

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
TEXARKANA DIVISION**

In re: LOCAL FIRST MEDIA GROUP INC. Debtor in a foreign proceeding.	Case No. 25-41368 Chapter 15
In re: LOCAL FIRST PROPERTIES INC., Debtor in a foreign proceeding.	Case No. 25-41369 Chapter 15
In re: BTC USA HOLDINGS MANAGEMENT INC., Debtor in a foreign proceeding.	Case No. 25-50050 Chapter 15
In re: LOCAL FIRST PROPERTIES USA INC., Debtor in a foreign proceeding.	Case No. 25-50051 Chapter 15
In re: ALASKA BROADCAST COMMUNICATIONS, INC., Debtor in a foreign proceeding.	Case No. 25-50052 Chapter 15
In re: BROADCAST 2 PODCAST, INC., Debtor in a foreign proceeding.	Case No. 25-50053 Chapter 15

In re:

FRONTIER MEDIA LLC,

Debtor in a foreign proceeding.

Case No. 25-50054

Chapter 15

**RECEIVER'S VERIFIED PETITION FOR RECOGNITION AS FOREIGN
MAIN PROCEEDINGS, OR ALTERNATIVELY AS FOREIGN
NONMAIN PROCEEDINGS, PURSUANT TO SECTIONS 1515 AND 1517
OF THE UNITED STATES BANKRUPTCY CODE AND RELATED RELIEF AND
AUTHORIZING RECEIVER'S USE OF CASH COLLATERAL**

Now comes FTI Consulting Canada Inc. (“**FTI**”), solely in its capacity as court-appointed receiver (in such capacity, the “**Receiver**” or “**Foreign Representative**”) of the above-captioned debtors (collectively, the “**Debtors**”),¹ based upon the Receivership Order dated February 21, 2025 (the “**Receivership Order**”)² entered by the Court of King’s Bench of Alberta in the Calgary Courts Centre, Calgary, Alberta, Canada, Court File No. 501-01744 (the “**Canadian Court**” and the “**Canadian Proceeding**”), and as authorized foreign representative of the Debtors, by and through its undersigned counsel, and respectfully files the Official Form 401 petitions and this verified petition for each Debtor (together, the “**Petition**”) pursuant to Sections 1504, 1509(a), and 1515 of title 11 of the United States Code (the “**Bankruptcy Code**”) for entry of an order recognizing the Canadian Proceeding as a foreign main proceeding pursuant to Sections³ 1502(4) and 1517(b)(1), thereby granting related relief pursuant to Section 1520 and additional assistance and relief pursuant to Sections 1507, 1509, 1521, 1525, and 105(a) and principles of comity and

¹ The Debtors in these chapter 15 cases (the “**Chapter 15 Cases**”), along with the last four digits of each Debtor’s unique identifier under Question 2 of each Form 401, are Local First Media Group Inc. (1809); Local First Properties Inc. (9206); BTC USA Holdings Management Inc (1330); Local First Properties USA Inc. (8415); Alaska Broadcast Communications, Inc. (377D); Broadcast 2 Podcast, Inc. (8516); and Frontier Media LLC (4593).

² A true and correct copy of the Receivership Order is attached to the Official Form 401 Petition as Exhibit A, and can also be downloaded free of charge at FTI’s website: <https://cfcanada.fticonsulting.com/LocalFirst/courtOrders.htm> and is incorporated herein for all purposes.

³ Unless otherwise stated, references to “Section” are to sections of the Bankruptcy Code.

cooperation. In the alternative, should the Court not recognize the Canadian Proceeding as a foreign main proceeding (either in whole or in part), the Receiver seeks recognition of the Canadian Proceeding as a foreign nonmain proceeding, pursuant to Sections 1502(5) and 1517(b)(2), and seeks additional assistance and relief available under Sections 1507, 1509, 1521, 1525, and 105(a) and principles of comity and cooperation.

I. PRELIMINARY STATEMENT

1. The Debtors consist of Canadian companies with U.S. affiliates operating radio stations in the United States. Together, the seven Debtors own the radio stations, the associated equipment and other personal property required to operate the radio stations, and the real estate and associated improvements, including certain buildings and cell towers.

2. As set forth in more detail below, on February 21, 2025, the Receiver was appointed pursuant to the Receivership Order entered by the Canadian Court to administer the Debtors' estates.⁴ The Receivership Order provides similar rights, powers, and duties to the Receiver as those afforded to a chapter 7 trustee under the Bankruptcy Code, including control over the Debtors' assets and affairs, a stay of all actions against the Debtors, and authority to seek recognition with respect to the Receivership Order in foreign jurisdictions, including the United States. The Receiver has commenced these Chapter 15 Cases to facilitate the fair and efficient administration of the Canadian Proceeding. The Receiver currently intends to commence a sale process for the Debtors' business and assets through the Canadian proceeding, and these Chapter 15 Cases serve a critical role in that effort. Because the Debtors have assets and operations in the United States, the Receiver files this Petition and seeks the protections afforded by Chapter 15 of the Bankruptcy Code to facilitate the ongoing administration of the Canadian Proceeding and

⁴ The Receiver uses the term "estates" herein to generally describe the business, properties, and affairs of the Debtors subject to the Receivership Order, not necessarily as "property of the estate" under Section 541.

prevent the Debtors' stakeholders, many of whom have contacts with the United States and are subject to personal jurisdiction of the Court, from commencing and/or continuing actions in the United States that are more properly the subject of the Canadian Receivership or that will interfere with the Receiver's rights and obligations as an officer of the Canadian Court pursuant to the Receivership Order. The Receiver submits that the Chapter 15 Cases, and the relief requested herein, serves an important function in supporting the Receiver's full and fair administration of the Debtors' estates for the benefit of all creditors in accordance with the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**") and operative Canadian law.

3. Accordingly, the Receiver respectfully requests entry of an order (the "**Proposed Order**"): (a) granting the Petition and recognizing the Canadian Proceeding as a "foreign main proceeding," (or, in the alternative, "foreign nonmain proceeding") pursuant to Sections 1502(4), and 1517(b)(1); (b) recognizing the Receiver as a "foreign representative" as defined in Section 101(24); (c) recognizing and enforcing the Receivership Order pursuant to Sections 1501, 1507, 1508, 1509, 1525, 105(a), and principles of comity and cooperation; (d) applying Sections 361, 362, and 365(e) in these Chapter 15 Cases pursuant to Sections 105(a), 1507, and 1521; (e) finding that the Petition meets the requirements of Section 1515; (f) providing that no action taken by the Receiver in preparing, disseminating, applying for, implementing, or otherwise acting in furtherance of the Canadian Proceeding, any order entered in respect of this Petition, these Chapter 15 Cases, any further order for additional relief in these Chapter 15 Cases, or any adversary proceedings or contested matters in connection therewith, will be deemed to constitute a waiver of any immunity afforded the Receiver, including without limitation pursuant to Sections 306 and 1510; (g) authorizing the Receiver to use cash collateral pursuant to Sections 1520(a)(3) and 363 with respect to cash collateral in the territorial jurisdiction of the United States; and (h) granting

such other relief as the Court deems just and proper. The Proposed Order is attached hereto as **Exhibit A.**

II. SUPPORT FOR THIS PETITION

4. In support of the Petition, the Receiver has filed contemporaneously herewith (a) the *Declaration of Deryck Helkaa Pursuant to in Support of Verified Petition For Recognition and Other Relief* (the “**Foreign Representative Declaration**”) and (b) the *Declaration of Howard Gorman in Support of in Support of Verified Petition For Recognition and Other Relief* (the “**Gorman Declaration**”), each of which are incorporated herein by reference. The Receiver also requests that the Court take judicial notice of its files in this case. Further, the Receiver relies upon exhibits and testimony to be submitted at the hearing on this Petition.⁵

III. JURISDICTION AND VENUE

5. This Court has jurisdiction and authority over this matter pursuant to 28 U.S.C. §§ 157 and 1334(a) and (b) and 11 U.S.C. § 1501 et. seq. These Chapter 15 Cases and this proceeding has been referred to the Bankruptcy Court pursuant to *Order Of Reference Of Bankruptcy Cases And Proceedings Nunc Pro Tunc* entered by the United States District Court For The Eastern District Of Texas on August 6, 1984. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P). The Receiver confirms its consent, pursuant to Rule 7008 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and *Executive Benefits Ins. Agency v. Arkinson*, 134 S. Ct. 2165 (2014) to the entry of a final order by the Court in connection with the Petition to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith, consistent with Article III of the United States Constitution.

⁵ References to supporting materials herein are to items that may be submitted at the hearing on this Petition.

6. These Chapter 15 Cases have been properly commenced by the Receiver's filing of Official Form No. 401 Chapter 15 petitions for recognition of the Canadian Proceeding for each of the Debtors under Sections 1504 and 1515.

7. Venue is proper in this district pursuant to 28 U.S.C. § 1410. A Chapter 15 case may be commenced in the district court of the United States for the district in which the debtor has its principal place of business or principal assets in the United States, or in the district court of the United States where the venue will be consistent with the interests of justice and the convenience of the parties, having regard to the relief sought by the foreign representative. 28 U.S.C. § 1410(1) and (3). Debtor Local First Properties USA, Inc. has property in the State of Texas in the form of real property in Bowie County, Texas. Additionally, each of the Debtors have property in the State of Texas in the form of contract rights and funds on retainer with undersigned Texas counsel. Moreover, each of the Debtors have affiliates whose Chapter 15 Cases are pending in this district and it is consistent with the interest of justice and convenience that all affiliated Debtors' cases be filed in the same venue, especially considering that each Debtor has the same Receiver. In addition, the Receiver has hired Chapter 15 bankruptcy counsel from the Dallas, Texas office of Norton Rose Fulbright LLP. Air travel for the Receiver from its office in Alberta, Canada is convenient to Dallas, and travel from Dallas is convenient to the Courthouse in Plano in this District.

8. The statutory bases for the relief requested include Sections 105(a), 361, 363, 1501, 1504, 1507, 1509, 1510, 1515, 1516, 1517, 1520, 1521, and 1525. Principles of comity and cooperation afforded to Canadian court orders and foreign representatives also support the requests for relief.

IV. BACKGROUND

A. The Debtors

9. There are seven affiliated Debtors who are the subject of the Canadian Proceeding and these Chapter 15 Cases: (a) Local First Media Group Inc. (“**Local First Media**”), an Alberta Canada corporation with its registered office at 671-180 Street SW, Edmonton, AB T6W 2S8; (b) Local First Properties Inc. (“**Local First Properties Canada**”), an Alberta Canada corporation with its registered office at 671-180 Street SW, Edmonton, AB T6W 2S8; (c) BTC USA Holdings Management Inc (“**BTC USA**”), a Delaware corporation with its registered office at 3161 Channel Dr., #2, Juneau, AK 99801; (d) Local First Properties USA Inc. (“**Local First Properties USA**”), a Delaware corporation with its registered office at 3161 Channel Dr., #2, Juneau, AK 99801; (e) Alaska Broadcast Communications, Inc. (“**Alaska Broadcast**”), an Alaska corporation with its registered office at 3161 Channel Dr., #2, Juneau, AK 99801; (f) Broadcast 2 Podcast, Inc. (“**B2P**”), a California corporation with its registered office at 14206 Barbon Beck Avenue, Bakersfield, CA 93311; and (g) Frontier Media LLC (“**Frontier**”), an Alaska Limited Liability Company with its registered office at 3161 Channel Dr., #2, Juneau, AK 99801.

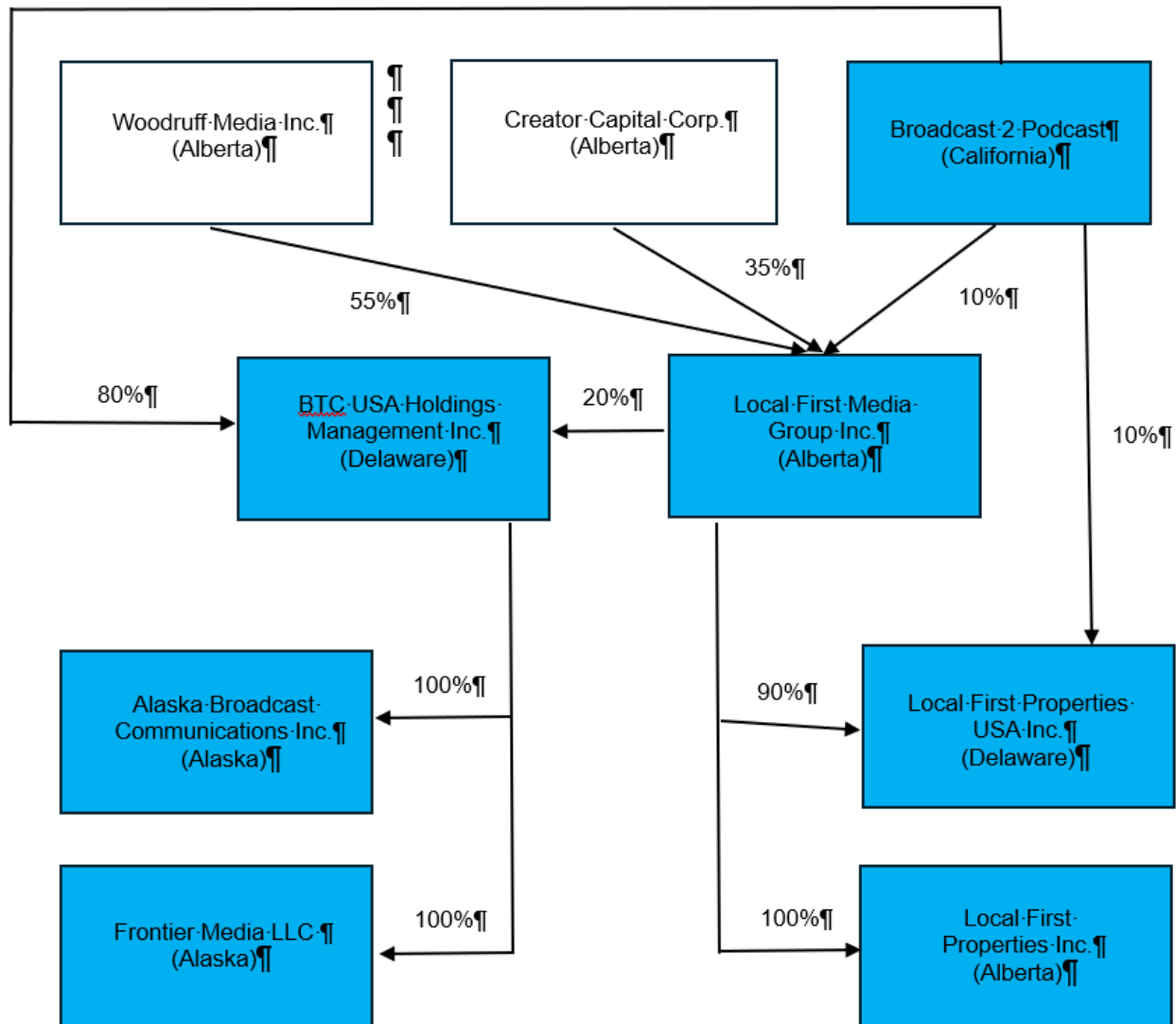
10. The Debtors operate their radio broadcast business primarily through owned real estate and associated improvements, including buildings and cell towers.⁶ The real estate and improvements are located in Texas, Alaska, and Arkansas at the following locations:

Address	City	State	Zip	Land Size (Acres)	Property Description
3161 Channel Drive	Juneau	Alaska	99801	1.69	2 Star Office, Studio Complex (with Cell Tower)
3890 North Douglas Highway	Juneau	Alaska	99801	0.51	Cell Tower Site
611 Lake Street	Sitka	Alaska	99835	0.57	Studios and Cell Tower Site
526 Stedman Street	Ketchikan	Alaska	99901	0.56	Studios and Cell Tower Site
615 Olive Street	Texarkana	Texas	75501	0.20	Building Complex (with Cell Tower)
Brown Drive	Wake Village	Texas	75501	7.69	Cell Tower Site
107 DeLoach Street	Texarkana	Texas	75501	9.56	Cell Tower Site
3335 Highway 355 S	McNab	Arkansas	71838	20.00	Cell Tower Site

⁶ See section entitled “FCC Issues” below for the list of radio stations.

11. There are various leases in place with respect to the above properties. The tower properties above have capacity for further leases.

