FORCE FILED

No. S-235084
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57, AS AMENDED AND THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, c. B.16, AS AMENDED

AND

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BRON MEDIA CORP. AND THE ENTITIES LISTED AT **SCHEDULE "A"**

PETITIONERS

NOTICE OF APPLICATION

TO: THE SERVICE LIST

TAKE NOTICE that an application will be made by the Petitioners to the Honourable Justice Gomery at the courthouse at 800 Smithe Street, Vancouver, British Columbia on December 11, 2023 at 9:00 a.m. in person and by MS Teams, for the orders set out in Part 1 below.

PART 1: ORDERS SOUGHT

1. an order, among other things, extending the stay of proceedings in favour of the Petitioners up to and including January 26, 2023 (the "**Stay Extension Order**"); and

2. such other relief as this Court may deem just.

PART 2: FACTUAL BASIS

A. Overview

3. The full facts in support of this application to the Court are set out in the seventh Affidavit of Aaron Gilbert, affirmed December 5, 2023 (the "**Seventh Gilbert Affidavit**"). All capitalized terms not otherwise defined herein shall have the same meanings prescribed to them in the Seventh Gilbert Affidavit.

4. The Petitioners in this proceeding are listed within Schedule "A" to this application and are collectively referred to herein as the "**Petitioners**" or the "**Company**".

5. All references to monetary amounts in this application are in U.S. dollars unless otherwise stated.

6. On July 19, 2023, the Court granted an order (the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). The Initial Order, among other things:

   (a) granted a stay of proceedings (the "**Stay of Proceedings**") in favour of the Company up to and including July 29, 2023;

   (b) extended the Stay of Proceedings to the Non-Petitioner Entities;

   (c) appointed Grant Thornton Limited as monitor of the Petitioners (in such capacity, the "**Monitor**");

   (d) approved a debtor-in-possession financing facility (the "**DIP Loan**") made pursuant to an agreement dated July 18, 2023 (the "**DIP Loan Agreement**") among the Petitioners and Creative Wealth Media Lending LP 2016 ("**CW Lending**", and in such capacity, the "**DIP Lender**") with a maximum borrowing limit of $1,751,409; and

   (e) authorized BRON Media Corp., or any of the Petitioners, to act as the foreign representative in respect of these CCAA proceedings, for the purpose of having these CCAA proceedings recognized in the United States pursuant to chapter 15 of title 11 of the United States Code, 11 U.S.C. § 101-1532 and any other foreign legislation.

7. On July 28, 2023, the Court granted two orders:

   (a) the amended and restated Initial Order, which, among other things:

      i. extended the Stay of Proceedings in favour of the Petitioners and the Non-Petitioner Entities up to and including October 18, 2023; and

      ii. increased the borrowing limit under the DIP Loan and granted a corresponding increase to the Court-ordered DIP Lender's Charge in favour of the DIP Lender up to the maximum amount of $6,200,000 (from $1,751,409); and

   (b) an order approving a sale and investment solicitation process (the "**SISP**") in respect of all of the assets, undertaking and business of the Petitioners and the Non-Petitioner Entities.

8. On October 11, 2023, the Court granted an order, among other things, extending the Stay of Proceedings in favour of the Petitioners and the Non-Petitioner Entities up to and including November 8, 2023.

9. Following the completion of the SISP, the Petitioners commenced an application (the "**Sale Approval Application**") returnable November 7, 2023 seeking, among other ancillary relief, the Court's approval of an asset purchase agreement (the "**CW Lending Purchase Agreement**") entered into between CW Lending, as purchaser, and the Petitioners and Non-Petitioner Entities listed at Schedule "A" to the CW Lending Purchase Agreement, as vendors, and the transactions contemplated thereby (the "**CW Lending Transaction**").

10. The Sale Approval Application was heard on November 7, 2023 and November 24, 2023.

11. On November 24, 2023, the Court granted an order extending the Stay of Proceedings in favour of the Petitioners up to and including December 11, 2023.

