of its obligations under this Order; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

29. ~~25.~~ **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

30. ~~26.~~ **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

31. ~~27.~~ **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the ~~Applicant and the DIP Lender~~ CCAA Entities with information provided by the ~~Applicant~~ CCAA Entities in response to reasonable requests for information made in writing by such creditor

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addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by any of the Applicant CCAA Entities is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant applicable CCAA Entity may agree.

32. ~~28.~~ **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

33. ~~29.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicant CCAA Entities shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges and whether incurred prior to, on or after the date hereof, by the Applicant CCAA Entities as part of the costs of these proceedings. The ~~Applicant is~~ CCAA Entities are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for ~~the Applicant on a [TIME INTERVAL] basis and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicant, retainers in the amount[s] of \$● [, respectively,] to be held by them as security for payment of their respective fees and disbursements outstanding from time to time~~ CCAA Entities in accordance with the payment terms agreed to with such professionals.

34. ~~30.~~ **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

35. ~~31.~~ **THIS COURT ORDERS** that the ~~Monitor, counsel to the Monitor, if any, and the Applicant's counsel shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge~~ Proposal Trustee and counsel to the Proposal Trustee shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the CCAA Entities as part of the costs of these proceedings. The

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CCAA Entities are hereby authorized and directed to pay any outstanding accounts of the Proposal Trustee and counsel to the Proposal Trustee.

VALIDITY AND PRIORITY OF THE PROPOSAL ADMINISTRATION CHARGE

36. THIS COURT ORDERS that the Administration Charge as defined in and created by the Procedure Order (the "Proposal Administration Charge"), shall ~~not exceed an aggregate amount of \$●~~ continue to be in force and effect in these CCAA proceedings, –as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The as may be amended by this Order, and the Proposal Administration Charge shall have the priority set out in paragraphs ~~{38}~~37 and ~~{40}~~39 hereof.

~~DIP FINANCING~~

37. ~~32. THIS COURT ORDERS~~ that the ~~Applicant is hereby authorized and empowered to obtain and borrow under a credit facility from [DIP LENDER'S NAME] (the "DIP Lender") in order to finance the Applicant's working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$● unless permitted by further Order of this Court.~~ Monitor, counsel to the Monitor and, for greater certainty, counsel to the CCAA Entities, shall be entitled to the benefit of the Proposal Administration Charge as security for their professional fees and disbursements incurred both before and after the granting of this Order at the standard rates and charges of the Monitor and such counsel.

33. ~~THIS COURT ORDERS THAT~~ such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Applicant and the DIP Lender dated as of [DATE] (the "Commitment Letter"), filed.

34. ~~THIS COURT ORDERS~~ that the ~~Applicant is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "Definitive Documents"), as are contemplated by the Commitment Letter or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicant is hereby authorized and directed to pay~~

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~~and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Commitment Letter and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.~~

~~35. — THIS COURT ORDERS that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "DIP Lender's Charge") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs [38] and [40] hereof.~~

~~36. — THIS COURT ORDERS that, notwithstanding any other provision of this Order:~~

- ~~(a) — the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;~~
- ~~(b) — upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon ● days notice to the Applicant and the Monitor, may exercise any and all of its rights and remedies against the Applicant or the Property under or pursuant to the Commitment Letter, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicant and set off and/or consolidate any amounts owing by the DIP Lender to the Applicant against the obligations of the Applicant to the DIP Lender under the Commitment Letter, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicant and for the appointment of a trustee in bankruptcy of the Applicant; and~~
- ~~(c) — the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property.~~

~~37. — THIS COURT ORDERS AND DECLARES that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or~~

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any proposal filed by the Applicant under the ~~Bankruptcy and Insolvency Act~~ of Canada (the "BIA"), with respect to any advances made under the ~~Definitive Documents~~.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

