



This is the 7th affidavit
of Aaron Gilbert in this case
and it was made on December 5, 2023.

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

AFFIDAVIT OF AARON GILBERT
(Affirmed December 5, 2023)

I, **AARON GILBERT** of the Town of Anmore in the Metro Vancouver Area in the
Province of British Columbia, **AFFIRM THAT:**

1. I am the Chairman and Chief Executive Officer of BRON Media Holdings USA Inc.,
BRON Media Corp., and BRON Media Holdings Intl. Corp., a digital animation and live-
action production company based and headquartered in British Columbia.
2. I have personal knowledge of the matters deposed to in this Affidavit except where I depose
to a matter based on information from an informant I identify, in which case I believe that
both the information from the informant and the resulting statement are true.

PART I - INTRODUCTION

3. This is my seventh affidavit made in these proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). Copies of each of the affidavits made in these proceedings are located on Grant Thornton Limited's (the "**Monitor**") website at the following URL:

<https://www.grantthornton.ca/service/advisory/creditor-updates/#Bron-Media-Group>.

4. The table at paragraph 5 below sets forth each of the Petitioners (as defined below) in these proceedings as at the date of this Affidavit, organized by jurisdiction of incorporation, along with other affiliated entities.
5. The Canadian Petitioners and the U.S. Petitioners are collectively referred to herein as the "**Petitioners**" or the "**Company**".

BRON GROUP OF COMPANIES	
"Canadian Petitioners"	BRON Animation Inc. (British Columbia) BRON Creative Corp. (Ontario) BRON Developments Inc. (British Columbia) BRON Media Corp. (British Columbia) BRON Media Holdings Intl. Corp. (British Columbia) BRON Media Holdings USA Inc. (British Columbia) BRON Releasing Inc. (British Columbia) BRON Studios Inc. (British Columbia) BRON Ventures 1 (Canada) Corp. (British Columbia) Canadian Production HoldCos & ProdCos ¹
"U.S. Petitioners"	BRON Creative USA Corp. (Nevada) BRON Digital USA, LLC (Delaware) BRON Life USA Inc. (Delaware) BRON Media Holdings USA Corp. (Delaware)

¹ BRON Everest Productions Inc., Fables Productions BC Inc., Gossamer Productions BC Inc., Hensch 2 BC Productions Inc., Henschmen Productions Inc., Robin Hood Digital PC BC Inc., and Windor Productions BC Inc. (collectively, the "**Canadian Production HoldCos & ProdCos**").

	BRON Releasing USA Inc. (Delaware) BRON Studios USA Inc. (Nevada) BRON Ventures 1 LLC (Delaware) BRON Studios USA Developments Inc. (Nevada) US Production HoldCos & ProdCos ² Welcome to Me, LLC (California)
“UK Non-Petitioner Entities”	BRON Studios UK Ltd. (England and Wales) BRON Releasing UK Ltd. (England and Wales) CMA Productions UK Ltd. (England and Wales) In Good Company Holdings Ltd. (England and Wales) Kid Unknown Holdings Ltd (fka Hunaman Holdings Ltd.) (England and Wales) Neon Club Productions, Ltd. (England and Wales) Shadowplay Series Holdings UK Limited (England and Wales) TDBB Holdings UK Ltd. (England and Wales) Townsend Series Holdings UK Ltd. (England and Wales) Townsend Series Productions UK Ltd. (Grey Door Film Productions Ltd) (England and Wales)
“Other Non-Petitioner Entities”	Front Runner Productions, Inc. BRON Creative MG1, LLC BRON Creative WB 1, LLC BRON Labs LLC A Single Shot Movie, LLLP Blackhand Developments Inc. Blackhand Pictures, LLC BRON Next Film Production, LLC (BRON Life, LLC) BRON Pictures Holdings, LLC BRON Subnation Slate 1, LLC Rideg Film Holdings, LLC Brown Amy, LLC Driftless Area, LLC Drunk Parents Production Services Inc. Erostratus LA, LLC Erostratus, LLC Fonzo Production Services Inc. Fonzo, LLC Front Runner, LLC Green Moon Inc.

² Bakhorma, LLC (Washington), Drunk Parents, LLC (New York), Fables Holdings USA, LLC (Delaware), Fables Productions USA Inc. (Delaware), Gossamer Holdings USA, LLC (Delaware), Gossamer Productions USA Inc. (Delaware), Harry Haft Productions, Inc. (New York), Heavyweight Holdings, LLC, previously Harry Haft Films, LLC (Delaware), I Am Pink Productions, LLC (Delaware), Lucite Desk, LLC (Delaware), National Anthem Holdings, LLC (f. k. a. BCDC Holdings, LLC) (Delaware), National Anthem ProdCo Inc. (New Mexico), Oakland Pictures Holdings, LLC (Delaware), Pathway Productions, LLC (Delaware), Robin Hood Digital PC USA Inc. (Delaware), Robin Hood Digital USA, LLC (Delaware), Solitary Holdings USA, LLC (Delaware), Surrounded Holdings USA LLC (Delaware), and Surrounded Productions USA Inc. (Delaware) (collectively, the **“US Production HoldCos & ProdCos”**). Surrounded Productions USA Inc. was inadvertently omitted as a Petitioner in Schedule “A” to the Initial Order and the Amended and Restated Initial Order.

	Harmon Films, LLC Harmon Monster Films, Inc. I Saw The Light Movie, LLC I Saw The Light, LLC Layover LLC Mad Solar Productions, LLC Master Cleanse, LLC Meadowland Movie, LLC Meadowland Production Services Inc. My Abandonment LLC My Abandonment Production Services Inc. Needle In A Timestack, LLC October Series Holdings, LLC Pangea Cup Holdings, LLC Pangea Cup Productions Inc. Para Productions, LLC Phil Productions, LLC Red Sea LLC Red Sea Productions Inc. Savant Developments Inc. Summerland Holdings, LLC The Good Nurse Films, LLC The Realm Productions USA LLC TMF Productions, LLC Tully Productions, LLC Tumbledown, LLC TWWMD Holdings, LLC TWWMD Productions, Inc. Villains Pictures, LLC Villains Production Services, Inc. Wonder Book Holdings USA, LLC BRON Charitable Foundation, Inc. Hercules BRON Creative Partnership
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6. All references to currency in this Affidavit are references to U.S. dollars, unless otherwise indicated.
7. This Affidavit is made in support of an application for an order extending the stay of proceedings in favour of the Petitioners up to and including January 26, 2024 (the “**Stay Extension Order**”).

A. Background

8. The background and circumstances giving rise to these CCAA proceedings is described in my previous affidavits and is not repeated here.
9. On July 19, 2023, the Court granted an initial order under the CCAA in respect of the Petitioners. On July 28, 2023, the Court amended and restated the initial order (the **“Amended and Restated Initial Order”**) and approved a sale and investment solicitation process (the **“SISP”**).
10. On October 11, 2023, the Court extended the stay of proceedings in favour of the Petitioners up to and including November 8, 2023.
11. Following the completion of the SISP, the Petitioners applied for court approval (the **“Sale Approval Application”**) of an asset purchase agreement (the **“CW Lending Purchase Agreement”**) between Creative Wealth Media Lending LP 2016 (**“CW Lending”**), as purchaser, and the Petitioners and Non-Petitioner Entities listed at Schedule “A” to the CW Lending Purchase Agreement, as vendors (the **“CW Lending Transaction”**). The Sale Approval Application was heard on November 7, 2023 and November 24, 2023 .
12. On November 24, 2023, the Court granted an order, among other things, extending the stay of proceedings in favour of the Petitioners up to and including December 11, 2023.
13. 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**”). A copy of the November 29 Decision is attached as **Exhibit “A”**.

B. Update Since November 24, 2023 hearing

14. 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.
15. 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 permutations, 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 my Fifth Affidavit) and the underlying units that are the subject of the Media Res Receivable.
16. An alternative transaction may also be premised on either a consensual “allocation” of the debtor-in-possession (“**DIP**”) loan to BRON Ventures I LLC, or an agreed upon process for the Court’s determination of such allocation.
17. 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.

18. On November 28, 2023, the Petitioners and CW Lending entered into a fourth amendment (the "**Fourth DIP Amendment**") to the DIP Loan Agreement dated July 18, 2023 (the "**DIP Loan Agreement**"), among other things, extending the maturity date to December 11, 2023. A copy of the Fourth DIP Amendment is attached hereto as **Exhibit "B"**. Should this Court extend the stay of proceedings, the Company anticipates entering into a fifth amendment to the DIP Loan Agreement to further extend the maturity date.

C. Stay Extension Request

19. The Petitioners have acted and continue to act in good faith and with due diligence to, among other things: consult with their stakeholders, in particular Access Road and CW Lending; progress towards reaching an agreeable solution for an alternative transaction; establish a process to resolve or adjudicate allocation disputes; and maintain the human resources necessary to complete any alternative transactions.
20. The current stay of proceedings expires on December 11, 2023. The Petitioners seek an extended stay period up to and including January 26, 2024 to allow time for BRON, CW Lending, Access Road and other stakeholders to continue discussions regarding an alternative agreement in respect of the Company's assets, seek this Court's approval of such agreement, and bring an application to terminate these CCAA proceedings. A lifting of the stay of proceedings, followed by enforcement steps by multiple parties, would derail these efforts.

21. The Company, with the assistance of the Monitor, prepared a revised cash flow forecast for the proposed extended stay period, which was appended to my Sixth Affidavit and is re-attached hereto as **Exhibit "C"**. According to the revised cash flow forecast, the Company will have sufficient funding through the proposed extended stay period.

D. Next Steps in these CCAA proceedings

22. If the Company is able to obtain agreement on an alternative transaction, the Company intends to serve additional court materials as soon as possible, including potentially on short notice, to seek approval of such transaction.
23. I affirm this Affidavit in support of the Stay Extension Order and for no other or improper purpose.

AFFIRMED BEFORE ME via video-conference with the deponent in the City of Burnaby, in the Province of British Columbia, and the Commissioner in the City of Mississauga in the Province of Ontario this 5th day of December, 2023

DocuSigned by:

Monica Faheim

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DocuSigned by:

Aaron Gilbert

751C2A4AB98947E...

AARON GILBERT

MONICA FAHEIM

A Commissioner for taking Affidavits

This is Exhibit "A" referred to in the Affidavit of Aaron Gilbert sworn by Aaron Gilbert of the City of Burnaby , in the Province of British Columbia, before me at the City of Mississauga, in the Province of Ontario, on December 5, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Monica Faheim

A927328446B742A...

