

RSM Richter

**Supplement to the Twenty-Seventh
Report of RSM Richter Inc.
Re: The Ravelston Corporation Limited,
Ravelston Management Inc., Argus
Corporation Limited**

RSM Richter Inc.
Toronto, July 15, 2008

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**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 THE RAVELSTON CORPORATION LIMITED
AND RAVELSTON MANAGEMENT INC.**

**AND IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C.
1985, C. B-3, AS AMENDED, AND THE *COURTS OF JUSTICE ACT*,
R.S.O. 1990, C.C.43, AS AMENDED**

**SUPPLEMENT TO THE TWENTY-SEVENTH REPORT OF
RSM RICHTER INC.
July 15, 2008**

1. INTRODUCTION

1.1 Overview

This report ("Supplemental Report") supplements the Twenty-Seventh Report dated July 9, 2008 (the "Twenty-Seventh Report") filed by RSM Richter Inc. ("Richter") in its capacity as receiver and manager, interim receiver and monitor (collectively the "Receiver") of The Ravelston Corporation Limited ("RCL"), Ravelston Management Inc. ("RMI"), Argus Corporation Limited ("Argus"), 509643 N.B. Inc., 509644 N.B. Inc., 509645 N.B. Inc., 509646 N.B. Inc. and 509647 N.B. Inc. (collectively, the "N.B. Subs" and, together with RCL, RMI and Argus, the "Companies").

The purpose of this Supplemental Report is to provide the Court with an update in respect of Section 7 of the Twenty-Seventh Report, which is referenced in the endorsement of the Honourable Mr. Justice Morawetz dated July 14, 2008, attached as Appendix "A" to this Report.

1.2 Defined Terms

Defined Terms have the meaning ascribed to them in the Receiver's Twenty-Seventh Report, unless otherwise defined herein.

2. COMPANIES' CCAA PROCEEDINGS

In the Twenty-Seventh Report, the Receiver concluded that due principally to the erosion of the value in the businesses of the Hollinger Group, there was essentially no prospect of restructuring the Companies, and accordingly, there was no purpose to continue the Companies' CCAA Proceedings. On reviewing the Twenty-Seventh Report, counsel for Sun-Times approached counsel for the Receiver and requested that the Companies' CCAA Proceedings be extended in order to enable Sun-Times, Hollinger, other stakeholders and the Receiver to consider the best mechanism to distribute to the entitled parties the funds currently held by the Receiver in the Companies' estate bank accounts. Sun-Times' counsel expressed the view that the best mechanism for distributions may be through the Companies' CCAA proceedings.

The Receiver advised counsel for Sun-Times that it would recommend an extension of the stay of proceedings, provided that the stay was for an extended period, in order to reduce costs of seeking frequent extensions of the stay of proceedings. The Receiver does not wish to incur the costs of bringing extension applications, particularly given the reduced level of activity in these proceedings at this time. Should material developments arise, the Receiver would bring these to the attention of the Court, if it considered it necessary to do so. The Receiver believes an extension of the Companies' CCAA Proceedings on this basis is reasonable and does not prejudice stakeholders, particularly because costs are being contained.

The Receiver circulated notice to the Service List on July 11, 2008 that the Receiver would, on the return date of the motion, be seeking an order from the Court extending the Companies' CCAA Proceedings to November 30, 2008. The Receiver did not receive any objections.

An extension to November 30, 2008 corresponds to the extension granted in Hollinger's CCAA Proceedings.

The Court granted the extension on July 14, 2008 pursuant to an Order made on that date. A copy of the Order is attached as Appendix "B" to this Report.

All of which is respectfully submitted,



**RSM RICHTER INC.
IN ITS CAPACITY AS RECEIVER AND MANAGER,
INTERIM RECEIVER, AND CCAA MONITOR OF
THE RAVELSTON CORPORATION LIMITED, RAVELSTON
MANAGEMENT INC., ARGUS CORPORATION LIMITED,
509643 N.B. INC., 509644 N.B. INC.,
509645 N.B. INC., 509646 N.B. INC. AND 509647 N.B. INC.,
AND NOT IN ITS PERSONAL CAPACITY**

Court File No. 05-CL-5863

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) MONDAY, THE 14TH
)
JUSTICE MORAWETZ) DAY OF JULY, 2008

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

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Unofficial Typed Endorsement of The Honourable Mr. Justice Morawetz

BEFORE: Morawetz, J.

Date: July 14, 2008

Counsel

**Present: A. MacFarlane, for RSM Richter Inc.
L. Millman, for Sun-Times Media Group, Inc.
R. B. Jones, for Preferred Shares of Argus Corporation Limited**

On consent – the Argus Issues adjourned to July 21, 2008. Issues in Receiver's Report dealing with Argus to be considered on July 21, 2008.

With respect to other relief, CCAA Stay extended to November 30, 2008. This Order is made having heard submissions for counsel to the Monitor, which differ from the position outlined in the Report. Monitor to file up-dated Report on this issue.

Bankruptcies' Proceeding adjourned to November 30, 2008.

