



Broadcasting Decision CRTC 2025-238

PDF version

Gatineau, 11 September 2025

Pembina Acquisition Corp.
Toronto, Ontario

Public record: 2024-0523-2

Hollywood Suite 70s Movies, Hollywood Suite 80s Movies, Hollywood Suite 90s Movies and Hollywood Suite 2000s Movies – Change in ownership and effective control

Summary

The Commission approves an application by Pembina Acquisition Corp. (Pembina), on behalf of Hollywood Suite Inc. (HSI) and Hollywood Suite Corp. (HSC), for authority to change the ownership and effective control of the English-language discretionary services Hollywood Suite 70s Movies, Hollywood Suite 80s Movies, Hollywood Suite 90s Movies and Hollywood Suite 2000s Movies. Following this transaction, HSI and HSC will be owned by Pembina, and ultimately controlled by Leonard Asper.

The Commission finds that approving this transaction is in the public interest, as it will help ensure that Canadian viewers continue to have access to a variety of programming.

Furthermore, the Commission proposes to make orders imposing on the licensee conditions of service, including expenditure requirements. Consistent with subsections 9.1(4) and 11.1(7) of the *Broadcasting Act*, interested persons may make representations only on the proposed orders, by no later than **22 September 2025**. The licensee may submit a reply to any representations received by no later than **29 September 2025**.

Application

1. On 3 October 2024, the Commission received an application from Pembina Acquisition Corp. (Pembina), on behalf of Hollywood Suite Inc. (HSI) and Hollywood Suite Corp. (HSC), for authority to change the ownership and effective control of the English-language discretionary services Hollywood Suite 70s Movies, Hollywood Suite 80s Movies, Hollywood Suite 90s Movies and Hollywood Suite 2000s Movies (the Hollywood Suite services).
2. Pembina is a wholly-owned subsidiary of The GameTV Corporation (GameTV), which, in turn, is a subsidiary of Anthem Sports & Entertainment Corp. (Anthem). The effective control of Anthem is exercised by Leonard Asper.

3. Through the transaction, Pembina will acquire all the shares of HSI (which is currently owned by several shareholders) and HSC (which is currently owned by AXN Investment, Inc. (AXN)¹ and ultimately by HSI). As a result, the Hollywood Suite services will be effectively controlled by Leonard Asper.
4. Pembina proposed a value of the transaction of \$43,140,645, which includes the purchase price. Pembina also proposed a tangible benefits package of \$4,314,065, which represents 10% of the proposed value of the transaction.

Regulatory framework

5. The review of ownership transactions is an essential element of the Commission's regulatory and supervisory mandate under the *Broadcasting Act* (the Act). Obtaining a licence to operate a broadcasting undertaking (in this case, discretionary services) is a regulatory privilege granted by the Commission. A licensee does not have the authority to transfer a licence to a new operator as they see fit.
6. For this reason, licensees must obtain the Commission's approval before concluding any action, agreement, or transaction that changes, directly or indirectly, the effective control of the discretionary programming undertaking. This requirement is set out in subsection 10(4) of the *Discretionary Services Regulations* (the Regulations).²
7. When seeking the Commission's approval, the applicant must demonstrate that the benefits of the transaction are commensurate with the size and nature of the transaction and that the application represents the best possible proposal under the circumstances. The Commission will consider the application on its merits and will approve the transaction if the change in ownership and effective control is in the public interest. The public interest is reflected in the Canadian broadcasting and regulatory policy set out in subsections 3(1) and 5(2) of the Act.

Issues

8. After examining the record for this application in light of applicable regulations and policies, the Commission considers that it must address the following issues:
 - whether the applicant's ownership structure satisfies the requirements for Canadian ownership and control;
 - whether the proposed transaction is in the public interest;
 - the value of the transaction and tangible benefits;
 - the allocation of tangible benefits; and

¹ Pembina entered into a separate agreement to acquire AXN's participation (20% of the voting shares) in HSC.

² SOR/2017-159, 4 August 2017.

- compliance with regulatory requirements.

