

**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**

**IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
1462598 ONTARIO INC., carrying on business as TRICON FILMS AND TELEVISION,  
AND THE OTHER COMPANIES LISTED IN SCHEDULE "A"**

**Applicants**

**NOTICE OF MOTION**

1462598 ONTARIO INC., carrying on business as TRICON FILMS AND TELEVISION, AND THE OTHER COMPANIES LISTED IN SCHEDULE "A" (the "**Applicants**") will make a motion to a Judge of the Commercial List on Tuesday, December 20, 2016, at 10:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

**PROPOSED METHOD OF HEARING:** The motion is to be heard orally.

**THE MOTION IS FOR:**

1. an order abridging the time for service and filing of this Notice of Motion and the Motion Record of the Applicants, and dispensing with service on any person other than those served;

2. an order extending the stay of proceedings granted under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") pursuant the Initial Order of Justice Wilton-Siegel dated December 12, 2016 (the "**Initial Order**") to January 31, 2017;
3. an order elevating the priority of the DIP Lender's Charge (defined below) and the Directors' Charge (defined below) in accordance with paragraph 40(d) of the Initial Order;
4. an order approving a sale process for the Applicants' film library, as recommended by the Monitor in its First Report to be filed with the Court; and
5. such further and other relief as this Honourable Court may deem just.

**THE GROUNDS FOR THE MOTION ARE:**

1. The Applicants obtained the Initial Order on December 12, 2016.
2. Pursuant to the Initial Order, *inter alia*,
  - (a) the Applicants were declared companies to which the CCAA applies;
  - (b) KSV Kofman Inc. ("**KSV**") was appointed as monitor of the Applicants in this proceeding (in such capacity, the "**Monitor**");
  - (c) all proceedings taken or that might be taken against or in respect of the Applicants, the former, current or future directors or officers of the Applicants, or

the Monitor, or affecting the Business or the Property (as those terms are defined in the Initial Order) were stayed;

- (d) the Applicants were authorized to enter into, and borrow under, a credit facility (the “**DIP Facility**”) extended by SunTrust Bank (in such capacity, the “**DIP Lender**”) pursuant to the Commitment Letter between the Applicants and the DIP Lender dated December 12, 2016 (the “**Commitment Letter**”);
- (e) the following charges were granted over the Property:
  - i) a priority charge in favour of the Applicants’ counsel, the Monitor and the Monitor’s counsel in the maximum amount of \$500,000 (the “**Administration Charge**”);
  - ii) a priority charge in favour of the DIP Lender to secure all amounts owing under the Commitment Letter (the “**DIP Lender’s Charge**”); and
  - iii) a priority charge in favour of the director and officer of the Applicants in the maximum amount of \$250,000 (the “**Directors’ Charge**”, and collectively with the Administration Charge and the DIP Lender’s Charge, the “**Charges**”);
- (f) the Charges were granted the priorities described in paragraph 40 of the Initial Order, being as follows:

*“(a) the Administration Charge 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 whether or not served with notice of the application for this Order;*

*(b) the DIP Lender’s Charge shall rank (i) in priority to the Encumbrances in favour of any Person other than the Administration Charge whether or not served with notice of the application for this Order in respect of all borrowings under the Commitment Letter prior to the Comeback Motion up to \$200,000; and (ii) in priority to the Director’s Charge but subsequent in priority to Encumbrances in favour of any Person that has not been served with the notice of the application for this Order in respect of all remaining borrowings under the Commitment Letter prior to the Comeback Motion;*

*(c) the Directors’ Charge shall rank subsequent in priority to the Administration Charge, the DIP Lender’s Charge and Encumbrances in favour of any Person that has not been served with the notice of the application for this Order;” and*

- (g) the Court ordered that the Applicants and the beneficiaries of the Charges shall be entitled to seek priority for the DIP Lender’s Charge and the Directors’ Charge ahead of all Encumbrances (as defined therein) on notice to those parties likely to be affected by such priority, it being the intention of the Applicants to seek, by way of motion, priority under the DIP Lender’s Charge for all amounts to be advanced by the DIP Lender ahead of all Encumbrances other than the Administration Charge and priority for the Directors’ Charge ahead of all Encumbrances other than the Administration Charge and the DIP Lender’s Charge.

