Form 7
[Rule 3.8]

COURT FILE NUMBER		Clerk's Stamp
COURT	COURT OF KING'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
APPLICANT	ROYAL BANK OF CANADA	
RESPONDENTS	SERENDIPITY MEDIA LTD., ANGEL THREE OF LTD., ASCEND TELEVISION 1 ON. LTD., COMFORT FOOD 1 ON. LTD., ONE DREAM 1 ON. LTD. and THE DEVIL MADE ME DO IT 1 ON. LTD.	
DOCUMENT	**ORIGINATING APPLICATION**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**McMillan LLP** #1700, 421 – 7th Avenue SW Calgary, AB T2P 4K9 **Attention: Preet Saini/ Melanie Cheddi** Telephone: 403.531.4716/ 403.531.4702 Fax: 403.531.4720 Email: preet.saini@mcmillan.ca melanie.cheddi@mcmillan.ca File No. 303101	

NOTICE TO RESPONDENTS: SERENDIPITY MEDIA LTD., ANGEL THREE OF LTD., ASCEND TELEVISION 1 ON. LTD., COMFORT FOOD 1 ON. LTD., ONE DREAM 1 ON. LTD. and THE DEVIL MADE ME DO IT 1 ON. LTD.

This application is made against you. You are the respondent.

You have the right to state your side of this matter before the Justice.

To do so, you must be in Court when the application is heard as shown below:

Date:	**April 11, 2024**
Time:	**2:00PM**
Where:	**Edmonton Law Courts via Webex (See Appendix "A")**
Before Whom:	**The Honourable Justice Burns**

Go to the end of this document to see what else you can do and when you must do it.

Relief claimed or sought:

1. The Applicant, Royal Bank of Canada ("**RBC**" or the "**Bank**"), seeks:

   (a) An order substantially in the form attached as Schedule "A":

      (i) Abridging the time for service of this application and deeming service good and sufficient;

      (ii) appointing Grant Thornton Limited ("**Grant Thornton**") as receiver, over certain of the assets, undertakings and property (the "**Property**") of the respondents, Serendipity Media Ltd. ("**Serendipity**" or "**Guarantor**"), Angel Three of Ltd. ("**Angel 3**"), Ascend Television 1 ON. Ltd. ("**Ascend**"), Comfort Food 1 ON. Ltd. ("**Comfort Food**"), One Dream 1 ON. Ltd. ("**One Dream**") and The Devil Made Me Do It 1 ON. Ltd. ("**TDMMDI**" and together with Angel 3, Ascend, Comfort Food and One Dream the "**Borrowers**" and together with Serendipity, the "**Debtors**"),by way of an order substantially in the form of the Receivership Order attached as Schedule "A" hereto (the "**Receivership Order**");

2. awarding costs of this application to the Applicant, RBC, on an appropriate scale; and

3. such further and other relief as counsel may advise and this Honourable Court deems just.

Grounds for making this application:

<u>I. Parties</u>

4. The Debtors are corporations duly incorporated and governed under the laws of the Province of Alberta.

5. The Debtors operate a business which produces various media productions including feature films and television series in Calgary, Alberta (the "**Media Business**").

6. Serendipity is a shareholder of Angel 3, Ascend, Comfort Food, One Dream and TDMMDI. The Borrowers were incorporated as vehicles to complete separate media productions. The corporate searches of each of the Debtors list the following as each of their respective director and voting shareholders:

Debtor	Director	Voting Shareholders
Serendipity	Sarah E. Howell	Howell Family Trust – 100%
Angel 3	Sarah E. Howell	Serendipity Media Ltd. – 100%
Ascend	Sarah E. Howell	Mark G. Kristofic – 50% Serendipity Media Ltd. – 50%
Comfort Food	Sarah E. Howell	Serendipity Media Ltd. – 100%
One Dream	Sarah E. Howell	Mark G. Kristofic – 50% Serendipity Media Ltd. – 50%
TDMMDI	Sarah E. Howell	Serendipity Media Ltd. – 100%

II. Loan Agreements

7. RBC and the Debtors entered into the following:

(a) as between RBC and Serendipity, a Master Client Agreement for Business Clients dated March 3, 2020 (the "**MC Agreement**");