Canadian ownership and control

9. Pursuant to paragraph 3(1)(a) of the Act, the Canadian broadcasting system shall be effectively owned and controlled by Canadians. As required by the *Direction to the CRTC (Ineligibility of Non-Canadians)*³ (the Direction), no broadcasting licence can be issued to a non-Canadian.
10. HSI and HSC are Canadian entities whose board of directors and Chief Executive Officer (CEO) will remain Canadians after the transaction. Pembina, wholly owned by GameTV, is incorporated in Ontario. Its board of directors and CEO are Canadians. Its parent corporations, GameTV and Anthem, are also Canadian, as defined in the Direction. Finally, ultimate effective control of the Hollywood Suite services would be exercised by Leonard Asper, a Canadian.
11. As such, the proposed transaction satisfies the eligibility criteria set out in the Direction

Public interest of the proposed transaction

12. When the Commission evaluates whether a transaction is in the public interest, it examines the extent to which the transaction improves the Canadian broadcasting system and contributes to meeting the policy objectives of the Act. Section 3 of that Act describes a broadcasting system that contributes to the creation and presentation of Canadian programming, and through its programming reflects the multicultural and multiracial nature of Canadian society.
13. As mentioned in Broadcasting Regulatory Policy 2014-459, since the Commission does not solicit competitive applications for changes in effective control of broadcasting undertakings, the onus is on the applicant to demonstrate that:
 - approval of the transaction is in the public interest and in accordance with the objectives of the Act; and
 - the benefits, both tangible and intangible, of the transaction are commensurate with the size and nature of the transaction.

Position of the applicant

14. Pembina submitted that, following the transaction, it will bring together two capable Canadian independent operators and will contribute to the objectives outlined in subparagraph 3(1)(d)(iii.5)⁴ of the Act. Pembina also indicated that the combined purchasing power of its Canadian and US channels will improve Canadians' access to

³ SOR/97-192, 8 April 1997.

⁴ Subparagraph 3(1)(d)(iii.5) of the Act states the following: "it is hereby declared as the broadcasting policy for Canada that the Canadian broadcasting system should ensure that Canadian independent broadcasting undertakings continue to be able to play a vital role within that system."

premium content. It further suggested that Anthem is well-placed to fund Canadian content and expose it to international markets, all while keeping Canada as its base.

15. Pembina also submitted that by acquiring the Hollywood Suite services, Anthem will allow them to continue serving curated content to Canadian viewers. This will simultaneously provide additional benefits to the Canadian broadcasting system by investing in Canadian productions and providing Canadian perspectives.

Commission's decision

16. In the Commission's view, Anthem's 40 years of experience in the broadcasting industry equips it to serve the interests of Canadians by providing niche content to Canadian viewers.
17. Furthermore, the Commission notes that combining the purchasing power of the Hollywood Suite services with the services currently owned by Anthem should give Anthem a stronger standing in the acquisition of programming. This should allow the acquisition of more expansive content and the funding of Canadian content for the benefit of Canadian viewers.
18. In addition, the Commission is of the view that the transaction would allow for the cross-promotion of the Hollywood Suite services and the other services owned by Anthem. It should also create synergies as several expenses will be spread amongst a higher number of services. This should strengthen an independent broadcaster, in line with the Act's objective that Canadian independent broadcasting undertakings continue to be able to play a vital role within the Canadian broadcasting system.⁵
19. Finally, the transaction would generate over \$4 million in tangible benefits and would support the production of new, original Canadian programming.
20. In light of the above, the Commission finds that approval of this transaction is in the public interest.

Value of the transaction and tangible benefits

21. The Commission's approach is that the public interest is served by requiring that the person acquiring the effective control make financial contributions to Canadian programming that are proportionate to the size and nature of the transaction. These contributions are known as "tangible benefits." The Commission's policy on tangible benefits is set out in the Tangible Benefits Policy.⁶ Tangible benefits serve the public interest because they increase the quantity and quality of Canadian programming and support the creation, distribution and promotion of such programming. Since the Commission does not solicit competing applications for changes to the ownership or effective control of broadcasting undertakings, the Commission requires that applicants

⁵ See subparagraph 3(1)(d)(iii.5).

⁶ See Broadcasting Regulatory Policy 2014-459.

propose tangible benefits when they seek the Commission's approval to change the effective control of radio and television programming services.