Commissioner for Taking Affidavits (or as may be)

MONICA FAHEIM

IN THE SUPREME COURT OF BRITISH COLUMBIA

Citation: *Bron Media Corp. (Re)*,
2023 BCSC 2109

Date: 20231129
Docket: S235084
Registry: Vancouver

**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. B16, as Amended**

And

**In the Matter of a Plan of Compromise or Arrangement of Bron Media Corp.
and the entities listed at Schedule "A"**

Petitioners

Before: The Honourable Justice Gomery

Reasons for Judgment

In Chambers

Counsel for the Petitioners:

D. Ward
B.J. Hicks
A. Iqbal
M. Faheim

Counsel for Access Road Capital:

P. Bychawski
M. Greyell, Articled Student

Counsel for the Directors Guild of America
Inc. the Screen Actors Guild and Writers
Guild of America West Inc:

K. Esaw

Counsel for the Monitor, Grant Thornton
Limited:

J.N. Birch
F.D. Finn

Bron Media Corp. (Re)***Page 2***

Hudson Private Corp. and Hudson LP	M. Van Zandvoort (November 7 only)
Counsel for Premium Properties Limited and an Ad Hoc Group of Investors:	W. Jaskiewicz
Counsel for Three Point Capital Holdings, LLC:	C. Hildebrand
Counsel for Hercules Film Investors:	T. Jeffries (November 7 only)
Catalyst Growth Media Fund I LLC	J. Wadden
Counsel for Creative Wealth Media Lending LP 2016:	D. Gruber M. Shakra
Union of BC Performers	D. Cieloszczyk (November 7 only)
Desert Media Partners LLC	D. Michaud S. Mosonyi
Bayshore Capital Advisors, LLC, GCA Alternative Income Fund LP, and Rocking T. Ranch LLP	H. Book W. McLennan
Media Res Studio, LLC	R. Schwill (November 24 only)
James Richardson and Niink Holdings Inc.	R. Taylor
William Morris Endeavor Entertainment, LLC	D.J. Miller
C&C Financial Services Lending II, LLC	S. Kiefer
Place and Date of Hearing:	Vancouver, B.C. November 7 & 24, 2023
Place and Date of Judgment:	Vancouver, B.C. November 29, 2023

Introduction

[1] The petitioners, collectively “Bron”, are insolvent. They applied for relief under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. 36 [CCAA]. On July 19, 2023, I made an initial order, and on July 28 I amended and restated the initial order (the “ARIO”). On October 11, I approved a sales and investment solicitation process (“SISP”) for the marketing of Bron’s assets. The hearings on July 28 and October 11 were vigorously contested. My reasons on both occasions have been published and are indexed at 2023 BCSC 1563 and 2023 BCSC 1906. I will only repeat background provided in those reasons to the extent necessary to explain this decision.

[2] Bron carried on business developing films and video games through a multitude of project-based entities in various jurisdictions. Management was centralized in an office in Burnaby, B.C. Bron financed many projects through project-specific loans. The projects were individually risky, but held out the prospect of substantial rewards if the result was a successful film or video game. Most of the Bron entities did not prepare financial statements unless and until a project proved successful. The most up-to-date financial statements are found in a worksheet as at March 31, 2023 containing unconsolidated financial information of 7 higher-level Bron entities. There are well more than 100 Bron entities in total. All these features of Bron’s business make it unusually difficult to value Bron’s assets and the positions of secured creditors.

[3] At present, there are two secured creditors: Creative Wealth Media Lending LP 2016 (“Creative Wealth”), and Access Road Capital, LLC. Under the ARIO, Creative Wealth is the interim or “DIP” lender and is the beneficiary of a priority charge to the extent of \$6.2 million. It claims priority over Access Road in respect of the DIP loan and other financing. Access Road challenges Creative Wealth’s claim to priority in respect of certain Bron entities. Creative Wealth says that it is owed more than US\$85 million. Access Road says that it is owed more than US\$14.5 million.

[4] Initially, Comerica Bank was also a substantial secured creditor. Creative Wealth has purchased Comerica's position and acceded to a special priority position afforded Comerica under the ARIO.

[5] An Ad Hoc Group of Investor Creditors (the "Ad Hoc Group") claim as persons who made project loans to Bron entities with the intention of participating in project tax credits or project revenues. These loans were financed through "lender entities" with security held by the lender entity in trust for the investor creditors. The lender entities were Creative Wealth Media Finance Corp ("CWMF"), Creative Wealth Lending LP 2016 ("CWML") or a Bron entity with CWMF or CWML. The Ad Hoc Group say that they are owed collectively approximately US\$23 million, not including interest.

[6] CWMF has recently filed a notice of intention to make a proposal and claims against it are therefore stayed pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 [BIA].

[7] Despite the nomenclature, I am advised that Creative Wealth does not share common beneficial ownership with CWMF or CWML. It is a limited partnership with a Canadian pension fund as the sole limited partner and Creative Wealth Media GenPar Ltd. as the general partner. The general partner is a subsidiary of Creative Wealth Holdings Ltd. It would appear that the general partner is affiliated in some way with CWMF and CWML. One of its two directors is Jason Cloth, who was associated with CWMF and has served as a director of a high-level Bron entity, Bron Media Corp.

[8] Through the SISP, the Monitor and Bron considered various offers to purchase Bron's assets. They concluded that the best of these offers was a credit bid from Creative Wealth, and they ask the court to grant an approval and vesting order ("AVO") and an assignment order giving effect to a sale of almost all Bron assets to Creative Wealth. The consideration for the proposed sale is forgiveness of the secured debt owed by Bron entities to Creative Wealth, the assumption by Creative Wealth of certain ongoing obligations and liabilities of Bron entities, and

\$9,500. The AVO and assignment order would convey the assets sold to Creative Wealth free and clear of the rights and security held by Access Road. The obvious consequence is that, as the Monitor puts it with some understatement, Access Road is likely to suffer a significant shortfall in respect of the amounts owed to it by Bron.

[9] Bron and the Monitor seek certain consequential amendments to the ARIO. These include an amendment to add 19 additional Bron entities as petitioners, the removal of certain non-petitioner UK entities from a schedule, and an extension of the stay of proceedings to January 26, 2024.

[10] Unsurprisingly, Creative Wealth supports the application.

[11] Access Road opposes the application. Broadly speaking, it contends that the CCAA does not authorize the court to nullify its rights. Moreover, the proposed sale requires the addition of new Bron entities as petitioners in this proceeding, and Access Road submits that a statutory precondition to the addition of new petitioners is not satisfied. Alternatively, if the AVO is an order that can be made pursuant to ss. 11 and 36 of the CCAA, Access Road submits that it is not a fair and appropriate order in the circumstances.

[12] The Ad Hoc Group also oppose the application, though they seek a postponement rather than an outright refusal of the orders sought. They submit that the information submitted in support of the orders is insufficient to permit a proper analysis of the orders' effect on their rights, and the overall fairness of the proposed transaction. They challenge the adequacy of the SISF and maintain that Creative Wealth's bid does not comply with requirements of the order establishing the SISF. They further submit that the consideration for the assets to be acquired by Creative Wealth is grossly insufficient. They ask the court to order that certain matters be investigated by the Monitor.

[13] The Ad Hoc Group's opposition is supported by Bayshore Capital Advisors, Desert Media Partners, and C&C Financial Services, all of which are similarly situated.

Issues

[14] The issues are as follows:

1. Can the court make the proposed AVO pursuant to the provisions of the CCAA?
2. Does the CCAA permit joinder of 19 additional Bron entities as petitioners?
3. Is the information before the court sufficient to enable the exercise of the court's discretion under ss. 11 and 13 of the CCAA?
4. Are the AVO and assignment orders fair and appropriate in the circumstances?
5. Should the court order the Monitor to investigate?

Implementation of the SISP and Creative Wealth's offer

[15] The Monitor prepared a confidential information memorandum and established a virtual data room containing 2,390 documents. Within the data room, information was organized by project. An information package was sent to 340 known potential bidders, and 38 potential bidders executed non-disclosure agreements and qualified to obtain access. Potential bidders were given access to the data room starting on August 7, 2023, 20 of them prior to August 17, and 18 between August 18 and August 31.

[16] The Monitor retained an independent industry expert as a consultant to review letters of intent and final bids from qualified bidders. It took steps to prevent Creative Wealth or other bidders from obtaining a competitive advantage through access to information concerning competing bids.

[17] The Monitor fielded requests for further information from potential bidders and established procedures to ensure that Bron's replies were made available to all

potential bidders. There were some requests for information that Bron was unable to provide.

[18] Notably, Bron was blocked in providing financial information relating to three slates of motion pictures because Creative Wealth was unwilling to release information described by the Monitor as “necessary to allow potential bidders to conduct a net present value calculation to establish a value of the Carried Interest of the relevant Petitioner(s)” in each of the slates. Creative Wealth describes the information it would not provide as internally prepared estimates which would be highly conditional and subject to material revision based on market conditions and film performance. It says that it would be inappropriate for other bidders to rely on its information. The Monitor says that, so far as it can tell, it does not appear as if the Carried Interests had significant value.

[19] Also, one of the petitioners, Bron Ventures 1 LLC, holds a 24.85% interest in a third party, Media Res Studio LLC. Media Res objected to having its financial statements made available to potential bidders and they were not included in the data room. Media Res is party to agreements with Bron and Access Road that are important to Access Road’s objection to the AVO.

[20] An initial deadline for submission of letters of intent by potential bidders was extended from August 28 to September 1, 2023, and a deadline for the submission of final bids was extended from September 8 to 15.

[21] The Monitor received 11 letters of intent by the September 1 deadline and deemed all of them qualified. The Monitor received one additional letter of intent on September 5, after the deadline, and advised that potential bidder that it could not accept the bid.

[22] Between September 5 and 15, the Monitor entered into discussions with qualified bidders. The Monitor reports that considerable discussions ensued concerning various Bron assets “with particular emphasis on the Slate Projects”.

[23] The Monitor received eight final bids. All were asset bids. One was from Creative Wealth. Another was a credit bid from Comerica Bank which became moot when Comerica sold its security to Creative Wealth part-way through the process. Creative Wealth's bid was clearly superior to the other six remaining bids, all of which fell well short of paying out the secured debt owed to either Creative Wealth or Access Road.

[24] None of the bids addressed some assets being marketed through the SISP and, on October 12, the Monitor solicited further bids for those assets from qualified bidders who had submitted a final bid. Creative Wealth expanded its bid to include those assets, adding a cash component of \$9,500 to the consideration offered.

[25] Creative Wealth concluded an asset purchase agreement dated October 24, 2023 with the petitioners. It is the agreement sought to be approved and implemented by the AVO and assignment order. It requires the joinder of 19 previously unnamed Bron entities as petitioners, in order that they may be included in the sale and made a party to the DIP loan.