(b) as between RBC and Angel 3, a Commitment Letter dated August 31, 2022 whereby RBC agreed to extend and did extend various credit facilities to Angel 3 (the "**Angel 3 Loan Agreement**");

(c) as between RBC and Ascend, a Commitment Letter dated March 8, 2022 whereby RBC agreed to extend and did extend various credit facilities to Ascend (the "**Ascend Loan Agreement**");

(d) as between RBC and Comfort Food, a Commitment Letter dated June 21, 2022 as amended and restated whereby RBC agreed to extend and did extend various credit facilities to Comfort Food (the "**Comfort Food Loan Agreement**");

(e) as between RBC and One Dream, a Commitment Letter dated June 21, 2022 whereby RBC agreed to extend and did extend various credit facilities to One Dream (the "**One Dream Loan Agreement**"); and

(f) as between TDMMDI and RBC, a Commitment Letter dated May 16, 2022 whereby RBC agreed to extend and did extend various credit facilities to TDMMDI (the "**TDMMDI Loan Agreement**" and together with the MC Agreement, Angel 3 Loan Agreement, Ascend Loan Agreement, Comfort Food Loan Agreement and One Dream Loan Agreement, collectively referred to as the "**Loan Agreements**").

III. Security and Guarantees

8. As security for Serendipity's obligations to RBC, Serendipity granted RBC a security interest in certain intangibles of the Serendipity (the "**Serendipity Collateral**"), namely all of its undertaking and present and after acquired personal property (other than consumer goods) in (the "**Projects**") including all right, title, interest and benefit which Serendipity now has or may have in the Projects including, without limitation, all distribution and exploitation rights in and to the Projects, the Canadian Film or Video Production Tax Credit and the Ontario Film and Television and/or Ontario Animation & Special Effects Tax Credits (collectively, the "**Tax Credits**"):

(a) season I of the series currently entitled "Ascend";

(b) season I of the series currently entitled "The Devil Made Me Do It";

(c) season I of the series currently entitled "Comfort Food";

(d) the feature motion picture currently entitled "One Dream"; and

(e) the feature motion picture currently entitled "Angel 3" also known as "Angel Three".

(the "**Serendipity Security**")

9. As security for the Loan Agreements, each of the Borrowers individually provided the following for each Borrowers' respective loan agreement:

(a) a general security agreement in favour of RBC, granting RBC a security interest in all of the present and future tangible and intangible personal property of each Debtor, including specific property relating to each Debtors' media production;

(b) a copyright mortgage and assignment granted in favour of RBC for the rights of each Debtors' respective media production;

(c) an assignment and appointment of agent agreement, whereby each of the Borrowers agreed to irremovably assign and transfer the entire amount of any monies received by each of the Borrowers from the Tax Credits (as defined therein) to RBC; and

(d) an executed direction from each of the Borrowers to the Canada Revenue Agency ("**CRA**") authorizing CRA directing any and all amounts payable to each respective borrower in connection with the Canadian Film or Video Production tax credit and the Ontario Film & Television tax credit to RBC.

(the "**Borrowers' Security"**)

10. Serendipity also granted a guarantee in favour of RBC for each of the Borrowers for varying amounts pursuant to which Serendipity guaranteed the payment to the Bank of all debts and liabilities of the Borrowers in varying amounts (the "**Guarantees**" and together with the Serendipity Security and the Borrower's Security, the "**Security Agreements**").

VI. Events of Default and Demand of Debtors

11. Pursuant to the terms of the Loan and Security Agreements, a default as includes the occurrence following without limitation (each referred to as "**Event of Default**"):

(a) failure of the borrower to pay any principal, interest or other amount when due or on demand;

(b) the borrower or guarantor being unable to pay its debts as such debts come due or being, or adjudged or declared to be, or admitting to being bankrupt or insolvent;

(c) if in the opinion of RBC, there is a materials adverse change in the borrower's or guarantor's financial condition, ownership or operation; and

(d) If the Borrower or Guarantor defaults in the payment of any other indebtedness, whether owing to RBC or to any other person, or defaults in the performance or observance of any agreement in respect of such indebtedness is or may be accelerated.

12. Upon and Event of Default, RBC may immediately demand and collect the total guaranteed amount from the Guarantor.

13. Upon the occurrence of an Event of Default pursuant to the Loan Agreements, the RBC is entitled to exercise various remedies, one of which is the appointment of a receiver or a receiver manager.