38. **THIS COURT ORDERS** that the priorities of the ~~Directors' Charge, the Proposal Administration Charge, the Directors' Charge~~ and the ~~DIP Lender's KERP Charge~~ (collectively, the "Charges"), as among them, shall be as follows⁹:

~~First Administration Charge (to the maximum amount of \$●);~~

~~Second DIP Lender's Charge; and~~

~~Third Directors' Charge (to the maximum amount of \$●).~~

<u>First</u>	=	<u>Proposal Administration Charge (to the maximum amount of \$300,000);</u>
<u>Second</u>	=	<u>Directors' Charge (to the maximum amount of \$300,000); and</u>
<u>Third</u>	=	<u>KERP Charge (to the maximum amount of \$180,000).</u>

39. **THIS COURT ORDERS** that the filing, registration or perfection of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge~~ (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

40. **THIS COURT ORDERS** that each of the ~~Directors' Charge, the Administration Charge and the DIP Lender's Charge (all as constituted and defined herein)~~ Charges shall constitute a

⁹ ~~The ranking of these Charges is for illustration purposes only, and is not meant to be determinative. This ranking may be subject to negotiation, and should be tailored to the circumstances of the case before the Court. Similarly, the quantum and caps applicable to the Charges should be considered in each case. Please also note that the CCAA now permits Charges in favour of critical suppliers and others, which should also be incorporated into this Order (and the rankings, above), where appropriate.~~

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charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person, except for any secured creditor of the CCAA Entities who did not receive notice of the motion seeking this Order which was filed in the Proposal Proceedings.

41. THIS COURT ORDERS that the CCAA Entities shall be entitled on any subsequent motion on notice to those Persons likely to be affected thereby, to seek priority of the Charges ahead of any Encumbrance over which the Charges may have not obtained priority.

42. 41. THIS COURT ORDERS that, except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant CCAA Entities shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge~~ Charges, unless the Applicant CCAA Entities also obtains the prior written consent of the Monitor, ~~the DIP Lender~~ and the beneficiaries of the ~~Directors' Charge and the Administration Charge~~ applicable Charges (collectively, the "Charges"), or further Order of this Court.

43. 42. THIS COURT ORDERS that the ~~Directors' Charge, the Administration Charge, the Commitment Letter, the Definitive Documents and the DIP Lender's Charge~~ Charges shall not be rendered invalid or unenforceable and the rights and remedies of the ~~chargees entitled to the benefit of the Charges (collectively, the "Chargees") and/or the DIP Lender thereunder~~ Charges shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds any of the Applicant CCAA Entities, and notwithstanding any provision to the contrary in any Agreement:

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- (a) ~~neither~~ the creation of the Charges ~~nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the Definitive Documents~~ shall not create or be deemed to constitute a breach by the ~~Applicant~~ CCAA Entities of any Agreement to which ~~it~~ any CCAA Entity is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the ~~Applicant entering into the Commitment Letter, the~~ creation of the Charges, ~~or the execution, delivery or performance of the Definitive Documents~~; and
- (c) the payments made by the ~~Applicant~~ CCAA Entities pursuant to this Order, ~~the Commitment Letter or the Definitive Documents~~, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

44. ~~43.~~ **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the ~~Applicant's~~ CCAA Entities' interest in such real property leases.

SEALING

45. **THIS COURT ORDERS** that the confidential appendix to the Second Report be sealed in its entirety, kept confidential and not form part of the public record, unless otherwise ordered by this Court.

SERVICE AND NOTICE

46. ~~44.~~ **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in ~~[newspapers specified by the Court]~~ The Globe and Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the ~~Applicant~~ CCAA Entities of more than \$~~1000,1,000~~, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed

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manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

47. ~~45.~~ **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/> ~~http://www.ontariocourts.ca/scj/practice/practice-directions/Toronto/e-service-protocol/~~) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that ~~at the~~ Case Website ~~shall be~~ established in connection with the Proposal Proceedings and referenced at the URL which follows shall constitute the Case Website for these CCAA proceedings in accordance with the Protocol ~~with the following URL ‘@’:~~ <https://www.ksvadvisory.com/insolvency-cases/case/metro360> (the “**Website**”).