22. The amount of tangible benefits payable depends on the value of the transaction. In the case of television undertakings, tangible benefits represent at a minimum 10% of the value of the transaction. The Commission looks at the value of the transaction as a whole, including the value of gross debt, working capital to be transferred at the close of the transaction, ancillary agreements, and any leases assumed by the purchaser for real property (buildings, studios and offices) and transmission facilities. The value of leases is calculated over a period of five years. These elements, if applicable, are added to the purchase price.

Position of the applicant

23. Pembina proposed a value of the transaction of \$43,140,645. It calculated this amount by adding the purchase price (\$37,950,000) for the shares of HSI and working capital to be transferred at closing (\$5,819,389), minus non-regulated assets to be acquired, which represented 1.66% of all revenues (-\$628,744). Pembina confirmed that it would not assume any debt or liabilities and did not include any assumed leases. It explained that it does not plan on renewing the leases, as it will operate the services at its current location in Toronto.
24. Pembina did not include the purchase price of \$11,550,000 for the shares of AXN in the proposed value of the transaction, and explained that the AXN shares represented a minority, non-controlling interest held by a foreign entity. As such, Pembina was of the view, according to paragraph 85 of the Tangible Benefits Policy, that it should be excluded.⁷
25. Since this transaction involves a mix of television and other assets and operations that are not regulated by the Commission, Pembina proposed to calculate the value of the tangible benefits based on the proportion of the revenues of HSI relative to the total revenues from all assets that are part of the transaction.⁸ Pembina submitted that the revenues of the non-regulated assets subject to the transaction⁹ represent 1.66% of the total revenues from all assets.

Commission's decision

26. The Commission notes that excluding non-controlling interests from the purchase price, as proposed by Pembina for the shares to be acquired from AXN, could significantly reduce the value of all transactions involving the purchase of corporations whose shares are held by majority and minority shareholders. The Commission considers that the Tangible Benefits

⁷ Paragraph 85 of the Tangible Benefits Policy reads as follows: "...by adopting the revenue method, the Commission notes that non-controlling interests could easily be excluded from larger transactions as proposed by Corus and Shaw and that this would harmonize the treatment of such transactions with that of acquisition of non-controlling interests in individual transactions. Accordingly, the Commission will modify its current practice for the allocation of non-controlling interests so as to not include them when they are acquired as part of a larger transaction."

⁸ This allocation method is described in paragraphs 77 to 87 of the Tangible Benefits Policy.

⁹ Pembina submitted these assets are comprised of in-house production companies, called the Sruki companies.

Policy excludes non-controlling interests when allocating the value of the transaction between assets. Non-controlling interests are not excluded when calculating the purchase price. The objective of the policy is to exclude, when using the allocation method, the revenues received from the ownership of minority interests owned by a licensee.

27. As a result, the Commission finds that Pembina’s interpretation does not reflect the intent of the Tangible Benefits Policy or the Commission’s general practice to include all the shares acquired, even those held by minority shareholders, when it reviews a transaction resulting in a change of ownership and effective control.¹⁰
28. Accordingly, the Commission finds that the purchase price should include the amount paid by Pembina for the AXN shares in HSC (\$11,550,000) for a total purchase price of \$49,500,000.
29. The Commission estimated a working capital of \$7,590,507, which is consistent with the audited financial statements. However, the purchase price for the shares of HSI includes a target working capital of \$6,750,000. The Commission notes that only the working capital that exceeds the target of \$6,750,000 must be added to the value of the transaction as the target working capital is already included in the purchase price.
30. As such, the Commission finds it would be appropriate to add the net working capital of \$840,507 to the value of the transaction. This represents the difference between the working capital available based on the revised audited financial statements (\$7,590,507) less the target working capital at closing (\$6,750,000).
31. The Commission also finds it appropriate that no value for the leases be included in the value of the transaction as Pembina already has its own premises for operating discretionary services. This is in line with the Commission’s general practice.
32. In light of the above, the Commission finds that the value of the transaction for all the regulated and non-regulated assets is \$50,340,507.
33. Per the revenue allocation method described in the Tangible Benefits Policy, the proportion of non-regulated assets at 1.66% of the transaction, as well as the addition of AXN’s shares in HSC and working capital exceeding the target working capital at closing, the Commission determines that the value of the transaction is \$49,504,855, calculated as follows:

	Proportion of value of transaction ¹¹	Proportional amount of value of transaction
--	--	---

¹⁰ See Broadcasting Decision 2022-76, when Rogers acquired Shaw Communications Inc., the full purchase price was included, not only the price of shares owned by the majority shareholders. See also Broadcasting Decision 2020-116, when Bell Media Inc. acquired Groupe V Media inc., the purchase price included both the purchase prices for the shares owned by the controlling shareholders (55%) and those owned by the non-controlling shareholders (Caisse de dépôt, F.T.Q. and Investissement Québec owning 15% each).

