**Court File No.:** CV-16-11582-00CL

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF OLD PSG WIND-DOWN LTD., OLD BHR WIND-DOWN CORP., OLD BPSU WIND-DOWN CORP., OLD BPSDS WIND-DOWN CORP., OLD EBS WIND-DOWN CORP., OLD PLG WIND-DOWN CORP., OLD PSGI WIND-DOWN CORP., OLD BHR INC., OLD BH INC., OLD BPSU INC., OLD BPSCI INC., OLD BPSUSH INC., OLD EBS INC., OLD PLG INC., AND OLD PSGI INC.**

**(Applicants)**

# NINTH REPORT OF THE MONITOR

**July 13, 2017**


**THORNTON GROUT FINNIGAN LLP**
Toronto Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, Ontario M5K 1K7

**Robert I. Thornton** (LSUC# 24266B)
Email: rthornton@tgf.ca / Tel: (416) 304-0560

**Rachel Bengino** (LSUC # 68348V)
Email: rbengino@tgf.ca / Tel: (416) 304-1153

Lawyers for Ernst & Young Inc.,
the Court-appointed Monitor

**Court File No.:** CV-16-11582-00CL

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF OLD PSG WIND-DOWN LTD., OLD BHR WIND-DOWN CORP., OLD BPSU WIND-DOWN CORP., OLD BPSDS WIND-DOWN CORP., OLD EBS WIND-DOWN CORP., OLD PLG WIND-DOWN CORP., OLD PSGI WIND-DOWN CORP., OLD BHR INC., OLD BH INC., OLD BPSU INC., OLD BPSCI INC., OLD BPSUSH INC., OLD EBS INC., OLD PLG INC., AND OLD PSGI INC.**

**(Applicants)**

# NINTH REPORT OF THE MONITOR

**July 13, 2017**

## INTRODUCTION AND BACKGROUND

1. On October 31, 2016 (the "**Petition Date**"), the Ontario Superior Court of Justice – Commercial List (the "**Court**") granted an order (as amended and restated, the "**Initial Order**"), among other things: (i) declaring that Old PSG Wind-down Ltd. ("**PSG**") (formerly Performance Sports Group Ltd.) and certain of its subsidiaries and affiliates (collectively, the "**Applicants**")[1] were companies to which the *Companies' Creditors Arrangement Act* ("***CCAA***")[2] applied; (ii) granting certain relief including, *inter alia*, a stay of proceedings in favour of the Applicants until November 30, 2016 (the "**Stay of Proceedings**"); and (iii) appointing Ernst & Young Inc. as monitor (in such capacity, the "**Monitor**") of the Applicants.

2. On the same date, the Applicants commenced proceedings (the "**Chapter 11 Proceedings**") in the United States ("**U.S.**") under Chapter 11 of Title 11 of the *U.S. Code* (the "***Code***")[3] in the Bankruptcy Court for the District of Delaware (the "**U.S. Court**").

3. By subsequent orders of the Court, the Stay of Proceedings has been extended to August 1, 2017.

4. PSG is a reporting issuer and its common shares (the "**Common Shares**") were listed on the New York Stock Exchange and the Toronto Stock Exchange under the symbol "PSG" before trading was suspended by both exchanges on October 31, 2016. The New York Stock Exchange delisted the Common Shares effective November 28, 2016 and the Toronto Stock Exchange delisted the Common Shares effective December 8, 2016.

---

[1] The Applicants in the present proceedings are comprised of Old PSG Wind-down Ltd., Old BHR Wind-down Corp., Old BPSU Wind-down Corp., Old BPSDS Wind-down Corp., Old EBS Wind-down Corp., Old PLG Wind-down Corp., Old PSGI Wind-down Corp. (collectively, the "**Canadian Applicants**"), Old BHR Inc., Old BH Inc., Old BPSU Inc., Old BPSCI Inc., Old BPSUSH Inc., Old EBS Inc., Old PLG Inc. and Old PSGI Inc. (collectively, the "**U.S. Applicants**").

It should be noted that since the inception of the proceedings herein, certain of the companies comprising the PSG group were amalgamated and the Applicants changed their names. An explanation of the changes and a reference to the former names of the Applicants can be found in the Monitor's Seventh Report, dated April 7, 2017, accessible at www.ey.com/ca/psg.

