

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

THE HONOURABLE MADAM                     )                     TUESDAY, THE 1ST  
   )                       
JUSTICE CONWAY                                 )                     DAY OF MARCH, 2022

**IN THE MATTER OF THE *BANKRUPTCY AND  
INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A  
PROPOSAL OF BREAKTHROUGH ENTERPRISES INC. OF THE CITY  
OF TORONTO IN THE PROVINCE OF ONTARIO**

**ORDER  
(Re Administrative Consolidation and Related Relief)**

**THIS MOTION** made by Breakthrough Enterprises Inc. (the “**Company**”) was heard this day by video conference due to the COVID-19 crisis.

**ON READING** the Affidavit of Michael McGuigan, affirmed February 21, 2022, and the First Report of Dodick Landau Inc. in its capacity as proposal trustee (the “**Proposal Trustee**”), and on hearing the submissions of respective counsel for the Company, the Proposal Trustee, HSBC Bank Canada (“**HSBC**”) and such other counsel as were present as listed on the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service of Shaun Parsons affirmed February 22, 2022, filed:

## **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

## **PROCEDURAL CONSOLIDATION**

2. **THIS COURT ORDERS** that, without prejudice to the right of any party to seek or oppose substantive consolidation in respect of any or all of the following proceedings:

- (a) the present proceeding;
- (b) the matter of the notice of intention to make a proposal of Breakthrough Entertainment Inc., Estate and Court File No. 31-2801365;
- (c) the matter of the notice of intention to make a proposal of Breakthrough Films & Television Inc., Estate and Court File No. 31-2801367;
- (d) the matter of the notice of intention to make a proposal of Breakthrough Merchandising Inc., Estate and Court File No. 31-2801368;
- (e) the matter of the notice of intention to make a proposal of Breakthrough New Media Inc., Estate and Court File No. 31-2801369;
- (f) the matter of the notice of intention to make a proposal of Breakthrough Post Inc., Estate and Court File No. 31-2801370;

- (g) the matter of the notice of intention to make a proposal of Breakthrough Publishing Inc., Estate and Court File No. 31-2801371;
- (h) the matter of the notice of intention to make a proposal of Oak Room Productions Inc., Estate and Court File No. 31-2801373; and
- (i) the matter of the notice of intention to make a proposal of 2447134 Ontario Inc., Estate and Court File No. 31-2801374

(collectively, the “**NOI Proceedings**”)

the NOI Proceedings shall be procedurally consolidated and the Proposal Trustee shall be authorized and directed to administer the NOI Proceedings on a consolidated basis for all purposes in carrying out its administrative duties and other responsibilities as trustee under the *Bankruptcy and Insolvency Act* (the “**BIA**”), including, without limitation, the following:

- (a) sending notices to creditors of Breakthrough Enterprises Inc., Breakthrough Entertainment Inc., Breakthrough Films & Television Inc., Breakthrough Merchandising Inc., Breakthrough New Media Inc., Breakthrough Post Inc., Breakthrough Publishing Inc., Oak Room Productions Inc., and 2447134 Ontario Inc. (collectively, the “**NOI Entities**”) pursuant to one consolidated notice;
- (b) calling and conducting any meetings of creditors of the NOI Entities pursuant to one combined advertisement and one meeting;
- (c) issuing consolidated reports in respect of the estates of the NOI Entities;

- (d) preparing, filing, advertising and distributing any and all filings and/or notices relating to the administration of the estates of the NOI Entities on a consolidated basis; and
- (e) bringing motions to this Honourable Court on a consolidated basis.

