



**SUPREME COURT OF NOVA SCOTIA**

**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 AND ARRANGEMENT OF  
THE HALIFAX HERALD LIMITED, SALTWIRE NETWORK INC., HEADLINE PROMOTIONAL  
PRODUCTS LIMITED, TITAN SECURITY & INVESTIGATION INC., BRACE CAPITAL LIMITED AND  
BRACE HOLDINGS LIMITED**

**BETWEEN:**

**Fiera Private Debt Fund III LP and Fiera Private Debt Fund V LP,  
each by their general partner, Fiera Private Debt GP Inc.,**

**Applicants**

**-and-**

**Saltwire Network Inc., The Halifax Herald Limited, Headline Promotional Products Limited, Titan  
Security & Investigation Inc., Brace Capital Limited and Brace Holdings Limited**

**Respondents**

**SUPPLEMENT TO THE FOURTH REPORT OF KSV RESTRUCTURING INC.  
AS CCAA MONITOR**

**August 7, 2024**

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## 1.0 Introduction

1. This report (the “**Supplemental Report**”) supplements the Fourth Report to Court of KSV Restructuring Inc. dated July 30, 2024 (the “**Fourth Report**”) and should be read in conjunction with the Fourth Report.
2. Unless otherwise stated, capitalized terms used in this Supplemental Report and not otherwise defined herein have the meanings given to them in the Fourth Report.

### 1.1 Restrictions

1. This Supplemental Report is subject to the restrictions set out in Section 1.2 of the Fourth Report.

## 2.0 Media Companies Transaction

1. The purpose of this Supplemental Report is to provide the Court with an update on the conditions summarized in Section 3.1 k) of the Fourth Report, which are reproduced below:
  - i. the AVO shall have been obtained and shall not have been stayed, varied or set aside;
    - Status: Subject to the outcome of the hearing on August 8, 2024. The Monitor is not aware of any opposition.
  - ii. there shall be no litigation or proceedings pending against any of the Parties or involving any of the Purchased Assets for the purpose of enjoining, preventing or restraining the completion of the Media Companies Transaction or otherwise claiming that such completion is improper;
    - Status: The Monitor is not aware of any litigation or pending proceedings.
  - iii. Fiera shall have entered into the Intercreditor Agreement with Postmedia and Postmedia’s lenders in form and substance acceptable to Postmedia, in its sole discretion, in respect of the arrangements contemplated in the Debt Repayment Agreement;
    - Status: Fiera and Postmedia have advised the Monitor that the terms of the Intercreditor Agreement have been settled.
  - iv. on or before August 5, 2024: a) the collective agreements covering the Herald Editorial bargaining unit and the Cape Breton Post bargaining unit shall have been modified or amended on such terms and conditions as are satisfactory to PMI, in its sole discretion; and b) the Herald Press bargaining unit and the Herald Composing bargaining unit shall have released any successor rights claims under section 31 of the Nova Scotia

*Trade Union Act*, RSNS 1989, c475 as against PMI on terms and conditions satisfactory to PMI, in its sole discretion<sup>1</sup>;

- Status: Progress is being made to satisfy the above but some negotiations are continuing. The Monitor will update the Court on August 8, 2024 in respect of these matters and any relief that may be sought in this regard.
- v. the Media Companies shall have adopted such resolutions as may be required to wind up their registered pension plans effective immediately prior to the Closing Date and shall have taken such steps, including having directed the third-party administrators of the registered pension plans, necessary to commence the winding up of such plans with a wind-up effective date as of the date immediately prior to the Closing Date;
- Status: This condition is to be satisfied prior to the Closing Date. The Monitor understands that the Media Companies are preparing the required resolutions.
- vi. no change, event, fact, condition, occurrence or circumstance, individually or in the aggregate, shall have occurred since the Filing Date that: (i) has, or would reasonably be expected to have, a material adverse effect on the operations, results of operations or condition (financial or otherwise) of the Business; (ii) materially and adversely impairs the Purchased Assets or the Business, taken as a whole; or (iii) materially and adversely increases the Assumed Liabilities other than any loss or threatened loss of, or adverse change or threatened adverse change in, the relationship of the Media Companies or the Business with any of its current or prospective employees, customers, security holders, financing sources, suppliers or other business partners as a result of the actions of PMI in connection with the announcement of the Media Companies Transaction; and
- Status: No concerns have been raised regarding any material adverse changes.
- vii. Fiera and the Media Companies shall have entered into the Debt Repayment Agreement on terms and conditions satisfactory to PMI, acting reasonably.
- Status: The material terms of the Debt Repayment Agreement have been finalized in an agreed on term sheet, subject to input from Eckler and certain of the parties referenced in iv) above.
2. In addition to the above, the Monitor confirms that, as it relates to the Interim Financing Facility, the Second Amendment to Interim Financing Term Sheet has been signed by the Media Companies and Fiera. A fully executed version of the Second Amendment to Interim Financing Term Sheet is provided as **Appendix “A”**.