[2] *Companies' Creditors Arrangement Act*, RSC 1985, c. C-36, as amended.

[3] 11 U.S.C §§ 101 *et seq*.

5. Background on the Applicants, including their business operations, causes of insolvency and various other matters are described in more detail in the affidavit of Mark Vendetti[4] sworn October 31, 2016 in support of the Initial Order.

6. The Applicants conducted a comprehensive sale process for the going concern sale of substantially all of their assets (the "**Sale Process**") with a stalking horse asset purchase agreement dated October 31, 2016, as amended (the "**Asset Purchase Agreement**"), for the sale of substantially all of the Applicants' assets to 9938982 Canada Inc., an acquisition vehicle co-owned by affiliates of Sagard Holdings Inc. and Fairfax Financial Holdings Limited (the "**Purchaser**"). The closing of the sale was completed on February 28, 2017 (the "**Closing**").

7. Information regarding the Chapter 11 Proceedings, including copies of all orders entered by the U.S. Court in the Chapter 11 Proceedings, is located on a website managed by the Applicants' claims agent, Prime Clerk LLC ("**Prime Clerk**"), at the following URL: https://cases.primeclerk.com/psg/ (the "**Prime Clerk Website**"). Information and materials related to the Applicants' proceedings under the *CCAA* (the "***CCAA* Proceedings**" and, together with the Chapter 11 Proceedings, the "**Restructuring Proceedings**"), including orders of the Court, are located on the Monitor's website at the following URL: www.ey.com/ca/psg (the "**Monitor's Website**").

8. The Applicants are seeking an order:

    (a) approving the Lease Stipulation between the Applicants and the Purchaser which settles the outstanding Capitalized Lease Issue between the parties (as those terms are defined below); and

    (b) extending the Stay of Proceedings to October 1, 2017.

9. This ninth report of the Monitor (the "**Ninth Report**") provides the Court with information relevant to the *CCAA* Proceedings to date, in particular the matters referred to above.

---

[4] Mr. Vendetti was PSG's chief financial officer and an executive vice president.

10. This Ninth Report is presented under the following sections:

    a) Introduction and background;
    b) Terms of reference and disclaimer;
    c) Update on the Restructuring Proceedings;
    d) Lease Stipulation;
    e) Extending the Stay of Proceedings; and
    f) Overall comments and conclusions.

## TERMS OF REFERENCE AND DISCLAIMER

11. The Monitor has prepared several reports since the commencement of the Restructuring Proceedings, each of which is accessible on the Monitor's Website. This Ninth Report should be read in conjunction with the previous reports.

12. In preparing this Ninth Report and making the comments herein, the Monitor has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, company records, management prepared financial information and projections, discussions with management and employees of the Applicants, and information from other third party sources, including the Applicants' Chief Restructuring Officer (the "**CRO**"), Brian J. Fox of Alvarez & Marsal North America LLC ("**A&M**"), and other personnel from A&M and its affiliates (collectively, the "**Information**").

13. The Monitor has assumed the integrity and truthfulness of the Information and explanations provided to the Monitor, within the context in which it was presented. To date, nothing has come to the attention of the Monitor that would cause it to question the reasonableness of this assumption.

14. Finally, the Monitor has requested that the management and the CRO bring to its attention any significant matters that were not otherwise addressed in the course of its specific inquiries. Accordingly, this Ninth Report is based solely on the Information (financial or otherwise) provided to the Monitor.

15. Except as described in this Ninth Report, the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with generally accepted assurance standards or generally accepted standards for review engagements and, accordingly, the Monitor expresses no opinion or other form of assurance in respect of the Information.

16. In view of the purpose of this Ninth Report, some of the financial information herein may not comply with generally accepted accounting principles.

17. Some of the information referred to in this Ninth Report consists of forecasts and projections that were prepared based on the management's current estimates and assumptions. Such estimates and assumptions are, by their nature, not ascertainable and as a consequence, no assurance can be provided regarding any such forecasted or projected results. Actual results will likely vary from the forecasts or projections, even if the assumptions materialize, and the variations could be significant.

18. The Monitor has prepared this Ninth Report in its capacity as the Court-appointed Monitor in the *CCAA* Proceedings in order to provide additional information to the Court in connection with the *CCAA* Proceedings to date. This Ninth Report may not be appropriate for any other purpose and consequently should not be used for any other purpose.

19. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars and all terms not otherwise defined herein shall have the meaning ascribed to them in the Initial Order and in the Monitor's previous reports.

## UPDATE ON THE RESTRUCTURING PROCEEDINGS

20. A summary of the principal substantive orders, motions, and other filings made in the Chapter 11 Proceedings since the date of the Monitor's Eighth Report to the Court, dated April 27, 2017 (the "**Eighth Report**"), is presented in **Appendix "A".**

21. The Monitor continues the processes described in the previous reports, namely, responding to creditors' enquiries; monitoring the Applicants' disbursements; monitoring post-Closing matters in respect of the sale transaction; engaging in discussions with the Applicants and their advisors regarding aspects related to the Restructuring Proceedings; and engaging in discussions with the Applicants and each of the Unsecured Creditors Committee (the "**UCC**") and the Official Committee of Equity Security Holders (the "**Equity Committee**" and together with the UCC, the "**Committees**") to determine the best strategy for winding down the estates of the Applicants.

***Claims Process***

22. To date, several of the claims filed by unsecured creditors have been satisfied either through post-filing payments by the Applicants or through the assumption of such claims by the Purchaser pursuant to the Asset Purchase Agreement. Accordingly, on May 15, 2017, the Applicants issued Notices of Satisfaction to each claimant whose claim had been satisfied (based on the Applicants' books and records) and provided those parties an opportunity to object, if necessary, to the Applicants' position that such claims had been satisfied.

23. Given that the remaining claims left to be reconciled have been identified, the Applicants, in consultation with A&M and the Monitor, anticipate seeking a further order of the Court approving a claim resolution protocol designed to streamline the approval or dispute of remaining claims.

24. The most notable claims that have been filed are (i) the claims filed by a representative plaintiff in a securities class action on behalf of itself and on behalf of a class (styled *Nieves v. Performance Sports Group Ltd. et al,* Case No. 1:16-CV-3591-GHW (S.D.N.Y.) for an undetermined amount; and (ii) the claim filed by the Securities and Exchange Commission (the "**SEC**") for an undetermined amount.

## LEASE STIPULATION

25. Prior to the Closing, the Applicants and the Purchaser were unable to agree on the calculation of the purchase price due to a disagreement as to whether a lease of Old EBS Inc. (f/k/a Easton Baseball/Softball Inc.), a US-incorporated Applicant, in respect of a property in

Thousand Oaks, California constituted a "Capitalized Lease" (the "**Thousand Oaks Lease**"), as that term is defined under the Asset Purchase Agreement (the "**Capitalized Lease Issue**"). The Capitalized Lease Issue was previously reported to the Court by the Monitor in its Seventh Report dated April 7, 2017 (the "**Seventh Report**").

26. Under the terms of the Asset Purchase Agreement, liabilities related to capitalized leases were to be included in the Specified Assumed Liability Deduction Amount (as that term is defined under the Asset Purchase Agreement) and deducted from the cash portion of the purchase price payable by the Purchaser at Closing. The Purchaser believed that the Thousand Oaks Lease was a capitalized lease under the Asset Purchase Agreement, and therefore, the liability related to it was deductible from the cash purchase price payable at Closing. The Applicants did not agree with the Purchaser's position. Inclusion of the liability related to the Thousand Oaks Lease in the Specified Assumed Liability Deduction Amount would have reduced the cash portion of purchase price payable on Closing by US$12,008,073.

27. In order to facilitate Closing, the Applicants and the Purchaser agreed to enter into a third amendment to the Asset Purchase Agreement dated February 27, 2017 (the "**Third Amendment**"). Pursuant to the Third Amendment, the Applicants and the Purchaser instructed Citibank, N.A., as escrow agent under the Asset Purchase Agreement, who was holding a deposit previously paid pursuant to the Asset Purchase Agreement, to retain US$12,008,073 of the deposit (the "**Capitalized Lease Escrow Amount**") pending resolution of the Capitalized Lease Issue.