14. Under the terms of each of the Loan and Security Agreements, upon the occurrence of any Event of Default, the Bank is entitled to exercise various remedies, one of which is the appointment of a receiver or a receiver manager.

15. The Debtors defaulted under the terms of the Loan and Security Agreements on account of the occurrence of event of defaults of default without limitation being the Debtors' failure to pay all sums of money when due and the appointment of a receiver in respect of the assets and undertakings of Serendipity.

Demand by RBC

16. On or about March 26, 2024, RBC sent the Borrowers sent demand letters in accordance with the terms of the Loan and Security Agreements, for payment of all debts and liabilities owing by the Debtors to the Bank as at March 11, 2024, plus interest, costs, fees, and expenses accruing thereon from and after March 11, 2024. RBC also delivered notices of intention to enforce security pursuant to section 244 of the *Bankruptcy and Insolvency Act* (the "**Notice**").

17. RBC also sent demands to the Serendipity in respective of its guaranteed obligations of each of Angel 3, Ascend, Comfort Food, One Dream and TDMMDI.

18. On April 2, 2024, the Ms. Sarah Howell as director and on behalf of the Debtors, executed and delivered a consent and waiver for RBC to enforce its security prior to the expiry of the 10-day period prescribed in the Notice (the "**Consent**").

19. Despite the demands, the Debtors have failed to repay the Indebtedness owing in response to the demands and the Indebtedness of the Debtors remain outstanding.

<u>V. Indebtedness</u>

20. As of April 3, 2024, the Debtors were indebted to RBC collectively in the total amount of approximately $4,956,808.92 (the "**Indebtedness**") as follows:

    (a) Serendipity Media Ltd : $24,992.08

    (b) Angel Three Of Ltd : $1,277,701.20

    (c) Ascend Television 1 ON Ltd: $1,194,033.00

    (d) Comfort Food 1 ON Ltd: $883,355.29

    (e) One Dream 1 ON Ltd: $670,476.14

    (f) The Devil Made Me Do It 1 ON Ltd.: $906,251.21

21. Serendipity, as Guarantor for the Borrowers, remains indebted to RBC for the amounts due and owing by the Borrowers.

22. As of March 31, 2024, RBC has also been invoiced for legal expenses in relation to its enforcement proceedings against the Debtors in the total amount of $33,224.72.

VI. The Appointment of a Receiver of Debtors

23. Pursuant to the Loan and Security Agreements, RBC is entitled to appoint a receiver upon the occurrence of and during the continuance of any Event of Default by the Debtors.

24. The appointment of a receiver is necessary:

(a) to investigate the status of the Media Tax Credits and to preserve and protect the Debtors' interests in the Media Tax Credits;

(b) to deal with the property of the Debtors in the most efficient and cost-effective manner to maximize the value of the assets for the benefit of all creditors; and

(c) to provide for an orderly disposition of the property, undertakings and assets of the Debtors.

25. The Indebtedness remains unpaid and the Debtors are insolvent and incapable of repaying RBC.

26. The appointment of a receiver over the Property is just, equitable, convenient and necessary to preserve RBC's Security.

27. Grant Thornton Limited has consented to act as receiver over the Property.

Affidavit or other evidence to be used in support of this application:

28. The Affidavit of Michael Wells, sworn April 4, 2024; and

29. Such further and other material and evidence as counsel may advise and this Honourable Court may permit.

Applicable Rules:

30. Rules 1.2, 1.3, 1.4, 3.72, 6.3, 6.4, 6.9 11.27 and 13.5(2) of the *Alberta Rules of Court*; and

31. Such further and other rules as counsel may advise.

Applicable Acts and regulations:

32. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended, and particularly s. 243 thereof;

33. *Business Corporations Act*, RSA 2000, c B-9;

34. *Judicature Act*, RSA 2000, c J-2, as amended, and particularly s. 13(2) thereof;

35. *Personal Property Security Ac*t, RSA 2000, c P-7, as amended, and particularly s. 65(7) thereof;

36. All of the foregoing legislation stated without limitation and such other rules, acts, and regulations as counsel may advise and that this Honourable Court may permit; and

37. The inherent jurisdiction of this Honourable Court.

Any irregularity complained of or objection relied on:

38. None are anticipated.

How the application is proposed to be heard or considered:

