COURT FILE NUMBER	2501-01744	Clerk's stamp
COURT	COURT OF KING'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
PLAINTIFF	ATB FINANCIAL	
DEFENDANTS	LOCAL FIRST MEDIA GROUP INC., LOCAL FIRST PROPERTIES INC., BTC USA HOLDINGS MANAGEMENT INC., LOCAL FIRST PROPERTIES USA INC., ALASKA BROADCAST COMMUNICATIONS, INC., FRONTIER MEDIA LLC and BROADCAST 2 PODCAST, INC	
APPLICANT	FTI CONSULTING CANADA INC., solely in its capacity as Court-appointed Receiver and Manager of the current and future assets, undertakings and properties of LOCAL FIRST MEDIA GROUP INC., LOCAL FIRST PROPERTIES INC., BTC USA HOLDINGS MANAGEMENT INC., LOCAL FIRST PROPERTIES USA INC., ALASKA BROADCAST COMMUNICATIONS, INC., FRONTIER MEDIA LLC and BROADCAST 2 PODCAST, INC.	
DOCUMENT	**BENCH BRIEF**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Norton Rose Fulbright Canada LLP 400 3rd Avenue SW, Suite 3700 Calgary, Alberta T2P 4H2 CANADA Gunnar Benediktsson / Meghan Parker gunnar.benediktsson@nortonrosefulbright.com meghan.parker@nortonrosefulbright.com Tel: +1 403.267.8222 Fax: +1 403.264.5973 Lawyers for the Receiver, solely in its capacity as Receiver and Manager of Local First Media Group Inc., Local First Properties Inc., BTC USA Holdings Management Inc., Local First Properties USA Inc., Alaska Broadcast Communications, Inc., Frontier Media LLC and Broadcast 2 Podcast, Inc. File no.: 1001336442	

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INTRODUCTION

1 This Bench Brief is submitted by the applicant, FTI Consulting Canada Inc., solely in its capacity as Court-appointed receiver and manager (the **Receiver**) of the current and future assets, undertakings and properties of Local First Media Group Inc., Local First Properties Inc., BTC USA Holdings Management Inc., Local First Properties USA Inc., Alaska Broadcast Communications, Inc., Frontier Media LLC and Broadcast 2 Podcast, Inc. (the **Debtors**).

2 Capitalized terms used but not defined herein take their meaning from the Procedures for the Solicitation and Sale Process document (the **Sale Process**) attached as Schedule 1 to the proposed form of Sale Process Order, and in duplicate at Appendix "A" to the First Report of the Receiver, dated October 16, 2025 (the **First Report**).

FACTS

3 On February 21, 2025, Justice M. J. Lema appointed the Receiver as receiver and manager of the

Debtors (the **Receivership Order**) pursuant to section 243 of the *Bankruptcy and Insolvency Act*.[1]

4 Because the Debtors carry on cross-border business and operations, the Receiver filed petitions on behalf of the Debtors for relief pursuant to Chapter 15 of the United States Bankruptcy Code (the **US Bankruptcy Code**). On July 8, 2025, the US Bankruptcy Court for the Eastern District of Texas, Texarkana Division (the **US Court**), entered an Order Granting Petition for Recognition as Foreign Main Proceeding Pursuant to Sections 1517 and 1520 of the US Bankruptcy Code and Related Relief (**Recognition Order**), which recognized the Receiver as foreign representative under Chapter 15 of the US Bankruptcy Code.

5 Management of the Debtors has remained in place in order to ensure the viability of ongoing operations, including by ensuring the various Federal Communications Commission licenses (**FCC Licenses**) associated with the assets remain in good standing. As such, the Receiver has not taken possession and control of the Debtors' assets.[2] Recently, the Receiver has focused on working with the Debtors to devise a process designed to maximize the value of the Debtors' assets and operations for the benefit of their stakeholders.[3] The Sale Process contemplates the contemporaneous marketing, solicitation of interest, and sale of two suites of property comprised of assets and real property: the Alaska Property and the Texas Property.