28. Following the Closing, the Applicants entered into discussions with the Purchaser to settle the Capitalized Lease Issue. The Applicants kept the Monitor apprised of the status of these discussions. The parties have agreed to a stipulation (the "**Lease Stipulation**"), which provides that the Applicants shall receive US$8,000,000 of the Capitalized Lease Escrow Amount and the Purchaser shall receive the remaining US$4,008,073, in each case net of any deduction of escrow fees and expenses of the escrow agent to be shared equally between the Applicants and the Purchaser. The Lease Stipulation further provides that the Purchaser and the Applicants shall mutually release each other from any claims in respect of the Capitalized Lease Issue.

29. The Lease Stipulation has been reviewed and approved by PSG's board of directors, the Monitor and the Committees. The Applicants will also seek approval of the Lease Stipulation from the U.S. Court in the Chapter 11 Proceedings.

30. The Lease Stipulation allows the Applicants to avoid the costs associated with litigating the Capitalized Lease Issue and allows the Applicants to recover a substantial portion of the Capitalized Lease Escrow Amount. The Monitor is of the view that the Lease Stipulation is a fair and reasonable resolution of the Capitalized Lease Issue and generally benefits the Applicants' stakeholders.

## STAY OF PROCEEDINGS

31. The Applicants are seeking an extension of the Stay of Proceedings up to and including October 1, 2017. The Applicants require an extension of the Stay of Proceedings in order to continue to reconcile claims and complete a claims process pursuant to a further order of the Court, wind up the estate and distribute funds to the Applicants' creditors and potentially other stakeholders.

32. As further described in the Seventh Report, the Applicants and the Monitor have significant cash on hand from the sale proceeds from the Closing. The administrative costs associated with winding up the Restructuring Proceedings during the extension of the Stay of Proceedings will be paid from these funds. The Monitor has expressed its view to all parties involved that winding up the Restructuring Proceedings should be done in the most cost efficient manner possible, for the general benefit of the Applicants' stakeholders.

33. The Monitor is of the view that the Applicants are acting in good faith and with due diligence in continuing the *CCAA* Proceedings. As such, the Monitor supports the extension of the Stay of Proceedings.

## OVERALL COMMENTS AND CONCLUSIONS

34. The Applicants are seeking an order:

    (c) approving the Lease Stipulation between the Applicants and the Purchaser which settles the outstanding Capitalized Lease Issue between the parties; and

(d) extending the Stay of Proceedings to October 1, 2017.

35. The Monitor supports the relief sought by the Applicants and recommends that the Court grant the relief.

All of which is respectfully submitted this 13th day of July, 2017.

**ERNST & YOUNG INC.**
In its capacity as the Monitor
in the matter of a proposed plan of compromise or
arrangement of Performance Sports Group Ltd. *et al.*

Per:

Brian M. Denega, CPA, CA, CIRP, LIT
Jean-Daniel Breton, CPA, CA, FCIRP, LIT
Martin Daigneault, CPA, CA, CIRP, LIT
Senior Vice-Presidents

**Appendix "A"**

OVERVIEW OF THE CHAPTER 11 PROCEEDINGS
SINCE THE FILING OF THE EIGHTH REPORT ON
APRIL 27, 2017 TO JULY 12, 2017

## Introduction

1. A summary of the principal substantive orders, motions, and other filings made in the Chapter 11 Proceedings during the period from and including April 27, 2017 to July 12, 2017 is provided below under the following headings:

   (a) Filing of Monthly and Interim Fee Applications;

   (b) Orders Approving Interim Fee Applications;

   (c) Filings Relating to Ordinary Course Professionals;

   (d) Filings Relating to Claim Satisfaction;

   (e) Filings Relating to Contract Assignment;

   (f) Filings Relating to Extension of Exclusivity Period; and

   (g) Miscellaneous.