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<sup>1</sup> In this regard, immediately following the announcement of the signing the APA, the Media Companies and Postmedia contacted and commenced discussions with the respective unions.

All of which is respectfully submitted,

**KSV RESTRUCTURING INC.,  
IN ITS CAPACITY AS PROPOSED MONITOR OF THE HALIFAX HERALD LIMITED,  
SALTWIRE NETWORK INC., HEADLINE PROMOTIONAL PRODUCTS LIMITED, TITAN  
SECURITY & INVESTIGATION INC., BRACE CAPITAL LIMITED AND BRACE HOLDINGS  
LIMITED AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**



**PER: BOBBY KOFMAN, PRESIDENT**

## **Appendix “A”**

**SECOND AMENDMENT TO SECOND AMENDED & RESTATED TERMS AND CONDITIONS OF  
INTERIM FINANCING CREDIT FACILITY  
(the “Second Amendment”)**

**As of August 7, 2024**

**WHEREAS** the Credit Parties and the Interim Lender (as both terms are defined below) are party to a second amended and restated interim financing term sheet dated as of April 22, 2024, as amended by the first amendment dated as of June 21, 2024 (the “**Amended Interim Financing Term Sheet**”).

**AND WHEREAS** the Borrowers have entered into an agreement of purchase and sale dated as of July 25, 2024 (the “**Post APA**”) for the sale of certain of their assets and business to Postmedia Network Inc. (“**Post**”).

**AND WHEREAS** the Borrowers (as defined below) require additional financing to complete the transaction contemplated by the Post APA and to fund other amounts during the *Companies’ Creditors Arrangement Act* (“**CCAA**”) proceedings.

**AND WHEREAS** the Interim Lender has agreed to provide additional funding and has agreed to amend the Amended Interim Financing Term Sheet pursuant to the terms of this Second Amendment.

**NOW THEREFORE**, the parties, in consideration of the foregoing and the mutual agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

1. DEFINITIONS: Capitalized terms used herein and not otherwise defined have the meaning given to them in the Amended Interim Financing Term Sheet.
  
2. FACILITY AMOUNT The definition of “Facility Amount” in paragraph 4 is hereby amended by replacing reference to “\$4,100,000” with “\$7,000,000”.  
  
Notwithstanding paragraph 4, provided that the Post APA has not been terminated, the final \$2.9 million of the Interim Facility shall be drawn pursuant to single Advance request as and when such amount is required pursuant to the Cash Flow.
  
3. CASH FLOW From and after August 8, 2024, reference to the “Cash Flow” shall be reference to the cash flow attached to the fourth report of the Monitor dated July 30, 2024.
  
4. CONDITIONS: This Second Amendment shall be subject to the following conditions:
  - (a) The Court shall have issued an order in form and substance satisfactory to the Interim Lender: (i) approving this Second Amendment; (ii) authorizing the increased maximum borrowing amount under this Second Amendment; and (iii) confirming the DIP Lender’s Charge shall secure any and all obligations under the DIP Facility (as amended by this Second Amendment) (the “**Second DIP Increase Order**”);
  
  - (b) The Interim Lender shall have received a fully executed

copy of this Second Amendment;

- (c) The Court shall have issued an order in form and substance satisfactory to the Interim Lender approving the Post APA;
- (d) The Court shall have issued an order in form and substance satisfactory to the Interim Lender extending the Stay Period to December 13, 2024; and
- (e) No Event of Default under the Amended Interim Financing Term Sheet shall have occurred.