[26] The Monitor submits that the sale process leading to the asset purchase agreement has been fair, reasonable, and compliant with the requirements of the SISP order. In its view, the market for Bron's assets was adequately canvassed and the asset purchase agreement, if approved, will assure recoveries to certain secured creditors and stakeholders not otherwise likely to be achieved in the circumstances. It notes that Creative Wealth will assume liabilities under contracts with investors that will preserve their secured entitlements to project revenues. The Monitor states:

161. Overall, the SISP canvassed the market and the value of bids received reflects the market's view of the value of Bron's assets.

162. If the [Creative Wealth asset purchase agreement] is approved and an approval order and assignment order are granted, [Creative Wealth] through the DIP facility will fund an orderly transfer of assets to it. This will allow for the preservation of value of those assets.

163. The Monitor has concluded that, based on the information available to it, the Purchased Assets would achieve a lower value if sold in a bankruptcy or liquidation compared with the purchase price set out in the [Creative Wealth asset purchase agreement].

164. In conclusion, the Monitor believes that the SISP was a reasonable process and that it led to the maximization of value in the circumstances. The Monitor supports the transaction contemplated by the [Creative Wealth asset purchase agreement], including the vesting of assets in [Creative Wealth], and the assignment of specified contracts to [Creative Wealth], pursuant to an assignment order.

Analysis

1. Can the court make the proposed AVO pursuant to the provisions of the CCAA?

[27] The petitioners rely on ss. 11 and 36 of the CCAA. They give the court a broad discretionary power to make appropriate orders in proceedings under the statute. They provide as follows:

General power of court

11 Despite anything in the *Bankruptcy and Insolvency Act* or the *Winding-up and Restructuring Act*, if an application is made under this Act in respect of a debtor company, the court, on the application of any person interested in the matter, may, subject to the restrictions set out in this Act, on notice to any other person or without notice as it may see fit, make any order that it considers appropriate in the circumstances.

Restriction on disposition of business assets

36 (1) A debtor company in respect of which an order has been made under this Act may not sell or otherwise dispose of assets outside the ordinary course of business unless authorized to do so by a court. Despite any requirement for shareholder approval, including one under federal or provincial law, the court may authorize the sale or disposition even if shareholder approval was not obtained.

...

Factors to be considered

(3) In deciding whether to grant the authorization, the court is to consider, among other things,

- (a) whether the process leading to the proposed sale or disposition was reasonable in the circumstances;
- (b) whether the Monitor approved the process leading to the proposed sale or disposition;
- (c) whether the Monitor filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy;
- (d) the extent to which the creditors were consulted;
- (e) the effects of the proposed sale or disposition on the creditors and other interested parties; and

- (f) whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.

[28] Broadly speaking, Access Road puts forward three reasons why it says the court cannot make the proposed orders.

The separate corporate entities objection

[29] Access Road's first reason is that the proposed transaction does not respect the separate corporate personality of separate corporate entities and their separate stakeholder groups. The Ad Hoc Group takes this point as well. Both maintain that Creative Wealth is unsecured against much of the asset base it proposes to acquire, and the proposed transaction would allow it to leverage unsecured or undersecured debt to displace their secured entitlements. They suggest that the transaction presupposes a substantive consolidation of the assets and liabilities of the Bron group, but the considerations that would justify a substantive consolidation are not present, citing *Northland Properties Ltd., Re*, 1988 CanLII 2924 at para. 37 and *Redstone Investment Corporation (Re)*, 2016 ONSC 4453 at para. 47.

[30] This point is not without substance. In a supplement to its third report, at para. 64, the Monitor remarks that "different secured creditors have different security over different assets". It suggests that "a receivership sale is not attractive given that there would have to be multiple receiverships, with multiple sets of costs". No one argues that a substantive consolidation is justified.

[31] On the other hand, Creative Wealth is secured against substantially all of the petitioners' assets at least to the extent of the DIP loan. Under the sale authorized by the proposed orders, it would also satisfy the other priority indebtedness secured against all the petitioners' assets under the ARIO. It would assume and pay other liabilities of Bron entities as I will describe later, and is independently secured as against at least some of the assets it would acquire.

[32] The DIP loan and other priority charges do not cover the 19 entities now sought to be added. Each is associated with a film project with little or no revenues

and many expenses. None attracted interest from bidders when marketed through the SISP. There is no evidence to suggest that these are valuable assets.

[33] Creative Wealth submits that the total value of the assets proposed to be acquired is less than the value it would be giving up of the security over those assets presently held by it. It says that the results of the SISP demonstrate this proposition because, following extensive marketing supervised by the Monitor as an independent officer of the court, no one was willing to make a better offer for the assets, whether individually or collectively.

[34] On balance, I am unpersuaded by the argument that the sale to Creative Wealth cannot be approved because it is not a secured creditor in respect of some of the assets it would acquire. Its security extends to all the assets, other than the 19 entities to be added, by virtue of the charges approved in the ARIO. What is left is an argument as to the value of the offer, and that pertains to the overall fairness and appropriateness of the proposed sale, not the court's jurisdiction to approve it.

The objection to displacement of contractual rights

[35] Access Road's second point is a submission that, while it is possible for the rights of a secured creditor to be vested off by an AVO, the court has no power under the CCAA to ignore, displace, or expropriate contractual rights of an assignee under an absolute assignment. Access Road relies on its status as the assignee of the right to receive payments from various project entities and cites *Alberta (Treasury Branches) v. Canada M.N.R.*; *Toronto-Dominion Bank v. M.N.R.*, [1996] 1 S.C.R. 963 at paras. 22 and 35 and *Pythe Navis Adjusters Corporation v. Abakhan & Associates Inc.*, 2014 BCCA 262.

[36] Access Road points to s. 11.3 of the CCAA, which authorizes the court to make an order assigning the rights and obligations of a debtor company under a contract to which the company is a party. The result must be that all contractual rights and obligations are acquired by the assignee; *Aeropostale Re Canada Corp.*, 2018 ONSC 1468 at para. 2 (decided under equivalent wording in s. 84.1 of the *BIA*). Access Road complains that, contrary to s. 11.3, the proposed orders would

have Creative Wealth acquire rights but not the associated obligations to Access Road.

[37] However, s. 11.3 is not an obstacle to a vesting order that would eliminate contractual rights that confer a security interest. A security interest is one granted to secure payment or performance of an obligation; *Personal Property Security Act*, R.S.B.C. 1996, c. 359, s. 1(1). It is contingent in nature and ceases to exist when the payment is made or obligation performed.

[38] Access Road relies upon “Irrevocable Payment Instruction Letters” issued by Bron entities requiring that certain film revenues be paid to Access Road. It submits that these instructions were absolute assignments, conferring more than a security interest and giving rise to rights that could not be eliminated by a vesting order.

[39] I find that, read in the context of the dealings between Access Road and Bron, the Instruction Letters were granted to secure Bron’s indebtedness to Access Road. They were not intended to survive repayment of Bron’s debt to Access Road. Rather, they conferred a security interest by giving effect to an assignment contained in a pledge and security agreement dated May 29, 2020 between Bron entities and Access Road, entered into in connection with a loan agreement of the same date, and were specifically contemplated in a second forbearance agreement pertaining to the loan indebtedness and dated July 23, 2021.

[40] The Instruction Letters expressly contemplated revision by a written instrument executed jointly by Bron and Access Road. In *Winnipeg Enterprises Corp. v. 4133854 Manitoba Ltd.*, 2008 MBCA 23, at paras. 35-36, the court found that similar irrevocable orders to pay created security interests, commenting that an express reference to the possibility of revocation with the consent of the beneficiary of the intended payments was only compatible with their being understood as security documentation, and not as absolute assignments.

[41] Accordingly, I reject Access Road’s second objection that the AVO would displace its contractual rights.

The objection based on Access Road's right to be paid by Media Res

[42] Access Road's third point is specific to its right to receive payments owing by Media Res to certain Bron entities. It submits that the AVO would wrongfully deprive it of this right.

[43] Media Res and several Bron entities are parties to a Transactions and Settlement Agreement dated October 27, 2021 (the "TSA"). The TSA contemplates that Media Res will purchase the Bron parties' units in Media Res for approximately US\$7.5 million. Under an Acknowledgement Agreement dated October 29, 2021 between the Bron Parties, Access Road, and Media Res, the Bron Parties have assigned to Access Road their right to be paid by Media Res. This is an assignment Access Road relies upon as affording it an absolute right that could not be displaced by a court order under the CCAA.

[44] I think it is clear from the language of the assignment in clause 2 of the Acknowledgement Agreement that the right conferred on Access Road is a contingent right in the nature of a security interest. I come to this conclusion having regard to several features of the language of assignment:

- a) Clause 2 begins, "Unless and until the Access Road Loan Agreement has been repaid in full ...";
- b) The assignment is expressly limited in effect by clause 4; it is not to be "construed to give Access Road or any of its Affiliates any legal or equitable right, benefit or remedy of any nature whatsoever against the Company [Media Res] or any of its Affiliates under or in respect of the [TSA]";
- c) The assignment terminates if Access Road delivers to Media Res binding written notice that the Access Road Loan Agreement has been repaid in full.

[45] In a third forbearance agreement dated December 20, 2021 between Bron Ventures and Access Road, the parties agreed that Bron Ventures “has a validly perfected, first priority security interest in and to the Media Res Receivable”.

[46] In short, by its terms, the assignment contained in the Acknowledgement Agreement exists to secure repayment of Bron’s indebtedness to Access Road, it continues only until the indebtedness is repaid, and it lacks the particular feature of an absolute written assignment that it transfers to the assignee the right to sue to collect the debt once the debtor has notice of the assignment; *Law and Equity Act*, R.S.B.C. 1996, c. 253, s. 36.

[47] Accordingly, I reject Access Road’s submission that its rights under the Acknowledgement Agreement cannot be displaced by an appropriate order made pursuant to ss. 11 and 36 of the CCAA.

2. Does the CCAA permit joinder of 19 additional Bron entities as petitioners?

[48] Access Road submits that 19 additional Bron entities cannot be added because the petitioners have not put forward financial statements in respect of these entities. It relies on s. 10(2) of the CCAA, which states:

Documents that must accompany initial application

(2) An initial application must be accompanied by

- (a) a statement indicating, on a weekly basis, the projected cash flow of the debtor company;
- (b) a report containing the prescribed representations of the debtor company regarding the preparation of the cash-flow statement; and
- (c) copies of all financial statements, audited or unaudited, prepared during the year before the application or, if no such statements were prepared in that year, a copy of the most recent such statement.

[49] In a supplement to its third report, the Monitor states that these project-based entities did not prepare financial statements but did prepare cost reports, which it attaches to the supplementary report.