6 Among other things, these efforts involved consulting with Cliff Dumas, the Managing Partner of Frontier Media, LLC, in respect of marketing materials and options to maximize recoveries. Following these discussions, Mr. Dumas, through his corporation Alaska First Media Inc. (**Alaska First**), put forward an unsolicited pre-emptive offer with respect to the Alaska Property.[4]

7 Following further negotiations between the parties, Alaska First agreed to act as stalking horse and for its bid to serve as the stalking horse bid (the **Stalking Horse Bid**) in the Sale Process. The Stalking Horse Agreement contemplates the purchase of the Alaska Property for a total purchase price of USD $1,280,797.59, comprised of USD $380,797.59 for the radio stations and related assets, and USD $900,000 for the real property.[5] No stalking horse bid has been put forward for the Texas Property.

8 In terms of key milestones, the Sale Process further contemplates:

(a) Qualified Bidders are to submit offers by December 9, 2025;

(b) where an auction or auctions are to be held in accordance with the Sale Process, that is to take place on December 15, 2025;

(c) Court approval of any transactions arising from the Sale Process is to take place on or before January 30, 2026;

(d) recognition by the US Court is to take place on or before February 9, 2026;

(e) transactions arising from Successful Bid or Bids are to close on or before March 31, 2026.[6]

9 The portion of the Sale Process specific to the Alaska Property contemplates:

(a) Alaska First to act as the Stalking Horse Bidder;

[1] RSC 1985, c B-3 [***BIA***] [Tab 1].
[2] First Report, paras 25-32.
[3] First Report, paras 58-61.
[4] First Report, para 62.
[5] First Report, para 63.
[6] First Report, para 65; Sale Process, para 2.1.

(b) in the event a more favourable offer is accepted in the Sale Process for the Alaska Property, Alaska First would be entitled to a Break Fee in the amount of 1.5% of the purchase price of the competing bid;

(c) Qualified Bids must be for, at minimum, the aggregate cash amount of the Stalking Horse Bid Amount and a minimum incremental overbid of $100,000 (which encompasses the Break Fee);

(d) where any Qualified Bids other than the Stalking Horse Bid are received, the Receiver will conduct an auction to determine the highest or best bid (an auction may also be held for the Texas Property where multiple bids are received the Receiver determines it beneficial to the Sale Process);

(e) where no Qualified Bid other than the Stalking Horse Bid is received, there will be no auction and the Stalking Horse Bid will be deemed to be the Successful Bid.[7]

10 The Receiver is of the view that the Sale Process is the most commercially reasonable manner in which to maximize the value for all of the Debtors' stakeholders.[8]

LAW

11 Section 247(b) of the BIA provides that a receiver shall deal with the property of the insolvent person or the bankrupt in a commercially reasonable manner.[9] The specific factors a court is to consider when ensuring that a sale process, with or without a stalking horse component, meets this requirement is set out at length in the case law.

12 The principles applicable to approval of a stalking horse bid under the *Companies' Creditors Arrangement Act*[10] are summarized, among other places, in *CCM Master Qualified Fund Ltd. v. blutip Power Technologies Ltd.*[11] The same principles apply in receivership cases: Justice Brown (as he then was) held that the reasonableness and adequacy of a sales process proposed by a receiver must be assessed in light of the factors a court would apply to a transaction arising from that process – the *Soundair* factors set out by the Ontario Court of Appeal in *Royal Bank v. Soudair Corp.*[12] The Court went on to state that, when reviewing a sales and marketing process proposed by a receiver, a court should assess:

(a) the fairness, transparency and integrity of the proposed process;

(b) the commercial efficacy of the proposed process in light of the specific circumstances facing the receiver;

(c) whether the sales process will optimize the chances, in the particular circumstances, of securing the best possible price for the assets up for sale.[13]

13 In *Re Freshlocal Solutions Inc.*,[14] the British Columbia Supreme Court surveyed the Canadian authorities relevant to consideration of a stalking horse sale process, including *CCM v. blutip*, and set out the relevant factors for approval. These factors, together with the relevant facts for this matter, are as follows:

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[7] First Report, para 65(g).
[8] First Report, paras 66, 71-74.
[9] *BIA*, s 247(b) [Tab 1].
[10] RSC 1985, c C-36 [Tab 2].
[11] 2012 ONSC 1750 [***CCM v. blutip***] [Tab 3].
[12] 4 OR (3d) 1, [1991] OJ No 1137 [***Soundair***] [Tab 4]. These factors are: (1) whether the party made a sufficient effort to obtain the best price and to not act improvidently; (2) the interests of all parties; (3) the efficacy and integrity of the process by which the party obtained offers; and (4) whether the working out of the process was unfair.
[13] *CCM v. blutip*, para 6 [Tab 3].
[14] 2022 BCSC 1616 [***Freshlocal***] [Tab 5].

