

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

**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.**

APPLICANTS

**MOTION RECORD
(Returnable October 29, 2012)**

October 24, 2012

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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
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**IN THE MATTER OF THE COMPANIES' CREDITORS
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INC.**

**NOTICE OF MOTION
(returnable October 29, 2012)**

FTI Consulting Canada Inc. ("FTI"), in its capacity as monitor (the "Monitor") to the LP Entities (as defined below) will make a motion to a judge of the Commercial List on October 29, 2012, at 10:00 am or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR an Order:

- (a) extending the Stay Period (as defined in the Twenty-Fourth Report of the Monitor) to January 31, 2013; and
- (b) such further and other relief as counsel may request and this Honourable Court may permit.

THE GROUNDS FOR THE MOTION ARE:

- (a) The facts set out in the Twenty-Fourth Report of the Monitor; and
- (b) Provisions of the *Companies Creditors' Arrangement Act* (Canada).

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- (a) The Twenty-Fourth Report of the Monitor; and
- (b) Such further and other material as counsel may advise and this Honourable Court may permit.

October 24, 2012

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

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

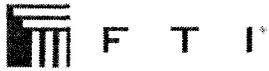
**NOTICE OF MOTION
(RETURNABLE OCTOBER 29, 2012)**

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TAB 2



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

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

October 24, 2012

**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.**

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

October 24, 2012

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 AHC Plan (as defined and described below). Unless otherwise stated, all monetary amounts contained in this report are expressed in Canadian dollars.

BACKGROUND

4. Relief in the CCAA Proceedings was obtained on January 8, 2010 by the LP Entities which carried on, *inter alia*, newspaper and online publishing and digital media businesses.
5. As described in greater detail in the Seventh Report of the Monitor, 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.

6. 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.
7. 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. (the "**Purchaser**"), on July 13, 2010.
8. 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 and expanded certain powers of the Monitor following the implementation of the AHC Plan.
9. Further background information regarding the LP Entities and the CCAA Proceedings is provided in, among other things, the Pre-filing Report of the Proposed Monitor dated January 7, 2010 and in the affidavit of Thomas Strike sworn January 7, 2010, 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

10. The purpose of this Twenty-Fourth Report of the Monitor (the “**Twenty-Fourth Report**”) is to inform this Honourable Court of the following:
- a) The status of the CCAA Proceedings;
 - b) The Monitor’s request for an extension of the Stay Period to January 31, 2013;
and
 - c) The Monitor’s conclusions and recommendations.

STATUS OF THE CCAA PROCEEDINGS

11. As reported in the Twentieth Report, the Monitor holds certain shares in capital of Postmedia Network Canada Corp. (“**Postmedia**”) on account of withholding obligations associated with distributions to former employee Affected Creditors. Those withholding obligations were subsequently satisfied upon payment in cash of the required withheld amounts to Canada Revenue Agency (“**CRA**”) commencing in January 2011 with the final cash payment made to the CRA on April 10, 2012. The Monitor is working to return for cancellation and for no consideration these shares (113,362 shares) and certain additional shares (189 shares) which remained following the downward adjustments made to eliminate fractional shares in connection with the final distribution. The Monitor is advised that Postmedia intends to consider this item at its next board meeting (which is

scheduled for October 26, 2012) and arrange for the cancellation promptly following that meeting.

12. In addition, the Monitor continues to hold the shares set aside on account of CRA's accepted Claim against the LP Entities. The Monitor continues discussions with Postmedia and CRA regarding the disposition of these shares.
13. On June 7, 2012, the Monitor released \$2,000,000 from the funds in the Administrative Reserve Account to Postmedia in accordance with the Plan. The Monitor is currently in discussions with Postmedia regarding a release of approximately an additional \$1.16 million to Postmedia from the Administrative Reserve Account.
14. The Monitor also continues discussions with counsel for Postmedia regarding timing and procedure for termination of the CCAA Proceedings and discharge of the Monitor.

REQUEST FOR AN EXTENSION OF THE STAY OF PROCEEDINGS

15. 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. By Orders dated December 30, 2010, February 28, 2011, March 21, 2011, May 31, 2011, September 29, 2011, December 9, 2011, March 28, 2012, May 30, 2012, and July 30, 2012, the Final Distribution Date was extended to October 31, 2012.

16. The Monitor requires additional time to complete the return of certain shares to Postmedia for no consideration, the disposition of the shares held by the Monitor in respect of the CRA Claim, the release of the balance of funds in the Administrative Reserve Account and the termination of the CCAA Proceedings.
17. The Monitor is working with Postmedia and CRA towards a speedy return of the withheld shares and possible sale of the shares held in respect of the CRA Claim. The continuation of the stay of proceedings is necessary to provide the stability needed during that time.
18. Accordingly, the Monitor is seeking an extension of the Stay Period until, and including, January 31, 2013.
19. As all of the operating assets were transferred to the Purchaser, 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. The Monitor considers that the funds available in the Administrative Reserve Account after the proposed repayment of \$1.16 million to Postmedia, together with the retainers held by the Monitor and its counsel, should be sufficient to bring these proceedings to conclusion.
20. Based on the information presently available, the Monitor believes that creditors will not be materially prejudiced by an extension of the Stay Period to January 31, 2013.

21. 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.
22. Accordingly, the Monitor respectfully recommends that the Stay of Proceedings be extended until January 31, 2013.

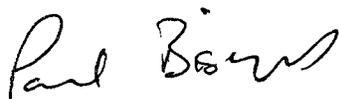
CONCLUSIONS

23. For the reasons described above, the Monitor recommends that the Stay Period be extended to January 31, 2013.

All of which is respectfully submitted this 24th day of October, 2012.

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

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

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(COMMERCIAL LIST)**

Proceeding commenced at Toronto

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

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TAB 3

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

THE HONOURABLE
JUSTICE MORAWETZ

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MONDAY, THE 29TH
DAY OF OCTOBER, 2012

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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Applicants

ORDER

THIS MOTION, made by FTI Consulting Canada Inc. ("**FTI**"), in its capacity as monitor ("**Monitor**") to Canwest Publishing Inc./Publications Canwest Inc. ("**CPI**"), Canwest Books Inc. ("**CBI**"), and Canwest (Canada) Inc. ("**CCI**", and together with the 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 extending the Stay Period (as defined below) was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Twenty-Fourth Report of the Monitor dated October 24, 2012, 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 Twenty-Fourth Report of the Monitor dated October 24, 2012 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 Stay Period (as defined in paragraph 21 of the Initial Order of the Honourable Madam Justice Pepall dated January 8, 2010) is hereby extended until and including January 31, 2013.

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.
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**ONTARIO
SUPERIOR COURT OF JUSTICE (COMMERCIAL
LIST)**

Proceeding commenced at Toronto

ORDER

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**MOTION RECORD
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