[50] Section 10(2) does not expressly state what should be the consequence if no financial statements at all are available and should be interpreted in light of its purposes. The requirement of a projected cash flow is intended to enable the court to assess the immediate financial consequences of a stay of proceedings against the petitioning company. The requirement that copies of financial statements be provided puts the court and interested parties in a position to evaluate the implications of the stay and such steps as may be taken in the course of the CCAA proceeding.

[51] Section 10(2)'s purposes are served by the cost reports appended to the Monitor's supplementary report. These cost reports are more than was available in relation to other Bron entities when the initial order was made and then restated in July 2023. Access Road did not object to the absence of financial statements at the time. To interpret s. 10(2)(c) as imposing a strict requirement that financial statements be provided without exception, would unnecessarily limit the court's ability to make an initial order where one may be warranted.

[52] I therefore reject Access Road's formal objection to the joinder of additional petitioners in the absence of financial statements from each. Section 10(2) permits the court to make an initial order in the absence of financial statements, if none are available, and the information provided is sufficient to enable a proper exercise of the court's discretion.

[53] In its written materials, Access Road submits as well that the 19 additional Bron entities cannot be joined because there is no evidence that they are insolvent and require protection under the CCAA. I disagree. They are project based entities which have incurred significant expenses and are, in the absence of a solvent parent, without visible means to continue paying expenses as they come due.

3. Is the information before the court sufficient to enable the exercise of the court's discretion under ss. 11 and 13 of the CCAA?

[54] The order sought engages consideration of the criteria listed in s. 36(3) of the CCAA. Some of these criteria are of no moment in this case. The Monitor has approved the process leading to the proposed sale, and has filed a report recommending it as more beneficial than a sale or disposition in a bankruptcy. There has been substantial consultation with creditors other than Access Road, and Access Road's opposition was so clear that neither side attempted consultation. In contrast, controversy surrounds the following criteria:

- The reasonableness of the SISP process in the circumstances (sub-s. (a));
- The effects of the proposed sale on Access Road and the Ad Hoc Group (sub-s. (e)); and
- Whether the consideration to be received is reasonable and fair, taking into account the market value of the assets (sub-s. (f)).

[55] The cases stress consideration of the interests of all parties, and the efficacy and integrity of the sale process; *Royal Bank of Canada v. Soundair Corp.* (1991), 4 O.R. (3d) 1 (C.A). It is not simply a matter of obtaining the best price.

[56] Bron, the Monitor, and Creative Wealth all press the point that Bron's assets have been exposed to the market through the SISP, the market has spoken, and they are worth no more than Creative Wealth is willing to pay. In effect, they say that the absence of a better alternative to the proposed transaction is all the court needs to know.

[57] Access Road and the Ad Hoc Group collectively make the following submissions in response:

- a) Marketing Bron's assets through the SISP did not properly test the market because the timelines were compressed;
- b) Creative Wealth's offer does not comply with the SISP;
- c) Creative Wealth sat on important financial information of interest of potential bidders pertaining to the slate films and thereby discouraged alternative bids;
- d) Information essential to valuing Bron's interest in Media Res was not disclosed; and
- e) The Monitor has declined to investigate material questions such as the status of the project loans furnished by the members of the Ad Hoc Group, the source of Bron's indebtedness to Creative Wealth and the adequacy of the security claimed by it, and the dealings between Bron and Creative Wealth through Mr. Cloth.

[58] In my view, the first two points carry little weight and the other three are matters to be considered in the exercise of my discretion, but are not obstacles to the exercise of my discretion to make the order sought.

[59] I am not persuaded that the conduct of the SISP between August 7, when access was provided to the data room, and September 5, the deadline for receipt of letters of intent, imposed a timeline that was too compressed to properly test the market. Bron was a prominent participant in the film development industry. The market for its assets was limited to sophisticated entities with an appetite for risk. This proceeding was undoubtedly well publicized, and the information package introducing the SISP was widely distributed to potential bidders. That 38 potential bidders went to the trouble of signing non-disclosure agreements to obtain access to the data room reflects substantial interest. The winnowing down to eight qualified bidders was to be expected.

[60] The Ad Hoc Group submits that Creative Wealth's offer fails to comply with clauses 34 and 35 of the SISP dealing with credit bidding, in that it:

- a) Provides for the acquisition of assets over which Creative Wealth does not hold security; and
- b) Does not allocate cash in respect of unencumbered assets.

[61] The SISP does not prohibit the acquisition of unencumbered assets by a credit bid. What clause 34 requires is that:

... (i) the secured claim portion of the such Credit Bid cannot exceed the aggregate value of the Secured Party's secured claim; and (ii) such Credit Bid must include at least sufficient cash consideration to satisfy any priority payment required to be paid that ranks ahead of such Secured Party's secured claim or otherwise assume or satisfy such obligations.

[62] It is not clear that Creative Wealth's offer fails to satisfy these conditions. Under clause 3.1 of the asset purchase agreement, the purchase price includes payment of an amount equal to "Assumed Liabilities", which are defined as including "Priority Indebtedness". Priority Indebtedness means certain indebtedness that ranks prior to Creative Wealth's interests in its capacity as interim lender under the ARIO, "in each case solely to the extent applicable and necessary to satisfy the Credit Bid Amount in accordance with paragraph 34 of the SISP". Creative Wealth is obliged to satisfy the Assumed Liabilities by "assuming, performing and/or discharging such Assumed Liabilities as and when they become due" (s. 3.3(d)). To this extent, together with Creative Wealth's further obligation to make a cash payment of \$9,500, the bid is not a credit bid.

[63] The SISP requires in clause 35 that a cash purchase price be allocated to unencumbered assets over which it does not hold security. Clause 3.2 of the asset purchase agreement provides that the parties shall agree upon the allocation of the purchase price in respect of the purchased assets within 30 days following closing. In my view, this is sufficient compliance with the clause 35.

[64] There is substance to the other three complaints advanced by Access Road and the Ad Hoc Group. Creative Wealth's refusal to provide information in its possession relevant to an assessment of the value of the carried interest of Bron entities in each of three slates of motion pictures placed other bidders at a disadvantage. Mr. Cloth's involvement on the boards of both Bron entities and Creative Wealth entities and a history of close dealings between Creative Wealth and Bron open the door to an inference that Creative Wealth knew more and was in a position to purchase assets of uncertain value with greater confidence than a wholly independent purchaser could be. Media Res' objection to making its financial information available limited the ability of all bidders to assess the value of a potentially significant asset.

[65] In my view, these are matters to be taken into consideration in my assessment of the fairness and appropriateness of the proposed transaction. They are not reasons to refuse outright to consider the proposed sale, with the result that the sale would presumably collapse, the CCAA process may well come to an end, and proceedings under the *B/A* or receivership proceedings would ensue. If that is to be the result, it should be because I am not satisfied of the fairness and appropriateness of the sale on its merits.

4. Are the AVO and assignment orders fair and appropriate in the circumstances?

[66] As Bron, the Monitor and Creative Wealth have emphasized, a strong consideration favouring the proposed orders is that the SISF has tested the market and no better transaction has emerged. The proposed sale of substantially all of Bron's assets to Creative Wealth would allow Bron's projects to carry on. Bron has terminated all of its employees, but there are contracting parties, including writers, actors, directors, and many others engaged in making films and video games under development by Bron, whose interests would be protected and secured. Creative Wealth would accede to Bron's position in connection with project loans such as those extended by the Ad Hoc Group, with the likely result that loans to successful

projects would be repaid, just as would have been the case had Bron stayed in business.

[67] The Ad Hoc Group objects that it is not clear that Creative Wealth is committing to repayment of their loans. In my view, this objection is mistaken. The effect of the AVO and assignment order are fairly described by the Monitor in its third report, as follows:

170. The majority of the proposed assignments involve [Creative Wealth] and the Permitted Assignee generally acquiring the overall rights of the relevant Petitioners to a series of productions at various stages of development. These assignments allow [Creative Wealth] and the Permittee to step into the shoes of the relevant Petitioners and to respect existing arrangements (including the entitlement of prior-ranking creditors to payment of monies owed to them on productions), rather than vesting out the interests of those parties/creditors. Accordingly, these assumptions benefit prior-ranking creditors ... who will retain their ability to receive payment in priority to the relevant Petitioners.

...

172. The Monitor does not believe that the requested assignments will create an unfair imposition upon or interference with third-party rights. In many cases, given that BRON is insolvent and unable to perform a number of the assigned contracts (such as those relating to productions that are at an early stage and which might never otherwise be developed), the proposed assignment to a known, operating industry player will be of benefit to counter-parties.

[68] Nevertheless, I am not persuaded that the AVO and assignment order are fair and appropriate. In my view, the fundamental difficulty is that approval of the AVO would cause a readjustment of priorities over a receivable from Media Res as between Access Road and Creative Wealth. This is not what the statute was intended to accomplish, and it would give rise to unfairness. As Deschamps J., speaking for a majority, explained in *Century Services Inc. v. Canada (Attorney General)*, 2010 SCC 60 at para. 23, the CCAA and the BIA converge when it comes to priorities and “the BIA scheme of liquidation and distribution necessarily supplies the backdrop for what will happen if a CCAA reorganization is ultimately unsuccessful”. She rejected an argument for a Crown priority that would arise under the CCAA but not in bankruptcy. At para. 47, she said that it would give rise to “a strange asymmetry”.

[69] Bron and Creative Wealth dispute that the AVO would displace Access Road's priority over a receivable from Media Res.

[70] Bron submits that there is no such receivable and Access Road maintains that there is. The dispute turns on the interpretation of clause 1 of the TSA. Bron Media Corp and Bron Ventures I LLC are parties to the TSA. It states that Media Res shall repurchase 218 units in it held by Bron Ventures:

... following the Initial Closing in one or a series of subsequent closings (as determined by the Company [Media Res] in its sole discretion) ... but no later than December 31, 2022 (collectively, the "Repurchase Transactions). To effect the purchase of Units at any Subsequent closing, the Company shall deliver written notice to Bron Ventures at least five business days prior to the date of such Subsequent Closing (as designated by the Company), specifying the date of the Subsequent Closing, the number of Units to be purchased and the aggregate purchase price for such Units, each in accordance with this Section 1. Notwithstanding anything in the foregoing to the contrary, Repurchase Transactions may occur after December 31, 2022; provided, however, that in the event that the Company shall fail for any reason to complete the Repurchase Transactions on or before December 31, 2022, then as compensation for such failure and delay, the parties agree that the portion of the Purchase Price unpaid as of such date shall thereafter bear simple interest at the rate of 8% per year, accruing from (but not including) December 31, 2022 through (and including) the date such portion is actually paid.