12. The following chart depicts the corporate organization of the Debtors (indicated by blue shaded boxes) as of the Petition Date:



13. At the top of the Debtors' organizational chart of the corporate family of the Debtors are Woodruff Media Inc.⁷ (an Alberta, Canada corporation), Creator Capital Corp.⁸ (an Alberta, Canada corporation), and B2P (California corporation). *See Affidavit No. 1 of Greg Steidl* ("Steidl Aff") filed in the Canadian Proceeding. Steidl Aff at , 0011-12.⁹ Canadian entities Woodruff Media Inc. and Creator Capital Corp. are not Debtors in the Canadian Proceeding, nor are they Debtors in these Chapter 15 Cases. But together they own a 90% interest in Debtor Local First Media.

B. Ownership and Key Personnel

(I) Local First Media

14. Woodruff Media owns 55%, Creator Capital Corp. owns 35%, and B2P owns 10% of Local First Media (an Alberta, Canada corporation). Bryan Woodruff, who has a Canadian address, is sole Director of Local First Media.¹⁰ Steidl Aff at Ex. 1, 0011.

(II) Local First Properties Canada

15. Local First Media owns 100% of Local First Properties Canada (an Alberta, Canada corporation). Mr. Woodruff is also the sole Director of Local First Properties Canada. Steidl Aff at Ex. 2, 0014.

⁷ Woodruff Media Inc. lists Bryan Woodruff, with an address at 2 - 151 Berkindale Dr. Hamilton, Ontario, Ca. L8E1M6, as sole Director.

⁸ Creator Capital Corp. is 100 percent owned by Bayfield Harbour Partners Ltd., which lists an address at 57 Larwood Blvd. Toronto, Ontario Ca. M1M2M6, with its sole director listed as Edward Ellis at 57 Larwood Blvd. Scarborough, Ontario Ca. M1M2M6.

⁹ A true and correct copy of the Steidl Aff. can be downloaded free of charge at FTI's website: <https://cfcanada.fticonsulting.com/LocalFirst/motions.htm> and is incorporated herein for all purposes.

¹⁰ According to Mr. Cliff Dumas of the Debtors, Mr. Woodruff functioned as Chief Executive Officer of the Debtors but was removed for cause in September of 2024. According to Mr. Dumas, he oversees all operations in Alaska and Texas, which includes oversight of financial, programming, operations, media, web and apps.

(III) Local First Properties USA

16. Local First Media also owns 90% of Local First Properties USA (a Delaware corporation), while B2P owns 10% of Local First Properties USA. Mr. Woodruff is President of Local First Properties USA. Steidl Aff at Ex. 4, 0021. The Directors of Local First Properties USA are Mr. Woodruff and Cliff Dumas, who on information and belief is a Toronto-born individual with an address in Juneau, Alaska. Steidl Aff at Ex. 4, 0021.

(V) B2P

17. According to Mr. Dumas, Mr. Dumas owns B2P (a California corporation). Mr. Dumas is listed as Chief Executive Officer, Chief Financial Officer, Secretary, and sole Director of B2P. Steidl Aff at K 6, 0028.

(VI) BTC USA

18. B2P owns 80% of BTC USA (a Delaware entity), while Local First Media owns 20% of BTC USA. [See Org Chart at Ex. R.] Mr. Dumas is listed as President and sole Director of BTC USA. Steidl Aff at Ex. 3, 0018. According to Mr. Dumas, BTC USA owns the Federal Communications Commission (“FCC”) licenses and operational assets with respect to the radio stations.

(VII) Alaska Broadcast

19. BTC USA owns 100% of Alaska Broadcast (an Alaska corporation). [See Org Chart at Ex. R.] Mr. Dumas is the Registered Agent for Alaska Broadcast. Steidl Aff at Ex. 5, 0023. Mr. Dumas is also listed as Director, President, Secretary, Shareholder, Treasurer, Vice President of Alaska Broadcast. Steidl Aff at Ex. 5, 0023.

(VIII) Frontier

20. BTC USA Holdings Management Inc. is listed as the 100% sole member of Frontier (an Alaska limited liability company). Mr. Dumas is the Registered Agent of Frontier. Steidl Aff

at Ex. 7, 0030. Mr. Dumas is also listed as the manager of Frontier. Steidl Aff at Ex. 7, 0031. According to Mr. Dumas, Frontier is considered to be the operational entity for the Debtors. The Debtors' approximately 40 employees are employed by Frontier.

C. The Debtors' Capital Structure

(I) The ATB Secured Loan

21. The Debtors' major secured creditor is ATB Financial ("**ATB**"), which is a financial institution in the Province of Alberta, Canada. Steidl Aff at Ex. 9, 0036. Under the ATB loan documents, Local First Media and Local First Properties Canada, both Canadian entities, are Borrowers, while Local First Properties USA, B2P, BTC USA, and Alaska Broadcast are Guarantors. As discussed below, ATB contends that Frontier is also a Guarantor.

22. ATB extended credit facilities and related services to the Borrowers and Guarantors (collectively, the "**Loans**") pursuant to a commitment letter dated April 10, 2023. Steidl Aff at Ex. 9, 0036. (the "**Loan Agreement**"). The Loan Agreement, which is governed by Alberta law and the federal laws of Canada applicable therein, is denominated in US Dollars. According to ATB, the amount outstanding under the Loan Agreement is approximately USD \$8.2 million.

23. In addition, the following Guarantees of the Loans were executed:

- (a) Continuing Guarantee dated April 26, 2023 granted by Alaska Broadcast in favor of ATB. Steidl Aff at Ex. 1, 0082. The Continuing Guarantee is governed by the laws of the Province of Alberta.
- (b) Continuing Guarantee dated April 26, 2023 granted by BTC USA in favor of ATB. Steidl Aff at Ex. 15, 0088. The Continuing Guarantee is governed by the laws of the Province of Alberta.
- (c) Continuing Guarantee dated April 26, 2023 granted by Local First Properties USA in favor of ATB. Steidl Aff at Ex. 16, 0094. The Continuing Guarantee is governed by the laws of the Province of Alberta.
- (d) Limited Recourse Guarantee dated April 26, 2023 granted by B2P in favor of ATB. Steidl Aff at Ex. 17, 0100. The Limited Recourse Guarantee is governed by the laws of the Province of Alberta.

24. The Borrowers granted, among others, the following security to ATB in respect of all of its obligations, indebtedness, and liabilities under the Loans:

- (a) General Security Agreement dated April 26, 2023 granted by **Local First Media** in favor of ATB. Steidl Aff at Ex. 9, 0036; *see also* Alberta Personal Property Registry Search regarding Local First Media run Jan. 21 2025 at Steidl Aff at Ex. 12, 0071; 74 (showing collateral description as ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR). The General Security Agreement is governed by the laws of the Province of Alberta. Steidl Aff at Ex. 9, 0043.
- (b) Pledge Agreement dated April 26, 2023, granted by **Local First Media** in favor of ATB. Steidl Aff at Ex. 11, 0060. In this Pledge Agreement, Local First Media pledged equity interests in BTC USA and Local First Properties USA as security for the Loans. Steidl Aff at Ex. 11, 0061-62. The Pledge Agreement is governed by New York law. Steidl Aff at Ex. 11, 0067.
- (c) General Security Agreement dated April 26, 2023 granted by **Local First Properties Canada** in favor of ATB. Steidl Aff at Ex. 10, 0048; *see also* Alberta Personal Property Registry Search Local First Properties Canada run Jan. 21 2025 at Steidl Aff at Ex. 13, 0077; 79 (showing collateral description as ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY). The General Security Agreement is governed by the laws of the Province of Alberta. Steidl Aff at Ex. 10, 0055.

25. The following security documents were also executed by the guarantor Debtor affiliates in the US in connection with the Loans:

- (a) Pledge Agreement dated April 26, 2023, granted by **B2P** in favor of ATB. Steidl Aff at Ex. 18, 0106; *see also* California Secretary of State UCC Lien search Broadcast 2 Podcast, Inc. run Jan. 21, 2025 at Steidl Aff at Ex. 30, 0317. The Pledge Agreement is governed by New York law. Steidl Aff at Ex. 18, 0113.
- (b) Security Agreement dated April 26, 2023, granted by **Alaska Broadcast** in favor of ATB. Steidl Aff at Ex. 19, 0117; *see also* Alaska UCC Central File System UCC Lien search on Alaska Broadcast run Jan. 21, 2025 at Steidl Aff at Ex. 24, 0294. The Security Agreement is governed by New York law. Steidl Aff at Ex. 19, 0125.
- (c) Security Agreement dated April 26, 2023, granted by **Local First Properties USA** in favor of ATB. Steidl Aff at Ex. 21, 0142; *see also* Delaware Secretary of State UCC Lien search on Local First Properties

USA run Jan. 21, 2025 at Steidl Aff at Ex. 27, 0306. The Security Agreement is governed by New York law. Steidl Aff at Ex. 21, 0149.

- (d) Security Agreement dated April 26, 2023, granted by **BTC USA** in favor of ATB. Steidl Aff at Ex. K 20, 0129; *see also* Delaware Secretary of State UCC Lien search on BTC USA run Jan. 22, 2025 at Steidl Aff at Ex.26, 0300-01. The Security Agreement is governed by New York law. Steidl Aff at Ex. 20, 0137.
- (e) Deed of Trust, Assignment of Rents and Leases, Collateral Assignment of Property Agreements, Security Agreement and Fixture Filing executed as of April 26, 2023 by **Local First Properties USA** in favor of ATB. Steidl Aff at Ex. 22, 0157; 0192; 0227 (Deed of Trust on Alaska real property and governed by Alaska law); *see* Steidl Aff at Ex. 22, 0210;0245; Steidl Aff at Ex. K 22, 0259 (Deed of Trust on Texas real property and governed by Texas law); *see* Steidl Aff at Ex. 22, 0226.
- (f) Deed of Trust, Assignment of Rents and Leases, Collateral Assignment of Property Agreements, Security Agreement and Fixture Filing executed as of April 26, 2023 by **Alaska Broadcast** in favor of ATB. [Ex. Q, 0001.] The Deed of Trust is on Alaska real property and governed by Alaska law. [Ex. Q, 0006.]

26. As of February 5, 2025, ATB alleges that the Borrowers are indebted to ATB in the amount of USD \$8,205,843.77 in respect of funds borrowed pursuant to the Loan Agreement, plus interest and costs, which continue to accrue (the “**Indebtedness**”). *See* Steidl Aff at ¶11 and Ex. K 8, 0033.

(II) Other Significant Debt Obligations

27. On April 26, 2023, ATB, Local First Media, Local First Properties Canada, Local First Properties USA, BTC USA and Alaska Broadcast entered into a Subordination Agreement (the “**Subordination Agreement**”) with 7032749 Canada Inc. (“**7032749 Canada**”), in its capacity as administrative agent for each of the subordinated lenders on Schedule “A” to the Subordination Agreement (in such capacity, the “**Subordinated Agent**”). 7032749 Canada lists an address at 23 Bobwhite Cr Toronto, ON, Ca. Subordination Agreement, at 0007. The great majority of the Subordinated Lenders in 7032749 Canada list Canadian addresses. Subordination

Agreement, at 0013-16. The Subordinated Agent's security interest is subordinate to ATB's security interest in the same collateral under the terms of the Subordination Agreement.

28. According to the Subordination Agreement, pursuant to the provisions of an amended and restated term sheet dated April 18, 2023 (the "**Subordinated Term Sheet**"), the Subordinated Lenders (7032749 Canada) agreed to provide certain secured loans to Local First Media in the aggregate principal amount of Cdn \$2,461,350.00 and USD \$405,000.00 (collectively, the "**Subordinated Loans**"), as further evidenced by certain promissory notes, each dated on or about April 18, 2023, granted by Local First Media to each of the Subordinated Lenders, respectively, as more particularly set out on Schedule A (collectively, the "**Subordinated Notes**" and each, a "**Subordinated Note**"), which secured loans are convertible into common shares of Local First Media in accordance with the terms of the Subordinated Notes. Subordination Agreement, at 0002.

29. According to the Subordination Agreement, pursuant to an intercreditor agreement dated effective as of February 24, 2023, among, inter alios, Local First Media, Local First Properties Canada, Local First Properties USA, BTC USA and Alaska Broadcast, each of the Subordinated Lenders and the Subordinated Agent (the "**Subordinated ICA**"), the Subordinated Agent was appointed as the administrative agent for and on behalf of the Subordinated Lenders. Subordination Agreement, at 0002.

30. According to the Subordination Agreement, pursuant to the Subordinated Notes and the Subordinated ICA: (a) Local First Media granted in favor of the Subordinated Agent, for and on behalf of each Subordinated Lender, a general security agreement dated February 24, 2023 (such general security agreement together with all other Security Interests granted by Local First Media, Local First Properties Canada, Local First Properties USA, BTC USA and Alaska

Broadcast to each of the Subordinated Lenders being collectively referred to herein as the “**Subordinated Security**”); (b) Local First Properties Canada guaranteed the obligations of Local First Media to each Subordinated Lender in respect of or in connection with the Subordinated Loans pursuant to the terms of a guarantee dated February 24, 2023; and (c) each of Local First Properties USA, BTC USA, and Alaska Broadcast guaranteed the obligations of Local First Media to each Subordinated Lender in respect of or in connection with the Subordinated Loans pursuant to the terms of a guarantee dated April 18, 2023 (the guarantees referred to in the foregoing subsections (b) and (c) collectively being referred to as the “**Subordinated Guarantees**”).¹¹ Subordination Agreement, at 0002.

31. On February 15, 2024, 7032749 Canada filed UCC financing statements in Delaware against Local First Properties USA and BTC USA (the “**7032749 Canada Financing Statements**”). Steidl Aff at Ex. -28, 0312.

32. On December 12, 2024, North Mill Credit Trust (“**North Mill**”) filed a UCC financing statement in Alaska against Frontier. The collateral is described as “All equipment listed on contract agreement number C129064-T148670 consisting of 2024 Cirrus cirrus Led 3 foot by 6 foot double-sided 6mm Digital Screen; VIN/SERIAL#: 20241114-185443848: together with all accessories. attachments, replacements, substitutions and accessions related thereto, along with all cash and non-cash proceeds (including without limitation indemnity claims, claim payments and other proceeds relating to insurance), products and rents therefrom.”

¹¹ With respect to 7032749 Canada, under the Guarantee Agreements, the Borrower is Debtor Local First Media, and the Guarantors are Debtors Local First Properties USA, BTC USA, and Alaska Broadcast, whereby the Guarantors unconditionally and irrevocably guaranteed payment of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred by the Borrower to 7032749 Canada in respect of the 7032749 Canada Loans. The Guarantees are governed by the Laws of the Province of Alberta and the Laws of Canada applicable therein.

33. In 2023, Debtor Local First Media borrowed USD \$100,000, from an individual, Noel Webb, of Ontario, Canada. That loan agreement is governed by the laws and courts of the Province of Ontario, Canada. Mr. Webb claims to be owed CAD \$182,604.86 under such loan.

34. 7032749 Canada, North Mill, and Mr. Webb have been served with a copy of this Petition.

D. Events Preceding the Commencement of the Canadian Proceeding

(I) The Debtors Acquire Frontier

35. In April of 2023, ATB became aware that the Debtors were contemplating acquiring Frontier as a subsidiary of the Debtors. Steidl Aff at ¶16. In late 2023, ATB and the Debtors were negotiating the 2023 Forbearance Agreement (defined below) and during those negotiations, the Debtors advised ATB that Frontier had in fact been acquired as a subsidiary. Steidl Aff at ¶16.

36. At this time, ATB demanded that Frontier execute a guarantee of the Borrowers' obligations and give ATB security as required by the Loan Agreement, however Frontier failed to do so. Steidl Aff at ¶17.

37. Notwithstanding Frontier's failure to execute a guarantee, according to ATB, it was agreed by ATB, Frontier and all of the other Debtors that Frontier would be liable for the obligations of the Borrowers under the Loan Agreement. Steidl Aff at ¶18. As a result, Frontier was added as a party to the Forbearance Agreements (defined below), and is defined as a "Guarantor" in each of the Forbearance Agreements. Steidl Aff at ¶18. In addition, Frontier has executed each of the Forbearance Agreements and the Consent Receivership Order (defined below). Steidl Aff at ¶18 and at Ex. 31, 0339; Ex. K 32, 0383.