12. On November 29, 2023, the Court rendered its decision (the "**November 29 Decision**"), among other things, dismissing the Sale Approval Application, several of the objections to the Sale Approval Application and the cross-application of an ad hoc group of certain investor creditors (the "**Ad Hoc Group of Investor Creditors**").

B. Background

13. The Company is a private, closely-held corporate group that develops, produces and sells motion pictures, series television, and digital media content. It has a complex corporate structure with over 100 entities. This is due to the nature of the Company's global production business, and because the Company manages and operates each film or television production it undertakes through special-purpose entities.

14. The Company has suffered significant losses due to, among other things, the impacts of the Covid-19 pandemic, disruptions caused by the writer's strike in the United States, unsuccessful attempted financings, and significant outstanding litigation and judgements. As a result of the foregoing, the Company has been burdened with significant debt while being unable to generate material revenue to service and pay down its debt.

15. Given its liquidity challenges and dire need for stability, the Company, in consultation with its advisors, determined that it was in the best interests of the Company and its stakeholders to obtain the Initial Order.

C. Update Since November 24, 2023 Hearing

16. Following the release of the November 29 Decision, the Company has engaged with certain of its stakeholders, including CW Lending, Access Road Capital, LLC ("**Access Road**"), and the Ad Hoc Group of Investor Creditors, in an effort to narrow and/or resolve issues with a view to putting forward an alternative transaction(s) for consideration and approval by the Court. These discussions, which remain ongoing, have focused on modifying the CW Lending Transaction to account for the Court's findings and conclusions in the November 29 Decision.

17. The Company has made progress in its discussions with its stakeholders, but requires additional time to determine the best path forward for an alternative and value-

maximizing transaction. Such alternative transaction may include, among other permeations, the sale of the assets of the Petitioners and certain of the Non-Petitioner Entities as set out in the CW Lending Purchase Agreement, subject to a "carve out" of the Media Res Receivable (as defined and described in the Fifth Affidavit of Aaron Gilbert made October 24, 2023) and the underlying units that are the subject of the Media Res Receivable.

18. An alternative transaction may also be premised on either a consensual "allocation" of the DIP loan to BRON Ventures 1 LLC, or an agreed upon process for the Court's determination of such allocation.

19. In whichever alternative is ultimately pursued, the Company's objective will be to conclude a value-maximizing transaction for its assets as quickly as possible so that its scarce human resources, while available, can be utilized to deliver such assets to the purchaser. As noted above, this may entail consummating a transaction for the majority of the Petitioners' and certain of the Non-Petitioner Entities' assets while permitting the resolution or determination of the Media Res Receivable allocation issue to occur at a later date.

20. The Petitioners have acted and continue to act in good faith and with due diligence to, among other things: consult with stakeholders, in particular Access Road and the DIP Lender; pursue a viable alternative transaction(s); and maintain the human resources necessary to complete any transactions that arise from the discussions and which may be approved by this Court.

PART 3: LEGAL BASIS

21. The Petitioners rely on:

(a) the CCAA;

(b) the *Supreme Court Civil Rules*, BC Reg. 241/2010;

(c) the inherent and equitable jurisdiction of this Honourable Court; and

(d) such further and other legal basis as counsel may advise and this Honourable Court may allow.

The Stay of Proceedings Should be Extended

22. The current stay period expires on December 11, 2023. The Petitioners seek an extended stay period up to and including January 26, 2024 to allow time for the Petitioners, CW Lending, Access Road and other stakeholders to continue discussions regarding an alternative agreement in respect of the sale of BRON's assets, seek this Court's approval of such agreement, complete the transaction(s), and bring an application to terminate these CCAA proceedings, among other ancillary relief.