[Emphasis added.]

[71] The Monitor overlooked the December 31, 2022 deadline in its description of the TSA. At para. 91 of its third report, it states:

The TSA contemplated that MediaRes would acquire the remaining 218 units but only pursuant to one or more subsequent closings, which would only occur after MediaRes gave notice that it wished to undertake such closings. MediaRes had not taken steps to complete any further closings and therefore [Bron Ventures I] continues to hold 248 units of MediaRes subject to whatever rights MediaRes may still have to complete further closings pursuant to the TSA.

[Emphasis added.]

[72] Consistently with the Monitor's report, Bron submits that Media Res is not obliged to purchase the remaining 218 units contemplated for sale under the TSA, because a purchase only occurs at a closing on a date designated by Media Res in

its sole discretion. Bron is compensated by the accrual of interest since December 31, 2022 and, according to this argument, that is its only right, no matter how much time passes without designation of a closing date by Media Res.

[73] In my opinion, this is an untenable interpretation of the clause. Media Res' discretion to designate a closing date is not unlimited. It is constrained by the December 31, 2022 deadline. According to Bron's interpretation, the closing may be postponed indefinitely, but that would defeat the purpose of the TSA that a sale take place and money be paid by Media Res. As stated in recital C, Bron Ventures shall sell and Media Res shall purchase the units for an agreed price. Clause 1 begins:

1. Bron Repurchase Transactions. Subject to the terms and conditions of this Agreement, Bron Ventures hereby agrees to sell and transfer to the Company, and the Company agrees to purchase from Bron Ventures, an aggregate of 220 Units, for an aggregate purchase price of \$7,557,075 (or \$34,350.34 per Unit) ("Purchase Price") as follows: ...

[74] Media Res' obligation to pay interest after December 31, 2022 is not inconsistent with the existence of a deadline that may be enforced by Bron Ventures. It is merely an additional incentive to timely completion of the purchase contemplated by the TSA.

[75] I conclude that Bron Ventures has had the right, since December 31, 2022, to sue Media Res to compel payment of approximately US\$7.5 million payable under the TSA. There is nothing in the record that would suggest a defence to such a claim, or that Media Res would be unable to pay.

[76] In a brief submission, Media Res asked that the court's order be clear as to which party Media Res must pay. It did not intimate any doubt that money is owing.

[77] By virtue of clause 2 of the Acknowledgment Agreement, money payable by Media Res to any Bron party under the TSA must be paid to Access Road while Bron remains indebted to Access Road, although Access Road has no direct right of action against Media Res to force it to make the payment.

[78] Access Road is a judgment creditor of Bron Media Corp in an amount exceeding US\$10.9 million. Prior to the commencement of this CCAA proceeding, Access Road sought the appointment of a receiver. A receiver could have taken the steps that Access Road could not to recover money from Media Res. On March 13, 2023, Macintosh J. ordered that a receiver be appointed on May 8 if Access Road were not paid out by May 1; *Access Road Capital, LLC v. Bron Media Corp*, 2023 BCSC 497. On May 4, on an application by Creative Wealth, Justice Marchand of the Court of Appeal granted leave to appeal and stayed Macintosh J.'s order (*Creative Wealth Media Lending LP 2016 v. Access Road Capital, LLC.*, 2023 BCCA 208). That stay was still in effect when this proceeding was begun.

[79] Accordingly, as of the commencement of this proceeding, Access Road had a priority claim to the Media Res receivable, but that is not the end of the matter, because, in its credit bid, Creative Wealth assumes responsibility for claims afforded priority by ARIO. The question is whether those claims entirely or substantially displace Access Road's priority. It is necessary to address the value of the Media Res receivable, and the magnitude of the priority claims against it under the ARIO.

[80] On the face of it, the Media Res receivable is worth US\$7.6 million. It is possible that it is worth less than this, as a practical matter.

[81] The priority claims under the ARIO are:

- a) An administration charge of up to US\$500,000;
- b) A KERP charge of \$234,460;
- c) A DIP charge of up to US\$6.2 million; and
- d) A directors' charge of up to US\$742,000.

[82] The amount outstanding on the DIP loan is US\$5.37 million, and further draws are not expected through to mid-January 2024. The KERP charge funded the retention of key employees and I assume those funds were fully utilized. Having regard to the positive financial progress of the companies by comparison to initial

forecasts, it is not clear that the directors' charge and administration charge will prove necessary. Conservatively, I think it is unlikely that the priority liabilities under the ARIO that Creative Wealth has assumed will exceed US\$6.5 million.

[83] Creative Wealth has assumed the Comerica indebtedness totalling approximately US\$4 million at the start of this proceeding. The ARIO gives the Comerica security priority over priority charges secured by the ARIO (according to a formula whose details are unimportant) but only to the extent of the property secured. The Comerica security does not encompass Bron Ventures' claim to the Media Res receivable. It is irrelevant to an assessment of Access Road's claim to the receivable.

[84] I conclude that, if the Media Res receivable is worth US\$7.6 million, Access Road is likely to recover at least some of it in the event of a receivership or bankruptcy.

[85] While the Media Res receivable may be worth less than US\$7.6 million, it would be unreasonable to assume that most or all of the priority indebtedness under the ARIO would be attributed to Bron Ventures, in the event of a receivership or bankruptcy. It is only one among many Bron entities. Bron has recorded two unanticipated receipts totalling US\$2.3 million since this proceeding began in July 2023. It still has many irons in the fire, in the form of films in distribution. At the end of the day, the priority charges will fall to be satisfied on an equitable basis from all of the assets charged, not just Bron Ventures.

[86] Bron and Creative Wealth submit that the other Bron entities may not be worth very much because no bidder could be found who would attribute substantial value to Bron's assets. The proposition that the proposed sale defines market value is critical for reasons outlined by the Monitor in its supplementary report. It states:

56. The Monitor has not performed a valuation analysis for the following reasons. First, the assets are intrinsically unique in nature given they are not tangible/hard assets that are easy to ascribe value to. For example, this is not a situation where the Monitor could hire an appraiser to value equipment or land based on comparable asset values in the market. Bron's assets include productions at various stages of development/completion, minority

interests in portfolio companies, residual interests in productions whose value depends on how quickly prior-ranking creditors are paid, and digital assets where large sums have been spent on development but there is no clear market demand or proven revenue stream.

57. Second, assessing the value of Bron's assets would have been complicated by the 2023 SAG-AFTRA strike and the Writers Guild of America strike, both of which were "black swan" events that had a material impact on the film and television industry and related asset values.

58. Third, even if a valuation were possible, the cost of valuing so many assets held by the more than 50 Petitioners and non-Petitioner entities would be substantial and the valuations would take some time to complete. (To be clear, the Monitor has not identified any parties that would be able to provide a valuation if asked.) At the time of filing, BRON was unable to meet its payroll obligations and had limited resources to conduct a valuation in the circumstances. A valuation and the time associated with [undertaking] a valuation were not accounted for in the DIP budget.

59. Fourth, and most importantly, the best gauge of value is what purchasers on the open market are prepared to pay. The Monitor is of the view that the SISP exposed the assets to the market and was ultimately the key indicator of the value of the assets.

[Emphasis added.]

[87] However, the complaints by Access Road and the Ad Hoc Group that I have already reviewed give rise to some doubt that the market has truly spoken, because significant information was entirely unavailable or unavailable to parties other than Creative Wealth. Potential bidders without prior involvement in Bron's projects faced all the difficulties listed by the Monitor in deciding how much to offer. They were confronted with documentation describing a myriad of projects in various stages of development. Through Mr. Cloth and a long-time working relationship with Bron's principal, Aaron Gilbert, Creative Wealth had a better feel for what it would be buying. It must have understood the challenges faced by outside bidders.

Conclusion

[88] In brief, I am not satisfied that the AVO and assignment order are fair and appropriate in the circumstances of this case. The dominant consideration is that the AVO would unfairly divest Access Road of its secured entitlement to the Media Res receivable. On a balance of probabilities, I find that Access Road's secured entitlement has significant value. The Media Res receivable is an asset of

substance. The claims in priority to Access Road's entitlement are most unlikely to exceed US\$6.5 million and it is likely that only some portion of them will fall to be satisfied from the receivable.

5. Should the court order the Monitor to investigate?

[89] By cross-application, the Ad Hoc Group seeks an order that consideration of the proposed sale to Creative Wealth be delayed and the Monitor directed to investigate the loans, repayments, and security interests in 12 transactions to which they were parties, as well as the transaction proposed by Creative Wealth generally. The application is opposed by Bron and Creative Wealth.

[90] The Monitor does not oppose the cross-application, but offers the following observations. The loans advanced by the members of the Ad Hoc Group were advanced through CWMF or CWML, mostly CWMF. Some of the Group have sued CWMF and CWML and obtained discovery in the civil actions. All of them may request information through the trustee under CWMF's proposal in bankruptcy. If the cross-application is dismissed, they will not be without recourse.

[91] Creative Wealth opposes the cross-application. It maintains that funding of an investigation from Bron's funds would constitute an immediate event of default under the terms of the DIP loan.

[92] I am not persuaded that an investigation should be ordered, for the following reasons.

[93] I agree with Bron that that some aspects of the proposed investigation, such as the nature of the assets held in trust by CWMF, are clearly matters to be addressed through the proposal trustee. Three of the 12 transactions to be investigated involved projects undertaken by a Bron entity that is not a petitioner, and four of them involve projects undertaken by an entity that was not part of the Bron group.

[94] The magnitude and funding of the proposed investigation are problematic. It is unclear how the Monitor would investigate the financial affairs of entities outside the scope of this CCAA proceeding. It is not unrealistic to think that it might require a month or two. It would require continuation of the stay under the ARIO and, in light of the conclusion I have come to refusing approval of the proposed transaction, it is not at all clear that continuation of the stay is warranted.

[95] The Monitor estimates the cost of the proposed investigation at \$497,000 per month. The Ad Hoc Group are not offering to pay the cost. If the stay is to be continued with the Bron companies remaining on life support while an investigation takes place, there will be a dissipation of assets that could be distributed to creditors. It would be unfair to require the secured creditors with priority to pay for an investigation of transactions in which they were not involved and from which they would take no benefit.

[96] Finally, the parties seeking an investigation are not without recourse. They may obtain information from CWMF's trustee. They may seek Bron's permission or, if necessary, leave of the court to share information obtained on discovery in the civil proceedings that have taken place to date.

Disposition

[97] The application and cross-application are dismissed. The stay of proceedings under the ARIO expires on December 11, 2023. If Bron wishes to seek an extension of the stay for the purpose of putting forward some other application, I will hear counsel on short notice at a time to be scheduled through the registry.