(II) The Debtors Default Under the Loan and FTI Is Appointed Monitor

38. By November of 2023, the Loans were in default pursuant to the terms of the Loan Agreement and the Security, and as a result, ATB and the Debtors commenced negotiations about a forbearance agreement. Steidl Aff at ¶21; Steidl Aff at Ex. 31, 0323 ¶ B.

39. On or about November 24, 2023, ATB and the Debtors entered into a Forbearance Agreement (the “**2023 Forbearance Agreement**”) whereby ATB agreed to temporarily forbear from exercising its rights against the Debtors in exchange for certain covenants and agreements contained therein, including the agreement for a consent receivership order (the “**Consent Receivership Order**”), which was releasable upon the earlier of an Event of Default (as defined therein), or the expiration of the Forbearance Period (as defined therein). Steidl Aff at ¶ 22; Steidl Aff at Ex. 31, 0326-27. Each of the Debtors signed the 2023 Forbearance Agreement and agreed to be bound by its terms. Steidl Aff at Ex. 31, 0338-39.

40. On or about July 19, 2024, ATB and the Debtors entered into an Amended and Restated Forbearance Agreement (the “**2024 Forbearance Agreement**”, and together with the 2023 Forbearance Agreement, the “**Forbearance Agreements**”)¹² whereby ATB agreed to temporarily forbear from exercising its rights against the Debtor in exchange for certain covenants and agreements contained therein, including the agreement for a Consent Receivership Order which was releasable upon the earlier of an Event of Default (as defined therein), or the expiration of the Forbearance Period (as defined therein). Steidl Aff at ¶23; Steidl Aff at Ex. 32-0371 ¶4.2. Each of the Debtors signed the 2024 Forbearance Agreement and agreed to be bound by its terms. Steidl Aff at ¶23; Steidl Aff at Ex. 32, 0383-84.

¹² The Forbearance Agreements are governed by the laws of the Province of Alberta and of Canada applicable therein.

(III) The Debtors Default Under the Forbearance Agreements

41. As part of the Forbearance Agreements, the Debtors agreed to the appointment of a monitor for the purposes of monitoring the business and affairs of the Borrowers on behalf of ATB. Steidl Aff at ¶24; Steidl Aff at Ex. 31, 0328; Steidl Aff at Ex. 32, 0372. The Debtors agreed to provide the monitor with full and unrestricted access to all necessary information and to cooperate with the monitor in its engagement. Steidl Aff at ¶24; Steidl Aff at Ex. 31, 0329-30; Steidl Aff at Ex. 32, 0374. FTI was appointed by ATB to act as the monitor under the Forbearance Agreements. Steidl Aff at ¶25. However, the Borrowers did not provide the necessary information to FTI for it to complete its engagement and duties as monitor.¹³ Steidl Aff at ¶25.

42. On or about August 20, 2024, ATB issued a notice of default (the “**August Notice of Default and Reservation of Rights**”) to the Debtors, informing them of certain Events of Default (as defined in the 2024 Forbearance Agreement) that had occurred and were continuing, including (i) the Debtors’ failure to abide by certain covenants contained in the 2024 Forbearance Agreement; and (ii) failure to make certain payments as required under the 2024 Forbearance Agreement (the “Defaults”). Steidl Aff at ¶26; Steidl Aff at Ex. 33, 0411.

43. The August Notice of Default and Reservation of Rights informed the Debtors that ATB reserved all rights arising under the Defaults (as defined therein), including the right to seek immediate repayment of the facilities. Steidl Aff at ¶27; Steidl Aff at Ex. 33, 0412.

44. Following the issuance of the August Notice of Default and Reservation of Rights communication, ATB attempted to negotiate a further forbearance agreement with the Debtors, however the Debtors refused to agree to any further forbearance terms with ATB. Steidl Aff at ¶28.

¹³ Since the Receivership Order, while the Receiver has received some information from the Debtors, the Debtors have not been forthcoming with complete information about the Debtors.

45. On or about December 20, 2024, ATB issued a second notice of default (the “**December Notice of Default and Reservation of Rights**”) to the Debtors informing them of certain Events of Default (as defined in the 2024 Forbearance Agreement) that had occurred and were continuing, including (i) the Debtors’ failure to abide by certain covenants contained in the 2024 Forbearance Agreement; and (ii) failure to make certain payments as required under the 2024 Forbearance Agreement.). Steidl Aff at ¶29; Steidl Aff at Ex. 34, 0416.

46. The December Notice of Default and Reservation of Rights informed the Debtors that ATB reserved all rights arising under the Defaults (as defined therein), including the right to seek immediate repayment of the facilities. Steidl Aff at ¶ 30; Steidl Aff at Ex. 34, 0417.

(IV) ATB Demands to Borrowers and Guarantors

47. As a result of the Defaults, on or about January 16, 2025, ATB issued a notice of default and demand for payment to the Borrowers (the “**Borrower Demands**”), and concurrently delivered notice of its intention to enforce its Security pursuant to section 244 of the Bankruptcy and Insolvency Act (Canada) RSC 1985 c B-3 (a “**244 Notice**”). Steidl Aff at ¶31; Steidl Aff at Ex. 35, 0419; Steidl Aff at Ex. 36, 0425.

48. Also, on or about January 16, 2025, ATB issued notices of default and demands for payment to each of the Guarantors, (the “**Guarantor Demands**” and together with the Borrower Demands, the “**Demands**”) together with 244 Notices. Steidl Aff at ¶32; Steidl Aff at Ex. 37, 0432; Steidl Aff at Ex. 38, 0436; Steidl Aff at Ex. 39, 0441; Steidl Aff at Ex. 40, 0446; Steidl Aff at Ex. 41, 0451.

E. The Canadian Proceeding

(I) The Application for the Canadian Proceeding

49. It is a term of the Security that if the Debtors are in default of their obligations to ATB, ATB may apply to the Canadian Court for the appointment of a receiver and manager. Steidl

Aff at ¶34. As alleged by ATB, the Debtors were in in default of their obligations to ATB, so ATB was entitled to apply to the Canadian Court to appoint a receiver and manager over the Debtors. Steidl Aff at ¶ 35. Further, and as discussed above, the Debtors agreed to the Consent Receivership Order as part of the Forbearance Agreements. Steidl Aff at ¶36.

50. On February 10, 2025, ATB filed an Application for Receivership (“**Receivership Application**”) and a Bench Brief Of The Applicant In Support Of The Receivership Application (“**Bench Brief**”) with the Court Of King’s Bench Of Alberta, Calgary Judicial Centre, where it was assigned Court File no. 2501-01744.¹⁴ The Receivership Application was supported by the Affidavit No. 1 of Greg Steidl, Director of Risk Advisory and Management of ATB.

51. The Debtors and their counsel were provided with notice of the February 10, 2025 Receivership Application, Consent to Act, Affidavit of Greg Steidl, Brief in Support of the Application, and Book of Authorities, and of the hearing on the Receivership Application set for February 21, 2025.¹⁵ A hearing was held in the Canadian Court on February 21, 2025. The Canadian Court noted in the Receivership Order that the Canadian Court read the Application, the Affidavit of Greg Steidl, the consent of FTI Canada Consulting Inc. to act as Receiver, and noted the consent endorsed hereon of counsel to the Respondents; and heard counsel for ATB, counsel for the proposed Receiver, and any other counsel or other interested parties present. Receivership Order, 0001.

¹⁴ True and correct copies of the Receivership Application and the Bench Brief can be downloaded free of charge at FTI’s website: <https://cfcanada.fticonsulting.com/LocalFirst/motions.htm> and are incorporated herein for all purposes.

¹⁵ A true and correct copy of the Consent to Act can be downloaded free of charge at FTI’s website: <https://cfcanada.fticonsulting.com/LocalFirst/motions.htm> and is incorporated herein for all purposes.

(II) The Canadian Court Appoints FTI as Receiver

52. On February 21, 2025, the Receivership Order was pronounced by the Honourable Justice M.J. Lema, and was filed with the Canadian Court on February 26, 2025. The Receivership Order finds that “[t]he time for service of the notice of application for this order (the “**Receivership Order**”) is hereby abridged and deemed good and sufficient and this application is properly returnable today.” Receivership Order ¶1.

53. The Receivership Order recites the authority under Canadian law for the appointment of the Receiver:

2. Pursuant to section 243(1) of the Bankruptcy and Insolvency Act, RSC 1985, c. B-3 (the “**BIA**”), and sections 13(2) of the Judicature Act, RSA 2000, c.J-2, 99(a) of the Business Corporations Act, RSA 2000, c.B-9, and 65(7) of the Personal Property Security Act, RSA 2000, c.P-7, FTI Canada Consulting Inc. is hereby appointed Receiver, without security, of all of the Debtors’ current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”).

Receivership Order ¶2.

54. The Receivership Order specifically authorizes the Receiver to act “as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.” Receivership Order ¶31. It empowers and authorizes the Receiver to take numerous steps involving the property of the entities subject to the Canadian Proceeding. Receivership Order ¶3. Likewise, the Receivership Order grants the Receiver access to all of the Debtors’ books, records, contracts, securities, and information. Receivership Order ¶¶ 4-6. Additionally, the Receivership Order imposes a stay of proceedings against the Receiver, the Debtors, or the Debtors’ property similar to the protections available under 11 U.S.C. § 362(a). Receivership Order ¶¶7-11. Thus, upon the entry of the Receivership Order, all strategic and key managerial decisions are being made by the Receiver in Calgary, Alberta.

55. Among other things, the Receivership Order provides that the Receiver may apply to a Court in the US for recognition of the Receivership Order and respectfully requests that Courts in jurisdictions outside Canada recognize the Receivership Order and aid and assist to assist the Receiver and the Canadian Court:

30. This Court hereby **requests the aid and recognition of any court**, tribunal, regulatory or administrative body having jurisdiction in Canada **or in any foreign jurisdiction to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver**, as an officer of this Court, as may be necessary or desirable to give effect to this Order, **to grant representative status to the Receiver in any foreign proceeding**, or to assist the Receiver and its agents in carrying out the terms of this Order.

31. The Receiver be at liberty and is hereby **authorized and empowered to apply to any court**, tribunal, regulatory or administrative body, **wherever located, for the recognition of this Order** and for assistance in carrying out the terms of this Order and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings **for the purpose of having these proceedings recognized in a jurisdiction outside Canada.**

Receivership Order ¶¶30-31 (emphasis added).

F. The Chapter 15 Cases

56. On May 13, 2025, the Receiver filed Official Form No. 401 Chapter 15 petitions for each of the Debtors pursuant to 11 U.S.C. § 1504, 1509(a) and 1515(a).

57. Pursuant to the Receivership Order and the evidence presented, the Receiver is a foreign representative in a foreign proceeding, and hereby seeks relief under Chapter 15 of the Bankruptcy Code.

V. RELIEF REQUESTED

58. The Receiver hereby respectfully requests that this Court enter an order pursuant to Sections 105, 1507, 1517, 1520 and 1521, substantially in the form of the Proposed Order attached hereto as Exhibit A, providing the following relief:

- Recognition of the Canadian Proceeding as a foreign main proceeding under Sections 101(23) and 1502(4)¹⁶ of the Bankruptcy Code and finding that the Receiver is a foreign representative as defined in Section 101(24) of the Bankruptcy Code.
- Granting the Receiver the relief afforded under Section 1520 of the Bankruptcy Code as is provided by right upon the recognition of the Canadian Proceeding as a foreign main proceeding.¹⁷
- Granting the Receiver the relief afforded under Section 1524¹⁸ of the Bankruptcy Code, that the Receiver may intervene in any proceeding in a state or federal court in the United States in which the Debtor is a party and shall have the exclusive right to prosecute, continue, defend, settle, compromise, or dismiss any such proceeding in the name of any Debtor.
- Granting further additional relief as authorized by Section 1521 of the Bankruptcy Code, including, without limitation:
 - That the administration or realization of all or part of the assets of the Debtors within the territorial jurisdiction of the United States be hereby entrusted to the Receiver, and the terms of the Receivership Order shall apply to the Debtors, their creditors, the Receiver, and any other parties-in-interest, and the Receiver is authorized to implement the Receivership Order;
 - That (1) the commencement or continuation of any action or proceeding concerning the assets, rights, obligations or liabilities of the Debtors, including any action or proceeding against FTI in its capacity as Receiver of the Debtors, be stayed to the extent not stayed under Section 1520(a) of the Bankruptcy Code; that (2)

¹⁶ Alternatively, as a foreign nonmain proceeding under Section 1502(5)).

¹⁷ Certain relief is automatic when a foreign proceeding is recognized as main. 11 U.S.C. § 1520(a). Upon recognition of a foreign proceeding that is a foreign main proceeding—

(1) sections 361 and 362 apply with respect to the debtor and the property of the debtor that is within the territorial jurisdiction of the United States;

(2) sections 363, 549, and 552 apply to a transfer of an interest of the debtor in property that is within the territorial jurisdiction of the United States to the same extent that the sections would apply to property of an estate;

(3) unless the court orders otherwise, the foreign representative may operate the debtor's business and may exercise the rights and powers of a trustee under and to the extent provided by sections 363 and 552; and

(4) section 552 applies to property of the debtor that is within the territorial jurisdiction of the United States.

11 U.S.C. § 1520(a).

¹⁸ Upon recognition of a foreign proceeding, the foreign representative may intervene in any proceedings in a State or Federal court in the United States in which the debtor is a party. 11 U.S.C. § 1524. This relief is automatic upon recognition of a foreign proceeding, whether main or nonmain.

execution against the assets of the Debtors be stayed to the extent not stayed under Section 1520(a) of the Bankruptcy Code; that (3) the right to transfer or otherwise dispose of any assets of the Debtors to the extent not suspended under Section 1520(a) of the Bankruptcy Code be suspended by any person or entity other than the Receiver unless authorized in writing by the Receiver or by Order of the Court;

- That all persons and entities be enjoined from taking any actions inconsistent with the Canadian Proceeding, and from seizing, attaching, and enforcing or executing liens or judgments against the Debtors' property in the United States or from transferring, encumbering or otherwise disposing of or interfering with the Debtors' assets or agreements in the United States without the express consent of the Receiver; and
- That the Order provide for the examination of witnesses, the taking of evidence, the production of documents, or the delivery of information concerning the assets, affairs, rights, obligations or liabilities of the Debtors, and finding that such information is required in the Canadian Proceeding under the law of the United States.
- Otherwise granting comity to and giving full force and effect to the Canadian Court, the Canadian Proceeding, and the Receivership Order.
- Awarding the Receiver such additional assistance under Sections 105(a), 1507, and 1521(a)(7) of the Bankruptcy Code and other and further relief as this Court deems just and appropriate. In this regard, the Receiver seeks an Order:
 - That Section 365(e) of the Bankruptcy Code shall apply with respect to the Debtors' executory contracts and unexpired leases such that, notwithstanding any provision in any such contract or lease or under applicable law, no executory contract or unexpired lease with any of the Debtors may be terminated, cancelled, or modified (and any rights or obligations in such leases or contracts cannot be terminated or modified) solely because of a provision in any contract or lease of the kind described in sections 365(e)(1)(A), (B), or (C) of the Bankruptcy Code, and all contract and lease counterparties located within the United States shall be prohibited from taking any steps to terminate, modify, or cancel any contracts or leases with the Debtors arising from or relating in any way to any so-called "ipso facto" or similar clauses;
 - That the banks and financial institutions with which the Debtors maintain bank accounts or on which checks are drawn or electronic

payment requests made in payment of prepetition or postpetition obligations are authorized and directed to continue to service and administer the Debtors' bank accounts without interruption and in the ordinary course and to receive, process, honor and pay any and all such checks, drafts, wires and automatic clearing house transfers issued, whether before or after the Petition Date and drawn on the Debtors' bank accounts by respective holders and makers thereof and at the direction of the Receiver;

- That the Receiver and its agents are authorized to serve or provide any notices required under the Bankruptcy Rules or Local Rules of this Court;
- That no action taken by the Receiver or its successors, agents, representatives, advisors, or counsel in preparing, disseminating, applying for, implementing, or otherwise acting in furtherance of or in connection with the Canadian Proceeding, the Recognition Order, these Chapter 15 Cases, or any adversary proceeding herein, or contested matters in connection therewith, will be deemed to constitute a waiver of any immunity afforded the Receiver, including without limitation pursuant to sections 306 or 1510 of the Bankruptcy Code; and
- That, because section 361 and 363 of the Bankruptcy Code apply upon recognition of a foreign main proceeding under Section 1520(a) as to property within the territorial jurisdiction of the United States, that the Receiver be granted use of cash collateral, as defined by Section 363 situated in the territorial jurisdiction of the United States (“**Cash Collateral**”)¹⁹ or as may be agreed to by creditors entitled to adequate protection of their cash collateral as described as follows or as otherwise agreed, namely: “Secured creditors with liens on Cash Collateral are entitled to adequate protection for their interest in their Cash Collateral from any diminution in value resulting from the use, sale or lease of Cash Collateral from and after the date of this Order (such decrease in value, the “**Adequate Protection Obligations**”). Accordingly, such secured creditors holding Cash Collateral are hereby granted as adequate protection for and to the extent of the Adequate Protection Obligations, nunc pro tunc to the date of the filing of the Petitions, valid, binding, enforceable and perfected replacement liens and security interests (the “**Adequate Protection Liens**”) in all assets of the Debtors within the territorial jurisdiction of the United States, that shall secure payment of the Adequate Protection Obligations. Nothing

¹⁹ Notably, the Receivership Order provides for a “charge” of USD \$500,000 for the purpose of funding the exercise of the powers and duties conferred upon the Receiver in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise. See Receivership Order, ¶21.

herein shall prejudice, impair or otherwise affect the rights of any party to seek any other or supplemental relief in respect of their Cash Collateral or adequate protection rights.”

