

COURT FILE NUMBER 2401-04642
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.



C20476

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Feb 21, 2025

DOCUMENT APPLICATION BY RECEIVER FOR ORDER INCREASING BORROWING POWER AND OTHER RELIEF

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **STIKEMAN ELLIOTT LLP**
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Lawyer for the Court Appointed Receiver, Grant Thornton Limited

File No.: 137093.1011

NOTICE TO THE RESPONDENTS: See attached Service List

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

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

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

Date: February 21, 2025

Time: 2:00 PM

Where: Edmonton Law Courts – Commercial List, remotely in Virtual Courtroom 60 (<https://albertacourts.webex.com/meet/virtual.courtroom60>)

Before Whom: The Honourable Justice Lema sitting on the Commercial List

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

Remedy claimed or sought:

1. The Applicant, Grant Thornton Limited ("**Grant Thornton**" or the "**Receiver**"), in its capacity as the court-appointed receiver of certain assets, undertakings, and properties (the "**Property**") 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**");

(a) seeks an Order in the form of Schedule "A", or such other form as may be approved by this Honourable Court;

- i. declaring Service of this Application and its supporting materials good and sufficient, and if necessary, abridging time for notice of this Application to the time actually given;
- ii. approving the Receiver's activities and Interim Statement of Receipts and Disbursements,
- iii. approving the Receiver's fees, and that of its legal counsel;
- iv. increasing the Receiver's borrowing powers from \$100,000.00 to \$350,000.00, and

(b) seeks an Order in the form of Schedule "B", or such other form as may be approved by this Honourable Court;

- i. temporarily sealing the Confidential Appendix to the First Report, dated February 10, 2025 (the "**Receiver's Report**") by way of Restricted Court Access Order, and

(c) for such further and other relief as this Honourable Court deems just and appropriate in the circumstances.

Grounds for Making the Application:

(i) Background and Procedural History

2. The Debtor, Serendipity, is a film and television production company incorporated pursuant to the laws of Alberta. Serendipity is a shareholder of the Borrowers, who were incorporated as vehicles to complete separate media productions and were engaged in the business of completing said separate media productions.

3. On April 15, 2024, and on the application of Royal Bank of Canada, Grant Thornton was appointed Receiver over the Property (‘the **RBC Receivership**’) pursuant to an Order of this Court (the “**RBC Receivership Order**”). The RBC Receivership is one of several ongoing proceedings against Serendipity and its various subsidiaries.
4. The RBC Receivership Order granted the Receiver the power to assign the Debtors into bankruptcy without further order of this Court.
5. Serendipity and other related production corporations are currently subject to receivership proceedings in Ontario. On January 3, 2024, upon the application of the Bank of Montreal, the Ontario Superior Court of Justice granted an order appointing Deloitte Restructuring Inc. (“**Deloitte**”) as receiver and manager over Serendipity as well as other debtors.
6. On August 13, 2024, on the application of Deloitte, and by Order of the Ontario Superior Court of Justice, Serendipity was adjudged bankrupt, and Deloitte was appointed as Trustee in Bankruptcy of Serendipity. Deloitte and Grant Thornton are working closely together in order to align activities in order to maximize each estate for the benefit of stakeholders.
7. One of the major assets arising from these media productions are eligibility for certain media tax credits. The Canadian Audio-Visual Certification Office (“**CAVCO**”) and the Canada Revenue Agency (“**CRA**”), along with other entities, administer these tax credit programs and other similar credit programs for media productions subject to eligibility requirements (the “**Media Tax Credits**”).

(ii) **Approving the Receiver’s Activities and Interim Statement of Receipts and Disbursements**

8. Since the RBC Receivership Order, as discussed in the Receiver’s Report, the Receiver’s work has included taking possession and securing property, obtaining insurance, collecting revenue, retaining consultants, completing post-production work, corresponding with CAVCO and other entities regarding the Media Tax Credits, dealing with Deloitte and other lenders, and assigning one of the Debtors into bankruptcy,
9. The Receiver’s activities, as described in the Receiver’s Report, including the Interim Statement of Receipts and Disbursements, were all undertaken in accordance with their duties and obligations under the RBC Receivership Order. The Receiver has consulted with stakeholders including RBC since its appointment as Receiver.

