

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS  
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF CANWEST PUBLISHING INC./  
PUBLICATIONS CANWEST INC., CANWEST BOOKS  
INC., AND CANWEST (CANADA) INC.**

**SIXTEENTH REPORT OF FTI CONSULTING CANADA INC.,  
in its capacity as Monitor of the Applicants**

**March 17, 2011**

**INTRODUCTION**

1. By Order of this Court dated January 8, 2010 (the “**Initial Order**”), Canwest Publishing Inc. / Publications Canwest Inc. (“**CPI**”), Canwest Books Inc. (“**CBI**”), and Canwest (Canada) Inc. (“**CCI**”, and together with CPI and CBI, the “**Applicants**”) obtained protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the “**CCAA**”). The Initial Order also granted relief in respect of Canwest Limited Partnership / Canwest Societe en Commandite (the “**Limited Partnership**”, and together with the Applicants, the “**LP Entities**”) and appointed FTI Consulting Canada Inc. (“**FTI**”) as monitor (the “**Monitor**”) of the LP Entities. The proceedings commenced by the LP Entities under the CCAA will be referred to herein as the “**CCAA Proceedings**”.

## TERMS OF REFERENCE

2. In preparing this report, FTI has relied upon unaudited financial information of the LP Entities, the LP Entities' books and records, certain financial information prepared by, and discussions with, the LP Entities' management. FTI has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information and accordingly expresses no opinion or other form of assurance on the information contained in this report.
3. Capitalised terms not defined in this report shall have the meanings assigned to them in the Pre-filing Report of the Proposed Monitor dated January 7, 2010 (the "**Pre-filing Report**"). Unless otherwise stated, all monetary amounts contained in this report are expressed in Canadian dollars.

## BACKGROUND

4. Canwest Global Communications Corp. ("**Canwest**") carried on business through a number of subsidiaries. Through its ownership of the LP Entities, Canwest was Canada's largest publisher of English-language paid daily and non-daily newspapers and owned and operated substantial digital media and online businesses. Canwest also directly or indirectly owned, operated and/or held substantial interests in free-to-air television stations, subscription-based specialty television channels, and websites in Canada.
5. Relief in the CCAA Proceedings was obtained on January 8, 2010 by the Canwest entities which carried on, *inter alia*, newspaper and online publishing and digital media businesses. Not included in the CCAA Proceedings is National Post Inc., a wholly-

owned subsidiary of the LP Entities which acquired the business and certain assets that comprised the *National Post* newspaper from The National Post Company / La Publication National Post in October 2009.

6. The Canwest entities that owned and operated Canwest's free-to-air television broadcast business and certain subscription-based specialty television channels in Canada, including Canwest Media Inc. (collectively, the "**CMI Entities**"), applied for and obtained protection under the CCAA in a separate proceeding on October 6, 2009.
7. As described in greater detail in the Seventh Report, following review of the bids received during a sale and investor solicitation process, the bid (the "**AHC APA**") submitted by the *ad hoc* committee of holders of 9.25% senior subordinated notes issued by the Limited Partnership was selected and obtained Court approval on May 17, 2010.
8. As reported in the Tenth Report of the Monitor, on June 14, 2010, affected creditors of the LP Entities voted overwhelmingly in support of the LP Entities' plan of compromise or arrangement, as amended (the "**AHC Plan**") and a majority in number and greater than two-thirds in value of the affected creditors present and voting at the creditors' meeting voted in favour of the AHC Plan.
9. By Order dated June 18, 2010 (the "**AHC Plan Sanction Order**") this Court sanctioned the AHC Plan. The AHC Transaction was successfully closed and all of the operating assets of the LP Entities were transferred to the purchaser, Postmedia Network Inc., on July 13, 2010.

10. On July 6, 2010, Justice Pepall granted an Administrative Reserve and Transition Order (the “**Administrative Reserve Order**”) which, among other things, established the Administrative Reserve (as defined in the AHC Plan) and expanded certain powers of the Monitor following the implementation of the AHC Plan.
11. Further background information regarding the LP Entities and the CCAA Proceedings is provided in, among other things, the Pre-filing Report and in the affidavit of Thomas Strike sworn January 7, 2010 (the “**Strike Affidavit**”), copies of which (together with other relevant materials, including a copy of the Initial Order) have been posted on the Monitor’s website for the CCAA Proceedings at <http://cfcanada.fticonsulting.com/clp>.

#### **PURPOSE OF THIS REPORT**

12. The purpose of this sixteenth report of the Monitor (the “**Sixteenth Report**”) is to inform this Honourable Court of the following:
  - a) The motion brought by the Representatives (as defined below) for an order appointing Nelligan O’Brien Payne LLP and Shibley Righton LLP as representative counsel to assist the Representatives and certain other former employees of the LP Entities with certain tax and employment insurance matters arising out of the distribution of shares under the AHC Plan;
  - b) The status of the Claims Procedure (as defined below) and the Monitor’s request for an extension of the Final Distribution Date (as defined below) to May 31, 2011; and
  - c) The Monitor’s conclusions and recommendations.

## MOTION FOR EXPANSION OF REPRESENTATIVE MANDATE

13. On March 5, 2010, this Court appointed certain representatives (the “**Representatives**”) and the law firms of Nelligan O'Brien Payne LLP and Shibley Righton LLP (collectively, the “**Representative Counsel**”) as representative counsel for then current and former salaried (non-union) employees of the LP Entities.
14. As described in greater detail in the Supplement to the Monitor’s Fifteenth Report (a copy of which (without appendices) is attached as **Appendix “A”** hereto), the Monitor was authorized and directed to enter into an agreement with the CRA with respect to its obligation to deduct and withhold from any distribution, payment or consideration otherwise payable to any Affected Creditor (as defined in the AHC Plan) under the AHC Plan, including former employees of the LP Entities, such amounts as the Monitor is required to deduct and withhold with respect to such payment under, *inter alia*, the Income Tax Act (Canada) (“**Withholding Obligations**”).
15. It proceeded to do so and advised of such negotiations in its Thirteenth Report dated July 22, 2010.
16. As described in more detail in the Supplement to the Monitor’s Fifteenth Report, the Postmedia Networks Inc. shares were not publicly listed prior to December 31, 2010, on January 4, 2011 the Monitor remitted in cash an aggregate amount of \$1,011,804.12 or \$11.54 per withheld share (plus accrued interest) to CRA on account of shares withheld from distributions to former employees.