## Filing of Monthly and Interim Fee Applications

*Filing of Monthly Fee Applications*

2. Pursuant to the order of the U.S. Court on November 29, 2016 establishing procedures for interim compensation and reimbursement of expenses of professionals (the "**Compensation Order**"), the below-listed firms each filed monthly applications for compensation and reimbursement of expenses (each a "**Monthly Fee Application**") covering the time-periods, and requesting authorization to be paid the amounts, described in the chart below. Where

indicated in the chart, a certificate of no objection (each a "**CNO**") was filed with respect to the Monthly Fee Application.[5]

| **Firm** | **Time Period** | **Total Amount Requested for Approval (USD)** | **CNO Filed?** |
|---|---|---|---|
| A&M[6] | March, 2017 | $324,200.46 | Yes |
| A&M | April, 2017 | $234,674.60 | Yes |
| A&M | May, 2017 | $315,530.63 | Yes |
| Young Conaway Stargatt & Taylor, LLP ("**Young Conaway**") | March, 2017 | $154,681.36 | Yes |
| Young Conaway | April, 2017 | $105,947.10 | Yes |
| Young Conaway | May, 2017 | $116,488.19 | No |
| Paul, Weiss, Rifkind, Wharton & Garrison LLP ("**Paul Weiss**") | March, 2017 | $724,856.40 | Yes |
| Paul Weiss | April, 2017 | $661,908.66 | Yes |
| Paul Weiss | May, 2017 | $544,471.12 | No |
| KPMG LLP ("**KPMG**") | February 1 – March 31, 2017 | $51,988.70 | Yes |

[5] Pursuant to the Compensation Order, the Applicants are authorized, upon the filing of a CNO, to make an interim payment of 80% of fees and 100% of expenses requested in the relevant Monthly Fee Application.

[6] A&M's requests for compensation and reimbursement are styled as "Monthly Compensation and Staffing Reports" and all fees and expenses requested therein relate solely to services provided in relation to the Chapter 11 Proceedings. A&M is being compensated separately for its services provided in relation to the CCAA Proceedings.

| **Firm** | **Time Period** | **Total Amount Requested for Approval (USD)** | **CNO Filed?** |
|---|---|---|---|
| Prime Clerk LLC (“**Prime Clerk**”) | January 1 – April 30, 2017 | $775.80 | Yes |
| McMillan LLP (“**McMillan**”) | February, 2017 | CAD 89,577.00 | Yes |
| McMillan | March, 2017 | CAD 37,817.00 | Yes |
| McMillan | April, 2017 | CAD 55,790.50 | No |
| Brown Rudnick LLP (“**Brown Rudnick**”) | March, 2017 | $270,964.45 | Yes |
| Brown Rudnick | April, 2017 | $254,353.10 | Yes |
| Brown Rudnick | May, 2017 | $361,142.01 | No |
| Cassels Brock & Blackwell LLP (“**Cassels**”) | March, 2017 | CAD 160,345.65 | Yes |
| Cassels | April, 2017 | CAD 58,485.93 | Yes |
| Cassels | May, 2017 | CAD 22,417.60 | No |
| Province, Inc. | March, 2017 | $89,006.31 | Yes |
| Province, Inc. | April, 2017 | $144,157.27 | Yes |
| Province, Inc. | May, 2017 | $93,622.00 | No |
| Blank Rome LLP (“**Blank Rome**”) | March, 2017 | $84,540.47 | Yes |

| **Firm** | **Time Period** | **Total Amount Requested for Approval (USD)** | **CNO Filed?** |
|---|---|---|---|
| Blank Rome | April, 2017 | $42,898.48 | Yes |
| Blank Rome | May, 2017 | $22,699.81 | No |
| Houlihan Lokey Capital Inc. (“**Houlihan Lokey**”) | March, 2017 | $225,116.75 | Yes |
| Houlihan Lokey | April, 2017 | $227,949.11 | Yes |
| M.J. Renick & Associates LLC | December 28 – April 30, 2017 | $52,535.90 | Yes |

3. CNOs were also filed with respect to the following Monthly Fee Applications which are further described in the Monitor’s Seventh and Eighth Reports:

   (a) Paul Weiss’s Monthly Fee Application for February, 2017;

   (b) Young Conaway’s Monthly Fee Application for February, 2017;

   (c) Brown Rudnick’s Monthly Fee Application for February, 2017;

   (d) Houlihan Lokey’s Monthly Fee Application for February, 2017; and

   (e) McMillan’s Monthly Fee Application for January, 2017.

