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

SUPPLEMENT TO THE FIRST REPORT TO THE COURT SUBMITTED BY GRANT THORNTON LIMITED IN ITS CAPACITY AS MONITOR

July 27, 2023

Grant Thornton

**Grant Thornton Limited,
Monitor**

Grant Thornton Place
Suite 1600 – 333 Seymour Street
Vancouver, BC
V6B 0A4

INTRODUCTION AND PURPOSE FOR THE FIRST REPORT SUPPLEMENT

1. This supplement (this "**First Report Supplement**") is filed by Grant Thornton Limited in its capacity as Court-appointed Monitor (the "**Monitor**") of the petitioners listed at **Schedule "A"** (collectively, the "**BRON Group**" or the "**Petitioners**") made an application (the "**CCAA Application**") to commence proceedings (the "**CCAA Proceedings**") pursuant to the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). This First Report Supplement is filed by the Monitor as a supplement to its first report dated July 26, 2017 (the "**First Report**").

2. Unless otherwise defined, all capitalized terms in this First Report Supplement are defined as they are in the First Report. Any and all disclaimers provided in the First Report also apply to this First Report Supplement.

3. Background information in respect of the Petitioners and the Monitor's appointment is provided in the First Report.

4. Copies of materials filed in these proceedings generally are available on the Monitor's Case Website at www.grantthornton.ca/BronMedia.

5. The purpose of this First Report Supplement is to inform and update the Court on:

   a) some factual matters arising at the hearing before Justice Gomery on July 27, 2023

CREATIVE WEALTH MEDIA AGREEMENTS

6. At the hearing before Justice Gomery on July 27, 2023, counsel for certain parties made initial submissions about the priority of the charge in favour of Creative Wealth Media Lending LP 2016 (the "**Interim Lender**") in its capacity as lender to the Petitioners in these proceedings.

7. The Monitor wishes to report to the Court that it has reviewed the following two agreements to which the Interim Lender is a party:

   a) An Intercreditor Agreement dated February 16, 2021 between, *inter alia*, the Interim Lender and Comerica Bank (the "**Comerica Intercreditor Agreement**"); and

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b) An Interparty Agreement dated as of December 18, 2020 between the Interim Lender and Directors Guild of America (the "**DGA Interparty Agreement**").

8. In circumstances where certain of the Petitioners become subject to insolvency proceedings (such as these CCAA proceedings) and the Interim Lender provides debtor-in possession financing, the Comerica Intercreditor Agreement prevents the Interim Lender (which is a Subordinate Secured Party under that agreement) from taking an adverse position in relation to Comerica Bank (which is a Senior Secured Party under that agreement) concerning the DIP Financing. In the present circumstances, Comerica Bank has informed the Monitor that any attempt by the Interim Lender to have the DIP Charge take priority over the security of Comerica Bank would be an adverse position contrary to the Comerica Intercreditor Agreement because Comerica Bank does not agree that the DIP Charge should have such priority.

9. In the DGA Intercreditor Agreement, the Interim Lender agreed with the Directors Guild of America (the "**DGA**") to subordinate to the security of the DGA the Interim Lender's security obtained pursuant to a Loan and Security Agreement dated November 30, 2020 that the Interim Lender had with a number of the Petitioners. This subordination by the Interim Lender also applies to other security interests that the Interim Lender may later obtain in the collateral of the DGA, including pursuant to the DIP Charge. The Monitor understands that agreements similar to the DGA Intercreditor Agreement exist across a number of projects in which the DGA or The Screen Actors Guild – American Federation of Television and Radio Artists are involved.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 27th day of July 2023.

GRANT THORNTON LIMITED,
SOLELY IN ITS CAPACITY AS MONITOR OF THE PETITIONERS
AND NOT IN ITS CORPORATE OR PERSONAL CAPACITY

Per: ______________________
Mark Wentzell, CPA, CA, CIRP, LIT
Senior Vice-President

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