17. On February 28, 2011, the Monitor delivered to CRA and the relevant employees T4 and T4A statements reflecting the price of \$11.54 per share. The value ascribed to the shares in the T4 and T4A statements is not determinative of the shares' fair market value. The fair market value that is to be ascribed to the shares for the purpose of determining tax liability, if any, for each creditor of the LP Entity receiving the shares, is to be determined between the taxpayer and the CRA.
18. Representative Counsel has advised the Monitor that the Representatives were of the view that the fair market value of the shares received under the AHC Plan was less than \$11.54 per share and that a result of the issuance of these T4s and T4As, certain former employees will have issues to deal with in respect of both their income tax and the potential clawback of employment insurance benefits.
19. The Representatives are of the view that each of the former employees who received shares will have to deal with CRA to address the proper tax treatment of the benefit they received and that the former employees who received shares who also received Employment Insurance benefits may have to deal with the Employment Insurance Commission ("EIC") to address the proper treatment of the shares they received under the plan as it affects the obligations (if any) to make repayment of benefits.
20. Accordingly, the Representatives and Representative Counsel seek an expansion of their mandates to deal with these issues, as well as funding for doing so from the existing Administrative Reserve. According to Representative Counsel, the intention of the Representatives and Representative Counsel is first to enter into discussions with each of CRA and the EIC to resolve the issues on a global basis and, if that fails, to enter into

appropriate processes to address these issues either through the administrative process or through the courts (whether on appeal or judicial review), either by using test cases or by dealing with individual cases.

21. Subject to agreement on a satisfactory form of Order, the Monitor supports the relief sought by the Representative Counsel.

#### **CLAIMS PROCEDURE AND REQUEST TO EXTEND THE FINAL DISTRIBUTION DATE**

22. On April 12, 2010, the LP Entities obtained an Order (the “**Claims Procedure Order**”) establishing the procedure for calling and determining the claims against the LP Entities (the “**Claims Procedure**”). For reasons described in the Monitor’s Seventh Report, the Claims Procedure Order was amended by Order of Justice Pepall dated May 17, 2010 (the “**Amended Claims Procedure Order**”) to call for certain additional claims, including claims against the directors and officers of the Applicants.
23. The Monitor reported on the status of the Claims Procedure in, among others, its Fifteenth Report.
24. As the Monitor described in greater detail in the Fifteenth Report (a copy of which (without appendices) is attached as **Appendix “B”** hereto), the majority in claimed value of the remaining creditors with unresolved Claims were five of the LP Entities’ former typographers (the “**Non-assumed Typographers**”) who were advancing related claims.
25. Also as described in the Fifteenth Report, counsel for Postmedia Networks Inc. and counsel for the Non-assumed Typographers who are members of the CEP Union engaged

in settlement discussions regarding the claims of all of the Non-assumed Typographers and certain other former typographers of the LP Entities who are advancing claims related to those of the Non-assumed Typographers outside of the Claims Procedure. Any settlement involving the claims of the Non-assumed Typographers was to be subject to the approval of the Monitor. At the request of Postmedia Networks Inc. and counsel for the typographers, the Monitor had agreed to delay commencing separate settlement discussions with respect to the Claims of the Non-assumed Typographers.

26. On or about March 10, 2011, the Monitor was advised by counsel for Postmedia Networks Inc. that they had been unable to settle the claims. Counsel for the Non-assumed Typographers confirmed same on or about March 14, 2011. Accordingly, the Monitor and counsel for the Non-assumed Typographers have commenced settlement discussions. Failing successful settlement through these direct discussions, the claims of the Non-assumed Typographers will be referred to a claims officer or the Court for resolution.
27. Under the provisions of the AHC Plan and the Plan Sanction Order, any Disputed Claims (as defined in the AHC Plan) that remain unresolved as at the Final Distribution Date (as defined in the AHC Plan) will be forever discharged, barred and released without any compensation therefor. Final Distribution Date is defined in the AHC Plan as *“the earlier of (i) December 31, 2010; and (ii) the date which is ten (10) Business Days following the resolution of all Disputed Claims.”*
28. By Order dated February 28, 2011, the Final Distribution Date was extended to March 31, 2011.



29. Additional time is needed to reach and finalize such settlement or, alternatively, to resolve the Claims of the Non-assumed Typographers within the ambit of the Claims Procedure. Accordingly, the Monitor requests and respectfully recommends that the Final Distribution Date be extended to May 31, 2011.
30. In addition to the Claims of the five typographers described above, only two<sup>1</sup> other claims relating to trade payables remain unresolved as at the date of this report.
31. The Monitor has attempted to resolve these claims and has contacted the creditors asserting the unresolved Claims and the Notices of Dispute issued on a number of occasions via e-mail, regular mail and by phone and has advised such creditors that, unless resolved, their Claims will be forever discharged, barred and released without any compensation therefor on December 31, 2010 and then, subsequently, on February 28, 2011.
32. In particular, the Monitor sent email communications to one of the creditors, Burgess Industries, on September 20, 2010, September 30, 2010, October 14, 2010, October 25, 2010, November 30, 2010 and January 14, 2011 and has not received any response. The creditor verbally confirmed on October 25, 2010 agreement to withdraw its Claim against the LP Entities. Despite further communications, the Monitor has been unable to obtain written confirmation of such withdrawal.

---

<sup>1</sup> The Monitor reported in its Fifteenth Report the claims of Garda Canada Security Corporation and Groupe de Securite Garda Inc. as one claim. While there were two proof of claim filed by the two related entities, they arise from a single contract and relate to similar services. The Monitor has been dealing with the same individual and the same external counsel for both Garda Canada Security Corporation and Groupe de Securite Garda Inc.

33. Similarly, the Monitor sent email communications to the other creditors, Garda Canada Security Corporation and Groupe de Securite Garda Inc. (“Garda”), throughout October 2010 and January 2011. By letter dated February 21, 2011 (a copy of which is attached hereto as **Appendix “C”**), the Monitor advised Garda that, unless resolved, their Claims will be forever discharged, barred and released without any compensation therefor on February 28, 2011. Garda’s external legal counsel contacted the Monitor on February 25, 2011 and requested information regarding the CCAA Proceeding and the Claims Procedure. Despite frequent communications from the Monitor and daily scheduled status update calls since that time, the Monitor has not received a response to its position and supporting reconciliation nor has it received any new information from Garda. By letter dated March 16, 2011, the Monitor’s counsel advised Garda that failing written confirmation of a resolution of Garda's claims by Monday, March 21, 2011, the Monitor will be referring these claims to a claims officer and will be seeking costs of same from Garda.


## **RECOMMENDATION AND CONCLUSIONS**

34. For the reasons described above, the Monitor recommends that the Final Distribution Date be extended to May 31, 2011.
35. Subject to agreement on a satisfactory form of Order, the Monitor supports the relief sought by the Representative Counsel.

All of which is respectfully submitted this 17th day of March, 2011.