*Filing of Interim Fee Applications*

4. Pursuant to the Compensation Order, the below-listed firms filed applications for interim compensation and reimbursement of expenses (each, an “**Interim Fee Application**”) with respect to amounts requested in the Monthly Fee Applications filed during the time period

specified in each Interim Fee Application and summarized in the chart below (each such period a "**Covered Period**").[7]

| **Firm** | **Covered Period** | **Total Amount Requested for Approval[8] (USD)** |
|---|---|---|
| Paul Weiss | February 1 – April 30, 2017 | $3,838,066.34 |
| Young Conaway | February 1 – April 30, 2017 | $534,145.02 |
| Prime Clerk | January 1 – April 30, 2017 | $775.80 |
| Centerview Partners LLC ("**Centerview**") | February 1 – February 28, 2017 | $151,390.54 |
| KPMG | February 1 – March 31, 2017 | $51,988.70 |
| M.J. Renick & Associates LLC | December 28, 2016 – April 30, 2017 | $52,535.90 |
| Blank Rome | February 1 – April 30, 2017 | $305,975.22 |
| Cassels | February 1 – April 30, 2017 | CAD $453,254.10 |
| Province, Inc. | February 1 – April 30, 2017 | $360,098.50 |
| Brown, Rudnick | February 1 – April 30, 2017 | $894,746.94 |
| Houlihan Lokey | February 1 – April 30, 2017 | $678,244.92 |
| McMillan | November 28, 2016 – January 31, 2017 | CAD 190,324.60 |

[7] Pursuant to the Compensation Order, if an Interim Fee Application is approved, the Applicants are authorized to pay 100% of the unpaid fees and expenses requested in each Monthly Fee Application filed during the Covered Period with respect to which a CNO was filed.

[8] As specified in certain Interim Fee Applications, such amounts may include fees and expenses set out in Monthly Fee Applications that may be pending approval.

**Orders Approving Interim Fee Applications**

5. Pursuant to the order of the U.S. Court appointing M.J. Renick & Associates LLC as the fee examiner (the "**Fee Examiner**"), the Fee Examiner issued reports summarizing its review of the Interim Fee Applications of the following professionals and recommended that the U.S. Court approve such Interim Fee Applications in the amounts listed below. The U.S. Court subsequently entered orders approving such Interim Fee Applications, as described below.

| Firm Subject of the Fee Examiner's Report | Relevant Interim Fee Application | Total Amount Requested for Approval (USD) | Total Amount Recommended for Approval by Fee Examiner (USD) | Order Entered Approving Amount Recommended? |
|---|---|---|---|---|
| Young Conaway | October 31, 2016 through January 31, 2017 | $828,993.53 | $828,894.33 | Yes |
| Cassels | November 14, 2016 through January 31, 2017 | CAD 886,693.24 | CAD 869,893.24 | Yes |
| KPMG | October 31, 2016 through January 31, 2017 | $66,625.74 | $66,625.74 | Yes |

| **Firm Subject of the Fee Examiner's Report** | **Relevant Interim Fee Application** | **Total Amount Requested for Approval (USD)** | **Total Amount Recommended for Approval by Fee Examiner (USD)** | **Order Entered Approving Amount Recommended?** |
|---|---|---|---|---|
| Province, Inc. | November 10, 2016 through January 31, 2017 | $863,463.72 | $845,463.72 | Yes |
| Blank Rome | November 10, 2016 through January 31, 2017 | $915,808.16 | $902,308.16 | Yes[9] |
| Prime Clerk | November 10, 2016 through January 31, 2017 | $2,623.50 | $2,623.50 | Yes |
| Paul Weiss | October 31, 2016 through January 31, 2017 | $4,845,113.42 | $4,791,929.07 | Yes |
| Houlihan Lokey | November 28, 2016 through January 31, 2017 | $679,199.13 | $678,699.13 | Yes |
| Centerview | November 28, 2016 through January 31, 2017 | $446,900.82 | $446,900.82 | Yes |

[9] The Interim Fee Application was approved in the total amount of USD$902,191.16, which reflects further voluntary reduction of fees as agreed to between Blank Rome and the U.S. Trustee (See Dkt. 1066).

| Firm Subject of the Fee Examiner's Report | Relevant Interim Fee Application | Total Amount Requested for Approval (USD) | Total Amount Recommended for Approval by Fee Examiner (USD) | Order Entered Approving Amount Recommended? |
|---|---|---|---|---|
| Brown Rudnick | November 28, 2016 through January 31, 2017 | $538,645.07 | $525,145.07 | Yes |

**Filings Relating to Ordinary Course Professionals**

6. With respect to the employment of ordinary course professionals, Schmitt & Orlov Intellectual Property Co. Ltd. filed a declaration of disinterestedness pursuant to the U.S. Court's order authorizing the employment and payment of professionals used in the ordinary course of business (the "**OCP Order**").