59. The Receiver respectfully submits that the Canadian Proceeding should be recognized as a foreign main proceeding under Sections 1502(4) and 1517(a)(1). If, however, the Court determines the Canadian Proceeding is not a foreign main proceeding (either in whole or in part), the Receiver seeks recognition of the Canadian Proceeding as a foreign nonmain proceeding, under Sections 1502(5) and 1517(b)(2), and requests that the Court grant the relief requested herein under the Court’s discretion pursuant to Sections 105(a), 1507, 1509, 1521, 1525, and principles of comity and cooperation.

VI. BASIS FOR RELIEF REQUESTED

60. Chapter 15 was enacted “so as to provide effective mechanisms for dealing with cases of cross-border insolvency.” *Lavie v. Ran (In re Ran)*, 607 F.3d 1017, 1020 (5th Cir. 2010); *see also* 11 U.S.C. § 1501(a). Chapter 15 replaced former Section 304 and “incorporate[s] the Model Law on Cross–Border Insolvency” drafted by UNCITRAL, the United Nations Commission on International Trade Law, which in turn, is based upon the European Union Convention on Insolvency Proceedings. *Id.* The statutory intent to conform American law with international law is explicit in the text of Section 1501(a), and also is expressed in Section 1508, which states that “[i]n interpreting this chapter, the court shall consider its international origin, and the need to promote an application of this chapter that is consistent with the application of similar statutes adopted by foreign jurisdictions.” *Id.* at 1020–21; *see also* 11 U.S.C. § 1508. The Model Law reflects a “universalism” approach to cross-border insolvency and “treats the multinational bankruptcy as a single process in the foreign main proceeding, with other courts assisting in that single proceeding.” *In re ABC Learning Ctrs. Ltd.*, 728 F.3d 301, 306 (3d Cir. 2013) (citing Jay Lawrence Westbrook, Chapter 15 at Last, 79 AM. BANKR. L.J., 713, 715 (2005)), *cert. denied*

sub nom. RCS Cap. Dev., LLC v. ABC Learning Ctrs. Ltd., 571 U.S. 1198 (2014). Chapter 15 cases are “ancillary” cases where a U.S. bankruptcy court acts in aid of the foreign main proceedings’ to avoid a system of full bankruptcies in each state where assets are found. *In re Culligan Ltd.*, No. 20-12192 (JLG), 2023 WL 5942498, at *11 (Bankr. S.D.N.Y. Sept. 12, 2023). A Chapter 15 court in the United States acts as an adjunct or arm of a foreign bankruptcy court where the main proceedings are conducted. *Id.* Furthermore, “[a] petition for recognition of a foreign proceeding shall be decided upon at the earliest possible time.” 11 U.S.C. § 1517(c).

61. Consistent with the principles outlined above, the Receiver commenced these ancillary Chapter 15 Cases with respect to the Debtors under Chapter 15 to obtain recognition of the Canadian Proceeding. The Receiver contends that these Chapter 15 Cases will complement the primary proceedings with respect to the Debtors and their property in Canada and the United States to ensure the effective and economic administration of the Debtors’ estates and prevent adverse actions in the United States. Further, the Receiver submits that recognition of the Canadian Proceeding and the related relief requested herein will not undermine the rights that United States creditors typically would enjoy in a chapter 11 proceeding, as creditors will have the right to participate in these Chapter 15 Cases and the Canadian Proceeding.

62. To be eligible for relief under Chapter 15, under some case law, debtors must meet the general eligibility requirements under Section 109(a). In addition, there are more specific eligibility requirements under Section 1517. Further, the petition for recognition must meet the requirements of Section 1515 and Bankruptcy Rule 1007(a)(4). If the foregoing elements, discussed below, are satisfied, a bankruptcy court must grant comity and cooperation to the foreign representative and Chapter 15 recognition. See 11 U.S.C. §§ 1509(b)(3) and 1517(a) and (b).

A. **The Debtors Are Eligible for Chapter 15 Relief Pursuant to Section 109(a) of the Bankruptcy Code**

63. Section 109(a) provides that only a “person²⁰ that resides or has a domicile, a place of business, or property in the United States, or a municipality, may be a debtor under this title.” 11 U.S.C. § 109(a). There is a question of whether the debtor eligibility requirements of Section 109(a) apply in Chapter 15 cases. Some courts, such as the United States Court of Appeals for the Second Circuit, have held that that Section 109(a) applies to the debtor in a foreign main proceeding under Chapter 15. *Drawbridge Special Opportunities Fund LP v. Barnet (In re Barnet)*, 737 F.3d 238, 251 (2d Cir. 2013). However, other courts have reached a different conclusion. *See In re Al Zawawi*, 637 B.R. 663, 669–70 (M.D. Fla. 2022), *aff’d*, 97 F.4th 1244 (11th Cir. 2024) (citing cases declining to follow *Barnet* and holding that “[l]imiting recognition to proceedings involving foreign debtors that qualify as ‘debtors’ under the Bankruptcy Code is simply inconsistent with the express language and fundamental purpose of Chapter 15”). The Fifth Circuit has not ruled on this issue. However, it is not necessary to decide the Section 109(a) eligibility legal issue herein since each Debtor “resides or has a domicile, a place of business, or property in the United States....” 11 U.S.C. §109(a).

64. Decisions interpreting Section 109(a) as being applicable to ancillary foreign proceedings unanimously hold that Section 109 is satisfied where a debtor holds even a nominal amount of property in the United States. “Property in the United States” to satisfy Section 109(a) eligibility can include a retainer with a professional in a US bank account, contractual rights of a foreign debtor vis a vis a US entity, maintenance of original business documents in the US and

²⁰ Each Debtor is either a corporation or a limited liability company, so each Debtor is a “person.” See 11 U.S.C. §101(9)(a)(1); § 101(27); 101(41)(A)(ii). Debtors BTC USA (a Delaware corporation), Local First Properties USA (a Delaware corporation), Alaska Broadcast (an Alaska corporation), B2P (California corporation), and Frontier (an Alaska limited liability company) reside or have a domicile or a place of business in the United States.

equity interests in a US company. *See In re Ocean Rig UDW Inc.*, 570 B.R. 687, 699 (Bankr. S.D.N.Y. 2017) (US bank account and contract rights, citing several cases); *In re Octaviar Admin. Pty Ltd*, 511 B.R. 361, 372 (Bankr. S.D.N.Y. 2014) (law firm retainer in US bank account); *In re Paper I Partners, L.P.*, 283 B.R. 661, 674 (Bankr. S.D.N.Y. 2002) (debtor's US business documents); *In re Agro Santino, OOD*, 653 B.R. 79, 88 (Bankr. S.D.N.Y. 2023) (debtor's litigation counterclaims); *Octaviar*, 511 B.R. at 369-70 (debtor's claims and causes of action). Effectively, if a debtor has any property in the United States, Section 109(a) is satisfied. *See GMAM Inv. Funds Trust Iv. Globo Comunicacoes e Participacoes S.A. (In re Globo Comunicacoes e Participacoes S.A.)*, 317 B.R. 253, 249 (S.D.N.Y. 2004) (stating that courts have repeatedly found that there is “‘virtually no formal barrier’ to having federal courts adjudicate foreign debtors’ bankruptcy proceedings”).

65. The Debtors satisfy Section 109(a) on multiple fronts. Local First Properties USA owns real property in Wake Village and Texarkana, Texas, Juneau, Ketchikan, and Sitka, Alaska, and McNab, Arkansas. Alaska Broadcast owns real property in Juneau, Alaska. Some of the Debtors own radio stations in Texarkana, Texas and Juneau, Ketchikan, and Sitka, Alaska.²¹

66. Moreover, Debtor Local First Media (Alberta Canada corporation) owns a 90% equity interest in subsidiary Local First Properties USA (Delaware corporation) and a 20% equity interest in BTC USA (Delaware corporation). Under Delaware law, the situs of the stock of a Delaware corporation is in Delaware. *See* 8 Del. C. § 169 (“For all purposes of title, action, attachment, garnishment and jurisdiction of all courts held in this State, but not for the purpose of taxation, the situs of the ownership of the capital stock of all corporations existing under the laws

²¹ In addition, the Debtor Frontier operates KZRB, a radio station in Texarkana, Texas, under a Local Program and Marketing Agreement. A “principal” place of business is not required to satisfy Section 109(a)’s requirement, rather it is merely “a” place of business. *In re Zais Inv. Grade Ltd. VII*, 455 B.R. 839, 844 (Bankr. D.N.J. 2011) (emphasis original) (citing *In re Paper I Partners, L.P.*, 283 B.R. 661, 672 (Bankr. S.D.N.Y. 2002)).

of this State, whether organized under this chapter or otherwise, shall be regarded as in this State.”); *see also In re Glob. Ocean Carriers Ltd.*, 251 B.R. 31, 37 (Bankr. D. Del. 2000) (concluding that under Delaware law, a chapter 11 debtor that owned the capital stock of a Delaware corporation owned property in Delaware).

67. The Debtors also satisfy 109(a) by having contractual agreements governed by United States law. Local First Properties USA has entered into a deed of trust governed by Texas and Alaska law and a security agreement governed by New York law. Steidl Aff, Ex. 22, 0174-0175. Alaska Broadcast has entered into a deed of trust governed by Alaska law and a security agreement governed by New York law. Steidl Aff, Ex. 19, 0125. B2P has entered into a pledge agreement governed by New York law. Steidl Aff, Ex. 18, 0106. Local First Media has entered into a pledge agreement governed by New York law. Steidl Aff, Ex. 21, 0125. BTC USA has entered into a security agreement governed by New York law. Steidl Aff, Ex. 20, 0141. *See Ocean Rig UDW Inc.*, 570 B.R. at 700 (holding that the presence of a New York choice of law and forum selection clauses in a debt indenture satisfies the 109(a) “property in the United States” eligibility requirement); *see In re U.S. Steel Canada Inc.*, Case No. 7-11519 (MG), 571 B.R. 600, 609-11, 2017 WL 3225914 at *7-8 (Bankr. S.D.N.Y. July 31, 2017) (same); *In re Berau Capital Res. Pte Ltd*, 540 B.R. 80, 82 (Bankr. S.D.N.Y. Oct. 28, 2015) (“The Court concludes that the presence of the New York choice of law and forum selection clauses in the [indenture] satisfies the section 109(a) ‘property in the United States’ eligibility requirement.”).

68. Notably, the ATB loan agreement, while governed by the laws of Canada, is denominated in US dollars, and security agreements and deeds of trust for properties in the United States are governed by applicable state law. Steidl Aff at Ex. 9, 0036.

69. Additionally, through the Receiver, each of the Debtors has provided a retainer to the Receiver's Texas counsel, Norton Rose Fulbright US LLP, which is being maintained in an interest-bearing account located in the state of Texas, and the Debtors maintain an interest in the unearned portion of these retainer funds, and such retainer agreement is subject to the laws of Texas. Courts have ruled that a retainer held by a foreign representative's United States counsel is alone sufficient property to meet Bankruptcy Code section 109(a)'s requirement. *See, e.g., In re Culligan Ltd.*, Case No. 20-12192 [Docket No. 58] (Bankr. S.D.N.Y. July 2, 2021) (finding that undrawn attorney retainers alone satisfy the requirement under Bankruptcy Code section 109); *see also In re Inversora Eléctrica de Buenos Aires S.A.*, 560 B.R. 650, 655 (Bankr. S.D.N.Y. 2016) (finding that a bank account alone was sufficient to meet the requirement under Bankruptcy Code section 109); *In re Suntech Power Holdings Co.*, 520 B.R. 399, 413 (Bankr. S.D.N.Y. 2014) (“[The bank account] satisfied the express requirements for eligibility under section 109(a) to permit the [debtors] to file the Chapter 15.”); *In re McTague*, 198 B.R. 428, 431-32 (Bankr. W.D.N.Y. 1996) (finding that \$194 in a bank account was alone sufficient to meet the requirement of Bankruptcy Code section 109(a)).

70. The Debtors have additional property in the United States, including equipment, bank accounts, receivables, personal property and other contract rights (including FCC licenses). For these reasons, the Debtors satisfy the requirements under Section 109(a).

B. The Canadian Proceeding Should Be Recognized as a Foreign Proceeding Under Section 1517(a) of the Bankruptcy Code

71. Section 1517(a) provides that, after notice and hearing, a court shall enter an order recognizing a foreign proceeding as a foreign main proceeding if (a) such foreign proceeding is a foreign main proceeding within the meaning of Section 1502(b)(1); (b) the foreign representative applying for recognition is a person or body; and (c) the petition meets the requirements of section

1515. As explained below, the Canadian Proceeding, the Receiver, and the Petition satisfy all of the foregoing requirements.

(I) The Canadian Proceeding is a “Foreign Proceeding”

72. “Foreign proceeding” is defined in the Bankruptcy Code as “a collective judicial or administrative proceeding in a foreign country, including an interim proceeding, under a law relating to insolvency or adjustment of debt in which proceeding the assets and affairs of the debtor are subject to control or supervision by a foreign court, for the purpose of reorganization or liquidation.” 11 U.S.C. § 101(23).

73. The applicable Canadian laws are discussed in the Gorman Declaration, filed contemporaneously herewith, which opines that the Canadian Proceeding is a foreign proceeding and the Receiver is a foreign representative under the definitions provided in Sections 101(23) and 101(24). The BIA is one of two pieces of federal legislation in Canada applicable to bankruptcies and insolvencies. The BIA governs both voluntary and involuntary bankruptcy liquidations and provides for debtor reorganizations.

74. The BIA also authorizes a court to appoint a receiver upon a secured creditor’s application. *Id.* § 243(1). Such court-appointed receivers are given a mandate and specific powers as set out in the order appointing the receiver. These duties typically include: (a) taking possession and control of the property and assets of the debtor; (b) marketing and selling such property and assets in a commercially reasonable manner (whether as a going concern, en-bloc, or otherwise) and under the supervision and approval of the appointing court; and (c) distributing the proceeds of such sales to the stakeholders in accordance with the legal entitlement. The appointing court has broad discretion to authorize the receiver to “take any other action that the court considers advisable.” *Id.* § 243(1)(c).

75. A court-appointed receiver under the BIA is a “national” receiver, meaning that a receiver administers assets in each of Canadian’s ten provinces and three territories, typically without further order of provincial courts. The BIA and its related legislation (the Companies’ Creditors Arrangement Act) are federal legislation. But provincial legislative jurisdiction governs property and civil rights, potentially affecting some insolvency-related matters, similar to the interplay between state and federal law in the United States. Nonetheless, the BIA provides a statutory framework for a court-appointed receiver to carry out its mandate on a national basis rather than relying on the various provincial statutes or courts for its authority.

76. The Judicature Act authorizes the Court to appoint a receiver where it is “just and convenient” on any terms and conditions the Court determines are just. Generally, the Judicature Act codifies broad equitable powers of the Court which allows it to provide for certain remedies where equitable, including the appointment of a receiver. The powers and duties of a receiver appointed by the Court pursuant to section 13(2) of the Judicature Act is set out in the order appointing the receiver and may be tailored to the specific circumstances. Generally such powers and/or duties will be the same or similar to a receiver appointed under the BIA as noted above.