(a) How did the stalking horse agreement arise? The Stalking Horse Bid was a pre-emptive offer from a related party. While the Stalking Horse Bid therefore did not arise from a competitive process, it is put forward by a party that is intimately familiar with the assets and operations of the Alaska Property, and is therefore familiar with their value and, should the Alaska First be the Successful Bidder, how to continue operating the Alaska Property on a go-forward basis.

(b) What are the stability benefits? Although the Stalking Horse Bid arises in the context of a receivership proceeding, which is typically oriented toward liquidation of the debtor companies, in this case, the Stalking Horse Bid is a significant bid that will bring value to the creditors of the Debtors, and contemplates existing employees servicing the Alaska Property to be hired by the purchaser, and for the business located in Alaska to continue.

(c) Does the timing support approval? The Sale Process contemplates a six-week marketing and solicitation period, followed by auctions, if applicable, and several weeks for negotiating, closing, and ultimately, seeking court approval and recognition of the transaction or transactions arising from the process. The timeframe contemplated in the Sale Process is reasonably standard in the insolvency context.

(d) Who supports or objects to the stalking horse agreement? The Receiver is not aware of any objections. The Secured Creditor is supportive.

(e) What is the true cost of the stalking horse agreement? The Break Fee is modest in the circumstances, thereby eliminating a risk of significant value being removed from the Debtors' estate should the Stalking Horse Bidder not be the Successful Bidder, while at the same time encouraging other potential purchasers to come forward and participate in the Sale Process.

(f) Is there an alternative? The Sale Process strikes an appropriate balance between recognizing the unique interest of the Alaska Property to Alaska First, while also reasonably and adequately canvassing the market for other interested bidders. It provides opportunities for higher and better offers to be put forward in the process.

14 The principles set out in the jurisprudence, including *CCM v. bluetip*, *Freshlocal*, and other authorities,[15] also indicate that the Sale Process in respect of the Texas Property should be approved. In particular:

(a) the timeframe proposed by the Receiver for the submission of Qualifying Bids and the conduct of an auction, as required, is reasonable;

(b) the aim of the marketing, bid solicitation and bidding procedures proposed by the Receiver, which includes targeted marketing in industry-specific publications and contacting known potential bidders, is to result in a fair, transparent and commercially efficacious process for a unique suite of assets.

15 On the basis of the above, the Receiver requests that the Sale Process, including the Stalking Horse Bid component of the process, be approved.

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[15] See, e.g., the discussion in *Validus Power Corp. et al. and Macquarie Equipment Finance Limited*, 2023 ONSC 6367 [Validus] at paras 35-37, 68 [Tab 6], where, after considering numerous cases including *CCM v. blutip* and *Freshlocal*, the Court noted: "These analyses distill, essentially, to this question: taking into account the support for and opposition to the terms of the proposed SISP and stalking horse agreement, while recognizing whether and how those parties supporting or opposing it are economically affected by the outcome, will the proposed process (including its stalking horse bid component and all other material terms), if approved and approved at this time, likely result in the best recovery on the assets being sold pursuant to a fair and transparent process?"

CONCLUSION

16 The Receiver respectfully requests that this Honourable Court grant the Sale Process Order.

ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS 21st DAY OF OCTOBER, 2025:

Norton Rose Fulbright Canada LLP

Per: ___________________________________

Gunnar Benediktsson and Meghan L. Parker,
Counsel for the Receiver,

TABLE OF AUTHORITIES

1 *Bankruptcy and Insolvency Act*, RSC 1985, c B-3

2 *Companies' Creditors Arrangement Act*, RSC 1985, c C-36

3 *CCM Master Qualified Fund v blutip Power Technologies*, 2012 ONSC 1750

4 *Royal Bank of Canada v Soundair Corp*, 1991 CanLII 2727

5 *Re Freshlocal Solutions Inc*, 2022 BCSC 1616

6 *Validus Power Corp et al and Macquarie Equipment Finance Limited*, 2023 ONSC 6367