FTI Consulting Canada Inc.,  
in its capacity as the Monitor of Canwest Publishing Inc. / Publications Canwest Inc., Canwest  
Books Inc., Canwest (Canada) Inc., and Canwest Limited Partnership / Canwest Societe en  
Commandite

Per

A handwritten signature in black ink that reads "Paul Bishop". The signature is written in a cursive style with a large initial "P" and "B".

Paul Bishop  
Senior Managing Director

**TAB A**

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

**IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF CANWEST PUBLISHING INC./  
PUBLICATIONS CANWEST INC., CANWEST BOOKS  
INC., AND CANWEST (CANADA) INC.**

**SUPPLEMENT TO THE FIFTEENTH REPORT  
OF FTI CONSULTING CANADA INC.,  
in its capacity as Monitor of the Applicants**

**February 27, 2011**

**INTRODUCTION**

1. By Order of this Court dated January 8, 2010 (the "**Initial Order**"), Canwest Publishing Inc. / Publications Canwest Inc. ("**CPI**"), Canwest Books Inc. ("**CBI**"), and Canwest (Canada) Inc. ("**CCI**", and together with CPI and CBI, the "**Applicants**") obtained protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the "**CCAA**"). The Initial Order also granted relief in respect of Canwest Limited Partnership / Canwest Societe en Commandite (the "**Limited Partnership**", and together with the Applicants, the "**LP Entities**") and appointed FTI Consulting Canada Inc. ("**FTI**") as monitor (the "**Monitor**") of the LP Entities. The proceedings commenced by the LP Entities under the CCAA will be referred to herein as the "**CCAA Proceedings**".

2. This report is supplementary to (and should be read in conjunction with) the Fifteenth Report of the Monitor dated February 22, 2011 (the "**Fifteenth Report**") prepared in connection with, *inter alia*, the Monitor's request for an order, *inter alia*, approving the Monitor's activities since July 22, 2010.
3. All capitalised terms not defined in this report shall have the meanings ascribed to them in the Fifteenth Report or the Amended Consolidated Plan of Compromise or Arrangement affecting the LP Entities dated May 20, 2010 (as amended) (the "**AHC Plan**").
4. The Monitor has reviewed the Affidavit of Russell Mills sworn and served on February 25, 2011 (the "**Mills Affidavit**") and the purpose of this Supplement to the Fifteenth Report of the Monitor (the "**Supplement to the Fifteenth Report**") is to provide additional information to this Honourable Court in connection with the issues raised therein.

#### **MONITOR'S OBLIGATIONS TO WITHHOLD**

5. Pursuant to the Income Tax Act (Canada) ("**ITA**") and other statutes, persons paying "salary, wages or other remuneration" or "retiring allowances" as such terms are defined in the ITA ("**Employers**") are obligated to withhold from such payments amounts on account of income tax owing by the recipients. The withheld amounts are required to be remitted by the Employer to the Canada Revenue Agency ("**CRA**") within the times prescribed under the ITA and Regulations to the ITA. Distributions under the AHC Plan made to employee creditors on account of employment related claims are subject to similar withholding and remitting obligations.

6. Employers are generally obligated by the last day of February of each year to report by way of T4 or T4A statements on the aggregate amount withheld and remitted to CRA on account of employee income taxes.
7. Section 5.9 of the AHC Plan provides that the Monitor, although not the employer, is entitled to deduct and withhold from any distribution, payment or consideration otherwise payable to any Affected Creditor under the AHC Plan, including former employees of the LP Entities, such amounts as are required to be deducted and withheld with respect to such payment under, *inter alia*, the ITA (“**Withholding Obligations**”).
8. On July 6, 2010 this Honourable Court granted the Administrative Reserve and Transition Order, which included the following provisions:

*10. THIS COURT ORDERS that following the Plan Implementation Date, the Monitor shall be and is hereby authorized and directed to withhold from distributions of Shares and cash, to deposit Shares with brokers of its choice, to instruct brokers to sell Shares in one or more trades, to remit payments from the net sale proceeds of withheld Shares or from the Administrative Reserve to the Canada Revenue Agency, the Minister of Finance (Quebec) and other applicable Taxing Authorities, to prepare and file T4, T4A forms, T4 summary documentation and any other forms and to take such other steps, on behalf of the LP Entities, as are necessary to effect the withholding and remittance arrangements (“Withholding Arrangements”) that are or that will be agreed by the Monitor and the LP Entities with the Canada Revenue Agency, the Minister of Finance (Quebec) and other applicable Taxing Authorities in connection with Withholding Obligations under the Plan.*

*14. THIS COURT ORDERS that on and after the Plan Implementation Date, the Monitor is authorized, but not required, in the name of and on behalf of the LP Entities, to prepare and file the LP Entities’ tax returns, employee-related remittances, T4 statements and records of employment for the LP Entities’ former employees based solely upon information provided by the LP Entities and on the basis that the Monitor shall incur no liability or obligation to any Person with*

*respect to such returns, remittances, statements, records or other documentation.*

[Emphasis added]

**THE WITHHOLDING AGREEMENT AND WITHHOLDING FROM DISTRIBUTIONS TO FORMER EMPLOYEES**

9. In accordance with the AHC Plan, the distributions to Affected Creditors, including those with employment related Claims (in amounts greater than \$1,000 who have not made valid Cash Elections), were made by way of Shares and not cash. CRA takes the position that it is not entitled to accept remittances other than in cash and, as a result, the remittances must be in cash rather than Shares. Consequently issues arose with respect to distributions under the AHC Plan as to the quantum and timing of the required withholdings and remittances.
10. The relevant percentage for withholding and remitting (the “**Withholding %**”) is determined pursuant the Regulations to the ITA and the applicable provincial laws and is dependent on the quantum of the distribution to each claimant.
11. Accordingly, and as authorized by the Administrative Reserve and Transition Order, the Monitor engaged in discussions with CRA to clarify the manner in which the Monitor could satisfy its Withholding Obligations, particularly in the context of distributions of Shares (as opposed to cash) to be made to Affected Creditors with employment related Claims.
12. As a result of these discussions, the Monitor and CRA reached an agreement, dated July 20, 2010 (the “**Withholding Agreement**”), that the Monitor would withhold the Withholding % of the Shares otherwise distributable to Affected Creditors with



employment related Claims pursuant to the AHC Plan. Those Shares would be held by the Monitor pending the Shares being posted for trading on a designated stock exchange in Canada at which time the Shares would be sold by the Monitor and the proceeds remitted to CRA.