39. Orally via Webex on the Commercial List in front of the Honourable Justice Burns.

WARNING You are named as a respondent because you have made or are expected to make an adverse claim in respect of this originating application. If you do not come to Court either in person or by your lawyer, the Court may make an order declaring you and all persons claiming under you to be barred from taking any further proceedings against the applicant(s) and against all persons claiming under the applicant(s). You will be bound by any order the Court makes, or another order might be given or other proceedings taken which the applicant(s) is/are entitled to make without any further notice to you. If you want to take part in the application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of this form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

Appendix "A"

Virtual Courtroom 86 has been assigned for the above noted matter:

Virtual Courtroom Link:

https://albertacourts.webex.com/meet/virtual.courtroom86

Instructions for Connecting to the Meeting

1. Click on the link above or open up Chrome or Firefox and cut and paste it into your browser address bar.
2. If you do not have the Cisco Webex application already installed on your device, the site will have a button to install it. Follow installation instructions. Enter your full name and email address when prompted
3. Click on the **Open Cisco Webex Meeting**.
4. You will see a preview screen. Click on **Join Meeting**.

Key considerations for those attending:

1. Please connect to the courtroom **15 minutes prior** to the start of the hearing.

2. Please ensure that your microphone is muted and remains muted for the duration of the proceeding, unless you are speaking. Ensure that you state your name each time you speak.

3. If bandwidth becomes an issue, some participants may be asked to turn off their video and participate by audio only.

4. **Note: Recording or rebroadcasting of the video is prohibited.**

5. **Note: It is highly recommended you use headphones with a microphone or a headset when using Webex. This prevents feedback.**

For more information relating to Webex protocols and procedures, please visit:
https://www.albertacourts.ca/qb/court-operations-schedules/webex-remote-hearings-protocol

You can also join the meeting via the "Cisco Webex Meetings" App on your smartphone/tablet or other smart device. You can download this via the App marketplace and join via the link provided above.

Schedule "A"

Receivership Order

COURT FILE NUMBER		Clerk's Stamp
COURT	COURT OF KING'S BENCH OF ALBERTA	
JUDICIAL CENTRE	Calgary	
APPLICANT	ROYAL BANK OF CANADA	
RESPONDENTS	SERENDIPITY MEDIA LTD., ANGEL THREE OF LTD., ASCEND TELEVISION 1 ON. LTD., COMFORT FOOD 1 ON. LTD., ONE DREAM 1 ON. LTD. and THE DEVIL MADE ME DO IT 1 ON. LTD.	
DOCUMENT	**RECEIVERSHIP ORDER**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**McMillan LLP** #1700, 421-7th Avenue SW, Calgary, AB T2P 4K9 **Attention: Preet Saini/ Melanie Cheddi** Telephone: 403.531.4716/ 403.531.4702 Fax: 403.531.4720 Email: preet.saini@mcmillan.ca melanie.cheddi@mcmillan.ca File No. 303101	

DATE ON WHICH ORDER WAS PRONOUNCED:	**April 11, 2024**
LOCATION OF HEARING:	**Edmonton Law Courts, Edmonton, Alberta**
NAME OF JUSTICE WHO GRANTED THIS ORDER:	**The Honourable Justice M. E. Burns**

UPON the application of Royal Bank of Canada ("**RBC**") in respect of Angel Three of Ltd., Ascend Television 1 ON. Ltd., Comfort Food 1 ON. Ltd., One Dream 1 ON. Ltd., the Devil Made Me Do It 1 ON. Ltd. (collectively the "**Borrowers**") and Serendipity Media Ltd. ("**Serendipity**" and collectively with the Borrowers, the "**Debtors**"); AND UPON having read the Application, the Affidavit of Michael Wells; and the Affidavit of Service, filed; AND UPON reading the consent of Grant Thornton Limited to act as receiver (the "**Receiver**") of the Debtor, filed; AND UPON hearing counsel for RBC, counsel for the proposed Receiver and any other counsel or other interested parties present; IT IS HEREBY ORDERED AND DECLARED THAT:

Service

1. The time for service of the notice of application for this order (the "**Order**") is hereby abridged and deemed good and sufficient and this application is properly returnable today.

