

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

SUPERIOR COURT  
Commercial Division

No.: 500-11-058415-205

IN THE MATTER OF THE PLAN OF  
ARRANGEMENT AND COMPROMISE OF:

9424-9356 QUEBEC INC.

- and -

9424-9398 QUEBEC INC.

- and -

THE OTHER APPLICANTS LISTED IN SCHEDULE  
“A” HEREOF

Applicants

- and -

ERNST & YOUNG INC.

Monitor

APPLICATION FOR THE ISSUANCE OF  
AN ORDER EXTENDING CERTAIN DELAYS IN THE APPROVAL AND VESTING ORDER  
(Section 11 of the *Companies’ Creditors Arrangement Act*)

TO THE HONOURABLE JUSTICE LOUIS J. GOVIN, OF THE SUPERIOR COURT OF  
QUEBEC, SITTING IN COMMERCIAL DIVISION, IN AND FOR THE JUDICIAL DISTRICT  
OF MONTREAL, THE APPLICANTS RESPECTFULLY SUBMIT THE FOLLOWING:

1. **ORDERS SOUGHT**

1. By way of the present *Application for the Issuance of an Order Extending Certain Delays in the Approval and Vesting Order*<sup>1</sup> (the “**Application**”), the Applicants seek the issuance of an order substantially in the form of the draft communicated herewith as **Exhibit R-1**, *inter alia*:

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<sup>1</sup> All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Approval and Vesting Order and the CDS Employee Fund Order.

- (a) extending the period during which the Buyer shall be entitled to seek the Court-ordered assignment of additional Assigned Agreements and/or Excluded Contracts; and
- (b) extend the date on which the Non-Acquired Debtors shall be deemed to be dissolved.

## **2. PROCEDURAL BACKGROUND**

- 2. On October 26, 2020, following the conduct by the Debtors of a SISP in the context of their CCAA proceedings, this Court rendered an approval and vesting order (the “**AVO**”) approving, *inter alia*, the transaction contemplated in the Purchase Agreement (the “**Spectacle Transaction**”) entered into between Cirque du Soleil Holdings LP, as seller (the “**Seller**”) and Spectacle Bidco LP, as buyer, as assigned to Spectacle Bidco Holdings Inc. (the “**Buyer**”).
- 3. Pursuant to the AVO, the Court namely ordered the following:
  - (a) for a period of six (6) months following the Effective Date (as defined below), the Buyer would be entitled to notify to the Seller, from time to time, that it seeks the Court-ordered assignment of additional Assigned Agreements and/or Excluded Contracts) (paragraph 29 of the AVO); and
  - (b) on the date that is six (6) months and one (1) day following the Effective Date (as defined below), all of the Non-Acquired Debtors would be deemed to be dissolved, without further action, including the filing of any documents with the secretary of state or similar official for the state or other jurisdiction in which the Non-Acquired Debtors are formed or incorporated, or any further order of this Court or of any Court which may recognize the AVO (paragraph 53 of the AVO).
- 4. On November 24, 2020 (the “**Effective Date**”), in accordance with paragraph 19 of the AVO, Ernst and Young Inc., acting in its capacity as monitor to the Debtors (the “**Monitor**”), issued a certificate essentially confirming that the Transaction had been completed to the satisfaction of the Seller and the Buyer, respectively.
- 5. On May 5, 2021, this Court rendered an order (the “**May 5, 2021 Order**”) essentially extending:
  - (a) the delay in which the Buyer is entitled to notify to the Seller that it seeks the Court-ordered assignment of additional Assigned Agreements and/or Excluded Contracts) to twelve (12) months following the Effective Date; and
  - (b) the date on which the Non-Acquired Debtors will be deemed automatically dissolved to twelve (12) months and one (1) day following the Effective Date.

### 3. GROUNDINGS FOR RELIEF

6. Pursuant to the May 5, 2021 Order, each of the Non-Acquired Debtors will be automatically dissolved on November 25, 2021.
7. However, as things currently stand, the following Non-Acquired Debtors expect to receive, over the course of the next few months, certain tax refunds based on either tax return forms previously filed or amended tax return forms to be filed, totaling, in the aggregate, in excess of CA\$4 million (the “**Tax Refunds**”), as further detailed in the table below