77. The Canadian Proceeding falls squarely within the definition of “foreign proceeding.” Prior to the passage of Chapter 15, United States courts recognized cases filed under Canada’s federal bankruptcy and insolvency statutes, the BIA and the CCAA, to be “relating to insolvency.” *See Tradewell, Inc. v. American Sensors Electronics, Inc.*, No. 96 CIV. 2474(DAB), 1997 WL 423075, at *1, n. 1 (S.D.N.Y. July 29, 1997) (noting that the “CCAA is a broad statute, the purpose of which is to ‘provide insolvent debtors with the opportunity to restructure their financial affairs with their creditors.’”). Moreover, since the passage of Chapter 15, cases filed under Canada’s insolvency schemes have consistently been recognized as “foreign proceedings.”

See, e.g., In re Calmena Energy Services Inc., No 15-30786 , ECF No. 17 (Bankr. S.D. Tex. March 5, 2015) (recognizing Canadian BIA receivership proceeding as foreign proceeding); *In re Poseidon Concepts Corp.*, No. 13–15893, ECF No. 60 (Bankr. D. Colo. May 15, 2013) (same); *In re Nortel Networks, Inc.*, 469 B.R. 478, 487 (Bankr. D. Del. 2012) (stating the Court had previously entered an order recognizing the proceeding under the CCAA was a foreign main proceeding under Chapter 15 of the Bankruptcy Code); *In re Metcalfe & Mansfield Alternative Investments*, 421 B.R. 685, 688 (Bankr. S.D.N.Y. 2010) (“It is clear that the Canadian Proceedings should be recognized as a foreign main proceeding.”); *In re Gandi Innovations Holdings, LLC*, 09-51782-C, 2009 WL 2916908, at *1 (Bankr. W.D. Tex. June 5, 2009) (“[T]he CCAA Proceeding is a foreign proceeding entitled to recognition under Chapter 15 of the Code.”).²²

(II) The Receiver is a Proper “Foreign Representative”

78. Section 101(24) defines “foreign representative” as “a person or body, including a person or body appointed on an interim basis, authorized in a foreign proceeding to administer the reorganization or the liquidation of the debtor’s assets or affairs or to act as a representative of such foreign proceeding.” 11 U.S.C. § 101(24).

79. The Receiver may serve as the “foreign representative” because it constitutes a “person or body.” “Person” is defined under Section 101(41) to include an individual, partnership or corporation. 11 U.S.C. § 101(41). Because the Receiver is an incorporated entity, it therefore

²² For numerous other examples of Texas bankruptcy courts recognizing Canadian insolvency proceedings as “foreign proceedings,” see *In re Fossil Creek A2A Limited Partnership*, No. 24-44299, ECF No. 27 (Bankr. N.D. Tex. Dec. 20, 2024); *In re Sandvine Corporation*, No. 24-33617, ECF No. 64 (Bankr. N.D. Tex. Dec. 3, 2024); *In re BioSteel Sports Nutrition*, Case 23-90777, ECF No. 46 (Bankr. S.D. Tex. Oct. 11, 2023); *In re Dynamic Technologies Group Inc.*, No. 23-41416, ECF No. 43 (Bankr. N.D. Tex. June 14, 2023); *In re Calfrac Well Services Corp.*, Case 20-33529, ECF No. 143 (Bankr. S.D. Tex. Sept. 15, 2020); *In re BOS Solutions Ltd.*, Case 20-32465, ECF No. 41 (Bankr. S.D. Tex. Sept. 9, 2020); *In re ENTREC Corporation*, Case 20-32643, ECF No. 36 (Bankr. S.D. Tex. Sept. 29, 2020); *In re Kodiak Services USA, Inc.*, Case 19-70031, ECF No. 38 (Bankr. W.D. Tex. Apr. 26, 2019); *In re ATK Oilfield Transportation Inc.*, No. 16-70042, ECF No. 44 (Bankr. W.D. Tex. Apr. 19, 2016); *In re GasFrac Energy Servs., Inc.*, No. 15-50161, ECF No. 46 (Bankr. W.D. Tex. Feb. 2, 2014).

qualifies as a “person” and can accordingly serve as a “foreign representative.” The Receiver has been specifically authorized in the Canadian Proceeding to act as the Debtors’ foreign representative. Receivership Order ¶¶30-31. Additionally, the Receivership Order specifically states “The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order. . . .” Receivership Order ¶31.

80. The Court is therefore entitled to presume that the Receiver is a proper “foreign representative.” *See* 11 U.S.C. § 1516. Additionally, Courts have previously considered a receiver appointed pursuant to BIA § 243(1) to be a duly authorized “foreign representative.” *See, e.g., In re Poseidon Concepts Corp.*, No. 13–15893, ECF No. 60 (Bankr. D. Colo. May 15, 2013) (recognizing Canadian receivership proceeding as foreign proceeding); *In re Baronet U.S.A. Inc.*, No. 07–13821, ECF No. 15 (Bankr. S.D.N.Y. Jan. 1, 2008) (same); *In re Calmena Energy Services Inc.*, No. 15-30786, ECF No. 17 (Bankr. S.D. Tex. March 5, 2015) (same); *In re ATK Oilfield Transportation Inc.*, No. 16-70042, ECF No. 44 (Bankr. W.D. Tex., April 1, 2016) (same); *In re Innova Global Ltd.*, No. 19-10653, ECF 54 (Bankr. N.D. Okla. April 19, 2019) (same); *In re Eagle Energy, Inc.*, No. 19-33868-15 ECF 35 (Bankr. N.D. Tex. December 5, 2019) (same); *In re Rokstad Holdings Corporation*, No. 24-12645-MFW (Bankr. Del. December 12, 2024) (same).

(III) The Petitions were Properly Filed Under Sections 1504 and 1509 of the Bankruptcy Code and Meet the Requirements of Section 1515 of the Bankruptcy Code and Bankruptcy Rule 1007(a)(4)

(1) Statutory Authority

81. A Chapter 15 case is commenced when a foreign representative files a petition for recognition of a foreign proceeding under Sections 1504 and 1515; *In re Oversight & Control Comm’n of Avanzit, S.A.*, 385 B.R. 525, 532 (Bankr. S.D.N.Y. 2008). Pursuant to Bankruptcy Section 1515(b), the petition must be accompanied by certain documentary evidence which the

court may presume to be authentic. 11 U.S.C. § 1516(b). An “order recognizing a foreign proceeding shall be entered” if the Court finds:

- (1) such foreign proceeding for which recognition is sought is a foreign main proceeding or foreign nonmain proceeding within the meaning of section 1502;
- (2) the foreign representative applying for recognition is a person or body; and
- (3) the petition meets the requirements of Section 1515.

11 U.S.C. § 1517(a).

82. A decision or certificate from a foreign court indicating the foreign proceeding is a “foreign proceeding,” as defined in Section 101(23), is presumptively correct. 11 U.S.C. § 1516(a). Similarly, a decision or certificate from a foreign court indicating that the foreign representative is a “foreign representative,” as defined in section 101(24), is presumptively correct. *Id.* While the Receivership Order does not specifically use the terms, “foreign representative” or “foreign proceeding,” (a Canadian receiver would not be “foreign” to a Canadian Court) paragraphs 30 and 31 of the Receivership Order show an intent that the Receiver may seek Chapter 15 relief in the United States. Receivership Order, ¶¶ 30, 31..

83. As stated herein, (a) the Canadian Proceeding is a foreign proceeding under the definition of Section 101(23), (b) the Receiver is a foreign representative under the definition of Section 101(24) and is a person under the definition of Section 101(41),²³ and (c) the petition meets the requirements of Section 1515, namely, the evidence of the foreign proceedings and the foreign representative has been provided. *See* Receivership Order; Gorman Declaration. Accordingly, the requirements for recognition of the Canadian Proceeding under Section 1517(a)(2) and (3) are met, leaving only the question of whether the Canadian Proceeding is a foreign main proceeding or a foreign nonmain proceeding under Section 1517(a)(1).

²³ The term “person” includes individual, partnership, and corporation. 11 U.S.C. § 101(41).

(2) Rule Requirements for Recognition of the Canadian Proceeding

84. A petition for recognition of a foreign proceeding under Chapter 15 of the Code shall state the country where the debtor has its center of main interests. FED. R. BANKR. P. 1004.2(a). As discussed below, the center of main interests for the Debtors is Canada. This statement has been provided in the Debtors' Official Form 401 Petitions.

85. The petition for recognition shall also identify each country in which a foreign proceeding by, regarding, or against the debtor is pending. FED. R. BANKR. P. 1004.2(a). The Debtors are debtors in the foreign proceedings described in the Receivership Order, which is the Canadian Proceeding. This information has also been provided in the Debtors' Official Form 401 Petitions. The Receiver is unaware of any other foreign proceedings involving the Debtors.

86. A foreign representative filing a petition for recognition under Chapter 15 shall file with the petition a corporate ownership statement containing the information described in Rule 7007.1. FED. R. BANKR. P. 1007(a)(4). Such a corporate ownership statement has been filed contemporaneously herewith.

87. A foreign representative filing a petition for recognition under Chapter 15 shall file with the petition (unless the court orders otherwise), a list containing the names and addresses of all persons or bodies authorized to administer foreign proceedings of the debtor, all parties to litigation pending in the United States in which the debtor is a party at the time of the filing of the petition, and all entities against whom provisional relief is being sought under Section 1519. FED. R. BANKR. P. 1007(a)(4). A Rule 1007(a)(4) List has been filed contemporaneously herewith.

(3) Requirements for a Petition for Recognition

88. A petition for recognition shall be accompanied by any one of the following:

- (1) a certified copy of the decision commencing such foreign proceeding and appointing the foreign representative;

(2) a certificate from the foreign court affirming the existence of such foreign proceeding and of the appointment of the foreign representative; or

(3) in the absence of evidence referred to in paragraphs (1) and (2), any other evidence acceptable to the court of the existence of such foreign proceeding and of the appointment of the foreign representative.

11 U.S.C. § 1515(b).

89. Accordingly, in compliance with Section 1515(b), attached to the Form 401 Petitions for the Debtors is the Receivership Order from the Canadian Proceeding, certified by the Canadian Court, which may be presumed authentic. 11 U.S.C. § 1516(b).

C. The Canadian Proceeding Should Be Recognized As a Foreign Main Proceeding Under Section 1517(b)(1) of the Bankruptcy Code Because Canada Is the Location of the Debtor's Center of Main Interests

90. A foreign proceeding shall be recognized as a “foreign main proceeding” if it is pending in the country where the debtor has the center of its main interests. 11 U.S.C. § 1517(b). The term “center of main interests” (“COMI”) is not defined in the Bankruptcy Code. There is a presumption under Section 1516(c) that a corporate debtor’s registered office is the center of its main interests, but that presumption may be overcome. *Lavie v. Ran (In re Ran)*, 607 F.3d 1017, 1022 (5th Cir. 2010). Here, the registered offices for Debtors Local First Media and Local First Properties Canada are in Edmonton, Alberta, Canada. Steidl Aff at Ex. 1-0011 and Ex. 2-0014. The registered offices for the other five Debtors are in the US. Steidl Aff at Exs. K 3, K 4, K 5, K 6, K 7. However, as discussed below, for the Debtors’ corporate family as a whole, the COMI is in Canada.

(I) Facts At The Time Of The Chapter 15 Petition Are Determinative for COMI

91. The Fifth Circuit has held that, in determining COMI, the Court must look at the facts as of the time of the filing of the Chapter 15 petition, as opposed to past dates. *See Ran*, 607 at 1025 (5th Cir. 2010) (“Congress’s choice to use the present tense requires courts to view the

COMI determination in the present, i.e. at the time the petition for recognition was filed. If Congress had, in fact, intended bankruptcy courts to view the COMI determination through a lookback period or on a specific past date, it could have easily said so.”).

(II) The COMI of the Debtors is Located In Canada Based Upon the Established COMI Factors

92. There are five non-exhaustive factors in determining a debtor’s COMI: (a) the location of those who actually manage the debtor; (b) the location of the debtor’s headquarters; (c) the location of the debtor’s primary assets; (d) the location of the majority of the debtor’s creditors or the majority of creditors affected by the case; and (e) the jurisdiction whose law would apply to most disputes. *Ran*, 607 F.3d at 1023 (citing *In re SPhinX, Ltd.*, 351 B.R. 103, 117 (Bankr. S.D.N.Y. 2006) *aff’d*, 371 B.R. 10 (S.D.N.Y. 2007)). Where a group of affiliated debtors includes both foreign and US debtors, courts have considered the corporate group facts as a whole in determining COMI for all debtors. *See In re Evergreen Gaming Corp.*, Case No 09-13567 ECF 99 (Bankr. W.D. Wash. July 6 2009)(Order Recognizing Foreign Main Proceeding, noting that the COMI in Canada was proper for all debtors even though some members of the corporate group were US entities); *In re Gandi*, 2009 WL 2916908, at *2 (court finds that debtor US operating company of Canadian debtors had their COMI in Canada, citing interrelatedness of the business and “[a]s a matter of comity, and in the interests of fulfilling the stated purpose of chapter 15 as set out in Section 1501, the court concludes that, in these circumstances, the court should find that the center of main interests for [the US debtor] should be Canada”).

93. The first factor, and, the most important, the location of those who manage the debtor, the “nerve center,” or “principal place of business” of the Debtors, favors Canada as the COMI. In determining COMI under Chapter 15, bankruptcy courts have utilized the “nerve center” test established in *Hertz Corp. v. Friend*, 559 U.S. 77 (2010). *See Hertz Corp. v. Friend*,

559 U.S. 77, 80–81, (2010) (nerve center is where the corporation’s high level officers direct, control, and coordinate the corporation’s activities); *In re Gandi*, 2009 WL 2916908, at *2 (“While the evidence regarding center of main interest is mixed, the court finds that the ‘nerve center’ for the [Debtors] is [in] Canada...the court concludes that, in these circumstances, the court should find that the center of main interests for [a Texas incorporated entity] should be Canada.”) (Unpublished disposition); *In re Suntech Power Holdings Co.*, 520 B.R. 399, 416 (Bankr. S.D.N.Y. 2014) (“[T]he court may consider the location of the debtor’s ‘nerve center,’ including from where the debtor’s activities are directed and controlled, in determining a debtor’s COMI.”).

94. With the entry of the Receivership Order, the Receiver has expansive authority to act for the Debtors and with respect to the Debtors’ property, to the exclusion of the Debtors’ prior management. Receivership Order ¶3. Among other things, and without limits on its general authority over all of the Debtors’ property, the Receiver is empowered to (a) take possession and control over all property, (b) manage, operate, and carry on the Debtors’ business, and perform or not perform on any Debtor contracts, (c) engage professionals, (d) purchase assets to continue the Debtors’ business, (e) receive and collect all monies, (f) settle the Debtors’ debts, (g) initiate, prosecute, and settle litigation with respect to the Debtors, (h) sell the Debtors’ property with certain restrictions, (i) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have, and (j) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations. Receivership Order ¶3. Importantly, the Receiver’s powers are “to the exclusion of all other Persons, including the Debtors, and without interference from any other Person.” Receivership Order ¶3. The Receiver for all Debtors is FTI, which is located in Canada and which is empowered to make virtually all decisions for the Debtors

to the exclusion of the Debtors and their former managers, so, as of the operative date of these Chapter 15 petitions, under *Ran*, the nerve center for the Debtors is in Canada.²⁴

95. Even prior to appointment of the Receiver, Canadian entities controlled the organizational chart from Local First Media Group to Local First Properties Canada to Local First Properties USA, which is believed to own the most valuable assets of the Debtors, which are the real property interests,²⁵ and Canadian entities own a 20% interest in BTC USA, which on information and belief owns some radio station assets, either directly or indirectly.