Appointment

2. Pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3 (the "**BIA**"), and sections 13(2) of the *Judicature Act*, RSA 2000, c.J-2, Grant Thornton Limited is hereby appointed Receiver, without security, of:

   (a) all of the Borrowers' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate and all proceeds thereof including without limitation including, the Canadian Film or Video Production tax credit and the Ontario Film and Television and/or Ontario Animation & Special Effects tax credits that are or may be owed to the Debtors by the Canada Revenue Agency

   (b) the assets, undertakings and properties of Serendipity listed at Schedule "B" hereto.

   (all of the foregoing, collectively referred to herein as the "**Property**");

Receiver's Powers

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

   (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property, which shall include the Receiver's ability to abandon, dispose of, or otherwise release any interest in any of the Debtor's real or personal property, or any right in any immoveable;

   (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

   (c) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

   (d) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors related to the Property, including without limitation any and all amounts payable to the Debtors related to the Property in connection with the Canadian Film or Video Production tax credit and the Ontario Film and Television and/or Ontario Animation & Special Effects tax credits by the Canada Revenue Agency, and to exercise all remedies of the Debtors related to the Property in collecting such monies, including, without limitation, to enforce any security held by the Debtors;

(e) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, including filing tax returns for the Debtors, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;

(f) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors related to the Property, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court;

(g) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

(h) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:

i. without the approval of this Court in respect of any transaction not exceeding $100,000, provided that the aggregate consideration for all such transactions does not exceed $100,000; and

ii. with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, RSA 2000, c. P-7 or any other similar legislation in any other province or territory shall not be required.

(i) to apply for any vesting order or other orders (including, without limitation, confidentiality or sealing orders) necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(j) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(k) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;

(l) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

(m) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and

(n) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including the Debtors, and without interference from any other Person (as defined below).

Duty to Provide Access and Co-operations to the Receiver

4. (i) The Debtors, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.

5. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph or in paragraph **[6]** of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.

6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in

possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names, and account numbers that may be required to gain access to the information.

No Proceedings Against the Receiver

7. No proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

No Proceedings Against the Debtors or the Property

8. No Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph; and (ii) affect a Regulatory Body's investigation in respect of the Debtors or an action, suit or proceeding that is taken in respect of the Debtors by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. "**Regulatory Body**" means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a Province.

No Exercise of Rights of Remedies

9. All rights and remedies of any Person, whether judicial or extra-judicial, statutory or non-statutory (including, without limitation, set-off rights) against or in respect of the Debtors or the Receiver or affecting the Property are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided, however, that nothing in this Order shall:

    (a) empower the Debtors to carry on any business that the Debtors is not lawfully entitled to carry on;

    (b) prevent the filing of any registration to preserve or perfect a security interest;

(c) prevent the registration of a claim for lien; or

(d) exempt the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment.

10. Nothing in this Order shall prevent any party from taking an action against the Debtors where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Receiver at the first available opportunity.

No Interference with the Receiver

11. No Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, except with the written consent of the Debtors and the Receiver, or leave of this Court.

Continuation of Services

12. All persons having:

(a) statutory or regulatory mandates for the supply of goods and/or services; or

(b) oral or written agreements or arrangements with the Debtors, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Debtors,

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Debtors or exercising any other remedy provided under such agreements or arrangements. The Debtors shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Debtors in accordance with the payment practices of the Debtors, or such other practices as may be agreed upon by the supplier or service provider and each of the Debtors and the Receiver, or as may be ordered by this Court.

Receiver to Hold Funds

13. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver

(the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

Employees

14. Subject to employees' rights to terminate their employment, all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, SC 2005, c.47 ("**WEPPA**").

15. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, SC 2000, c. 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

Limitations on Environmental Liabilities

1. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:

    i. before the Receiver's appointment; or

    ii. after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.

    (b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.

    (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,

i. if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:

   A. complies with the order, or

   B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;

ii. during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by:

   A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or

   B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or

iii. if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

Limitation on the Receiver's Liability

2. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, Section 14.06, 81.4(5) or 81.6(3) of the BIA.

Receiver's Accounts

3. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to the benefits of and are hereby granted a charge (the "**Receiver's Charge**") on the Property, which charge shall not exceed an aggregate amount of $200,000, as security for their professional fees and disbursements incurred at the normal rates and charges of

the Receiver and such counsel, both before and after the making of this Order in respect of these proceedings, and the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4) and 81.6(2) of the BIA.