13. At that time, it was anticipated that shortly following implementation of the AHC Plan the Shares would be posted for trading on a designated stock exchange in Canada thereby allowing monetization of the withheld Shares within the 2010 taxation year.
14. However, as at the date of the Withholding Agreement, July 20, 2010, the Shares had not yet been posted for trading on a designated stock exchange in Canada, so in accordance with the Withholding Agreement, the remittance obligations were to be effective on the earlier of the listing of Shares or December 31, 2010 and required that the Monitor deposit into a separate trust account at each Share distribution date a cash amount equal to the number of Shares withheld multiplied by \$11.54 (the price ascribed per Share in the AHC Plan, as described in greater detail below). Pursuant to the terms of the Withholding Agreement, if the Shares were not posted for trading on a designated stock exchange in Canada prior to December 31, 2010, the Monitor was required to remit the cash held in trust (plus accrued interest) to CRA.
15. The Shares were not publicly listed prior to December 31, 2010, and, as a result, on January 4, 2011, the Monitor remitted in cash to CRA an aggregate amount of \$1,011,804.12, representing the Shares withheld by the Monitor at each distribution date based on the Withholding % multiplied by \$11.54 plus accrued interest.

16. At the request of CRA, the Withholding Agreement contains a provision that requires the Monitor to maintain the confidentiality of all assessments, documents, agreements, correspondence, conversations and negotiations relating thereto and all content thereof. Accordingly, a copy of the Withholding Agreement has not been provided to the creditors of the LP Entities.
  
17. Representative counsel for certain former employees of the LP Entities (“**Representative Counsel**”) asked the Monitor and CRA to waive the confidentiality requirement and provide them with a copy of the Withholding Agreement. In an email to Representative Counsel dated February 17, 2011, the Monitor’s counsel advised “...*if the CRA waives the confidentiality restrictions applicable to the CRA withholding arrangements agreement, in whole or in part, the Monitor will follow suit*”.
  
18. The Monitor has been advised by counsel for CRA that CRA is prepared to provide a copy of the Withholding Agreement to Representative Counsel on the condition that Representative Counsel agrees to maintain the confidentiality of Withholding Agreement as provided for in the Withholding Agreement. The Monitor understands that, to date, Representative Counsel has not agreed to maintain the confidentiality of the Withholding Agreement.

**DISCLOSURE OF NEGOTIATIONS WITH CRA WITH RESPECT TO WITHHOLDING OBLIGATIONS**

19. The Monitor has previously disclosed its discussions with CRA with respect to its Withholding Obligations under the AHC Plan.

20. As described above, on July 6, 2010 the LP Entities sought and obtained the Administrative Reserve and Transition Order containing, *inter alia*, the provisions relating to the Monitor's Withholding Obligations (as excerpted above).
21. Notice of the LP Entities' motion for the Administrative Reserve and Transition Order was duly served upon, among others, Representative Counsel and Representative Counsel was present at the hearing of the motion. No concerns or objections with respect to the provisions of the Administrative Reserve and Transition Order relating to the Monitor's obligation to withhold or authority to enter into agreements with CRA were voiced by Representative Counsel at the hearing of the motion or to the Monitor outside the Court.
22. Further, in the Monitor's Thirteenth Report, dated July 22, 2010, the Monitor reported on (and subsequently obtained Court approval of) its activities which included, *inter alia*, "*discussions with various government authorities with respect to withholding arrangements relating to distributions to employees under the AHC Plan*".

#### **FAIR MARKET VALUE OF THE SHARES**

23. To the knowledge of the Monitor, as at the date of this report, the Shares are not listed for trading on any stock exchange and there is no established market for them. Accordingly, the Monitor takes no position and has no opinion with respect to the actual fair market value of the Shares now or as of the date distribution of Shares.
24. The sale of the LP Entities was pursuant to a Court supervised solicitation process which culminated in the sale pursuant to the AHC Bid. The AHC Bid ascribed an organizational value of \$1.1 billion to the LP Entities' business. This organizational

value was based, in part, on the cash price paid to holders of secured debt of the LP Entities and the value of the Shares to be distributed to the unsecured creditors of the LP Entities. The value of the AHC Bid was calculated using \$11.54 per Share.

25. Further, as described in the Monitor's Eighth Report dated June 3, 2010 and the Supplement to the Eighth Report dated June 10, 2010 (copies of which (without Appendices) are attached hereto as Appendices "A" and "B" respectively), the amount per Share of \$11.54 was used in the AHC Plan to determine the Unsecured Creditors' Equity Pool, or more specifically, the Share Consideration available for distribution to Affected Creditors with Proven Claims that did not make a valid Cash Election. Pursuant to the terms of the AHC Plan, the Share Consideration was calculated to equal 13 million Shares, less the aggregate of the Cash Elected Amounts divided by \$11.54.

26. The Monitor has consistently advised that \$11.54 should not be construed to be the price at which the Shares may be traded and has never taken a position or given an opinion on the actual fair market value of the Shares. In particular, as noted in paragraph 2 of the Mills Affidavit, the Monitor has advised:

- a) In footnote 3 to paragraph 21 of the Supplement to the Monitor's Eighth Report, that the valuation of \$11.54 "*was not and should not be construed as an estimate of the price at which the Shares may trade in the market, if at all*"; and
- b) In footnote 4 to paragraph 21 of the Supplement to the Monitor's Eighth Report that "*[t]here is currently no market through which the shares may be sold and one may never develop*".

27. The \$11.54 per Share is not intended to be and is not an estimate by the Monitor of actual fair market value of the Shares now or as at the date of distribution of the Shares. The actual trading price of the Shares, once listed, may be lower, higher, or equal to \$11.54.
28. In paragraph 2(c) of the Mills Affidavit, Mr. Mills notes that sponsors of the AHC Plan purchased their Shares of Postmedia Network Canada Corp. at \$9.25926 per Share.
29. The Monitor notes that, for commercial reasons, CCAA plan sponsors often subscribe for shares at discounted rates and such discounts do not necessarily represent the fair market value of the shares in question.
30. In paragraph 2(d) of the Mills Affidavit, Mr. Mills notes that according to the financial statements of Postmedia Network Canada Corp. dated November 15, 2010 (for the period ending August 31, 2010) management of Postmedia Network Canada Corp. were able to purchase Shares at \$9.26 per Share.
31. The Monitor has no information as to the basis upon which Postmedia Network Canada Corp. determined to offer Shares to its management at this price.

**VALUE ASSIGNED TO THE SHARES IN T4 AND T4A STATEMENTS IS NOT DETERMINATIVE**

32. In paragraph 3 of the Mills Affidavit, Mr. Mills states “...*the ascription of value of the shares received in the T4’s or T4A’s is not ultimately determinative of the amount of income received by the taxpayer...*”. This is consistent with the Monitor’s understanding based on discussions with its legal counsel.