(iii) Approving the Receiver's fees, and that of its legal counsel

10. The total fees and disbursements of the Receiver to January 31, 2025 amount to \$162,669.80 plus GST in the amount of \$8,133.48, totaling \$170,803.28.
11. The total legal fees incurred by the Receiver for services provided to it by its independent legal counsel Stikeman Elliott LLP to October 31, 2024, amount to \$110,356.75, plus GST in the amount of \$5,517.84, totaling \$115,874.59.
12. It is the Receiver's view that the professional fees and disbursements of the Receiver and its legal counsel are fair, reasonable and justified in the circumstances and accurately reflect the work completed in connection with the Receivership.

(iv) Increase to the Receiver's Borrowings

13. Pursuant to the RBC Receivership Order, the Receiver is authorized to borrow up to \$100,000. As of the date of the Interim Statement of Receipts and Disbursements, the Receiver borrowed in aggregate a total of \$100,000 by way of Receiver's Certificates.
14. The Receiver estimates that it will require further funding of in order to continue and complete its duties under the RBC Receivership Order as detailed in the Receiver's Report. Accordingly, the Receiver respectfully requests that the borrowing limit be increased to \$350,000.
15. RBC is in support of the proposed borrowing limit increase and will provide funding to the Receiver in amounts to be agreed.
16. The Receiver is therefore requesting that the borrowing limit and be increased from \$100,000 to \$350,000.

(v) Temporarily sealing the Confidential Appendix to the Receiver's Report by way of Restricted Court Access Order

17. The Confidential Appendix contains sensitive financial information of the Debtors in relation to the Media Tax Credits, dealings with CAVCO, and with respect to the pricing structure of contracts entered into with consultants, including the Distribution Agreement with Andromedia Distribution Inc., as described in the Receiver's Report.

18. Temporarily sealing the Confidential Appendix is necessary to prevent serious risk to recovery interests of the estate and its stakeholders, because reasonable alternative measures will not prevent the risk.
19. The salutary effects of temporarily sealing the Confidential Appendix outweigh its deleterious effects, including the effects on the right to free expression.
20. Such further and other reasons as the Receiver may advise and this Honourable Court may accept.
21. Other relief as this Honourable Court deems just and appropriate in the circumstances.

Material or evidence to be relied on:

22. First Report of the Receiver dated February 10, 2025.
23. Confidential Appendix of the First Report of the Receiver.
24. The pleadings and proceedings taken in this Action to date.
25. Such further and other materials and evidence as counsel may advise and this Honourable Court may permit.

Applicable rules:

26. *Alberta Rules of Court* AR 124/2010, including Rules 1.2, 1.4, 6.1, 6.2, 6.3 and 9.12 and Division 4 of Part 6.
27. Such other rules as counsel may advise and this Honourable Court may permit.

Applicable Acts and regulations:

28. *Judicature Act*, R.S.A. 2000 c. J-2, as amended.
29. *Bankruptcy and Insolvency Act*, RSC 1985 c B-3, as amended, and in particular sections 246 and 249 thereof.
30. Such other acts and regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

31. Abridgement of time for service of the time actually given, if necessary.

How the application is proposed to be heard or considered:

32. Before the Honourable Justice Lema, of the Commercial List (remotely, via Webex in Virtual Courtroom 60) <https://albertacourts.webex.com/meet/virtual.courtroom60>

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and 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.

Schedule “A” – Order Increasing Borrowing Power and Other Relief

COURT FILE NUMBER 2401-04642

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.

Clerk's Stamp

DOCUMENT **ORDER INCREASING BORROWING POWER AND OTHER RELIEF**

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

STIKEMAN ELLIOTT LLP
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4300 Bankers Hall West
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Calgary, AB T2P 5C5

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Tel: (403) 724-9469
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Email: kfellowes@stikeman.com
Lawyer for the Court Appointed Receiver, Grant Thornton Limited
File No.: 137093.1011

DATE ON WHICH ORDER WAS PRONOUNCED: **February 21, 2025**

LOCATION OF HEARING: **Edmonton Law Courts, Edmonton, Alberta**

NAME OF JUSTICE WHO GRANTED THIS ORDER: **The Honourable Justice Lema**

UPON THE APPLICATION of Grant Thornton Limited as Court Appointed Receiver 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** reading the First Report of the Receiver, filed, the Receiver's Confidential Supplement, and the Affidavit of Service of Kyra Lyseng, filed, **AND UPON** hearing counsel for the Receiver and any other counsel or other interested parties present; **IT IS HEREBY ORDERED AND DECLARED THAT:**

DEFINITIONS AND INTERPRETATION

1. All capitalised terms not otherwise defined in this Order shall have the definitions set out in the Order of the Honourable Justice M.E. Burnes dated April 11, 2024 (the "**Receivership Order**") granted in these proceedings.