"Gomery, J"

This is Exhibit "B" referred to in the Affidavit of Aaron Gilbert sworn by Aaron Gilbert of the City of Burnaby , in the Province of British Columbia, before me at the City of Mississauga, in the Province of Ontario, on December 5, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Monica Faheim

A927328446B742A...

Commissioner for Taking Affidavits (or as may be)

MONICA FAHEIM

AMENDMENT NO. 4 TO THE DIP LOAN AGREEMENT

This amending agreement (this "**Agreement**") is made as November 28, 2023, between all of the entities identified on the signature page hereto as a borrower (collectively, the "**Borrowers**"), and Creative Wealth Media Lending LP 2016, as lender (the "**Lender**").

WHEREAS:

- A. Certain of the Borrowers and the Lender entered into a DIP Loan Agreement dated as of July 18, 2023, as amended by Amendment No. 1 to the DIP Loan Agreement dated as of October 17, 2023 and Amendment No. 2 to the DIP Loan Agreement dated as of November 8, 2023 (the "**DIP Loan Agreement**");
- B. The Borrowers and the Lender entered into an Amendment No. 3 to the DIP Loan Agreement dated as of November 24, 2023 (the "**Third Amendment**"), which Third Amendment is not yet effective as of the date hereof; and
- C. The Borrowers and the Lender have agreed to make certain amendments to the DIP Loan Agreement and the Third Amendment, on and subject to the terms and conditions set out in this Agreement;

NOW THEREFORE in consideration of the premises and the agreements set out herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Borrowers and the Lender agree as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions

Unless otherwise defined herein, capitalized terms used in this Agreement, including in the recitals hereto, shall have the meaning ascribed to such terms in the DIP Loan Agreement.

Section 1.2 References to the DIP Loan Agreement

Upon execution of this Agreement and satisfaction of the Conditions Precedent set out in Section 3.1 herein, the DIP Loan Agreement shall be deemed to have been amended as of such date. The terms "hereof", "herein", "this DIP Loan Agreement", "the DIP Loan Agreement" and similar terms used in the DIP Loan Agreement, shall mean and refer to, from and after the date hereof, the DIP Loan Agreement as amended by this Agreement.

Section 1.3 Continued Effectiveness

Nothing contained in this Agreement shall be deemed to be a waiver by the Lender of compliance by any of the Borrowers with any covenant or agreement contained in the DIP Loan Agreement, or a waiver of any default or event of default under the DIP Loan Agreement, and each of the parties hereto agrees that the DIP Loan Agreement as amended by this Agreement shall remain in full force and effect, and time shall remain of the essence.

Section 1.4 Benefit of the Agreement

This Agreement shall enure to the benefit of and be binding upon the Borrowers and the Lender and their respective successors and permitted assigns.

Section 1.5 Currency

All references in this Agreement to dollars, monetary amounts or to \$ are expressed in the lawful currency of the United States of America unless otherwise specifically indicated.

Section 1.6 Invalidity of any Provisions

Any provision of this Agreement, which is prohibited by the laws of any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition in such jurisdiction without invalidating the remaining terms and provisions hereof and no such invalidity shall affect the obligation of the Borrowers to pay the debts, liabilities and obligations of the Borrowers under the DIP Facility.

Section 1.7 Captions and Headings

The inclusion of headings preceding the text of the sections of this Agreement and the headings following each Article in this Agreement are intended for convenience of reference only and shall not affect in any way such construction or interpretation thereof.

ARTICLE 2 AMENDMENTS

Section 2.1 Amendments to the DIP Loan Agreement

The DIP Loan Agreement is hereby amended by deleting "November 28, 2023" in clause (v) in the first paragraph of Section 5 titled "**Repayment**" on page 2 of the DIP Loan Agreement and replacing it with "December 11, 2023".

Section 2.2 Amendments to the Third DIP Amendment

The Third DIP Amendment is hereby amended as follows:

- (a) by deleting recital A on page 1 of the Third DIP Amendment in its entirety and replacing it with the following: "Certain of the Borrowers and the Lender entered into a DIP Loan Agreement dated as of July 18, 2023, as amended by Amendment No. 1 to the DIP Loan Agreement dated as of October 17, 2023, Amendment No. 2 to the DIP Loan Agreement dated as of November 8, 2023 and Amendment No. 4 to the DIP Loan Agreement dated as of November 28, 2023 (the "**DIP Loan Agreement**")";
- (b) by deleting recital B on page 1 of the Third DIP Amendment in its entirety and replacing it with the following: "The Borrowers and the Lender have agreed to make certain

amendments to the DIP Loan Agreement, on and subject to the terms and conditions set out in this Agreement;"; and

- (c) by deleting subsection 2.1(a) on page 2 of the Third DIP Amendment in its entirety and replacing it with the following: "clause (v) in the first paragraph of Section 5 titled "**Repayment**" on page 2 of the DIP Loan Agreement is amended by deleting "December 11, 2023" and replacing it with "January 26, 2024"; and".

ARTICLE 3 CONDITIONS PRECEDENT

Section 3.1 Conditions Precedent

This Agreement shall not become effective until this Agreement is duly executed and delivered to the Lender.

ARTICLE 4 MISCELLANEOUS

Section 4.1 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Section 4.2 Time of the Essence

Time shall be of the essence in this Agreement in all respects.

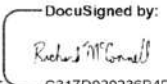
Section 4.3 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by e-mail of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

[The remainder of this page has been left intentionally blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first set out above.

**CREATIVE WEALTH MEDIA
LENDING LP 2016**, by its general
partner, **CREATIVE WEALTH MEDIA
GENPAR LTD.**, as Lender

By: 
Name: Richard McConnell
Title: President

I have authority to bind the Corporation

BRON ANIMATION INC.

Per: _____
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the
corporation

BRON CREATIVE CORP.

Per: _____
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the
corporation

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first set out above.

**CREATIVE WEALTH MEDIA
LENDING LP 2016**, by its general
partner, **CREATIVE WEALTH MEDIA
GENPAR LTD.**, as Lender

By: _____

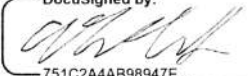
Name: Richard McConnell

Title: President

I have authority to bind the Corporation

BRON ANIMATION INC.

Per: _____

DocuSigned by:

751C2A4AB98947E...

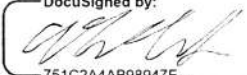
Name: Aaron Gilbert

Title: Chief Executive Officer

I/We have the authority to bind the
corporation

BRON CREATIVE CORP.

Per: _____

DocuSigned by:

751C2A4AB98947E...

Name: Aaron Gilbert

Title: Chief Executive Officer

I/We have the authority to bind the
corporation

- 2 -

BRON DEVELOPMENTS INC.

Per:  DocuSigned by:
751C2A4AB98947E
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

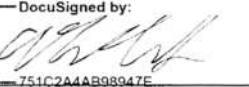
BRON MEDIA CORP.

Per:  DocuSigned by:
751C2A4AB98947E
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

**BRON MEDIA HOLDINGS INTL.
CORP.**

Per:  DocuSigned by:
751C2A4AB98947E
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

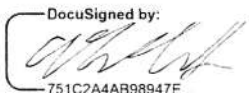
BRON MEDIA HOLDINGS USA INC.

Per:  DocuSigned by:
751C2A4AB98947E
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

BRON RELEASING INC.

Per:  751C2A4AB98947F
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

BRON STUDIOS INC.

Per:  751C2A4AB98947E
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

**BRON VENTURES 1 (CANADA)
CORP**

Per:  751C2A4AB98947E...
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

**BRON EVEREST PRODUCTIONS
INC.**

Per:  751C2A4AB98947E...
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

- 4 -

FABLES PRODUCTIONS BC INC.

Per: 
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

GOSSAMER PRODUCTIONS BC INC.

Per: 
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

HENCH 2 BC PRODUCTIONS INC.

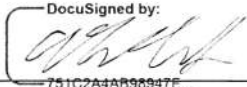
Per: 
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

HENCHMEN PRODUCTIONS INC.

Per: 
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

- 5 -

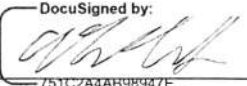
ROBIN HOOD DIGITAL PC BC INC.

Per:  DocuSigned by:
751C2A4AB98947E...
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the
corporation

WINDOR PRODUCTIONS BC INC.

Per:  DocuSigned by:
751C2A4AB98947E...
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the
corporation

BRON CREATIVE USA, CORP.

Per:  DocuSigned by:
751C2A4AB98947E...
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the
corporation

BRON DIGITAL USA, LLC

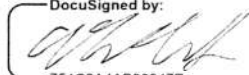
Per:  DocuSigned by:
751C2A4AB98947E...
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the
corporation

- 6 -

**BRON LIFE USA INC. (BRON
LEGACY USA INC.)**

Per:  DocuSigned by:
751C2A4AB98947E...
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the
corporation

**BRON MEDIA HOLDINGS USA
CORP.**

Per:  DocuSigned by:
751C2A4AB98947E...
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the
corporation

BRON RELEASING USA INC.

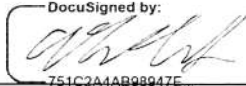
Per:  DocuSigned by:
751C2A4AB98947E...
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the
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BRON STUDIOS USA INC.

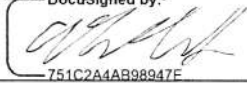
Per:  DocuSigned by:
751C2A4AB98947E...
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Title: Chief Executive Officer
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- 7 -

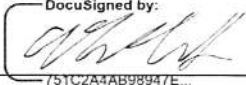
BRON VENTURES 1, LLC

Per: 
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

**BRON STUDIOS USA
DEVELOPMENTS INC.**

Per: 
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

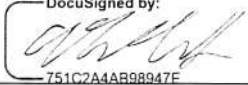
BAKHORMA, LLC

Per: 
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

DRUNK PARENTS, LLC

Per: 
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

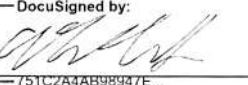
FABLES HOLDINGS USA, LLC

Per:  DocuSigned by:
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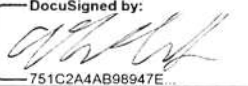
FABLES PRODUCTIONS USA INC

Per:  DocuSigned by:
751C2A4AB98947E...
Name: Aaron Gilbert
Title: Chief Executive Officer
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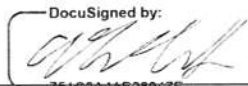
GOSSAMER HOLDINGS USA, LLC

Per:  DocuSigned by:
751C2A4AB98947E...
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

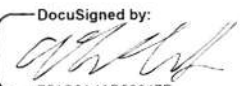
GOSSAMER PRODUCTIONS USA INC.