7. Additionally, in accordance with the OCP Order, on April 30, 2017, the Applicants filed their second statement listing payments made to ordinary course professionals for the period from February 1, 2017 to April 30, 2017.

**Filings Relating to Claim Satisfaction**

8. As further described in this Ninth Report, on May 15, 2017, the Applicants filed a notice (the "**Claim Satisfaction Notice**") identifying claims ("**Satisfied Claims**") which the Applicants believed to have been satisfied in full either through post-petition payments made by the Applicants pursuant to one or more orders of the U.S. Court or the Court or through the sale of substantially all of the Applicants' assets. The Applicants requested that any party disputing a Satisfied Claim should file a written response by June 5, 2017 and that the Applicants would take reasonable steps to resolve such response.

9. On June 5, 2017, the United Parcel Service ("**UPS**") filed an objection and reservation of rights with respect to the Claim Satisfaction Notice. UPS asserted that the Applicants owed UPS USD$75,424.83 in prepetition claims in connection with certain UPS contracts and,

accordingly, that the U.S. Court should not find that UPS's claim had been satisfied in full in accordance with the Claim Satisfaction Notice. UPS additionally sought entry of an order allowing UPS a claim in the amount of USD$75,424.83.

10. Also on June 5, 2017, Vogel Investment LP ("**Vogel**") filed a response to the Claim Satisfaction Notice. In its response, Vogel asserted that it was the assignee of proof of claim number 237 (in the amount of USD$9,000), as amended by proof of claim number 577 (in the amount of USD$23,069.57, and collectively with claim number 237, the "**Amended Claim**"), and that the Amended Claim had not been satisfied notwithstanding statements made in the Claim Satisfaction Notice. Vogel requested that the U.S. Court not grant the relief requested in the Claim Satisfaction Notice to the extent it deems the Amended Claim satisfied. Additionally, Vogel stated that it would consent to the disallowance of claim number 237, provided that the Applicants agreed to waive their ability to object to claim number 577 on the basis that it was not timely filed.

**Filings Relating to Contract Assignment**

11. On May 23, 2017 and June 13, 2017, the Applicants filed notices (the "**Contract Assignment Notices**") stating that the Purchaser and the Applicants had agreed that the following contracts, listed as "Non-Assigned Contracts" in the Sale Closing Notice (Dkt. 884), would be assumed by and assigned to the Purchaser with the proposed cure amounts listed below pending no objection:

(a) Lease dated November 12, 2014, by and between Burlington Crossroads (E&A), LLC ("**Burlington**") and certain of the Applicants, as amended, with a proposed cure amount of USD$4,000 together with the proposed execution of a replacement guaranty provided by the Purchaser in a form agreed to by Burlington;

(b) Equipment Supplier and Sponsorship Agreement dated May 1, 2016, by and between North American Hockey League, Inc. ("**NHL**") and certain of the Applicants, as amended, with a proposed cure amount of $0.00; and

(c) License and Supply Agreement dated September 2, 2017 between Cocona, Inc. ("**Cocona**") and certain of the Applicants, as amended, with a proposed cure amount of $0.00.

12. The Contract Assignment Notices stated that if no objection was made by the objection deadlines specified therein, the assumptions and assignments specified in the Contract Assignment Notices would become effective. The Applicants filed CNOs with respect to the Contract Assignment Notices in relation to the Burlington and NHL contracts on June 8, 2017 and in relation to the Cocona contract on June 27, 2017, stating that no objections were filed or received with respect to the Contract Assignment Notices by the relevant objection deadlines and therefore assumption and assignment had occurred.

**Filings Relating to Extension of Exclusivity Periods**

13. On May 24, 2017, the Applicants filed a motion seeking an extension of the periods within which the Applicants would have the exclusive right to file and solicit a Chapter 11 Plan through and including (i) August 28, 2017 with respect to the filing of a plan; and (ii) October 25, 2017 with respect to the soliciting of a plan. The hearing to consider the motion was originally scheduled for June 14, but was adjourned to a hearing scheduled to take place on July 19, 2017.