33. The Monitor has been advised by its legal counsel that the value assigned to the Shares in the T4 and T4A statements is not determinative of the actual fair market value of the Shares and that individuals may assign their own estimated fair market value to the Shares received for purposes of reporting income on their personal tax returns.
34. Further, the remittance in cash of \$11.54 per withheld Share may be of benefit to the relevant taxpayers. If the value of the Shares is determined to be less than \$11.54, then the taxpayer may be entitled to a credit or refund equal to the difference between the tax owed on the actual value and the amount withheld and remitted on the basis of \$11.54 per withheld Share.
35. The Monitor is obligated pursuant to the Regulations to the ITA and Withholding Agreement to deliver the T4 and T4A statements on or before February 28, 2011. In the correspondence from Monitor's counsel to Representative Counsel dated February 17, 2011 (which is attached as Exhibit "F" to the Mills Affidavit, Responding Motion Record at page 188) the Monitor advised that it was obligated to deliver the T4 and T4A statements to CRA and the relevant employees on or before February 28, 2011 and intended to do so unless otherwise ordered by this Honourable Court before then.

#### **MONITOR'S CONCLUSIONS**

36. As described in greater detail above, the Monitor was authorized to enter into an agreement with the CRA with respect to its Withholding Obligations. It proceeded to do so and advised of such negotiations in its Thirteenth Report dated July 22, 2010.

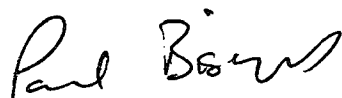
37. At the time the Monitor entered into the Withholding Agreement on July 20, 2010, it was the Monitor's understanding that the Shares would be listed for trading on a designated stock exchange before December 31, 2010. If this had taken place the Monitor would have arranged for the withheld Shares to be sold on the public market and the net sale proceeds remitted to CRA on account of the withholdings and the sale proceeds would have been the basis for the amounts reported on the T4 and T4A statements.
38. However, such listing did not occur by December 31, 2010 and the Monitor was required pursuant to the terms of the Withholding Agreement to make cash remittances equal to the Withholding % of \$11.54 per distributed Share and deliver T4 and T4A statements reflecting that price per Share.
39. The price of \$11.54 was derived from the AHC Bid and was ascribed to the Shares by the LP Entities for the purposes of determining the aggregate number of Shares available in the Unsecured Creditors Equity Pool. The Monitor has repeatedly advised that the \$11.54 value ascribed to the withheld Shares should not be construed to be the price at which the Shares may trade on the public market.
40. In addition, the value ascribed to the Shares in the T4 and T4A statements is not determinative of the Shares' fair market value or of the amount that the taxpayer receiving the payment reported on the T4 or T4A statement is required to include in computing income under the ITA. The fair market value that is to be ascribed to the Shares for the purpose of determining tax liability, if any, for each creditor of the LP Entity receiving the Shares is to be determined by the taxpayer and will be subject to assessment by CRA.

41. The Monitor is obligated to deliver the T4 and T4A statements to CRA and the relevant employees on or before February 28, 2011 pursuant to the provisions of the ITA and the Withholding Agreement.

All of which is respectfully submitted this 27th day of February, 2011.

FTI Consulting Canada Inc.,  
in its capacity as the Monitor of Canwest Publishing Inc. / Publications Canwest Inc., Canwest Books Inc., Canwest (Canada) Inc., and Canwest Limited Partnership / Canwest Societe en Commandite

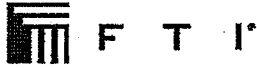
Per



Paul Bishop  
Senior Managing Director



**TAB B**



**CANWEST PUBLISHING INC./PUBLICATIONS CANWEST  
INC., CANWEST BOOKS INC. AND CANWEST (CANADA) INC.**

**FIFTEENTH REPORT OF  
FTI CONSULTING CANADA INC.,  
IN ITS CAPACITY AS MONITOR OF THE APPLICANTS**

**February 22, 2011**

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS  
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF CANWEST PUBLISHING INC./  
PUBLICATIONS CANWEST INC., CANWEST BOOKS  
INC., AND CANWEST (CANADA) INC.**

**FIFTEENTH REPORT OF FTI CONSULTING CANADA INC.,  
in its capacity as Monitor of the Applicants**

February 22, 2011

**INTRODUCTION**

1. By Order of this Court dated January 8, 2010 (the "Initial Order"), Canwest Publishing Inc. / Publications Canwest Inc. ("CPI"), Canwest Books Inc. ("CBI"), and Canwest (Canada) Inc. ("CCI", and together with CPI and CBI, the "Applicants") obtained protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the "CCAA"). The Initial Order also granted relief in respect of Canwest Limited Partnership / Canwest Societe en Commandite (the "Limited Partnership", and together with the Applicants, the "LP Entities") and appointed FTI Consulting Canada Inc. ("FTI") as monitor (the "Monitor") of the LP Entities. The proceedings commenced by the LP Entities under the CCAA will be referred to herein as the "CCAA Proceedings".

## TERMS OF REFERENCE

2. In preparing this report, FTI has relied upon unaudited financial information of the LP Entities, the LP Entities' books and records, certain financial information prepared by, and discussions with, the LP Entities' management. FTI has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information and accordingly expresses no opinion or other form of assurance on the information contained in this report.
3. Capitalised terms not defined in this report shall have the meanings assigned to them in the Pre-filing Report of the Proposed Monitor dated January 7, 2010 (the "Pre-filing Report"). Unless otherwise stated, all monetary amounts contained in this report are expressed in Canadian dollars.

## BACKGROUND

4. Canwest Global Communications Corp. ("Canwest") carried on business through a number of subsidiaries. Through its ownership of the LP Entities, Canwest was Canada's largest publisher of English-language paid daily and non-daily newspapers and owned and operated substantial digital media and online businesses. Canwest also directly or indirectly owned, operated and/or held substantial interests in free-to-air television stations, subscription-based specialty television channels, and websites in Canada.
5. Relief in the CCAA Proceedings was obtained on January 8, 2010 by the Canwest entities which carried on, *inter alia*, newspaper and online publishing and digital media businesses. Not included in the CCAA Proceedings is National Post Inc., a wholly-

owned subsidiary of the LP Entities which acquired the business and certain assets that comprised the *National Post* newspaper from The National Post Company / La Publication National Post in October 2009.