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751C2A4AB98947E...
Name: Aaron Gilbert
Title: Chief Executive Officer
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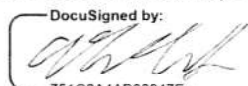
HARRY HAFT PRODUCTIONS, INC.

Per:  DocuSigned by:
751C2A4AB98947E...
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

**HEAVYWEIGHT HOLDINGS, LLC
(PREVIOUSLY HARRY HAFT FILMS, LLC)**

Per:  DocuSigned by:
751C2A4AB98947E...
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

I AM PINK PRODUCTIONS, LLC

Per:  DocuSigned by:
751C2A4AB98947E...
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

**NATIONAL ANTHEM HOLDINGS, LLC
(F. K. A. BCDC HOLDINGS, LLC)**

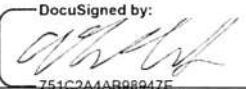
Per:  DocuSigned by:
751C2A4AB98947E...
Name: Aaron Gilbert
Title: Chief Executive Officer
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- 10 -

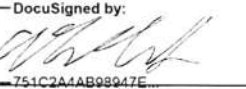
NATIONAL ANTHEM PRODCO INC.

Per: 
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

OAKLAND PICTURES HOLDINGS, LLC

Per: 
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

PATHWAY PRODUCTIONS, LLC

Per: 
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

ROBIN HOOD DIGITAL PC USA INC.

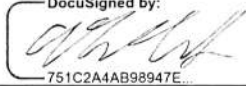
Per: 
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- 11 -

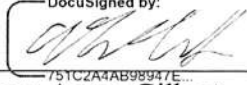
ROBIN HOOD DIGITAL USA, LLC

Per:  751C2A4AB98947E
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

SOLITARY HOLDINGS USA, LLC

Per:  751C2A4AB98947E
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

SURROUNDED HOLDINGS USA LLC

Per:  751C2A4AB98947E
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

WELCOME TO ME, LLC

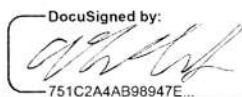
Per:  751C2A4AB98947E
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

- 12 -

LUCITE DESK, LLC

Per: 
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

FRONT RUNNER PRODUCTIONS, INC.

Per: 
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

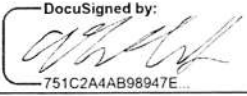
BROWN AMY, LLC

Per: 
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

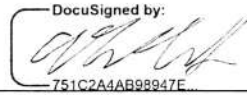
FONZO PRODUCTION SERVICES INC.

Per: 
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

FONZO, LLC

Per: 
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

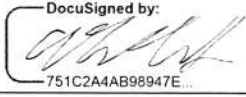
FRONT RUNNER, LLC

Per: 
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

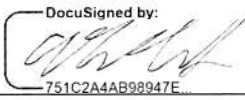
GREEN MOON INC.

Per: 
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

HARMON FILMS, LLC

Per: 
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

HARMON MONSTER FILMS, INC.

Per: 
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

NEEDLE IN A TIMESTACK, LLC

Per: 
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

PARA PRODUCTIONS, LLC

Per: 
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

RED SEA LLC

Per: 
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

- 15 -

RED SEA PRODUCTIONS INC.

Per: 
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

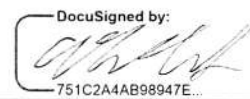
TULLY PRODUCTIONS, LLC

Per: 
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

TWWMD HOLDINGS, LLC

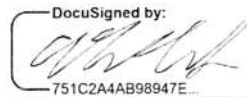
Per: 
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

TWWMD PRODUCTIONS, INC.

Per: 
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

- 16 -

VILLAINS PICTURES, LLC

Per: 
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

VILLAINS PRODUCTION SERVICES, INC.

Per: 
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

SURROUNDED PRODUCTIONS USA INC.

Per: 
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

OCTOBER SERIES HOLDINGS, LLC

Per: 
Name: Aaron Gilbert
Title: Chief Executive Officer
I/We have the authority to bind the corporation

This is Exhibit "C" referred to in the Affidavit of Aaron Gilbert sworn by Aaron Gilbert of the City of Burnaby , in the Province of British Columbia, before me at the City of Mississauga, in the Province of Ontario, on December 5, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Monica Faheim

102732042057426
Commissioner for Taking Affidavits (or as may be)

MONICA FAHEIM

BRON MEDIA GROUP ("Bron")
Consolidated Cash Flow Forecast
July 19, 2023 to October 20, 2023 (the "Cash Flow Period")

		ACTUAL Week 1	ACTUAL Week 2	ACTUAL Week 3	ACTUAL Week 4	ACTUAL Week 5	ACTUAL Week 6	ACTUAL Week 7	ACTUAL Week 8	ACTUAL Week 9	ACTUAL Week 10	ACTUAL Week 11	ACTUAL Week 12	ACTUAL Week 13	
For the week ending, In USD	Notes	26-Jul-23	02-Aug-23	09-Aug-23	16-Aug-23	23-Aug-23	30-Aug-23	06-Sep-23	13-Sep-23	20-Sep-23	27-Sep-23	04-Oct-23	11-Oct-23	20-Oct-23	Total
Opening Cash Balance	1	259,558	1,585,475	1,187,892	1,189,814	649,880	1,242,009	994,983	607,265	448,672	620,771	1,058,107	1,412,775	1,542,853	1,542,853
Receipts	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Disbursements															
Payroll Expense	3														
BRON Media		33,333	-	34,057	50,916	25,705	38,732	49,194	27,606	10,214	28,497	38,113	12,832	14,635	363,833
BRON Animation		21,754	9,300	42,626	54,180	4,766	59,988	-	54,960	-	52,010	35,736	-	-	335,320
BRON Studios		25,245	-	36,372	34,512	11,765	28,030	-	25,811	-	28,138	27,772	-	46,901	264,546
BRON Studios USA		49,155	2,218	47,769	27,102	49,515	2,218	55,899	-	43,384	-	48,996	289,548	8,815	624,618
BRON Digital USA		7,200	8,331	23,857	-	-	-	-	-	43,774	6,242	19,624	106,605	-	215,633
BRON Digital USA (Interactive Group)		39,061	-	-	12,266	32,705	17,280	27,883	3,775	3,165	12,460	12,548	-	-	161,143
KERP	4	-	-	35,764	15,817	-	-	-	34,231	23,333	-	70,128	-	-	179,272
Source Deductions	5	-	388,813	-	-	-	-	-	-	223,949	55,115	-	-	133,064	800,940
Notice Period Employees	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Payroll Expense		175,748	408,661	220,446	194,793	124,456	146,247	132,976	146,382	347,819	182,461	252,916	408,986	203,414	2,945,306
Other Operating Expenses	7														
Rent	8	36,018	36,018	-	-	-	84,557	36,605	-	4,109	-	-	36,605	-	233,913
Software	9	-	-	4,533	-	-	7,977	4,533	191	161	-	-	-	2,582	19,978
Interest	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Selling, General & Administration	11	13,710	37,767	20,054	44,548	1,128	8,244	3,539	12,020	3,747	20,378	6,516	20,238	47,283	239,173
Other Operating Expenses		49,728	73,785	24,588	44,548	1,128	100,778	44,678	12,211	8,016	20,378	6,516	56,844	49,865	493,064
Total Operating Disbursements		225,477	482,447	245,034	239,341	125,584	247,026	177,653	158,593	355,836	202,839	259,432	465,829	253,280	3,438,369
Net Cashflow From Operations		(225,477)	(482,447)	(245,034)	(239,341)	(125,584)	(247,026)	(177,653)	(158,593)	(355,836)	(202,839)	(259,432)	(465,829)	(253,280)	(3,438,369)
Non-Operating Disbursements															
Bron Legal Counsel Fees	12	-	195,885	-	77,014	-	-	46,493	-	33,466	-	123,893	79,489	200,294	756,535
Proposed Monitor Fees		-	149,268	-	111,104	61,313	-	54,086	-	105,307	-	67,957	210,841	65,327	825,204
Monitor Catch up Fees		-	143,464	-	-	-	-	-	-	-	-	-	-	-	143,464
Proposed Monitor's Legal Counsel Fees		-	100,259	-	17,124	18,163	-	36,296	-	93,526	-	59,598	127,104	63,572	515,642
Proposed Monitor's Legal Counsel Catch up Fees		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Monitor US Legal Fees		-	-	-	-	-	-	-	-	-	-	-	-	-	-
US Legal Fees and US Filing Fees	13	190,015	-	-	-	-	-	73,189	-	-	-	-	-	19,199	282,403
UK Legal Fees		-	-	-	39,161	-	-	-	-	-	-	112,346	-	-	151,507
DIP Financing Fees		-	-	-	-	-	-	-	-	-	-	-	-	-	-
CCAA Professional Fees		190,015	588,876	-	244,403	79,476	-	210,065	-	232,300	-	363,795	417,434	348,392	2,674,755
Total Disbursements		415,492	1,071,323	245,034	483,744	205,060	247,026	387,718	158,593	588,135	202,839	623,227	883,264	601,672	6,113,124
Net Cashflow		(415,492)	(1,071,323)	(245,034)	(483,744)	(205,060)	(247,026)	(387,718)	(158,593)	(588,135)	(202,839)	(623,227)	(883,264)	(601,672)	(6,113,124)
DIP Financing															
DIP Financing Advances	14	1,741,409	673,740	246,955	-	797,188	-	-	-	760,235	640,175	-	510,362	-	5,370,064
Ending Cash Balance		1,585,475	1,187,892	1,189,814	649,880	1,242,009	994,983	607,265	448,672	620,771	1,058,107	434,881	1,039,873	941,181	941,181
Cumulative DIP Financing		1,741,409	2,415,149	2,662,104	2,662,104	3,459,292	3,459,292	3,459,292	3,459,292	4,219,527	4,859,702	4,859,702	5,370,064	5,370,064	5,370,064

BRON MEDIA GROUP ("Bron")
Notes to the Cash Flow Forecast
July 19, 2023 to October 20, 2023 (the "Cash Flow Period")

Disclaimer

1. This Cash Flow Forecast is prepared by Bron in accordance with s. 23(1)(b) of the Companies Creditors' Arrangement Act ("CCAA").

2. Bron has prepared this Forecast on probable and hypothetical assumptions that reflect the Bron's planned course of action for the period of 13 weeks. Management is of the opinion that, as at the date of filing the Cash Flow Forecast, the assumptions used to develop the projection represent the most probable set of economic conditions facing Bron and that the assumptions used proved a reasonable basis for and are consistent with the purpose of this Cash Flow Forecast.

3. The Cash Flow Forecast has been prepared by Bron and has been reviewed by the Proposed Monitor. The Proposed Monitor has not verified or confirmed certain expenses incurred by Bron which are reflected in this Cash Flow Forecast.