**Miscellaneous**

14. Additionally, the following filings have also been made:

(a) *Filing of Monthly Operating Reports* – the Applicants filed with the U.S. Court monthly operating reports covering the following time periods:

i. February 27 through March 31, 2017;

ii. April 1 through April 30, 2017;[10] and

iii. May 1 through May 31, 2017.

(b) *Second Supplemental Declaration of Pauline K. Morgan Relating to Young Conaway Retention* – on May 11, 2017, Young Conaway filed with the U.S. Court a document disclosing that Young Conaway (i) currently represents certain local chapters, and not the national chapter, of the Plumbers & Pipefitters National Pension Fund, as well as certain other professionals involved in the Chapter 11 Proceedings, in each case, in

[10] On June 7, 2017, the Applicants filed an amended monthly operating report for April, 2017.

matters wholly unrelated to the Applicants and the Chapter 11 Proceedings and (ii) has in the past represented Ernst & Young Inc., Oracle America, Inc. as well as certain professionals involved in the Chapter 11 Proceedings, in each case, in matters wholly unrelated to the Applicants and the Chapter 11 Proceedings.

(c) *Notice of Allowance of Stock Trades by Ravensource Fund and Stornoway Recovery Fund* – on May 19, 2017, the Applicants filed with the U.S. Court a notice stating that the Applicants, the Equity Committee, Ravensource Fund, and Stornoway Recovery Fund L.P. (together with Ravensource Fund, the "**Funds**") had resolved the Applicants' objection to the Funds' proposed transactions to accumulate shares of Old PSG Wind-down Ltd. ("**PSG Stock**"), as further described in the Eighth Report, and agreed that each Fund may acquire PSG Stock so long as its post-acquisition ownership is no more than 2,249,062 shares.

(d) *Notice of Allowance of Stock Trades by Brookfield Entities* – on May 19, 2017, the Applicants filed with the U.S. Court a notice stating that five trades executed during the period of March 29 to April 6, 2017 by Brookfield Management Inc. and several of its affiliates pursuant to which an aggregate of 6,026,860 shares of PSG Stock was sold do not compromise the Applicants' tax attributes and therefore the Applicants do not object to the trades.

(e) *Periodic Report Regarding Non-Applicant Entities* – on May 31, 2017, the Applicants filed with the U.S. Court a financial report, prepared as of April 30, 2017, with respect to non-Applicant entities that are not publicly traded corporations in which the Applicants hold a substantial or controlling interest.

(f) *Order Extending Removal Period* – on June 14, 2017, the U.S. Court entered an order granting the relief requested by the Applicants in a motion filed on May 24, 2017 extending the period within which the Applicants may remove pending civil actions to which the Applicants are party to the U.S. Court, through and including September 27, 2017.

(g) *Certification of Counsel Relating to Stipulation with Bybrook* – On July 12, 2017, the Applicants filed a certification of counsel requesting that the U.S. Court enter an order approving a stipulation between the Applicants and Master Fund LP, Hazelton Master

Fund LP, and Bybrook Capital LLP (collectively "**Bybrook**") concerning Bybrook's acquisition of 29.8% of PSG Stock which occurred during the period of January 23, 2017 through May 18, 2017 and without Bybrook following the procedures set forth in the U.S. Court's order establishing notice and hearing procedures for the transfer of PSG Stock. The stipulation provides that each purchase by Bybrook of PSG Stock in excess of 2,249,062 shares (each an "**Excess Share**") is void *ab initio* and also provides that by July 28, 2017, Bybrook must undertake certain steps to divest itself of all Excess Shares.

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PERFORMANCE SPORTS GROUP LTD. et al**

Court File No.: CV-16-11582-00CL

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

Proceedings commenced at Toronto

**NINTH REPORT OF THE MONITOR**

**July 13, 2017**

**Thornton Grout Finnigan LLP**
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7
Fax: (416) 304-1313

**Robert I. Thornton** (LSUC# 24266B)
Email: rthornton@tgf.ca / Tel: (416) 304-0560

**Rachel Bengino** (LSUC # 68348V)
Email: rbengino@tgf.ca / Tel: (416) 304-1153

Lawyers for Ernst & Young Inc.,
the Court-appointed Monitor