Identity of the Non-Acquired Debtor	Expected Amount of Tax Refund	Description	Period for which tax return was made	Expected collection timeframe
<b>VSTAR Theatrical, LLC</b>	CA\$351,000	Corporate Income Tax (Canada)	2020	6 – 12 months
<b>FormerCS US Holdings Inc.</b>	US\$612,171	Federal Corporate Income Tax	2019	Within the next 3 months
<b>FormerCS US Holdings Inc.</b>	US\$ 266,128	Federal Corporate Income Tax	2018 – amended #1	Within the next 3 months
<b>FormerCS America Inc.</b>	US\$260,000	Texas Sales Tax	September 2019 through February 2020	Under a year
<b>FormerCS America Inc.</b>	US\$ 88,000	Chicago (IL) Amusement Tax	November 2019 through March 2020	Under a year
<b>FormerCS America Inc.</b>	US\$7,000	Cook County (IL) Amusement Tax	November 2019 through March 2020	Under a year
<b>FormerCS America Inc.</b>	US\$21,000	New Jersey Sales Tax	Q1 2019	Under a year
<b>FormerCS Orlando L.L.C.</b>	US\$255,000	Florida Sales Tax	September 2019 through February 2020	Under a year
<b>FormerCS US</b>	US\$1,605,000	Federal Corporate	2018 – amended #2	Within the year of filing

<b>Holdings Inc.</b>		Income Tax		
<b>FormerCS US Holdings Inc.</b>	US\$651,000	Federal Corporate Income Tax	2019	Within the year of filing

8. Pursuant to Section 2.1(u) of the Purchase Agreement entered into between the Seller and the Buyer, all claims and rights of any Seller Group Member (as defined in the Purchase Agreement to any refund, rebate or credit of Taxes (as defined in the Purchase Agreement) relating to Taxes paid or payable by the Seller Group Members in respect of a period ending on or before the closing of the Spectacle Transaction constitutes a purchased asset by the Buyer and shall therefore be received by the applicable Seller Group Member as agent for and on behalf of the Buyer, and reasonably promptly thereafter paid over to the Buyer.
9. Accordingly, all of the Tax Refunds must be collected by the Non-Acquired Debtors listed in paragraph 7 above, as agents for and on behalf of the Buyer, and, once collected, these Tax Refunds will need to be paid over to the Buyer.
10. In order to ensure that the above Non-Acquired Debtors are able to collect the Tax Refunds from the IRS and avoid any issue stemming from the automatic dissolution of these Non-Acquired Debtors, the Applicants request that the date on which all Non-Acquired Debtors are automatically dissolved be extended, once more, by an additional twelve (12) months and one (1) day, which would be **November 25, 2022**, should this Court approve such extension.
11. In addition, and given that certain agreements are still being assigned to the Sellers as shows are still being progressively relaunched, the Applicants also request that the period during which the Buyer shall be entitled to seek the Court-ordered assignment of additional Assigned Agreements and/or Excluded Contracts be also extended to **November 25, 2022**. Counterparties to any additional contracts that are proposed to be assigned to the Buyer of its affiliates will continue to have the ability to object to the proposed assignment in accordance with the terms of AVO, following which the Applicants or the Buyer may apply to this Court to seek the assignment.
12. No creditor or stakeholder of the Debtors will be prejudiced by the proposed extension of the delays sought herein.
13. The Applicants understand that the Monitor and the Buyer are also supportive of such relief.

**WHEREFORE, MAY THIS COURT:**

**GRANT** this *Application for the Issuance of an Order Extending Certain Delays in the Approval and Vesting Order* (the "**Application**");

**ISSUE** orders substantially in the form of the drafts respectively communicated herewith as **Exhibit R-1**;

**ORDER** the provisional execution of the order to be rendered notwithstanding appeal;

**WITHOUT COSTS**, save and except in case of contestation.

**MONTRÉAL, November 12, 2021**

*Stikeman Elliott*

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41<sup>st</sup> Floor

Montréal (Québec) Canada H3B 3V2

**Attorneys for the Applicants**

**SCHEDULE "A"**  
**APPLICANTS**

1. FormerCS GP Inc. (formerly Cirque du Soleil GP Inc.)
2. FormerCS U.S. Holdings, Inc. (formerly CDS U.S. Holdings, Inc.)
3. FormerCS Holding USA, Inc. (formerly CDS U.S. Intermediate Holdings, Inc.)
4. FormerCS Holding USA, Inc. (formerly Cirque du Soleil Holding USA, Inc.)
5. FormerCS (US), Inc. (formerly Cirque du Soleil (US), Inc.)
6. FormerCS America, Inc. (formerly Cirque du Soleil America, Inc.)
7. VStar Entertainment Group, LLC
8. FormerCS Dreams Holdings LLC (formerly Cirque Dreams Holdings LLC)
9. VStar Merchandising, LLC
10. VStar International, LLC
11. VStar Theatrical, LLC
12. VStar Touring, LLC
13. FormerCS Orlando, L.L.C. (formerly Cirque du Soleil Orlando, LLC)
14. FormerCS Nevada, Inc.(formerly Cirque du Soleil Nevada, Inc.)
15. FormerCS My Call, L.L.C. (formerly Cirque du Soleil My Call, LLC)
16. Velsi, LLC
17. Blue Man Inc.
18. Blue Man Group Holdings, LLC
19. Blue Man Group Records, LLC
20. Astor Show Productions, LLC
21. Blue Man Group Publishing, LLC
22. Blue Man Vegas, LLC
23. Blue Man Orlando, LLC
24. Blue Man Productions, LLC
25. Blue Man Chicago, LLC
26. Blue Man International, LLC
27. FormerCS Radio CT Holding, L.L.C. (formerly Cirque du Soleil Radio CT Holding, LLC)
28. FormerCS Radio CT, L.L.C. (formerly Cirque du Soleil Radio CT, LLC)
29. The Works Entertainment, LLC
30. FormerCS Theatrical, L.L.C.(formerly Cirque Theatrical, LLC)
31. FormerCS on Broadway, L.L.C.(formerly Cirque on Broadway, LLC)
32. Joie de Vie, LLC