48. **THIS COURT ORDERS** that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in these CCAA proceedings (the “Service List”). The Monitor shall post the Service List, as may be updated from time to time, on the Website, provided that the Monitor shall have no liability in respect of the accuracy of, or the timeliness or making any changes to, the Service List.

49. ~~46.~~ **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the ~~Applicant~~ CCAA Entities and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile or other electronic transmission to the ~~Applicant's~~ CCAA Entities' creditors or other interested parties at their respective addresses as last shown on the records of the ~~Applicant~~ CCAA Entities and that any such service or distribution ~~by courier, personal delivery or facsimile transmission~~ shall be deemed to be received; (a) if sent by courier, on the next business day following the date of forwarding thereof, or (b) if delivered by personal

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delivery or facsimile or other electronic transmission, on the day so delivered, and (c) if sent by ordinary mail, on the third business day after mailing.

50. THIS COURT ORDERS that the CCAA Entities and the Monitor and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the CCAA Entities' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

51. THIS COURT ORDERS that, subject to further Order of this Court in respect of urgent motions, any interested party wishing to object to the relief sought in a motion brought by the CCAA Entities or Monitor in these CCAA proceedings shall, subject to further Order of this Court, provide the Service List with responding motion materials or a written notice (including by e-mail) stating its objection to the motion and the grounds for such objection by no later than 5:00 p.m. (Toronto time) on the date that is four (4) days prior to the date such motion is returnable (the "**Objection Deadline**"). The Monitor shall have the ability to extend the Objection Deadline after consulting with the CCAA Entities.

52. THIS COURT ORDERS that following the expiry of the Objection Deadline, counsel to the Monitor or counsel to the CCAA Entities shall inform the Court of the absence or the status of any objections to the motion and the judge having carriage of the motion (the "**Presiding Judge**") may determine:

- (a) whether a hearing is necessary;
- (b) whether such hearing will be in person, by telephone, by videoconference or by written submissions only; and/or
- (c) the parties from whom submissions are required,

(collectively, the "**Hearing Details**"), and any such determination by the Presiding Judge shall be communicated thereafter to the Service List. In the absence any determination by the Presiding

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Judge regarding the Hearing Details, a hearing will be held in the ordinary course on the date and manner specified in the notice of motion.

GENERAL

53. ~~47.~~ **THIS COURT ORDERS** that the ~~Applicant~~ CCAA Entities or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order, or for advice and directions ~~in~~ concerning the discharge of ~~its~~ their respective powers and duties ~~hereunder~~ under this Order or the interpretation or application of this Order.

54. ~~48.~~ **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of ~~the Applicant~~ any CCAA Entity, the Business or the Property.

55. ~~49.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada ~~or in~~, the United States or any other foreign jurisdiction, to give effect to this Order and to assist the ~~Applicant~~ CCAA Entities, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the ~~Applicant~~ CCAA Entities and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the ~~Applicant~~ CCAA Entities and the Monitor and their respective agents in carrying out the terms of this Order.

56. ~~50.~~ **THIS COURT ORDERS** that each of the ~~Applicant~~ CCAA Entities and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

57. ~~51.~~ **THIS COURT ORDERS** that any interested party (including the ~~Applicant~~ CCAA Entities and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other ~~party or parties~~ Person(s) likely to be affected by the order

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sought or upon such other notice, if any, as this Court may order; provided, however, that the Chargees shall be entitled to rely on this Order as issued and entered and on the Charges with respect to any fees and disbursements incurred until the date this Order may be amended, varied or stayed.

58. ~~52.~~ **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. ~~Eastern Standard/Daylight Time~~ (Toronto time) on the date of this Order.

THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985,
C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 957855
ALBERTA LTD. (FORMERLY NEWSWEST INC.) AND ROSEBUD CREEK FINANCIAL
DRP. IN RESPECT OF METRO 360 GENERAL PARTNERSHIP

Applicants

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

INITIAL ORDER

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, Canada M5H 2S7

L. Joseph Latham LSO#: 32326A
jlatham@goodmans.ca

Andrew Harmes LSO#: 73221A
aharmes@goodmans.ca

Tel: (416) 979-2211

Fax: (416) 979-1234

Lawyers for 957855 Alberta Ltd. (formerly NewsWest
Inc.), Rosebud Creek Financial Corp., and Metro 360
General Partnership.

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Estate / Court File No.: 31-2636843

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
COMMERCIAL LIST

THE HONOURABLE MR.)	WEDNESDAY, THE 17 TH
)	
JUSTICE HAINEY)	DAY OF JUNE, 2020

**IN THE MATTER OF THE PROPOSAL OF METRO 360
GENERAL PARTNERSHIP AND THE PARTNERS
THEREOF**

ORDER

THIS MOTION, made by 957855 Alberta Ltd. (formerly NewsWest Inc.) (“**Alberta HoldCo**”) and Rosebud Creek Financial Corp. (“**Rosebud HoldCo**” and, together with Alberta HoldCo, the “**Partners**”), as the partners of the Metro 360 General Partnership (“**Metro 360**”), for an order: (i) if necessary, abridging the time for service and filing of the Notice of Motion and the Motion Record and dispensing with further service thereof; and (ii) approving the First Report of the Proposal Trustee dated April 6, 2020 (the “**First Report**”), the Second Report of the Proposal Trustee dated June 10, 2020 (the “**Second Report**”), and the activities of the Proposal Trustee described therein, was heard this day by videoconference call in light of the COVID-19 crisis.

ON READING the Notice of Motion dated June 10, 2020, the affidavit of Daniel P. Shapiro sworn June 10, 2020 (the “**Shapiro Affidavit**”), the First Report and the Second Report, and on hearing the submissions of counsel for KSV Kofman Inc. (the “**Proposal Trustee**”),

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counsel for Metro 360 and the Partners, and those other parties present as indicated on the counsel sheet, and on reading the affidavit of service of Andrew Harmes sworn June ●, 2020:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Second Report and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

APPROVAL OF THE PROPOSAL TRUSTEE'S REPORTS AND ACTIVITIES

2. **THIS COURT ORDERS** that the First Report and the Second Report, and the activities and conduct of the Proposal Trustee described in each of the foregoing reports, be and are hereby approved; provided, however, that only the Proposal Trustee, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approvals.

ONTARIO

**SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
COMMERCIAL LIST**

Proceeding commenced at Toronto

ORDER

GOODMANS LLP

Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, Canada M5H 2S7

L. Joseph Latham LSO#: 32326A
jlatham@goodmans.ca

Andrew Harmes LSO#: 73221A
aharmes@goodmans.ca

Tel: (416) 979-2211
Fax: (416) 979-1234

Lawyers for 957855 Alberta Ltd. (formerly NewsWest
Inc.), Rosebud Creek Financial Corp., and Metro 360
General Partnership

**IN THE MATTER OF THE PROPOSAL OF METRO 360 GENERAL PARTNERSHIP AND
THE PARTNERS THEREOF**

Estate / Court File No.: 31-2636843

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

MOTION RECORD
(Motion returnable June 17, 2020)

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, Canada M5H 2S7

L. Joseph Latham LSO#: 32326A
jlatham@goodmans.ca

Andrews Harmes LSO#: 73221A
aharmes@goodmans.ca

Tel: (416) 979-2211
Fax: (416) 979-1234

Lawyers for 957855 Alberta Ltd. (formerly
NewsWest Inc.), Rosebud Creek Financial
Corp., and Metro 360 General Partnership