Receiver relieved from obligation to serve Notice of Action and Statement of Claim in 08-7569-00CL.

Fees and disbursements of Receiver and counsel approved as requested.

Order to be in the form submitted, as amended.

“Morawetz, J.”

Court File No: 05-CL-5863

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 THE
RAVELSTON CORPORATION LIMITED AND RAVELSTON MANAGEMENT INC.

AND IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c.
B-3, AS AMENDED, AND THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

ONTARIO

**SUPERIOR COURT OF
JUSTICE
(Commercial List)**

PROCEEDING COMMENCED AT
TORONTO

**Unofficial Typed Endorsement of
The Honourable Mr. Justice
Morawetz, July 14, 2008**

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*Solicitors for RSM Richter Inc. receiver and
manager, interim receiver and monitor of The
Ravelston Corporation Limited, Ravelston
Management Inc., Argus Corporation Limited,
Argent News Inc., 509643 N.B. Inc., 509644 N.B.
Inc., 509645 N.B. Inc., 509646 N.B. Inc., and
509647 N.B. Inc.*

Court File No. 05-CL-5863

**ONTARIO
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THE HONOURABLE MR.) MONDAY, THE 14TH
)
JUSTICE MORAWETZ) DAY OF JULY, 2008

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ORDER

THIS MOTION, made by RSM Richter Inc. ("**Richter**"), in its capacity as receiver and manager, interim receiver and monitor (collectively, the "**Receiver**") of The Ravelston Corporation Limited ("**RCL**"), Ravelston Management Inc. ("**RMI**"), Argus Corporation Limited ("**Argus**"), 509643 N.B. Inc., 509644 N.B. Inc., 509645 N.B. Inc., 509646 N.B. Inc. and 509647 N.B. Inc. (collectively, the "**N.B. Subs**", and together with RCL, RMI and Argus, collectively, the "**Companies**"), and as receiver and manager and interim receiver for Argent News Inc., for the relief set out in the notice of motion of the Receiver dated July 9, 2008 was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the twenty-seventh report to Court of the Receiver dated July 9, 2008 and the Appendices thereto (the "**Twenty-Seventh Report**") and upon hearing submissions of counsel for the Receiver, Sun-Times Media Group Inc., Hollinger Inc. and certain Argus preference shareholders and no other party appearing although duly served as evidenced by the affidavit of Lynne Mattes sworn July 10, 2008, filed;

Service

1. **THIS COURT ORDERS** that, if necessary, the method and timing of service of this motion and the Twenty-Seventh Report be and are validated and abridged so that this motion is properly returnable today.

Adjournment of Bankruptcy Proceedings

2. **THIS COURT ORDERS** that the return date for the bankruptcy applications as against RCL and RMI is further extended to November 30, 2008.

Extension of Companies' CCAA Stay

3. **THIS COURT ORDERS** that the stay of proceedings as extended from time to time for the Companies pursuant to the provisions of the *Companies' Creditors Arrangement Act* is further extended to November 30, 2008.

Service of Companies' Contribution and Indemnity Action

4. **THIS COURT ORDERS AND DECLARES** that Receiver be and is hereby relieved of any obligation to serve the Notice of Action and Statement of Claim in Court File No 08-7569-00CL on any of the defendants named therein until further order of the Court.

Argus Securities Matters

5. **THIS COURT ORDERS** that the relief requested by the Receiver in respect of Argus' securities, including the request that the Receiver be authorized and directed, subject to the Receiver reaching an agreement with the Ontario Securities Commission ("OSC"), to (i) discontinue the filing of the Argus status reports; (ii) consent to an order to be made by the OSC, substantially in the form of the draft order attached as Appendix "A" to the Twenty-Seventh Report; and (iii) consent to the delisting of Argus from the Toronto Stock Exchange, be and is hereby adjourned to Monday July 21, 2008.

Approval of Activities

6. **THIS COURT ORDERS AND DECLARES** that the Twenty-Seventh Report and the activities of the Receiver as set out therein be and the same are hereby approved, except

with respect to that section that relates to Argus Corporation, which is adjourned to be heard by the Court on July 21, 2008.

7. **THIS COURT ORDERS AND DECLARES** that the Receiver's Interim Statement of Receipts and Disbursements for the period from April 20, 2005 to June 23, 2008 as attached as Appendix "D" to the Twenty-Seventh Report, be and the same is hereby approved.

8. **THIS COURT ORDERS AND DECLARES** that the fees and disbursements of the Receiver and the fees and disbursements of Fraser Milner Casgrain LLP as counsel to the Receiver for the period from October 1, 2007 to June 30, 2008 as set out in the Twenty-Seventh Report and the Affidavits of Robert Kofman sworn July 9, 2008 and R. Shayne Kukulowicz sworn July 10, 2008 be and the same are hereby approved.



Joanne Nicoara
Registrar, Superior Court of Justice

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

JUL 14 2008

PER/PAR: JSN

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

**SUPERIOR COURT OF
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PROCEEDING COMMENCED AT
TORONTO

ORDER

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