6. The Canwest entities that owned and operated Canwest's free-to-air television broadcast business and certain subscription-based specialty television channels in Canada, including Canwest Media Inc. (collectively, the "CMI Entities"), applied for and obtained protection under the CCAA in a separate proceeding on October 6, 2009.
7. As described in greater detail in the Seventh Report, following review of the bids received during a sale and investor solicitation process, the bid (the "AHC APA") submitted by the *ad hoc* committee of holders of 9.25% senior subordinated notes issued by the Limited Partnership was selected and obtained Court approval on May 17, 2010.
8. As reported in the Tenth Report of the Monitor, on June 14, 2010, affected creditors of the LP Entities voted overwhelmingly in support of the LP Entities' plan of compromise or arrangement, as amended (the "AHC Plan") and a majority in number and greater than two-thirds in value of the affected creditors present and voting at the creditors' meeting voted in favour of the AHC Plan.
9. By Order dated June 18, 2010 (the "AHC Plan Sanction Order") this Court sanctioned the AHC Plan. The AHC Transaction was successfully closed and all of the operating assets of the LP Entities were transferred to the purchaser, Postmedia Network Inc., on July 13, 2010.

10. On July 6, 2010, Justice Pepall granted an Administrative Reserve and Transition Order (the "**Administrative Reserve Order**") which, among other things, established the Administrative Reserve (as defined in the AHC Plan) and expanded certain powers of the Monitor following the implementation of the AHC Plan. A copy of the Administrative Reserve Order is attached as **Appendix "A"**.
11. Further background information regarding the LP Entities and the CCAA Proceedings is provided in, among other things, the Pre-filing Report and in the affidavit of Thomas Strike sworn January 7, 2010 (the "**Strike Affidavit**"), copies of which (together with other relevant materials, including a copy of the Initial Order) have been posted on the Monitor's website for the CCAA Proceedings at <http://cfcanada.fticonsulting.com/clp>.

#### **PURPOSE OF THIS REPORT**

12. The purpose of this fifteenth report of the Monitor (the "**Fifteenth Report**") is to inform this Honourable Court of the following:
  - a) The status of the CCAA Proceedings;
  - b) The status of the Claims Procedure (as defined below) and the Monitor's request for an extension of the Final Distribution Date (as defined below) to March 31, 2011;
  - c) The Monitor's request for an extension of the Stay Period (as defined below) to May 31, 2011;
  - d) The Monitor's activities since July 22, 2010;

- e) The Monitor's and its legal counsel's professional fees; and
- f) The Monitor's conclusions and recommendations.

#### STATUS OF THE CCAA PROCEEDINGS

13. Since the closing of the AHC Transaction on July 13, 2010, the Monitor has continued to administer the various accounts and reserves as required by the AHC Plan, including the Administrative Reserve Account, the Disputed Claims Reserve, and the Unsecured Creditors' Pool (all as defined in the AHC Plan).
14. As reported in the Fourteenth Report of the Monitor, as at November 29, 2010, the Monitor effected distributions of 9,765,235 Shares to Affected Creditors holding Proven Claims over \$1,000 that had not made a valid cash election and \$248,051.50 to Affected Creditors holding Proven Claims that had made or were deemed to have made valid Cash Elections (all as defined in the AHC Plan). Since that time, the Monitor has made further distributions totalling 2,615,946 Shares to Affected Creditors holding Proven Claims over \$1,000 that have not made a valid cash election and \$4,071.82 to Affected Creditors holding Proven Claims that have made or were deemed to have made valid Cash Elections.
15. The Monitor established the Administrative Reserve Account (as defined in the AHC Plan) in the amount of \$9 million on the Plan Implementation Date. As at the date of this report, the Monitor has paid \$4.8 million in Administrative Reserve Expenses. Additional costs have been incurred, but not yet billed or paid and the Monitor will report on same in future reports. Costs paid to date include management incentive payments,

Canwest Business Services and Reach Canada retention payments, consulting fees, post-emergence professional fees, and withholding taxes on distributions.

16. Pursuant to the withholding arrangements agreed with Canada Revenue Agency (“CRA”) and the Administrative Reserve Order, the Monitor has withheld from each distribution of shares to creditors with employment related claims a number of shares calculated at the applicable rate set forth in the *Income Tax Act* (Canada). It was intended that Postmedia Networks Inc. shares would be publicly listed following the AHC Transaction thereby allowing the monetization of withheld shares. However, as the timing of such public listing was not certain, the Monitor also held in the Administrative Reserve sufficient funds to remit in cash withholdings taxes on distribution to former employees.
17. Postmedia Networks Inc. shares were not publicly listed prior to December 31, 2010. Accordingly, on January 4, 2011 the Monitor remitted in cash an aggregate amount of \$1,011,804.12 or \$11.54 per withheld share (plus accrued interest) to CRA on account of shares withheld from distributions to former employees. The Monitor will be taking steps to donate the withheld shares to Postmedia Network Inc.

#### **CLAIMS PROCEDURE AND REQUEST TO EXTEND THE FINAL DISTRIBUTION DATE**

18. On April 12, 2010, the LP Entities obtained an Order (the “**Claims Procedure Order**”) establishing the procedure for calling and determining the claims against the LP Entities (the “**Claims Procedure**”). For reasons described in the Monitor’s Seventh Report, the Claims Procedure Order was amended by Order of Justice Pepall dated May 17, 2010



(the "Amended Claims Procedure Order") to call for certain additional claims, including claims against the directors and officers of the Applicants.

19. The Monitor reported on the status of the Claims Procedure in, among others, its Fourteenth Report. Since then, the Monitor has completed a settlement with 68 Claims which at the time of the Fourteenth Report were settled in principle and resolved five additional trade claims.
20. As the Monitor reported in its Fourteenth Report, the majority in value of the then remaining creditors with unresolved Claims were 11 of the LP Entities' former typographers (the "Typographers") who were advancing related claims and asserting that their claims were Excluded Claims (as defined in the Amended Claims Procedure Order) and constituted Assumed Liabilities under the AHC APA. The Typographers brought motions to seek the Court's instructions and direction with respect to the proper characterization of their claims. The motion was heard on December 10, 2010.
21. On January 5, 2011, Justice Pepall released her decision with respect to the Typographers' claims (the "January 5 Reasons") and held that the claims of six of the Typographers constituted Assumed Liabilities under the AHC APA (the "Assumed Typographers") and the claims of the remaining five Typographers did not (the "Non-assumed Typographers"). A copy of the January 5 Reasons is attached as Appendix "B".
22. Subsequent to the release of the January 5 Reasons, counsel for Postmedia Networks Inc. and counsel for the Typographers who are members of the CEP Union engaged and in and have continued settlement discussions regarding the claims of some of the Assumed

Typographers and all of the Non-assumed Typographers. Any settlement involving the claims of the Non-assumed Typographers will be subject to the approval of the Monitor. The Monitor has been informed that progress is being made in the settlement discussions and accordingly, at the request of Postmedia Networks Inc. and counsel for the Typographers, the Monitor has agreed not to commence its own independent settlement discussions with respect to the Claims of the Non-assumed Typographers in the short term.