3. **THIS COURT ORDERS** that the single Estate and Court File Number 31-2801364 (the “**Consolidated Court File**”) and the following title of proceeding of shall be assigned to the NOI Proceedings:

**IN THE MATTER OF THE *BANKRUPTCY AND  
INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A  
PROPOSAL OF BREAKTHROUGH ENTERPRISES INC. OF THE CITY OF  
TORONTO IN THE PROVINCE OF ONTARIO**

**AND IN THE MATTER OF EIGHT RELATED INTENDED PROPOSALS**

4. **THIS COURT ORDERS** that a copy of this Order shall be filed by the NOI Entities in the court file for each of the NOI Proceedings but that any other document required to be filed in any of the NOI Proceedings shall hereafter only be required to be filed in the Consolidated Court File.
5. **THIS COURT ORDERS** that for avoidance of doubt, any motion, application or action, including the herein motion, in respect of the NOI Entities or any of them shall be brought and filed in the Consolidated Court File and if so brought and filed it shall be deemed brought and filed in each of the NOI Proceedings, as appropriate, without prejudice to any rules of civil procedure or otherwise that are applicable.

6. **THIS COURT ORDERS** that the procedural consolidation of the NOI Proceedings shall not:

- (a) affect the separate legal status and structures of any of the NOI Entities;
- (b) cause any of the NOI Entities to be liable for any claim for which it otherwise is not liable; or
- (c) affect the Proposal Trustee's or a creditor's right to seek to disallow any claim, including on the basis that such claim is a duplicative claim.

#### **EXTENSION OF TIME TO FILE A PROPOSAL**

7. **THIS COURT ORDERS** that pursuant to Section 50.4(9) of the BIA, the time for the NOI Entities to file a proposal with the Official Receiver be and is hereby extended up to and including April 17, 2022 (the "**Stay Period**").

#### **CONTINUATION OF SERVICES**

8. **THIS COURT ORDERS** that during the Stay Period, all persons having oral or written agreements with the NOI Entities or statutory or regulatory mandates for the supply of goods and/or services are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the NOI Entities, provided in each case that the normal prices or charges for such goods or services received after the date of this Order are paid by the NOI Entities in accordance with normal payment practices of the NOI Entities or other practices as may be agreed upon by the supplier or service provider and each of the NOI Entities and the Proposal Trustee, or as may be ordered by this Court.

9. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the NOI Entities shall be entitled, but not required, to pay with the written approval of the Proposal Trustee amounts owing to any supplier (a “**Critical Supplier**”) for goods or services actually supplied to the NOI Entities prior to February 1, 2022 if, in the opinion of the NOI Entities, such payment is necessary to maintain the uninterrupted operations of the business and, without limiting the generality of the foregoing, declaring that each of the entities listed in Schedule “A” hereto is a Critical Supplier for the purposes of this paragraph 9.

#### **HSBC BANK CANADA**

10. **THIS COURT ORDERS** that HSBC, in respect of its secured facilities made available to certain of the NOI Entities, shall be and remain an unaffected creditor in the NOI Proceedings in respect of all amounts owing to it by any of the NOI Entities and that all of HSBC’s rights and remedies in respect of the NOI Entities are not subject to the stay of proceedings or any other aspects of the NOI Proceedings, nor shall HSBC be impacted by any outcome of the NOI Proceedings, and shall continue in full force and effect, unaffected.

11. **THIS COURT ORDERS** that the NOI Entities shall make monthly payments in the aggregate amount of \$11,000 from cash flow during the NOI Proceedings in permanent reduction of the secured indebtedness owing by the NOI Entities pursuant to a Segment 3 Non-Revolver Demand Facility, and that such payments shall not constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

**GENERAL**

12. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the NOI Entities, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the NOI Entities and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the NOI Entities and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

13. **THIS COURT ORDERS** that any interested party (including the NOI Entities and the Proposal Trustee) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

14. **THIS COURT ORDERS** that notwithstanding Rule 59.05, this Order is effective from 12:01 a.m. on the date that it is made and is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need be entered and filed unless an appeal or a motion for leave to appeal is brought to an appellate court. Any party may nonetheless submit a formal order for original signing, entry and filing.

  
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**Schedule "A"**  
**List of Critical Suppliers**

Black Fawn Films Inc.

Adam Barken

The Writers Guild Of Canada

The Canadian Media Producers Association

Black Five Media Inc.

Bsc Solutions Group Ltd.

McGillivray Media Corp.



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**Court File No. 31-2801364  
Estate File No. 31-2801364**

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***ONTARIO*  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

*Proceedings commenced at Toronto*

**ORDER**

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