96. Because of the entry of the Receivership Order appointing FTI, the location of the Debtors' headquarters are properly situated with FTI. As to the location of the Debtors' primary assets, subject to further investigation, those assets are located in the US, which is an important reason why the Receiver seeks Chapter 15 recognition. As to the location of the majority of the Debtors' creditors²⁶ or the majority of creditors affected by the case; and the jurisdiction whose law would apply to most disputes, the major secured lender is ATB, a Canadian entity, with a claim of over USD \$8.2 million against all Debtors and with a claim of security interests on virtually all assets of all the Debtors. As such, ATB, in terms of the size of its claim and its

²⁴ *In re Creative Fin., Ltd. (In Liquidation)*, 543 B.R. 498, 518 (Bankr. S.D.N.Y. 2016); *see also In re Oi Brasil Holdings Cooperatief U.A.*, 578 B.R. 169, 222 (Bankr. S.D.N.Y. 2017); *In re Suntech Power Holdings Co.*, 520 B.R. 399, 416-20 (Bankr. S.D.N.Y. 2014); *In re Betcorp Ltd.*, 400 B.R. 266, 292 (Bankr. D. Nev. 2009).

²⁵ Local First Properties USA owns real property in Texarkana, Bowie County, Texas, subject to a Deed Of Trust, Assignment Of Rents And Leases, Collateral Assignment Of Property Agreements, Security Agreement And Fixture Filing dated April 26, 2023, granted by Local First Properties USA in favor of ATB Financial. Steidl Aff at Ex. 22, 0259 (Deed of Trust); 0282-84 (property description). Local First Properties USA also owns real property in Juneau, Ketchikan, and Sitka, Alaska subject to a Deed Of Trust, Assignment Of Rents And Leases, Collateral Assignment Of Property Agreements, Security Agreement And Fixture Filing dated April 26, 2023, granted by Local First Properties USA in favor of ATB Financial. See property descriptions at Steidl Aff at Ex. 22, 0154-56; 0181-82; 0189-91; 0216-17; 0224-26 (property descriptions) and Steidl Aff at Ex. 22, 0157 (Deed of Trust). Alaska Broadcast owns real property in Alaska.

²⁶ According to Mr. Dumas, the majority of creditors in number and dollar amount are Canadian, and with respect to US creditors, there are claims of approximately \$500,000 to the Internal Revenue Service for payroll taxes and approximately \$150,000 to state or local governments for sales tax, with another approximate \$50,000 owed to other creditors.

security, appears to be the creditor most affected by the case. In addition, the Debtors agreed that any disputes with ATB are subject to the law of Alberta and Canada, with a choice of forum of the courts of Alberta.²⁷ See Steidl Aff at Ex. 9, 0043, Steidl Aff at Ex. 10, 0055, Steidl Aff at Ex. 14, 0085, Steidl Aff at Ex. 15, 0091, Steidl Aff at Ex. 16, 0097, Steidl Aff at Ex. 17, 0103, Steidl Aff at Ex. 31, 0336, Steidl Aff at Ex. 32, 0381, Steidl Aff at Ex. 33, 0412, Steidl Aff at Ex. 34, 0417. Also, creditor 7032749 Canada appears to be a group of Canadian lenders who appear to hold a significant secured claim of CAD \$2,461,350.00 and U.S.\$405,000.00 and its agreements with certain Debtors are governed by Canadian law. Mr. Webb of Ontario, Canada, is allegedly owed CAD \$182,604.86 by Debtor Local First Media, and that loan agreement is governed by the laws and courts of the Province of Ontario, Canada. “[E]very person who deals with a foreign corporation impliedly subjects himself to such laws of the foreign government, affecting the powers and obligations of the corporation with which he voluntarily contracts, as the known and established policy of that government authorizes.” *Canada Southern Railroad v. Gebhard*, 109 U.S. 527, 537 (1883). Each Debtor contracted with Canadian entity ATB under either loan documents or the Forbearance Agreements. See *Gandi* at 2009 WL 2916908 *2 (noting that intercorporate guarantees is a COMI fact).

97. Accordingly, the Receiver requests that the Canadian Proceeding be recognized as a foreign main proceeding. See *In re Ernst & Young, Inc.*, 383 B.R. 773, 781 (Bankr. D. Colo. 2008) (finding COMI in Canada notwithstanding the fact that two standards – the location of the debtors’ creditors and applicable law – yielded inconclusive results); *In re Gandi*, 2009 WL 2916908, at *2 (finding mixed factors for COMI, but finding that as “nerve center” for Canadian

²⁷ The exception is that the Security Agreements with the US Debtors are governed by New York law and the Deeds of Trust with respect to the US Debtors are governed by the law of the state where the real property is located (i.e., Texas, and Alaska).

debtor group was in Canada and Texas incorporated entity was controlled through Canada that COMI for entity was in Canada).

D. Alternatively, the Canadian Proceeding Should Be Recognized As Foreign Nonmain Proceeding Under Section 1517(b)(2) of the Bankruptcy Code

98. In the event this Court does not recognize the Canadian Proceeding as foreign main proceedings (whether as a whole or with respect to any Debtor), the Receiver submits that the Canadian Proceeding should be recognized as a foreign nonmain proceeding pursuant to Section 1517(b)(2) and, pursuant to Section 1521, afforded all relief available to a foreign main proceeding.

99. The Canadian Proceeding shall be recognized as a foreign nonmain proceeding if the Debtors have an establishment in Canada. 11 U.S.C. § 1517(b)(2). “Establishment” is defined as any place of operations where the debtor carries out a nontransitory economic activity. 11 U.S.C. § 1502(2). When it is apparent that an entity conducts operations in the country where a foreign proceeding is pending, Courts will recognize the proceeding as a foreign nonmain proceeding if foreign main proceeding recognition is denied. *See e.g., SPhinX*, 351 B.R. at 122.

100. Based on the facts set forth above, including that the Receiver’s (and, prior to entry of the Receivership Order, the Debtors’) management functions are in Canada, all of the Debtors have – at a minimum – an “establishment” in Canada and therefore the Canadian Proceeding is entitled to recognition as a foreign nonmain proceeding to the extent the Court determines that it is not entitled to recognition (in whole or in part) as a foreign main proceeding.

E. The Court Should Grant Discretionary Relief Pursuant to Section 1521 of the Bankruptcy Code

101. In connection with recognition of the Canadian Proceeding, the Receiver seeks certain related relief, including enforcement of the Receivership Order in the United States, and application of Sections 361, 362, and 365(e) in these Chapter 15 Cases. The Receiver respectfully

submits that such relief is warranted under Sections 105(a), 1507, and 1521 and the general principles of comity and cooperation that underpin Chapter 15.

(I) Discretionary Relief Whether or Not a Foreign Proceeding is a Foreign Main Proceeding

102. “Any appropriate” discretionary relief is available upon recognition of a foreign proceeding, whether or not a foreign proceeding is main. 11 U.S.C. § 1521(a) (“Upon recognition of a foreign proceeding, whether main or nonmain, where necessary to effectuate the purpose of this chapter and to protect the assets of the debtor or the interests of the creditors, the court may, at the request of the foreign representative, grant any appropriate relief”). In granting relief under 11 U.S.C. § 1521 to a representative of a foreign nonmain proceeding, the court must be satisfied that the relief relates to assets that, under the law of the United States, should be administered in the foreign nonmain proceeding or concerns information required in that proceeding. 11 U.S.C. § 1521(c). That relief includes:

- (1) staying the commencement or continuation of an individual action or proceeding concerning the debtor’s assets, rights, obligations or liabilities to the extent they have not been stayed under Section 1520(a);
- (2) staying execution against the debtor’s assets to the extent it has not been stayed under Section 1520(a);
- (3) suspending the right to transfer, encumber or otherwise dispose of any assets of the debtor to the extent this right has not been suspended under Section 1520(a);
- (4) providing for the examination of witnesses, the taking of evidence or the delivery of information concerning the debtor’s assets, affairs, rights, obligations or liabilities;
- (5) entrusting the administration or realization of all or part of the debtor’s assets within the territorial jurisdiction of the United States to the foreign representative or another person, including an examiner, authorized by the court;
- (6) extending relief granted under Section 1519(a); and

(7) granting any additional relief that may be available to a trustee, except for relief available under sections 522, 544, 545, 547, 548, 550, and 724 (a).²⁸

11 U.S.C. § 1521(a). The Court may grant relief under Section 1521(a) if the interests of “the creditors and other interested entities, including the debtor, are sufficiently protected.” 11 U.S.C. § 1522(a). Similarly, Section 1507 provides that, “if recognition is granted,” a court “may provide additional assistance to a foreign representative under this title or under other laws of the United States.” 11 U.S.C. § 1507. Finally, section 105(a) provides that the “court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.”

103. The Receiver requests the Court exercise its discretion under sections 105, 1507, and 1521 to grant the relief requested insofar as such relief exceeds that which is available by recognizing the Canadian Proceeding as a foreign main proceeding (or, in the alternative, as a foreign nonmain proceeding) and the Receiver as a “foreign representative” as specified in the Bankruptcy Code. The granting of such relief is consistent with the goals of international cooperation and assistance to foreign courts embodied in Chapter 15 of the Bankruptcy Code, and is a necessary to effect the Canadian Proceeding. If granted, such relief would promote all of the legislatively enumerated objectives of Section 1501(a).

104. Indeed, by the Receivership Order, the Canadian Court expressly requested the assistance of courts outside of Canada in the following provisions:

30. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be

²⁸ In this regard, under Section 721, the court may allow a chapter 7 trustee to operate the business of a debtor for a limited period. The proposed Recognition Order provides that “the Receiver may, but is not obligated to, operate the Debtors’ business and may exercise the rights and powers of a trustee under and to the extent provided by 11 U.S.C §§ 363 and 552.” Section 1520(a)(3) also provides that the foreign representative may operate the debtor’s business.

necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.

31. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

Receivership Order ¶¶ 30-31. Thus, in addition to the reasons set forth above, this Court should give full force and effect to the Receivership Order in the United States under well-established principles of international comity and specifically pursuant to Sections 105(a), 1507, and 1521.

105. In addition, under Section 1521(b), upon recognition of a foreign proceeding, whether main or nonmain, the court may entrust the distribution of all or part of the debtor's assets located in the United States to the foreign representative or another person, including an examiner, authorized by the court, provided that the court is satisfied that the interests of creditors in the United States are sufficiently protected. Accordingly, the Receiver seeks the above relief in the Proposed Order attached hereto as Exhibit A.

(II) Injunction Standards

106. Certain relief under Section 1521 (the "**1521 Relief**") may require the application of standards for injunctive relief. The standards, procedures, and limitations applicable to an injunction may apply to relief under the following:

Section 1521(a)(1) (concerning staying of proceedings not already stayed by Section 1520(a));

Section 1521(a)(2) (concerning staying execution against the debtor's assets to the extent it has not been stayed under Section 1520(a)),

Section 1521(a)(3) (concerning suspending the right to transfer, encumber or otherwise dispose of any assets of the debtor to the extent this right has not been suspended under Section 1520 (a)); and

Section 1521(a)(6) (concerning extending relief granted under Section 1519(a)).

11 U.S.C. § 1521(e).

(III) Factors for Injunctive Relief

107. The Receiver contends that it is not required that an adversary proceeding be filed and served on all parties in interest in order to obtain injunctive relief under Chapter 15. *In re Ho Seok Lee*, 348 B.R. 799, 801 (Bankr. W.D. Wash. 2006) (adversary proceeding not required for Chapter 15 injunctive relief).

108. The factors for injunctive relief are stated in *Dallas Cowboys Cheerleaders, Inc. v. Scoreboard Posters, Inc.*, 600 F.2d 1184, 1187 (5th Cir. 1979). They are discussed below.

109. **A substantial likelihood of success on the merits.** There is no difficult issue on whether the Canadian Proceeding should be recognized, as other courts have consistently recognized BIA proceedings where the proper documentation has been submitted. The Receiver also contends that the center of main interests is in Canada because, among other reasons, the nerve center is in Canada. Accordingly, there is a substantial likelihood that the mandatory relief under Section 1520 will be ordered.

110. **A substantial threat of irreparable injury if the injunction is not issued.** The Receiver needs to stabilize operations and operate in the normal course, including paying employees and ongoing expenses, for a time period while preparing to market the assets. If the Receiver's authority is not honored in the US, or if creditors or parties in interest take collection actions or exercise self-help, the ordinary course operations of the Debtors and the ability of the Receiver to effectuate a sale of assets could be jeopardized. The Receivership Order provides for a stay against seizure of assets and litigation similar to the automatic stay of Section 362(a). Accordingly, the failure to grant the 1521 Relief subjects the Debtors to a substantial threat of irreparable injury, all to the detriment of the Debtors, their estates, and their creditors.

111. **That the threatened injury to the movant outweighs any damage the injunction might cause to the opponent.** Any threatened injury to the Debtors outweighs any damage the injunction might cause to the opponents. The 1521 Relief, if granted, would actually benefit the Debtors' creditors by ensuring an orderly distribution of assets and facilitate the Canadian Proceeding, including the contemplated sale.

112. **That the injunction will not disserve the public interest.** The 1521 Relief will not disserve the public interest. To the contrary, the 1521 Relief is in the public interest because it sets to facilitate a cross-border reorganization that will provide a benefit to the estates of the Debtors. The 1521 Relief is also supported by notions of comity and will allow the Debtors to craft a productive solution for their estates.

113. In sum, the relief sought is necessary and appropriate, in the interest of the public and international comity, consistent with the United States public policy, and will not cause any hardship to any party in interest that is not outweighed by the benefits of granting the requested relief.

(IV) No Bond

114. The Receiver respectfully suggests that no bond be required under Fed. R. Bankr. P. 7065 and Fed. R. Civ. P. 7065(c). A temporary restraining order or preliminary injunction may be issued on application of a debtor, trustee, or debtor in possession without compliance with Rule 65(c). FED. R. BANKR. P. 7065. The Receiver, who is carrying out his duties under the BIA and the Receivership Order, is akin to a trustee, and any bond would necessarily come from the Debtors' assets.

115. In the event that the Court finds that the Canadian Proceeding is a foreign nonmain proceeding, the relief requested herein is still appropriate because the relief is discretionary. *See* 11 U.S.C. § 1521 ("Upon recognition of a foreign proceeding, whether main or nonmain . . . the

court may, at the request of the foreign representative, grant any appropriate relief . . .”). The Receiver respectfully submits that the Court should exercise its discretion in this matter to assure an economical, expeditious, and equitable administration of the Debtors’ estate. Without such relief, the Debtors could be exposed to the risk of voluminous litigation and other actions against the estate, its assets and the Receiver in the United States, which could result in a “race to the courthouse” among creditors and other parties in interest, and thus, threaten the Receiver’s proper administration of the Debtors’ estates.

(V) Request for Comity

116. If the court grants recognition, and subject to any limitations that a court may impose consistent with the policy of Chapter 15, a court in the United States shall grant comity or cooperation to the foreign representative. 11 U.S.C. § 1509(b)(3). Consistent with Section 1501, the court shall cooperate to the maximum extent possible with a foreign court or a foreign representative, either directly or through the trustee. 11 U.S.C. § 1525(a).

117. Accordingly, the Receiver seeks comity and cooperation of this Court with respect to the Canadian Court and its Receivership Order, such that the terms of the Receivership Order granted in the Canadian Proceeding under the BIA is given full force and effect in the United States, including with respect to the Debtors and the Debtors’ property that now or in the future is located within the territorial jurisdiction of the United States.

118. A central tenet of Chapter 15 is the importance of comity in cross-border insolvency proceedings. *Ad Hoc Group of Vitro Noteholders v. Vitro SAB De CV (In re Vitro SAB De CV)*, 701 F.3d 1031, 1053 (5th Cir. 2012).

119. The Supreme Court defined comity as follows:

“Comity,” in the legal sense, is neither a matter of absolute obligation, on the one hand, nor of mere courtesy and good will, upon the other. But it is the recognition which one nation allows within its territory to the legislative, executive, or judicial

acts of another nation, having due regard both to international duty and convenience, and to the rights of its own citizens, or of other persons who are under the protection of its laws.

Hilton v. Guyot, 159 U.S. 113, 143 (1895); see also *Vitro*, 701 F.3d at 1043-44.

120. The exceptions to comity are construed especially narrowly when the foreign jurisdiction is like Canada, a sister common law jurisdiction with procedures akin to those in the United States. *Clarkson Co. v. Shaheen*, 544 F.2d 624, 630 (2d Cir. 1976) (finding that clear and convincing evidence of fraud is required to successfully attack a foreign judgment; the court held that it would contravene the public policy of New York and the doctrine of comity not to recognize the Canadian judgment in these circumstances); see also *In re Petition of Davis*, 191 B.R. 577, 587 (Bankr. S.D.N.Y. 1996) (stating that “Courts in the United States uniformly grant comity to Canadian proceedings” and noting that Canada is a sister common law jurisdiction with the United States).

