

31-2636843
31-2636818

April 7, 2020

Re 957855 ALBERTA LTD.

① This Motion was heard by Videconference in accordance with the changes in the operation of the Commercial List in light of the Covid-19 crisis and the Chief Justice's Notice to the Profession dated March 15, 2020.

② On April 6, 2020, 957855 Alberta Ltd. ("Alberta HoldCo") and Rosebud Creek Financial Corp ("Rosebud HoldCo") (together "Partners") each commenced proposal proceedings under the Bankruptcy and Insolvency

(2)
Act, L.S.C. 1985, c. B-3 ("B9A")
by filing notices of an intention
to make a proposal ("N09").
KSV Kofman is named as the
proposal trustee under the
N095 ("Proposal Trustee")

(3) The partners together own
100% of Metro 360, a
multi-faceted marketer of
information and entertainment
products, including magazines,
books, newspapers, audio and
visual media, and consumer
packaged goods.

(4) The partners commenced these
proposal proceedings in response
to significant financial
challenges faced by Metro 360
that have severely intensified

(3)

due to the recent global financial crisis resulting from the Covid-19 pandemic. They wish to implement, as quickly as possible, a sale transaction of Metro 360's magazine and book wholesale distribution business. This business is on the brink of a complete failure and its only hope of surviving and preserving the hundreds of jobs of its employees is the proposed sale transaction to TNG, a company that will be able to continue to operate the business and will employ approximately 80% of Metro 360's 370 employees.

(4)

(5) The Partners and the Proposal Trustee have concluded that an extensive sales process is not practical and that given the very limited market the proposed sale transaction with TNG represents the best available transaction in the unique circumstances of this market.

(6) In addition to seeking approval of the sale transaction to TNG, the Partners also seek a Bankruptcy Proceedure order that,

(a) administratively consolidates the proceedings related to the NO9 filings;

(5)

- b) approve a first priority administration charge of \$300,000;
- c) Extends the stay of proceedings and other BPA protections resulting from the NOA to June 19, 2020;
- d) Authorizing the sale, with the proposal trustee's consultation, of non-material residual assets without further court order for proceeds not exceeding \$200,000 in any one transaction and \$400,000 in the aggregate.
- e) I must decide the following issues:

(a) Should I approve the sales transaction and issue the approval and vesting order?

(b) Should I administratively consolidate the proposal proceedings;

Should I
(c) extend protections under the BIA?

Should I
(d) extend the stay period; and

(e) seal certain confidential information?

Analysis

(8) I am satisfied that the transaction should be approved pursuant to

(7)

5. 65.13(4) of the BIA because the Soundair principles have all been satisfied. This sale transaction is warranted because it represents the best available commercial alternative in the circumstances, particularly where any extension of the process could jeopardize the continued operation of the business. Further, the sales process was reasonable in the circumstances, the proposal trustee supports the proposed transaction, the proposed transaction is more beneficial to creditors than a sale or liquidation under the BIA, there has been appropriate consultation

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and consideration for the interested parties, the transaction is a positive development for stakeholders, and the purchase price is fair and reasonable.

9 All other statutory requirements under s. 65.13 of the BSA have been met.

10 Therefore, the approval and vesting order should be granted.

11 I am satisfied that the NO 9 proceedings should be administratively consolidated in the interests of judicial economy.

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12) I am also satisfied that the stay of proceedings and other protections to Metro 360 should be extended as well as the stay of proceedings that are extended to June 19, 2020. This will maintain stability and protect value until the sales transaction can be completed.

13) Finally, I am satisfied that there should be a sealing order with respect to the Confidential Supplement to the Proposal Trustee's

(10)

First Report. This request
for a sealing order meets
The Sierra Club test.

(14) For all of these reasons
the approval and Vesting
Order and the Bankruptcy
Procedural Order shall
issue on the terms of
the attached.

(15) There shall be a sealing
order on the terms of
para 10 of the approval and
Vesting order.

(16) These orders are effective
today whether or not they
are entered.

Hainey J.