3. It is an essential condition under the Commitment Letter that advances thereunder be secured by a charge ranking in priority to all other obligations other than the Administration Charge, statutory deemed trusts and liens for unpaid source deductions and such other permitted priority liens as may be agreed to by SunTrust. Without access to funds under the DIP Facility, Tricon would be forced to cease its operations, to the detriment of all of its stakeholders. None of the Applicants' secured creditors will be materially prejudiced by the DIP Charge.
4. The continued involvement of the Applicants' director and officer will be required during these proceedings. This is an appropriate case to grant a charge in favour of the director and officer, and the amount of the Directors' Charge is reasonable in the circumstances.
5. The motion materials for this motion are being served on all parties likely to be affected by the relief sought.
6. The Applicants are proceeding in good faith and with due diligence.
7. The Applicants require an extension of the stay of proceedings granted under the Initial Order to January 31, 2017, being the current expiry date under the Commitment Letter.
8. Creditors of the Applicants will not be materially prejudiced by the requested extension of the stay period.
9. Sections 11.2, 11.51 and 11.52 of the CCAA.

10. Rules 2.03, 3.02 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194.
11. Such further and other grounds as counsel may advise and this Honourable Court permits.

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

1. The Application Record for the hearing on December 12, 2016.
2. The Report to Court of KSV as Proposed Monitor dated December 11, 2016.
3. The Confidential Supplemental Report of KSV as Proposed Monitor dated December 12, 2016 (redacted version).
4. The First Report of the Monitor.
5. Such further and other material as counsel may advise and this Honourable Court permits.

Dated: December 14, 2016

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**Lawyers for the Applicants**

**TO: THE SERVICE LIST**

## Schedule “A”

1. 1462598 Ontario Inc.
2. Operator Post Inc.
3. Tricon Education Inc.
4. Tricon Films Inc.
5. Tricon Interactive Inc.
6. Tricon Television Inc.
7. Tricon Television10 Inc.
8. Tricon Television44 Inc.
9. Tricon Television49 Inc.
10. Tricon Television54 Inc.
11. Tricon Television55 Inc.
12. Tricon Television58 Inc.
13. Tricon Television59 Inc.
14. Tricon Television62 Inc.
15. Tricon Television63 Inc.
16. Tricon Television64 Inc.
17. Tricon Television65 Inc.
18. Tricon Television66 Inc.
19. Tricon Television67 Inc.
20. Tricon Television68 Inc.
21. Tricon Television69 Inc.
22. Tricon Television70 Inc.
23. Tricon Television71 Inc.
24. Tricon Television72 Inc.
25. Tricon Television73 Inc.
26. Tricon Television74 Inc.
27. Tricon Television75 Inc.
28. Tricon Television76 Inc.
29. Tricon Television77 Inc.
30. Tricon Television78 Inc.
31. Tricon Television79 Inc.
32. Tricon Television80 Inc.
33. Tricon Television81 Inc.
34. Tricon Television82 Inc.
35. Tricon Television83 Inc.
36. Tricon Television84 Inc.
37. Tricon Television85 Inc.
38. Tricon Television86 Inc.
39. Tricon Television87 Inc.
40. Tricon Media Holdings, Inc.
41. Tricon Media Productions, Inc.
42. Tricon Media, Inc.
43. Tricon US Productions1 Inc.
44. Tricon US Productions14 Inc.
45. Tricon US Productions15 Inc.
46. Tricon Films (UK) Limited



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Applicants

Court File No. CV16-11634-00CL

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

Proceedings commenced at Toronto

**NOTICE OF MOTION**

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