121. The extension of comity to Canadian orders has continued since the 2005 enactment of Chapter 15. See *In re Metcalfe & Mansfield Alternative Invs.*, 421 B.R. at 698-99 (extending comity to Canadian CCAA order providing for a third party release and citing numerous cases where American courts have extended comity to Canadian judgments); *Raymond Chabot Inc. v. Serge Cote Family Tr. & Pub. Storage*, No. 6:14-CV-03392-MGL, 2014 WL 4198831, at *3, n.1 (D.S.C. Aug. 22, 2014) (entering temporary restraining order assisting Canadian bankruptcy receiver and noting “the widely-accepted view that Canadian judgments are entitled to recognition and enforcement here”); *Collins v. Oilsands Quest, Inc.*, 484 B.R. 593, 597 (S.D.N.Y. 2012) (bankruptcy court enforced Canadian court stay from in CCAA noting “the question here is not whether this Court should grant a stay in the first instance, but whether should accord comity and deference to the stay orders entered by the Alberta Court. The Court concludes that in light of the

comity principles laid out above, the Court must defer to the procedures set forth in the Canadian Proceedings and enforce the stay.”).

F. Request for Immediate Effectiveness

122. The Receiver requests that, notwithstanding Rule 7062 of the Bankruptcy Rules, made applicable to this case by Rule 1018 of the Bankruptcy Rules, that the terms and conditions of the Recognition Order shall be immediately effective and enforceable upon its entry and, upon its entry, shall become final and appealable.

G. FCC Issues

123. Chapter 5 of title 47 of the United States Code, 47 U.S.C. § 151 et seq., as amended (the “**Communications Act**” and together with the rules and published policies of the FCC, as promulgated from time to time, “**Communications Laws**”) grants authority to the Federal Communications Commission (“**FCC**”) to oversee the issuance, renewal, assignment, and transfer of control of broadcast station and other radio operating licenses.²⁹ The FCC must consent to any assignment or transfer of control of FCC licenses.

124. The Debtors currently hold the following radio station FCC licenses (the “**Radio Station Licenses**”):

Facility ID	Call Sign	City	State	Service	Licensee
777	K280ED	HOONAH	AK	FX	BTC USA Holdings Management Inc.
820	KSUP	JUNEAU	AK	FM	BTC USA Holdings Management Inc.
821	K280DX	ANGOON	AK	FX	BTC USA Holdings Management Inc.
822	K300AB	JUNEAU	AK	FX	BTC USA Holdings Management Inc.
823	KINY	JUNEAU	AK	AM	BTC USA Holdings Management Inc.
824	K272FV	SITKA	AK	FX	BTC USA Holdings Management Inc.
31348	KTOY	TEXARKANA	AR	FM	BTC USA Holdings Management Inc.
33541	KTFS-FM	TEXARKANA	AR	FM	BTC USA Holdings Management Inc.
33542	KTFS	TEXARKANA	TX	AM	BTC USA Holdings Management Inc.
33729	KCMC	TEXARKANA	TX	AM	BTC USA Holdings Management Inc.
33762	KBYB	HOPE	AR	FM	BTC USA Holdings Management Inc.

²⁹ See Communications Act, sections 301 (requirement for license), 307 (renewal of license), 308 and 309 (issuance of licenses), and 310(d) (assignment and transfer of control of licenses).

82616	K279AF	HAINES & SKAGWAY	AK	FX	BTC USA Holdings Management Inc.
137761	K284AM	SKAGWAY	AK	FX	BTC USA Holdings Management Inc.
150918	K254AS	TEXARKANA	TX	FX	BTC USA Holdings Management Inc.
156971	K257FY	TEXARKANA	TX	FX	BTC USA Holdings Management Inc.
156973	K288FI	TEXARKANA	TX	FX	BTC USA Holdings Management Inc.
161171	KXXJ	JUNEAU	AK	AM	BTC USA Holdings Management Inc.
165971	KTTY	NEW BOSTON	TX	FM	BTC USA Holdings Management Inc.
201334	K290CP	TEXARKANA	TX	FX	BTC USA Holdings Management Inc.
202065	K300DW	TEXARKANA	TX	FX	BTC USA Holdings Management Inc.
202194	K235DA	JUNEAU	AK	FX	BTC USA Holdings Management Inc.
202195	K227DP	JUNEAU	AK	FX	BTC USA Holdings Management Inc.
788	KTKN	KETCHIKAN	AK	AM	Alaska Broadcast Communications, Inc.
789	KGTW	KETCHIKAN	AK	FM	Alaska Broadcast Communications, Inc.
790	K248AI	KETCHIKAN	AK	FX	Alaska Broadcast Communications, Inc.
791	K258AD	CRAIG	AK	FX	Alaska Broadcast Communications, Inc.
32949	K278GE	JUNEAU	AK	FX	Alaska Broadcast Communications, Inc.
32950	KTKU	JUNEAU	AK	FM	Alaska Broadcast Communications, Inc.
60516	KIFW	SITKA	AK	AM	Alaska Broadcast Communications, Inc.
60517	KSBZ	SITKA	AK	FM	Alaska Broadcast Communications, Inc.
61235	KJNO	JUNEAU	AK	AM	Alaska Broadcast Communications, Inc.
147853	K252EJ	WRANGELL	AK	FX	Alaska Broadcast Communications, Inc.
202193	K248DQ	JUNEAU	AK	FX	Alaska Broadcast Communications, Inc.
202240	K227DQ	KETCHIKAN	AK	FX	Alaska Broadcast Communications, Inc.

The debtors currently hold the following wireless FCC licenses (the “**Wireless Licenses**”):

Callsign	Radio Service	Licensee
WHS647	AS	BTC USA Holdings Management Inc.
WHY958	AS	BTC USA Holdings Management Inc.
WLE528	AS	BTC USA Holdings Management Inc.
WLG880	AS	BTC USA Holdings Management Inc.
WMV426	AS	BTC USA Holdings Management Inc.
WPNG538	AS	BTC USA Holdings Management Inc.
KA21840	RP	BTC USA Holdings Management Inc.
KB96795	RP	BTC USA Holdings Management Inc.
KB97416	RP	BTC USA Holdings Management Inc.
KC27667	RP	BTC USA Holdings Management Inc.
KLB588	RP	BTC USA Holdings Management Inc.
KO2499	RP	BTC USA Holdings Management Inc.
KQP290	RP	BTC USA Holdings Management Inc.
KQP291	RP	BTC USA Holdings Management Inc.
KS2466	RP	BTC USA Holdings Management Inc.
WQDA567	AS	BTC USA Holdings Management Inc.
WQDA571	AS	BTC USA Holdings Management Inc.
WQDA576	AS	BTC USA Holdings Management Inc.
WQDA578	AS	BTC USA Holdings Management Inc.
WQEF771	AS	BTC USA Holdings Management Inc.
WQJE667	AS	BTC USA Holdings Management Inc.
WQSX354	AI	BTC USA Holdings Management Inc.
WQVE832	AS	BTC USA Holdings Management Inc.
WRDX346	AS	BTC USA Holdings Management Inc.
KC27698	RP	Alaska Broadcast Communications, Inc.
KRH784	RP	Alaska Broadcast Communications, Inc.

WPQS896	AS	Alaska Broadcast Communications, Inc.
WQYE613	AS	Alaska Broadcast Communications, Inc.

The debtors currently hold the following earth station FCC license (the “**Earth Station License**”):

File No.	Owner	City	State
SES-REG-20180717-01976	Frontier Media, LLC	Texarkana	TX

125. As stated above, the Debtors operate radio stations in the U.S., and, as such, the Debtors hold FCC broadcast and wireless licenses and a receive-only earth station license. While the Receivership Order grants the Receiver broad authority to operate the Debtors’ business and control the Debtors’ assets, the Receiver has exercised no control over such FCC licenses or any broadcasting or radio operational decisions with respect to such radio stations; such decisions having been made by pre-receivership management who are still working for the Debtors. Accordingly, although the proposed relief seeks a ruling that the Receiver may, but is not obligated, to operate the Debtors’ business, the Receiver is not currently controlling the FCC licenses or broadcast operations.

126. Section 310(b) of the Communications Act restricts foreign ownership or control of any entity licensed to provide broadcast and certain other services. Among other prohibitions, a corporation with an FCC license may not be “controlled by any other corporation of which more than one-fourth of the capital stock is owned of record or voted by aliens, their representatives, or by a foreign government or representative thereof, or by any corporation organized under the laws of a foreign country” if the FCC finds that the public interest will be served by the refusal or revocation of such a license due to foreign control.³⁰ A concern has been raised by the Debtors

³⁰ Section 310(b) of the Communications Act provides that “[n]o broadcast or common carrier or aeronautical en route or aeronautical fixed radio station license shall be granted to or held by—

(1) any alien or the representative of any alien;
(2) any corporation organized under the laws of any foreign government;

that the Receiver is a Canadian entity, and as such, may not exercise control over the Debtor's FCC licenses. First, as stated above, the Receiver has not been in control of the FCC licenses, as operations of the radio stations to date have been by Mr. Cliff Dumas. The Receiver seeks a finding that it is not in control of the FCC licenses. Second, even if the Receiver was in control of the Debtors, the Receiver is wholly owned by FTI Consulting, Inc., which is a U.S. publicly traded company incorporated under the laws of the State of Maryland.

127. As stated above, a foreign representative may operate the Debtor's business and exercise the powers of a trustee under Sections 1520(a)(3) and 1521(a)(7) and 721; *see also* 11 U.S.C. §§ 105(a), 1507(additional assistance to the foreign representative); 1525(a) (cooperation with the foreign representative). As such, a foreign representative is not functionally different from a court appointed trustee. And, although not in a state court receivership proceeding, the Receiver is a receiver in a receivership proceeding under Canadian law. Accordingly, the Receiver seeks a finding from this Court that the Receiver is functioning as a court appointed trustee in bankruptcy proceedings for purposes of the following:

1. filing an FCC Form 316 to temporarily transfer control of the Radio Station Licenses to the Receiver of the entities holding such FCC licenses. A Form 316 may be used when there is "an involuntary assignment or transfer of a controlling interest in a licensee/permittee to a court appointed federal trustee (in bankruptcy proceedings) or receiver (in state court receivership proceedings)."
2. filing an FCC Form 603 to temporarily transfer control of the Wireless Licenses to the Receiver of the entities holding such FCC licenses. An application for involuntary transfer of control should be filed in case of Licensee bankruptcy.

(3) any corporation of which more than one-fifth of the capital stock is owned of record or voted by aliens or their representatives or by a foreign government or representative thereof or by any corporation organized under the laws of a foreign country;

(4) any corporation directly or indirectly controlled by any other corporation of which more than one-fourth of the capital stock is owned of record or voted by aliens, their representatives, or by a foreign government or representative thereof, or by any corporation organized under the laws of a foreign country, if the Commission finds that the public interest will be served by the refusal or revocation of such license."

3. filing an FCC Form 312 to temporarily transfer control of the Earth Station License to the Receiver of the entity holding such FCC license, to the extent required by 47 C.F.R. 25.119(j), which provides that for assignment or transfers of control “other than non-substantial (*pro forma*) transfers of control, the transferee or assignee must file a notification with the Commission on FCC Form 312, Main Form and Schedule A no later than 30 days after the transfer or assignment is completed.”

VII. CONCLUSION

128. The Receiver respectfully requests that this Court recognize the Canadian Proceeding as foreign main proceedings, and grant the relief requested herein. The Receiver alternatively requests recognition as a foreign nonmain proceeding, and that the Court grant the relief requested herein.

Dated: May 13, 2025
Dallas, Texas

Respectfully submitted,

NORTON ROSE FULBRIGHT US LLP

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*Counsel to FTI Consulting Canada Inc., solely in its
capacity as court-appointed receiver of the Debtors*

VERIFICATION

I, Deryck Helkaa, Senior Managing Director, Corporate Finance & Restructuring, at FTI Consulting Canada Inc. ("**FTI**"), solely in its capacity as Receiver and the authorized Foreign Representative (in such capacity, the "**Petitioner**") of (a) Local First Media Group Inc. ("**Local First Media**"), an Alberta Canada corporation (b) Local First Properties Inc. ("**Local First Properties Canada**"), an Alberta Canada corporation (c) BTC USA Holdings Management Inc ("**BTC USA**"), a Delaware corporation; (d) Local First Properties USA Inc. ("**Local First Properties USA**"), a Delaware corporation; (e) Alaska Broadcast Communications, Inc. ("**Alaska Broadcast**"), an Alaska corporation; (f) Broadcast 2 Podcast, Inc. ("**B2P**"), a California corporation; and (g) Frontier Media LLC ("**Frontier**"), an Alaska Limited Liability Company (collectively, the "**Debtors**"), pursuant to 28 U.S.C. § 1746, hereby declare under penalty of perjury as follows:

I have the full authority to verify this petition on behalf of the Debtors.

I have read the foregoing petition, and I am informed and believe that the factual allegations contained therein are true and accurate to the best of my knowledge.

I declare under penalty of perjury under the laws of the United States of America that, to the best of my knowledge, information and belief, the foregoing is true and correct.

Executed this 15th day of May, 2025 in Calgary, AB, Canada

/s/ Deryck Helkaa

Deryck Helkaa, Senior Managing Director, Corporate Finance & Restructuring, at FTI Consulting Canada Inc. ("**FTI**"), solely in its capacity as Receiver and the authorized Foreign Representative of the Debtors.

CERTIFICATE OF SERVICE

I hereby certify that contemporaneously with the filing of the foregoing, I directed the Receiver's noticing agent to serve a copy of the foregoing on parties in interest in this case. The Receiver will supplement this certificate of service with proof of service and a copy of such service list.

/s/ Kristian W. Gluck
Kristian W. Gluck

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
TEXARKANA DIVISION**

In re: LOCAL FIRST MEDIA GROUP INC. Debtor in a foreign proceeding.	Case No. 25-41368 Chapter 15
In re: LOCAL FIRST PROPERTIES INC., Debtor in a foreign proceeding.	Case No. 25-41369 Chapter 15
In re: BTC USA HOLDINGS MANAGEMENT INC., Debtor in a foreign proceeding.	Case No. 25-50050 Chapter 15
In re: LOCAL FIRST PROPERTIES USA INC., Debtor in a foreign proceeding.	Case No. 25-50051 Chapter 15
In re: ALASKA BROADCAST COMMUNICATIONS, INC., Debtor in a foreign proceeding.	Case No. 25-50052 Chapter 15
In re: BROADCAST 2 PODCAST, INC., Debtor in a foreign proceeding.	Case No. 25-50053 Chapter 15

In re:

FRONTIER MEDIA LLC,

Debtor in a foreign proceeding.

Case No. 25-50054

Chapter 15

**ORDER GRANTING RECEIVER'S VERIFIED PETITION FOR RECOGNITION AS
FOREIGN MAIN PROCEEDINGS AND RELATED RELIEF AND
AUTHORIZING RECEIVER'S USE OF CASH COLLATERAL**

On May 13, 2025, the *Receiver's Verified Petition For Recognition As Foreign Main Proceedings, Or Alternatively As Foreign Nonmain Proceedings, Pursuant To Sections 1515 And 1517 Of The United States Bankruptcy Code And Related Relief And Authorizing Receiver's Use Of Cash Collateral* (“**Petition**”)¹ was filed by FTI Consulting Canada Inc. (“**FTI**”) solely in its capacity as court-appointed receiver (the “**Receiver**”) of (1) Local First Media Group Inc. (“**Local First Media**”), an Alberta Canada corporation; (2) Local First Properties Inc. (“**Local First Properties**”), an Alberta Canada corporation; (3) BTC USA Holdings Management Inc (“**BTC USA**”), a Delaware corporation; (4); Local First Properties USA Inc. (“**Local First USA**”), a Delaware corporation; (5) Alaska Broadcast Communications, Inc. (“**Alaska Broadcast**”), an Alaska corporation; (6) Broadcast 2 Podcast, Inc. (“**B2P**”), a California corporation; and (7) Frontier Media LLC (“**Frontier**”), an Alaska Limited Liability Company (collectively, the “**Debtors**”).

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Petition.