23. Under the provisions of the AHC Plan and the Plan Sanction Order, any Disputed Claims (as defined in the AHC Plan) that remain unresolved as at the Final Distribution Date (as defined in the AHC Plan) will be forever discharged, barred and released without any compensation therefor. Final Distribution Date is defined in the AHC Plan as *“the earlier of (i) December 31, 2010; and (ii) the date which is ten (10) Business Days following the resolution of all Disputed Claims.”*
24. As the Typographers’ motion was heard on December 10, 2010 and to allow the parties time to resolve the Typographers’ Claims in the event their claims were held not to be Assumed Liabilities, the Typographers also requested an extension of the Final Distribution Date to February 28, 2011.
25. Pursuant to the Order of Justice Pepall dated December 30, 2010 (a copy of which is attached as Appendix “C”), the definition of Final Distribution Date in the AHC Plan was amended to read as *“the earlier of (i) February 28, 2011; and (ii) the date which is ten (10) Business Days following the resolution of all Disputed Claims.”*

26. As stated above, counsel for Postmedia Networks Inc. and counsel for some of the Typographers are currently in discussions with respect to settlement of their claims (both in and outside of the Claims Procedure). Additional time is needed to reach and finalize such settlement or, alternatively, to resolve the Claims of the Non-assumed Typographers within the ambit of the Claims Procedure. Accordingly, the Monitor requests and respectfully recommends that the Final Distribution Date be extended to March 31, 2011.
27. In addition to the Claims of the five Typographers described above, only two other claims relating to trade payables remains unresolved as at the date of this report. The Monitor has attempted to resolve these claims and has contacted the creditors asserting the unresolved Claims and the Notices of Dispute issued on a number of occasions via e-mail, regular mail and by phone and has advised such creditors that, unless resolved, their Claims will be forever discharged, barred and released without any compensation therefor on December 31, 2010 and then, subsequently, on February 28, 2011. The creditors have failed to respond to any of the Monitor's communications. Accordingly, failing resolution of these Claims prior to the Final Distribution Date, these Claims will be forever discharged, barred and released without any compensation therefor on the Final Distribution Date.
28. A table summarizing the number and value of claims asserted, accepted and disputed as at February 15, 2011 against the LP Entities is attached hereto as **Appendix "D"**. The table is intended to reflect only the claims as called for and asserted under the terms of the Amended Claims Procedure Order and is not intended to provide a commentary on the distribution rights of any such claims, which rights may be affected by, *inter alia*, the provisions of the CCAA.

29. The Monitor will continue to provide ongoing updates on the status of the Claims Procedure in its reports to the Court and updating the table summarizing the number and value of claims asserted, accepted and disputed against the LP Entities posted on its website for these proceedings.

#### **REQUEST FOR AN EXTENSION OF THE STAY OF PROCEEDINGS**

30. Pursuant to the Initial Order, Order dated February 2, 2010 and Order dated April 12, 2010, a stay of proceedings was granted and extended until, and including, June 30, 2010 (the "Stay Period"). Pursuant to the Sanction Order, the Stay Period was extended until, and including, the Final Distribution Date.
31. As stated above, pursuant to the Order of Justice Pepall dated December 31, 2010, the Final Distribution Date was extended to the earlier of (i) February 28, 2011 and (ii) the date which is ten (10) Business Days following the resolution of all Disputed Claims.
32. The Monitor requires additional time to administer and attend to distributions to Affected Creditors, as well as attend to other post-plan implementation matters as outlined in the AHC Plan and CCAA. The continuation of the stay of proceedings is necessary to provide the stability needed during that time.
33. Accordingly, the Monitor is seeking an extension of the Stay Period until, and including, May 31, 2011.
34. As all of the operating assets were transferred to Postmedia Networks Inc., the LP Entities have ceased operations on the Plan Implementation Date. Accordingly, they do not have liquidity requirements that need to be satisfied during the requested extension of

the Stay Period. The costs of administering the AHC Plan and the estates of the LP Entities continue to be paid out of the Administrative Reserve Account in accordance with the AHC Plan and the Administrative Reserve Order.

35. Based on the information presently available, the Monitor believes that creditors will not be materially prejudiced by an extension of the Stay Period to May 31, 2011.
36. The Monitor believes that the LP Entities have acted, and are continuing to act, in good faith and with due diligence and that circumstances exist that make an extension of the Stay Period appropriate.
37. Accordingly, the Monitor respectfully recommends that the Stay of Proceedings be extended until May 31, 2011.

#### **MONITOR'S ACTIVITIES**

38. Since its appointment, the Monitor has been involved with numerous aspects of the CCAA Proceedings with a view to fulfilling its statutory and court-ordered duties and obligations, as well as assisting the LP Entities and their stakeholders in addressing restructuring issues. The Monitor has described some of the more significant matters that it was involved in since commencement of the CCAA Proceedings until July 22, 2010 in its previous reports. Since then, the more significant matters the Monitor has undertaken include, but are not limited to, the following:
  - a) posting various materials relating to the CCAA Proceedings on its website <http://cfcanada.fticonsulting.com/clp> and continuing to update the website by

posting, *inter alia*, the Monitor's reports, motion materials, and Orders granted in the CCAA Proceedings;

- b) maintaining a toll free hotline number 1 888-310-7627 and a dedicated email inbox (CanwestLP@fticonsulting.com) to allow creditors and other interested parties to contact the Monitor to obtain additional information concerning the CCAA Proceedings and responding in a timely manner to over 1,350 calls and approximately 1,700 e-mails received by the Monitor as of the date of this report;
- c) discussions with various government authorities with respect to withholding arrangements relating to distributions to employees under the AHC Plan and entering into such arrangements;
- d) discussions and meetings with CRA and the Department of Justice in order to further discuss and resolve a number of items including CRA's claim, withholding arrangements and the LP Entities' tax returns;
- e) effecting distributions pursuant to the AHC Plan, including discussions with the transfer agent with respect to delivery of shares;
- f) resolution of various claims asserted in and outside of the Claims Procedure; and
- g) responding to enquiries from creditors regarding the Claims Procedure, distributions of shares under the AHC Plan and other issues relating to the CCAA Proceedings.

### PROFESSIONAL FEES

39. The Monitor and its counsel have maintained detailed records of their professional costs and time during the course of the CCAA Proceedings (as detailed in the Affidavit of Paul Bishop sworn February 22, 2011 and the Affidavit of Daphne MacKenzie sworn February 22, 2011 (collectively, the "Fee Affidavits"). Copies of the Fee Affidavits are attached to this report as Appendices "E" and "F").