**SCHEDULE "B"**  
**LIMITED PARTNERSHIPS**

1. FormerCS Holdings L.P. (formerly Cirque du Soleil Holdings L.P.)
2. Blue Man Boston Limited Partnership

**SCHEDULE "C"**  
**ENTITIES IN RESPECT OF WHICH**  
**EY WAS APPOINTED AS RECEIVER**

1. Cirque du Soleil Inc.
2. Cirque du Soleil Canada Inc.
3. Cirque du Soleil Images Inc.
4. Création 4U2C inc.

## SWORN STATEMENT

I, the undersigned, Stéphane Lefebvre, having my principal place of business at 8400, Avenue du Cirque, Montréal, Québec H1Z 4M6 in the city of Montreal, Province of Quebec, solemnly declare the following:

1. I am the Chief Operating Officer for the CDSE Group;
2. All the facts alleged in the *Application for the Issuance of an Order Extending Certain Delays in the Approval and Vesting Order* are, to the best of my knowledge, true.

AND I HAVE SIGNED

  
STÉPHANE LEFEBVRE

Solemnly declared before me at Montreal,  
on the 12<sup>th</sup> day of November 2021

  
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## NOTICE OF PRESENTATION

**TO:** The Service List

**TAKE NOTICE** that the *Application for the Issuance of an Order Extending Certain Delays in the Approval and Vesting Order* (the “**Application**”) will be presented for adjudication before the Honourable Justice Louis Gouin of the Superior Court of Quebec, Commercial Division, by videoconference, on **November 19, 2021 at 10 am**. The details relating to such virtual hearing are set out below:

<b>16.04</b>	<p><b><u>Rejoindre la réunion Microsoft Teams</u></b></p> <p><b><u>+1 581-319-2194</u></b> Canada, Quebec (Numéro payant)</p> <p><b><u>(833) 450-1741</u></b> Canada (Numéro gratuit)</p> <p>ID de conférence : 516 211 860#</p> <p><b><u>Numéros locaux</u></b>   <b><u>Réinitialiser le code confidentiel</u></b>   <b><u>En savoir plus sur Teams</u></b>   <b><u>Options de réunion</u></b></p> <p>Rejoindre à l'aide d'un dispositif de vidéoconférence</p> <p><a href="mailto:teams@teams.justice.gouv.qc.ca">teams@teams.justice.gouv.qc.ca</a> ID de la conférence VTC : 1149478699</p> <p><b><u>Autres instructions relatives à la numérotation VTC</u></b></p>
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**ALL PARTIES WHO WISH TO CONTEST THE APPLICATION MUST SERVE AND FILE A WRITTEN NOTICE SETTING OUT THE GROUNDS OF CONTESTATION BY NO LATER THAN THURSDAY, NOVEMBER 18, 2021 AT 1PM.**

**DO GOVERN YOURSELVES ACCORDINGLY.**

**MONTREAL, November 12, 2021**

***Stikeman Elliott***

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**Attorneys for the Applicants**

**SUPERIOR COURT**  
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**Nº. 500-11-058415-205**

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**CANADA**  
**PROVINCE OF QUÉBEC**  
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**IN THE MATTER OF THE PLAN OF ARRANGEMENT AND**  
**COMPROMISE OF:**

**9424-9356 QUEBEC INC.**

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**9424-9398 QUEBEC INC**

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**THE OTHER APPLICANTS LISTED IN SCHEDULE A HEREOF**

Applicants

- and -

**ERNST & YOUNG INC.**

Monitor

**BS0350**

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**APPLICATION FOR THE ISSUANCE OF ORDER EXTENDING CERTAIN**  
**DELAYS IN THE APPROVAL AND VESTING ORDER, SWORN**  
**STATEMENT, NOTICE OF PRESENTATION AND EXHIBIT R-1**  
**(Sections 11 of the *Companies' Creditors Arrangement Act*)**

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**ORIGINAL**

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