In connection therewith and after due deliberations and consideration of (i) the Petition, (ii) the exhibits to the Petition, (iii) the Receivership Order (as defined below) entered in the Canadian Proceeding (as defined below), (iv) all other documents filed in support thereof, and (v) the exhibits introduced at the hearings conducted in these cases, testimony of witnesses, if any, and the arguments and statements of counsel, and (vi), without limitation, the authority under 28 U.S.C. § 1334(a) and (b), 28 U.S.C. § 157, 11 U.S.C. §§ 105(a), 361, 363, 1501, 1504, 1507, 1509, 1510, 1515, 1516, 1517, 1520, 1521, and 1525 and principles of comity and cooperation, and good and sufficient cause appearing, **IT IS HEREBY FOUND AND DETERMINED THAT:**²

- A. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334(a) and (b) and Sections 109 and 1501 of the Bankruptcy Code. This matter has been referred to the Bankruptcy Court pursuant to *Order Of Reference Of Bankruptcy Cases And Proceedings Nunc Pro Tunc* entered by the United States District Court For The Eastern District Of Texas on August 6, 1984. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P). To the extent applicable, each of the Debtors has either a domicile, principal place of business, and/or property in the United States, and each Debtor is eligible to be a debtor in a chapter 15 case pursuant to, as applicable, 11 U.S.C. §§ 109 and 1501.
- B. Venue is proper in this district pursuant to 28 U.S.C. § 1410.
- C. This Court has constitutional authority to enter final orders in these cases under Article III of the United States Constitution and *Stern v. Marshall*, 564 U.S. 462 (2011), or, in the alternative, by consent of the parties. *See Executive Benefits Ins. Agency v. Arkinson*, 134 S. Ct. 2165 (2014).
- D. Good, sufficient, appropriate and timely notice of the filing of the Petition and the hearing on the Petition has been given by the Receiver, pursuant to Bankruptcy Rule 2002(q), via email and/or first class mail to: (a) the Office of the United States Trustee; (b) the United States Attorney for the Eastern District of Texas; (c) all persons or bodies authorized to administer the Canadian Proceeding; (d) all parties to litigation pending in the United States in which any Debtors is a party as of the date hereof, if any; (e) all vendors of the Debtors known by the Receiver; (f) all equity holders of the Debtors known by the Receiver; (g) all parties against whom the Receiver is seeking relief pursuant to Bankruptcy Code section 1519; and (h)

² The findings and conclusions set forth herein and in the record of the hearing on the Petition constitute this Court's findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, as made applicable herein by Bankruptcy Rules 7052 and 9014. To the extent any of the findings of fact herein constitute conclusions of law, they are adopted as such.

such other parties in interest that have requested notice pursuant to Bankruptcy Rule 2002. The Court finds that the Petition was properly served pursuant to the Federal and Local Rules of Bankruptcy Procedure and that consideration of the Petition was warranted and that appropriate notice under 11 U.S.C. § 102(1) of this proceeding was provided.

- E. No objections or other responses were filed with respect to this proceeding that have not been overruled, withdrawn, or otherwise resolved.
- F. The Debtors are the following entities: (1) Local First Media, (2) Local First Properties, (3) BTC USA, (4) Local First USA, (5) Alaska Broadcast, (6) B2P, and (7) Frontier.
- G. On February 10, 2025, ATB Financial (“**ATB**”) filed an Application for Receivership and a Bench Brief Of The Applicant In Support Of The Receivership Application with the Court Of King’s Bench Of Alberta, Calgary Judicial Centre, (the “**Canadian Court**”) seeking the appointment of FTI as receiver for the Debtors under section 243 of the Bankruptcy and Insolvency Act (the “**BIA**”), RSC 1985 c B-3 and section 13(2) of the Judicature Act, RSA 2000 c J-2 where it was assigned Court File no. 2501-01744 (“**Canadian Proceeding**”).
- H. The Debtors and their counsel were provided with notice of the February 10, 2025 Receivership Application, Consent to Act, Affidavit of Greg Steidl, Brief in Support of the Application, and Book of Authorities, and of the hearing on the Receivership Application set for February 21, 2025.
- I. A hearing was held on the Application for Receivership in the Canadian Court on February 21, 2025. The Canadian Court noted in the Receivership Order that the Canadian Court read the Application, the Affidavit of Greg Steidl, the consent of FTI Canada Consulting Inc. to act as Receiver, and noted the consent endorsed hereon of counsel to the Respondents; and heard counsel for ATB, counsel for the proposed Receiver, and any other counsel or other interested parties present.
- J. On February 21, 2025, the Receivership Order was pronounced in the Canadian Proceeding by the Honourable Justice M.J. Lema, and was filed with the Canadian Court on February 26, 2025. The Receivership Order appointed FTI as Receiver of the Debtors.
- K. On May 13, 2025 (the “**Petition Date**”), the Receiver filed Official Form No. 401 Chapter 15 petitions and the Petition for each of the Debtors pursuant to Sections 1504(a), 1509(a) and 1515 of Title 11, United States Code (“**Bankruptcy Code**”), commencing these Chapter 15 Cases.
- L. These cases were properly commenced pursuant to Sections 1504(a), 1509(a), and 1515 of the Bankruptcy Code.
- M. The Receiver is a “person” within the meaning of Section 101(41) of the Bankruptcy Code and is the duly appointed foreign representative of the Debtors

within the meaning of Section 101(24) of the Bankruptcy Code. The Receiver has satisfied the requirements of Bankruptcy Code section 1515 and Bankruptcy Rule 1007(a)(4).

- N. The Canadian Proceeding is a “foreign proceeding” within the meaning of Section 101(23) of the Bankruptcy Code.
- O. The Canadian Proceeding is entitled to recognition by this Court pursuant to Section 1517 of the Bankruptcy Code.
- P. The Canadian Proceeding is pending in Canada, where each Debtor has the “center of its main interests” as referred to in Bankruptcy Code section 1517(b)(1). Accordingly, the Canadian Proceeding is a “foreign main proceeding” pursuant to Bankruptcy Code section 1502(4) and is entitled to recognition as a foreign main proceeding pursuant to Bankruptcy Code section 1517(b)(1).
- Q. Because the Canadian Proceeding is a foreign main proceeding, the Receiver is entitled to the relief afforded under Section 1520 of the Bankruptcy Code.
- R. There is a substantial likelihood that, with the relief granted herein, the Receiver will be able to successfully liquidate the assets of the Debtors’ under the provisions of the Bankruptcy Code in these Chapter 15 Cases and the BIA in the Canadian Proceeding, which will benefit all stakeholders.
- S. Relief is needed to protect the assets of the Debtors or the interests of the creditors pursuant to 11 U.S.C. § 1521. Therefore, the Receiver is entitled to the additional relief afforded under Section 1521 of the Bankruptcy Code as set forth herein (the “**1521 Relief**”).
- T. The Receiver, in its role as foreign representative of the Debtors, and the Debtors, are entitled to the 1521 Relief set forth herein pursuant to Section 1521 of the Bankruptcy Code. The Receiver has been successful on the merits in that this Court has recognized that the Canadian Proceeding is a foreign main proceeding.
- U. There is a substantial threat of irreparable injury if the Section 1521 Relief is not granted. The Receiver needs to stabilize operations and operate in the normal course, including paying employees and ongoing expenses, for a time period while preparing to market the assets. If the Receiver’s authority is not honored in the US, or if creditors or parties in interest take collection actions or exercise self-help, the ordinary course operations of the Debtors and the ability of the Receiver to effectuate a sale of assets could be jeopardized. The Receivership Order provides for a stay against seizure of assets and litigation similar to the automatic stay of Section 362(a). Accordingly, the failure to grant the 1521 Relief subjects the Debtors to a substantial threat of irreparable injury, all to the detriment of the Debtors, their estates, and their creditors.
- V. Any threatened injury to the Debtors outweighs any damage the injunction might cause to the opponents. The 1521 Relief, if granted, would actually benefit the

Debtors' creditors by ensuring an orderly distribution of assets and facilitate the Canadian Proceeding, including the contemplated sale.

- W. The 1521 Relief will not disserve the public interest. To the contrary, the 1521 Relief is in the public interest because it sets to facilitate a cross-border reorganization that will provide a benefit to the estates of the Debtors. The 1521 Relief is also supported by notions of comity and will allow the Debtors to craft a productive solution for their estates. The relief granted is necessary and appropriate to effectuate the purpose of Chapter 15 of the Bankruptcy Code and to protect the assets of the Debtors and interests of the creditors, is in the interest of the public and international comity, is consistent with the United States public policy, and will not cause any hardship to any party in interest that is not outweighed by the benefits of granting the requested relief.

BASED ON THE FOREGOING FINDINGS OF FACT AND AFTER DUE DELIBERATION AND SUFFICIENT CAUSE APPEARING THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Petition is **GRANTED**.
2. The Canadian Proceeding is hereby recognized as a foreign main proceeding pursuant to Sections 1502(4) and 1517(b)(1) of the Bankruptcy Code with respect to each of the Debtors.
3. The Receivership Order is consistent with the public policy of the United States and is therefore granted comity. The terms of the Receivership Order granted in the Canadian Proceeding under the BIA is given full force and effect in the United States, including with respect to the Debtors and the Debtors' property that now or in the future is located within the territorial jurisdiction of the United States.
4. The Receiver is a foreign representative of the Debtors within the meaning of Section 101(24) of the Bankruptcy Code. FTI, in its capacity as Receiver, is authorized to act on behalf of the Debtors and is established as the exclusive representative of the Debtors in the United States.
5. The Receiver is granted all of the relief afforded under Section 1520 of the Bankruptcy Code including, without limitation, the following:

- (a.) Sections 361 and 362 of the Bankruptcy Code apply with respect to the Debtors and the property of the Debtors that is within the territorial jurisdiction of the United States;
- (b.) Sections 363, 549 and 552 of the Bankruptcy Code apply to a transfer of an interest of the Debtors in property that is within the territorial jurisdiction of the United States to the same extent that the sections would apply to property of an estate;
- (c.) the Receiver may, but is not obligated to, operate the Debtors' business and may exercise the rights and powers of a trustee under and to the extent provided by 11 U.S.C. §§ 363 and 552; and
- (d.) Section 552 of the Bankruptcy Code applies to property of the Debtors that is within the territorial jurisdiction of the United States.

6. Pursuant to Section 1524 of the Bankruptcy Code, the Receiver may intervene in any proceeding in a state or federal court in the United States in which the Debtor is a party and shall have the exclusive right to prosecute, continue, defend, settle, compromise, or dismiss any such proceeding in the name of any Debtor.

7. The following additional relief is granted pursuant to Sections 105(a), 1507, and 1521 of the Bankruptcy Code:

- (a.) The administration or realization of all or part of the assets of the Debtors within the territorial jurisdiction of the United States is hereby entrusted to the Receiver, and the terms of the Receivership Order shall apply to the Debtors, their creditors, the Receiver, and any other parties-in-interest, and the Receiver is authorized to implement the Receivership Order;
- (b.) The commencement or continuation of any action or proceeding concerning the

assets, rights, obligations or liabilities of the Debtors, including any action or proceeding against FTI in its capacity as Receiver of the Debtors, is stayed to the extent not stayed under Section 1520(a) of the Bankruptcy Code; and execution against the assets of the Debtors is stayed to the extent not stayed under Section 1520(a) of the Bankruptcy Code; execution against the assets of the Debtors is stayed to the extent not stayed under Section 1520(a) of the Bankruptcy Code; and the right to transfer or otherwise dispose of any assets of the Debtors to the extent not suspended under Section 1520(a) of the Bankruptcy Code is suspended by any person or entity other than the Receiver unless authorized in writing by the Receiver or by Order of the Court. In this regard, all persons and entities are enjoined from taking any actions inconsistent with the Canadian Proceeding, and from seizing, attaching, and enforcing or executing liens or judgments against the Debtors' property in the United States or from transferring, encumbering or otherwise disposing of or interfering with the Debtors' assets or agreements in the United States without the express consent of the Receiver;

- (c.) The Receiver may undertake the examination of witnesses, the taking of evidence, the production of documents, or the delivery of information concerning the assets, affairs, rights, obligations or liabilities of the Debtors, in that such information is required in the Canadian Proceeding under the law of the United States;
- (d.) Section 365(e) of the Bankruptcy Code shall apply with respect to the Debtors' executory contracts and unexpired leases such that, notwithstanding any provision in any such contract or lease or under applicable law, no executory contract or unexpired lease with any of the Debtors may be terminated, cancelled, or modified

(and any rights or obligations in such leases or contracts cannot be terminated or modified) solely because of a provision in any contract or lease of the kind described in sections 365(e)(1)(A), (B), or (C) of the Bankruptcy Code, and all contract and lease counterparties located within the United States shall be prohibited from taking any steps to terminate, modify, or cancel any contracts or leases with the Debtors arising from or relating in any way to any so-called “ipso facto” or similar clauses;

- (e.) The banks and financial institutions with which the Debtors maintain bank accounts or on which checks are drawn or electronic payment requests made in payment of prepetition or postpetition obligations are authorized and directed to continue to service and administer the Debtors’ bank accounts without interruption and in the ordinary course and to receive, process, honor and pay any and all such checks, drafts, wires and automatic clearing house transfers issued, whether before or after the Petition Date and drawn on the Debtors’ bank accounts by respective holders and makers thereof and at the direction of the Receiver;
- (f.) The Receiver and its agents are authorized to serve or provide any notices required under the Bankruptcy Rules or Local Rules of this Court; and
- (g.) No action taken by the Receiver or its successors, agents, representatives, advisors, or counsel in preparing, disseminating, applying for, implementing, or otherwise acting in furtherance of or in connection with the Canadian Proceeding, the Recognition Order, these Chapter 15 Cases, or any adversary proceeding herein, or contested matters in connection therewith, will be deemed to constitute a waiver of any immunity afforded the Receiver, including without limitation pursuant to

Sections 306 or 1510 of the Bankruptcy Code.

8. Because section 361 and 363 of the Bankruptcy Code apply upon recognition of a foreign main proceeding under Section 1520(a) as to property within the territorial jurisdiction of the United States, that the Receiver be granted use of cash collateral, as defined by Section 363, situated in the territorial jurisdiction of the United States (“**Cash Collateral**”) or as may be agreed to by creditors entitled to adequate protection of their cash collateral as described as follows. Secured creditors with liens on Cash Collateral are entitled to adequate protection for their interest in their Cash Collateral from any diminution in value resulting from the use, sale or lease of Cash Collateral from and after the date of this Order (such decrease in value, the “**Adequate Protection Obligations**”). Accordingly, such secured creditors holding Cash Collateral are hereby granted as adequate protection for and to the extent of the Adequate Protection Obligations, nunc pro tunc to the date of the filing of the Petitions, valid, binding, enforceable and perfected replacement liens and security interests (the “**Adequate Protection Liens**”) in all assets of the Debtors within the territorial jurisdiction of the United States, that shall secure payment of the Adequate Protection Obligations. Nothing herein shall prejudice, impair or otherwise affect the rights of any party to seek any other or supplemental relief in respect of their Cash Collateral or adequate protection rights.

9. Notwithstanding the foregoing, this Court finds and concludes that there has been no Canadian control within the meaning of 47 U.S.C. § 310 over the Debtors’ Federal Communications Commission (“**FCC**”) licenses or any broadcasting or radio operational decisions with respect to such radio stations. First, the Receiver is wholly owned by FTI Consulting, Inc., which is a U.S. publicly traded company incorporated under the laws of the State of Maryland. Second, such decisions have been made by pre-receivership management who are

still working for the Debtors. The Court also finds that, for purposes of filing FCC Forms 316, 603, and 312, the Receiver is found to be a court appointed federal trustee (in bankruptcy proceedings) with authorization to file such forms.

10. This Court shall retain jurisdiction with respect to the enforcement, amendment or modification of this Order, any request for additional relief or any adversary proceeding brought in and through these Chapter 15 Cases, and any request by an entity for relief from the provisions of this Order, for cause shown, that is properly commenced and within the jurisdiction of this Court.

11. The Receiver shall not be required to post a bond.

12. Notwithstanding Rule 7062 of the Bankruptcy Rules, made applicable to this case by Rule 1018 of the Bankruptcy Rules, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry and, upon its entry, shall become final and appealable.

13. This Order applies to all parties in interest in these Chapter 15 Cases and all of their agents, employees, and representatives, and all those who act in concert with them or who receive notice of this Order.

SO ORDERED.

Date: _____

The Honorable Brenda T. Rhoades
United States Bankruptcy Judge