5. COMMITMENT FEE AND STANDBY FEE:

A commitment fee of 1.00% (\$29,000), plus applicable taxes, is fully earned by Fiera Private Debt Inc. upon execution of this Second Amendment and shall be and deducted from first Advance made after the Second DIP Increase Order is granted.

A standby charge on the unused portion of the Facility Amount equal to 1% per annum shall be payable monthly in arrears on the first day of each month.

6. ADDITIONAL EVENTS OF DEFAULT

In addition to the Events of Default set out in paragraph 18 the following shall also constitute Events of Default under the Amended Interim Financing Term Sheet ("**Additional Event of Default**"):

- 1. the agreements provided for in 5.3(c) of the Post APA have not been satisfied or waived by the Purchaser on or before August 5, 2024;
- 2. the Post APA is amended or varied without the consent of the Interim Lender;
- 3. the Debt Repayment Agreement or other deliverables under the Post APA are on terms unacceptable to the Interim Lender; or
- 4. the Post APA is terminated by either the Borrowers or Post.

7. WIND DOWN FUNDING

In the event that an Additional Event of Default occurs which is not waived by the Interim Lender, the Interim Lender agrees it will work with the Borrowers and the Monitor to provide interim funding required to wind-down the operations of the Borrowers in accordance with a revised cash flow which would be prepared and subject to the approval of the Interim Lender.

8. COUNTERPARTS AND SIGNATURES:

This Second Amendment may be executed in any number of counterparts and by facsimile, PDF or other electronic transmission, each of which when executed and delivered shall be deemed to be an original, and all of which when taken



together shall constitute one and the same instrument.


9. GOVERNING LAW AND JURISDICTION:

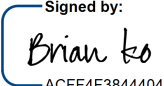
This Second Amendment shall be governed by, and construed in accordance with, the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein. The parties hereby attorn to the exclusive jurisdiction of the Court.

***(Signatures on following page)***


**IN WITNESS HEREOF**, the parties hereby execute this Second Amendment as at the date first above mentioned.


**FIERA PRIVATE DEBT FUND III LP,**  
by its general partner, **FIERA PRIVATE DEBT FUND GP INC.**

DocuSigned by:  
  
Per: 6165962494EA41B...  
Name: Russell French  
ASO


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Per: ACFF4F38444048E...  
Name: Brian Ko  
ASO


**FIERA PRIVATE DEBT FUND V LP,**  
by its general partner, **FIERA PRIVATE DEBT FUND GP INC.**

DocuSigned by:  
  
Per: 6165962494EA41B...  
Name: Russell French  
ASO


Signed by:  
  
Per: ACFF4F38444048E...  
Name: Brian Ko  
ASO

**FIERA PRIVATE DEBT LENDING INC.,** acting on behalf of **GENERAL PARTNER FIERA FP BUSINESS FINANCING FUND INC.,** the general partner of **FIERA FP BUSINESS FINANCING FUND, L.P.**


DocuSigned by:  
  
Per: 6165962494EA41B...  
Name: Russell French  
ASO

Signed by:  
  
Per: ACFF4F38444048E...  
Name: Brian Ko  
ASO

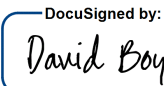
**THE HALIFAX HERALD LIMITED**

DocuSigned by:  
  
Per: A35178E4B6C0442...  
Name: David Boyd  
Title: CRO

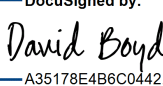
**SALTWIRE NETWORK INC.**

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Name: David Boyd  
Title: CRO

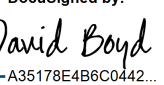
**TITAN SECURITY & INVESTIGATION INC.**

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Name: David Boyd  
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**BRACE CAPITAL LIMITED**

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Name: David Boyd  
Title: CRO

**HEADLINE PROMOTIONAL PRODUCTS LIMITED**

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Name: David Boyd  
Title: CRO

**BRACE HOLDINGS LIMITED**

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