4. The Receiver and its legal counsel shall pass their accounts from time to time.

5. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

Funding of the Receivership

6. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed $100,000 (or such greater amount as this Court may by further order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.

7. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

8. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

9. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

10. The Receiver shall be authorized to repay any amounts borrowed by way of Receiver's Certificates out of the Property or any proceeds, including any proceeds from the sale of any assets without further approval of this Court.

Allocation

11. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property

Authorization to Assign Borrowers into Bankruptcy

12. The Receiver is hereby authorized, but not obligated, to assign each of the Borrowers into bankruptcy, on such date as determined by the Receiver, for the general benefit of its creditors pursuant to section 49(1) of the *Bankruptcy and Insolvency Act,* RSC 1985, c B-3 ("BIA").

13. Grant Thornton Limited shall be appointed as the Licensed Insolvency Trustee of the bankrupt estate in the event that the Borrowers are assigned into bankruptcy.

General

14. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

15. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Receiver's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.

16. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.

17. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction to give effect to this Order and to assist the Receiver and its 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.

18. The Receiver 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 Receiver 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.

19. The Plaintiff shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis, including legal costs on a solicitor-client full

indemnity basis, to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.

20. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

Website

21. The Receiver shall establish and maintain a website in respect of these proceedings at as determined by the Receiver (the "**Receiver's Website**") and shall post there as soon as practicable:

    (a) all materials prescribed by statue or regulation to be made publicly available; and

    (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.

22. Service of this Order shall be deemed good and sufficient by:

    (a) serving the same on:

        i. the persons listed on the service list created in these proceedings or otherwise served with notice of these proceedings;

        ii. any other person served with notice of the application for this Order;

        iii. any other parties attending or represented at the application for this Order; and

    (b) posting a copy of this Order on the Receiver's Website

    and service on any other person is hereby dispensed with.

23. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

Justice of the Court of King's Bench of Alberta

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. ________________________

AMOUNT $________________________

1. THIS IS TO CERTIFY that Grant Thornton Limited, the receiver (the "**Receiver**") of certain assets, undertakings and properties of Serendipity Media Ltd., Angel Three Of Ltd., Ascend Television 1 ON. Ltd., Comfort Food 1 ON. Ltd., One Dream 1 ON. Ltd. and the Devil Made Me Do It 1 ON. Ltd. appointed by Order of the Court of King's Bench of Alberta and Court of King's Bench of Alberta in Bankruptcy and Insolvency (collectively, the "Court") dated the 11th day of April**,** 2024 **(**the "**Order**") made in action numbers __________________________ has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of ____________, being part of the total principal sum of $100,000 that the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded __________________________ after the date hereof at a notional rate per annum equal to the rate of ____________ per cent above the prime commercial lending rate of Bank of _________________ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at __________________________**.**

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____day of_____________,2024

Grant Thornton Limited, solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity

Per: ________________________________

Name:

Title:

Schedule “B”

SERENDIPITY COLLATERAL DESCRIPTION

(a) All of Serendipity’s undertaking and present and after acquired personal property (other than consumer goods) in season 1 of the series currently entitled "Comfort Food", in the feature motion picture currently entitled "Angel 3", in season 1 of the series currently entitled "Ascend", in the feature motion picture currently entitled "One Dream", and in season 1 of the series currently entitled "The Devil Made Me Do It" (collectively, the "Projects") including all right, title, interest and benefit which Serendipity now has or may hereafter have in the Projects including, without limitation, all distribution and exploitation rights in and to the Projects, the Canadian Film or Video Production Tax Credit and the Ontario Film and Television and/or Ontario Computer Animation & Special Effects Tax Credits related to the Projects (hereinafter called "Debts"), and in all proceeds and renewals thereof and substitutions therefor and in the following described property of the Serendipity namely:

i. all lists, records and files relating to Serendipity's customers, clients and patients;

ii. all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts or the proceeds thereof or by which Debts or the proceeds thereof are or may hereafter be secured, evidenced, acknowledged or made payable (including Chattel Paper, Securities and Instruments), now owned or hereafter owned or acquired by or on behalf of Serendipity; and

iii. all money (other than trust money lawfully belonging to others) hereafter received by or on behalf of Serendipity in payment or satisfaction of Debts.