4. The information contained in this Cash Flow Forecast is subject to changing assumptions and/or with the receipt of new or additional information this actual results may vary. This Cash Flow Forecast should not be used for any other purpose than its stated purpose, and creditors are cautioned that the information provided in this Cash Flow Forecast could vary based on changing future circumstances.

Note 1
The Cash Flow Forecast assumes there will be no material opening cash balance.

Note 2
Bron advises that there will be no corporate receipts during the Cash Flow Period.

Note 3
Payroll expense assumes Bron reduces headcount and production of the Digital Projects is placed on hold. Work will continue on Bron's Fortnite rollout under the Interactive Group.

Note 4
Bron advises that it intends to seek a Key Employee Retention Plan ("KERP") in the CCAA proceedings.

Note 5
Pursuant to an agreement between the Companies and CWM, amounts relate to outstanding source deductions in respect of payroll, withholding taxes and dues for government programs, but does not include amounts relating to source deductions for the last pay period.

Note 6
Bron advises that it terminated a number of employees in June 2023. The Cash Flow Forecast includes amounts to be paid to these employees as they work their respective notice periods. Bron has not provided a breakdown of these amounts by employee to date.

Note 7
Operating expenses assume a CCAA filing with pre-filing amounts stayed, other than as disclosed in Note 11. Critical supplier payments are included, but are not material.

Note 8
Rent is for studios in Los Angeles and Burnaby. Bron advises that it intends to disclaim its Los Angeles lease and move to a smaller facility in Los Angeles as part of its restructuring. The Los Angeles lease is CAD \$111,564 monthly so rent expense may decrease during the Cash Flow Period. Bron has yet to provide a projected cost for the replacement Los Angeles studio.

Note 9
Software is Zoho, Microsoft, Vision 33 (accounting), Bamboo (HR) and others necessary for Bron's operations during the Cash Flow Period. The amounts also include licence renewal fees.

Note 10
The Cash Flow Forecast assumes that interest on existing loans will be accrued during the Cash Flow Period.

Note 11
SG&A includes employee benefits payments. The Cash Flow Forecast assumes that pre-filing employee benefits will be paid.

Note 12
Bron Legal Counsel Fees assumes no material costs in regard to litigation in connection with the orders sought in Canada during the CCAA proceeding, however does assume fees in recognition of litigation in the US.

Note 13
The Cash Flow Forecast assumes that there will be Chapter 15 bankruptcy proceedings in the US in conjunction with the CCAA proceedings. The \$190,000 reflected in week one is required by legal counsel upon approval of the initial CCAA Order.

Note 14
Reflects Drawdown Advance amount requested through Week 13.

Wednesday, November 22, 2023

Bron Media Group

Per: 

Aaron Gilbert, Chief Executive Officer

Grant Thornton Limited, as Proposed Monitor

Per: 

Mark Wentzell, CPA, CA, CRRP, LIT, Senior Vice President

BRON MEDIA GROUP ("Bron")
Consolidated Cash Flow Forecast

October 21, 2023 to January 26, 2023 (the "Updated Cash Flow Forecast of November 22, 2023 Period")

		ACTUALS Week 14	ACTUALS Week 15	ACTUALS Week 16	ACTUALS Week 17	Forecast Week 18	Forecast Week 19	Forecast Week 19	Forecast Week 20	Forecast Week 21	Forecast Week 22	Forecast Week 23	Forecast Week 24	Forecast Week 25	Forecast Week 26	
For the week ending, In USD	Notes	27-Oct-23	03-Nov-23	10-Nov-23	17-Nov-23	24-Nov-23	01-Dec-23	08-Dec-23	15-Dec-23	22-Dec-23	29-Dec-23	05-Jan-24	12-Jan-24	19-Jan-24	26-Jan-24	Total
Opening Cash Balance	1	941,181	2,407,078	2,122,647	2,053,044	2,509,648	2,336,445	2,133,275	1,998,186	1,890,898	1,768,644	1,642,196	1,552,441	1,450,154	1,245,399	1,245,399
Receipts	2	1,632,078	303	69	693,784	-	-	-	-	-	-	-	-	-	-	2,326,234
Total Receipts		1,632,078	303	69	693,784	-	-	-	-	-	-	-	-	-	-	2,326,234
Operating Disbursements																
Payroll Expense	3															
BRON Media		7,249	7,249	7,249	7,288	7,467	-	7,467	-	7,467	-	7,467	-	7,467	-	66,368
BRON Studios		20,911	21,370	21,370	22,227	22,038	22,038	22,038	22,038	22,038	22,038	22,038	22,038	22,038	22,038	306,255
BRON Studios USA		15,857	1,059	12,511	-	12,500	-	12,500	-	12,500	-	12,500	-	12,500	7,750	99,677
Total Payroll Expense		44,017	29,678	41,130	29,515	42,004	22,038	42,004	22,038	42,004	22,038	42,004	22,038	42,004	29,788	472,300
Other Operating Expenses																
Rent	4	-	34,957	-	-	-	37,152	-	-	-	37,152	-	-	-	-	109,261
Software	5	-	6,463	3,518	147	28,935	15,801	-	-	-	15,154	-	-	-	-	70,018
Selling, General & Administration	6	517	4,365	1,247	2,096	250	13,180	3,085	250	250	4,605	250	250	250	250	30,845
Other Operating Expenses	7	517	45,785	4,765	2,243	29,185	66,132	3,085	250	250	56,911	250	250	250	250	210,123
Total Operating Disbursements		44,535	75,463	45,895	31,758	71,189	88,170	45,089	22,288	42,254	78,948	42,254	22,288	42,254	30,038	682,424
Net Cashflow From Operations		1,587,543	(75,160)	(45,826)	662,026	(71,189)	(88,170)	(45,089)	(22,288)	(42,254)	(78,948)	(42,254)	(22,288)	(42,254)	(30,038)	1,643,810
Non-Operating Disbursements	8															
Bron Legal Counsel Fees			49,045	-	87,937	53,018	50,000	30,000	30,000	30,000	15,000	15,000	30,000	50,000	50,000	490,000
Proposed Monitor Fees			77,183	-	11,859	4,731	25,000	20,000	20,000	15,000	10,000	10,000	15,000	45,000	45,000	298,772
Proposed Monitor's Legal Counsel Fees			68,043	-	77,690	7,209	40,000	30,000	25,000	25,000	12,500	12,500	25,000	47,500	47,500	417,942
Monitor US Legal Fees		74,555	-	-	-	-	-	-	-	-	-	-	-	-	-	74,555
CCAA Professional Fees		122,070	209,271	23,777	205,422	102,014	115,000	90,000	85,000	80,000	47,500	47,500	80,000	162,500	162,500	1,532,553
Total Disbursements		166,605	284,734	69,672	237,180	173,203	203,170	135,089	107,288	122,254	126,448	89,754	102,288	204,754	192,538	2,214,977
Net Cashflow		1,465,473	(284,431)	(69,603)	456,604	(173,203)	(203,170)	(135,089)	(107,288)	(122,254)	(126,448)	(89,754)	(102,288)	(204,754)	(192,538)	111,257
DIP Financing																
DIP Financing Advances		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Cash Balance		2,406,654	2,122,647	2,053,044	2,509,648	2,336,445	2,133,275	1,998,186	1,890,898	1,768,644	1,642,196	1,552,441	1,450,154	1,245,399	1,052,862	1,052,862
Cumulative DIP Financing		5,370,064	5,370,064	5,370,064	5,370,064	5,370,064	5,370,064	5,370,064	5,370,064	5,370,064	5,370,064	5,370,064	5,370,064	5,370,064	5,370,064	

BRON MEDIA GROUP ("Bron")

Notes to the Cash Flow Forecast

October 21, 2023 to January 28, 2023 (the "Updated Cash Flow Forecast of November 22, 2023 Period")

Disclaimer

1. This Cash Flow Forecast is prepared by Bron in accordance with s. 23(1)(b) of the Companies Creditors' Arrangement Act ("CCAA").
2. Bron has prepared this Updated Cash Flow Forecast of November 22, 2023 on probable and hypothetical assumptions that reflect the Bron's planned course of action for the period to January 28, 2024. Management is of the opinion that, as at the date of filing the Updated Cash Flow Forecast of November 22, 2023, the assumptions used to develop the projection represent the most probable set of economic conditions facing Bron and that the assumptions used proved a reasonable basis for and are consistent with the purpose of this the Updated Cash Flow Forecast of November 22, 2023.
3. The Updated Cash Flow Forecast of November 22, 2023 has been prepared by Bron and has been reviewed by the Monitor. The Monitor has not verified or confirmed certain expenses incurred by Bron which are reflected in the Updated Cash Flow Forecast of November 22, 2023.
4. The information contained in this the Updated Cash Flow Forecast of November 22, 2023 is subject to changing assumptions and/or with the receipt of new or additional information actual results may vary. The Updated Cash Flow Forecast of November 22, 2023 should not be used for any other purpose than its stated purpose, and creditors are cautioned that the information provided in the Updated Cash Flow Forecast of November 22, 2023 could vary based on changing future circumstances.

Note 1

Week 14 now reflects the addition of funds that were not previously classified as 'available for use' and iii) amounts received on account of revenue from the Ghostbusters Afterlife, Fatherhood, and Roman J. Israel projects.

Note 2

Week 17 reflects amounts received on account of revenue from Bron projects. The company may receive additional receipts on account of projects or otherwise.

Note 3

"Payroll expenses" relates to costs associated with those employees who are expected to be engaged as contractors under contracts agreements, following the termination of all employees on October 6, 2023.

Note 4

Operating expenses assume a CCAA filing with pre-filing amounts stayed. Critical supplier payments are included, but are not material. The cash flow does not account for completion and delivery expenses in the amount estimated to be in excess of \$850,000.

Note 5

Rent is for the leased property in Burnaby.

Note 6

Software is Microsoft, Vison 33 (accounting), Bamboo (HR) and others necessary for Bron's operations during the Updated Cash Flow Forecast of November 22, 2023 Period. The amounts also include licence renewal fees.

Note 7

SG&A include amounts related to utilities and internet services relating to the leased property in Burnaby.

Note 8

Non-Operating Disbursements relate to professional fees including, but not limited to, those costs required to the completion of the SISP process, costs with regard to the transfer of assets, as well as subsequent court hearings relating to the CCAA proceeding.

Wednesday, November 22, 2023

Bron Media Group

Grant Thornton Limited, as Monitor

Per: 
Aaron Gilbert, Chief Executive Officer

Per: 
Mark Wentzell, CPA, CA, CFP, LIT, Senior Vice President