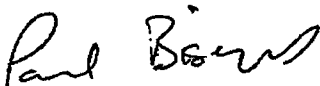
### RECOMMENDATION AND CONCLUSIONS

40. For the reasons described above, the Monitor recommends that the Stay Period be extended to May 31, 2011 and the Final Distribution Date be extended to March 31, 2011.
41. The Monitor respectfully requests that the Court approve its Fourteenth Report and Fifteenth Report and the activities described therein, as well as the fees and disbursements of the Monitor and its counsel (as particularized in the Fee Affidavits).

All of which is respectfully submitted this 22<sup>nd</sup> day of February, 2011.

FTI Consulting Canada Inc.,  
in its capacity as the Monitor of Canwest Publishing Inc. / Publications Canwest Inc., Canwest Books Inc., Canwest (Canada) Inc., and Canwest Limited Partnership / Canwest Societe en Commandite

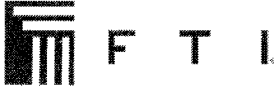
Per



Paul Bishop  
Senior Managing Director

**TAB C**





**FTI Consulting Canada Inc**  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto ON M5K 1G8

February 21, 2010

Attention: Marie-Claude Ferland  
Groupe de Securite Garda Inc., Garda Canada Security Corporation  
1390 Barre Street  
Montreal, Quebec  
H3C 1N4  
Canada

Re: Canweset LP Claims Process

Dear Ms. Ferland:

Further to the emails sent to you throughout October 2010 and in January 2011, the Monitor has reached out to you for further discussion; however, the Monitor has not received any response from you in return.

As previously identified in a January 14, 2011 email, the Monitor would like to advise of changes that have occurred in the Canwest LP CCAA Proceedings. The Final Distribution Date has been amended to mean the earlier of (i) February 28, 2011; and (ii) the date which is ten (10) Business Days following the resolution of all Disputed Claims . Please refer to the link enclosed for further details:  
<http://cfcanada.fticonsulting.com/clp/courtOrders.htm>

As a follow up to earlier emails, please note that according to our records, your claim is classified as a Disputed Claim. In order to complete the reconciliation of this Disputed Claim, the Monitor requires that you review the reconciliation provided to you and call back/email the Monitor to discuss any outstanding issues. Until such time as the Monitor hears back and reconciles this claim via discussions with you (the Claimant), the claim will remain as a Disputed Claim in the LP Claims Process. **Please note that in accordance with the Plan of Compromise, any Disputed Claims to the extent they have not become Proven Claims on or before the Final Distribution Date shall be forever barred, discharged and released without any compensation therefore. If we have not heard from you by February 28, 2011 the claims submitted by Groupe de Securite Garda Inc., Garda Canada Security Corporation will be forever barred, discharged and released without any compensation therefore.**

Please do not hesitate to contact me at 416-649-8070 should you have further questions with respect to this issue.

Best regards,

Jodi Porepa

Director

FTI Consulting Canada Inc.

In its capacity as Monitor of

Canwest Publishing Inc./Publications Canwest Inc., Canwest Books Inc., Canwest (Canada) Inc. and

Canwest Limited Partnership/Canwest Societe Commandite

# TAB 3

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE ) MONDAY, THE 21<sup>ST</sup>  
 )  
MADAM JUSTICE PEPALL ) DAY OF MARCH, 2011

**IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS  
AMENDED**

**AND IN THE MATTER OF A PLAN OF  
COMPROMISE OR ARRANGEMENT OF CANWEST  
PUBLISHING INC./ PUBLICATIONS CANWEST INC.,  
CANWEST BOOKS INC., AND CANWEST (CANADA)  
INC.**

**ORDER**

**THIS MOTION**, made by FTI Consulting Canada Inc. ("FTI"), in its capacity as monitor (the "Monitor") to Canwest Publishing Inc./Publications Canwest Inc. ("CPI") Canwest Books Inc. ("CBI"), and Canwest (Canada) Inc. ("CCI", and together with CPI and CBI, the "Applicants") and Canwest Limited Partnership/Canwest Societe en Commandite (the "Limited Partnership", and together with the Applicants, the "LP Entities") for an order, *inter alia*, extending the Final Distribution Date (as defined below) was heard this day at 393 University Avenue, Toronto, Ontario.

**ON READING** the Notice of Motion, the Sixteenth Report of the Monitor dated March 17, 2011 and on hearing from counsel for the Monitor and other such counsel as were present, no one else appearing although duly served.

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record herein is hereby abridged and that the motion is properly returnable today and service upon any interested party other than those parties served is hereby dispensed with.

2. **THIS COURT ORDERS** that the definition of "Final Distribution Date" contained in section 1.1 of the consolidated plan of compromise concerning, affecting and involving the LP Entities dated as of May 20, 2010, as amended (the "Plan"), as amended by Order dated December 30, 2010 and Order dated February 28, 2011 is hereby amended to read as follows:

"Final Distribution Date" means May 31, 2011.

---

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.  
1985, c. C-36, AS AMENDED  
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
CANWEST PUBLISHING INC./PUBLICATIONS CANWEST INC., CANWEST BOOKS  
INC. AND CANWEST (CANADA) INC.

Court File No: **CV-10-8533-00CL**

**ONTARIO  
SUPERIOR COURT OF JUSTICE -  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**ORDER**

**STIKEMAN ELLIOTT LLP**  
Barristers & Solicitors  
5300 Commerce Court West  
199 Bay Street  
Toronto, Canada M5L 1B9

**David R. Byers LSUC #: 22992W**  
Tel: (416) 869-5697  
**Maria Konyukhova LSUC#: 52880V**  
Tel: (416) 869-5230  
**Sarah Clarke LSUC#: 57377M**  
Tel: (416) 869-6835  
Fax: (416) 947-0866

Lawyers for the Monitor

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

Court File No. CV-10-8533-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CANWEST PUBLISHING INC./PUBLICATIONS CANWEST INC., CANWEST BOOKS INC. AND CANWEST (CANADA) INC.

**ONTARIO  
SUPERIOR COURT OF JUSTICE COMMERCIAL  
LIST**

Proceeding commenced at Toronto

**MOTION RECORD  
(RETURNABLE MARCH 21, 2011)**

**STIKEMAN ELLIOTT LLP**  
Barristers & Solicitors  
5300 Commerce Court West  
199 Bay Street  
Toronto, Canada M5L 1B9

**David R. Byers LSUC #: 22992W**  
Tel: (416) 869-5697  
**Maria Konyukhova LSUC#: 52880V**  
Tel: (416) 869-5230  
Fax: (416) 861-0445

Lawyers for the Monitor