SERVICE

2. Service of notice of this application and supporting materials is hereby declared to be good, timely, and sufficient, and no other person is required to have been served with notice of this application, and time for service of this application is abridged to that time actually given.

INCREASE TO THE BORROWING LIMIT AND THE RECEIVER'S BORROWING CHARGE

3. The Receiver's borrowing limit as set out in paragraph 25 of the Receivership Order, is hereby amended such that the Receiver shall be at liberty and 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 \$350,000.00.
4. In all other respects the Receivership Order remains amended and in full force and effect. For clarity, and without limiting the generality of the foregoing, it is hereby confirmed that all amounts borrowed by the Receiver, up to principal amount of \$350,000.00 in accordance with paragraph 3 of this Order, shall be secured by the Receiver's Borrowing Charge as set out in the Receivership Order.

APPROVAL OF PROFESSIONAL FEES AND ACTIONS OF THE RECEIVER

5. The professional fees and disbursements of the Receiver and the Receiver's legal counsel, Stikeman Elliott LLP, as set out in the Receiver's First Report, dated February 10, 2025 ("**Receiver's Report**"), are hereby approved without the necessity of a formal passing of their accounts.
6. The Receiver's activities as set out in the Receiver's Report and Confidential Appendix to the Receiver's Report, and the Statement of Receipts and Disbursements as attached to the Receiver's Report, are hereby ratified and approved.
7. 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 “B” – Restricted Court Access Order

COURT FILE NUMBER	2401-04642	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., SCEND 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	RESTRICTED COURT ACCESS ORDER	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	STIKEMAN ELLIOTT LLP Barristers & Solicitors 4300 Bankers Hall West, 888 - 3 rd Street SW, Calgary, Canada T2P 5C5 Karen Fellowes, K.C. Telephone: (403) 724-9469 Facsimile: (403) 266-9034 Email: kfellowes@stikeman.com Lawyer for the Court Appointed Receiver, Grant Thornton Limited File No. 137093.1011	

DATE ON WHICH ORDER WAS PRONOUNCED: February 21, 2025

LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton Law Courts, Edmonton, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice Lema

UPON THE APPLICATION of Grant Thornton Limited. filed February 10, 2025 (the "**Application**") in its capacity as the Court appointed receiver (the "**Receiver**") of all the current and future assets, undertaking, and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, 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**"); for an Order sealing the Confidential Appendix of the First Report of the Receiver dated February 10, 2025, (the "**Confidential Appendix**"), **AND UPON** reviewing the First Receivers Report, the Confidential Appendix, and the Affidavit of Service of Kira Lyseng dated February 10, 2025 **AND UPON** having heard counsel for the Applicant, no one appearing for the Respondents.

IT IS HEREBY ORDERED AND DECLARED THAT:

1. The Confidential Appendix shall be sealed on the Court file and shall not form part of the public record, notwithstanding Division 4, Part 6 of the Alberta *Rules of Court*.
2. The Clerk of this Honourable Court shall file a confidential version of the Application, in a sealed envelope, and the Confidential Appendix and envelope shall each have attached to them a notice that sets out the style of cause of the proceedings and states that:

THIS ENVELOPE CONTAINS A CONFIDENTIAL DOCUMENT. THIS CONFIDENTIAL DOCUMENT IS SEALED ON COURT FILE ON 2401-04642 PURSUANT TO THE ORDER ISSUED BY THE HONOURABLE JUSTICE LEMA ON FEBRUARY 21, 2025. THIS CONFIDENTIAL DOCUMENT IS NOT TO BE ACCESSED BY ANY PERSON UNTIL EARLIER OF AN ORDER OF THE COURT DIRECTING THAT THIS CONFIDENTIAL DOCUMENT BE FILED.

3. Leave is hereby granted to any person, entity or party affected by paragraphs 1 and 2 of this Restricted Court Access Order to apply to this Court for a further Order vacating, substituting, modifying, or varying the terms of this Restricted Court Access Order, with such application to be brought on notice to the Receiver.
4. The Receiver shall serve by courier, fax transmission, email transmission or ordinary post, a copy of this Restricted Court Access Order on all parties present at this application and on all parties who are presently on the service list established in these proceedings and such service shall be deemed good and sufficient for all purposes.

**THE HONOURABLE JUSTICE LEMA OF
THE COURT OF KING'S BENCH OF
ALBERTA**