23. Section 11.02(2) of the CCAA provides that a debtor company may apply for an extension of the stay of proceedings for a period of time that the Court considers necessary on any terms that it may impose.[1] Section 11.02(3) of the CCAA provides that the Court shall not make an order extending the stay unless it is satisfied that: (a) the circumstances exist that make the order appropriate; and (b) the debtor company has acted and is acting in good faith and with due diligence.[2]

24. It is appropriate to extend the Stay of Proceedings in these circumstances, as the Petitioners have acted and continue to act in good faith and with due diligence, including in pursuing a potential alternative value-maximizing transaction, in consultation with certain of their stakeholders and the Monitor. The cash flow forecast attached to the Sixth Affidavit of Aaron Gilbert made November 23, 2023 and reattached to the Seventh Gilbert Affidavit, demonstrates that there is sufficient funding for the proposed extended stay period.

25. The Monitor supports the proposed extension of the Stay of Proceedings up to and including January 26, 2024.

PART 4: MATERIAL TO BE RELIED ON

26. Affidavit #1 of Aaron Gilbert dated July 18, 2023;

---

[1] *CCAA*, s. 11.02(2).

[2] *CCAA*, s. 11.02(3).

27. Affidavit #2 of Aaron Gilbert dated July 25, 2023;

28. Affidavit #3 of Aaron Gilbert dated October 4, 2023;

29. Affidavit #5 of Aaron Gilbert dated October 24, 2023;

30. Affidavit #6 of Aaron Gilbert dated November 23, 2023;

31. Affidavit #7 of Aaron Gilbert dated December 5, 2023;

32. The First Report of the Monitor to the Court;

33. The Second Report of the Monitor to the Court;

34. The Third Report of the Monitor to the Court;

35. The Fourth Report of the Monitor to the Court; and

36. Such further and other materials as counsel may advise and this Honourable Court may allow.

The Petitioners estimate that the application will take 30 minutes.

TO THE PERSONS RECEIVING NOTICE OF THIS APPLICATION:

Date: December 5, 2023

for Signature of Asim Iqbal
Lawyers for the Petitioners

To be completed by the court only: Order made [ ] in the terms requested in paragraphs ________ of Part 1 of this Notice of Application. [ ] with the following variations and additional terms: .... Date: .... Signature of [ ] Judge [ ] Master

Schedule "A"

List of Petitioners

1. BRON Animation Inc.
2. BRON Creative Corp.
3. BRON Developments Inc.
4. BRON Media Corp.
5. BRON Media Holdings Intl. Corp.
6. BRON Media Holdings USA Inc.
7. BRON Releasing Inc.
8. BRON Studios Inc.
9. BRON Ventures 1 (Canada) Corp.
10. BRON Everest Productions Inc.
11. Fables Productions BC Inc.
12. Gossamer Productions BC Inc.
13. Hench 2 BC Productions Inc.
14. Henchmen Productions Inc.
15. Robin Hood Digital PC BC Inc.
16. Windor Productions BC Inc.
17. BRON Creative USA, Corp.
18. BRON Digital USA, LLC
19. BRON Life USA Inc. (BRON Legacy USA Inc.)
20. BRON Media Holdings USA Corp.
21. BRON Releasing USA Inc.
22. BRON Studios USA Inc.
23. BRON Ventures 1, LLC
24. BRON Studios USA Developments Inc.
25. Bakhorma, LLC
26. Drunk Parents, LLC
27. Fables Holdings USA, LLC
28. Fables Productions USA Inc.
29. Gossamer Holdings USA, LLC
30. Gossamer Productions USA Inc.
31. Harry Heft Productions, Inc.
32. Heavyweight Holdings, LLC (previously Harry Haft Films, LLC)
33. I Am Pink Productions, LLC
34. Lucite Desk, LLC
35. National Anthem Holdings, LLC (f.k.a. BCDC Holdings, LLC)
36. National Anthem ProdCo Inc.
37. Oakland Pictures Holdings, LLC
38. Pathway Productions, LLC
39. Robin Hood Digital PC USA Inc.
40. Robin Hood Digital USA, LLC
41. Solitary Holdings USA, LLC
42. Surrounded Holdings USA, LLC
43. Welcome To Me, LLC