¹¹ Broadcast year ending on 31 August 2024.

Non-regulated operations	1.66%	\$835,652
Television Operations Hollywood Suite services	98.34%	\$49,504,855

Allocation of tangible benefits

34. As per the Tangible Benefits Policy, tangible benefits amounts associated with the acquisition of television assets are to be paid over seven consecutive broadcasting years and be allocated as follows:

- at least 80% to production funds;
 - of this amount, a minimum of 60% must be allocated to the Canada Media Fund (CMF) and no more than 40% can be directed to certified independent production funds (CIPFs).
- up to 20% to discretionary initiatives, as long as these initiatives;
 - are not self-serving; and
 - align with the eligibility criteria specified in the Tangible Benefits Policy.

35. Pembina proposed a tangible benefit package of \$4,314,065, which represents 10% of the initially proposed value of the transaction. Pembina acknowledged however that should the Commission determine that the value of the transaction differs from what it proposed, the tangible benefits package should be adjusted accordingly.

36. In light of the above, the Commission finds that, based on the revised value of the transaction, Pembina should be required to allocate \$4,950,485 in tangible benefits, which is consistent with the Tangible Benefits Policy.

37. The Commission considers that the tangible benefits should be allocated as follows:

80% – Production Funds (\$3,960,388)	
CMF (60%)	\$2,376,233
CIPFs (40%) – Distributed equally between the Rogers Group of Funds, Bell Fund, Quebecor Fund, and the Indigenous Screen Office Fund	\$1,584,155

20% – Discretionary Initiatives (\$990,097)
--

Awards (8.11%) – For Comeweb/Whites Jay Switzer Indigenous Creator Award at Canadian Film Centre	\$80,297
Scholarships (8.11%) – For women attending Canadian post-secondary schools with television/film programs	\$80,297
Conferences sponsorship (32.45%) – For attendance by BIPOC creators at Canadian media conferences (e.g., Banff World Media Festival, CMPA Prime Time, and Content Canada)	\$321,286
Sponsorships (51.33%) – For regional film festivals and film societies/clubs	\$508,217

38. The Commission is satisfied that all of Pembina’s proposed discretionary initiatives are fully eligible under the provisions of the Tangible Benefits Policy, and that such contributions are not self-serving.
39. The modernized Act now includes express provisions relating to the imposition of expenditure requirements. As a result, tangible benefits are imposed by order made pursuant to subsection 11.1(2) of the Act. Accordingly, the Commission considers it appropriate to **order** Pembina to allocate \$4,950,485 in tangible benefits, to be paid in equal instalments over seven consecutive broadcast years, consistent with the Tangible Benefits Policy.

Regulatory requirements

40. Upon the close of the transaction, HSI and HSC would remain the licensees of their respective services. HSI and HSC would therefore remain responsible for any compliance issues for the duration of the licence term. In addition, the transaction does not involve any amendments to HSI’s or HSC’s existing conditions of service for the Hollywood Suite services.
41. In Broadcasting Decision 2023-288, the Commission renewed the licence of HSI’s and HSC’s services until 31 August 2028. At that time, HSI and HSC were in compliance with relevant regulatory requirements (programming, reporting and expenditures). Further compliance assessments for the 2022-2023 and 2023-2024 broadcast years confirmed that HSI and HSC are still compliant with their regulatory requirements. The Commission notes it will again assess HSI’s and HSC’s compliance with their regulatory obligations at their next licence renewal.

Conclusion

42. In light of all of the above, the Commission approves the application by Pembina, on behalf of HSI and HSC, for authority to change the ownership and effective control of the

English-language discretionary services Hollywood Suite 70s Movies, Hollywood Suite 80s Movies, Hollywood Suite 90s Movies and Hollywood Suite 2000s Movies.

43. HSI and HSC will continue to be subject to the **conditions of service** as set out in the appendix to Broadcasting Decision 2023-288. The Commission further proposes to make orders imposing additional conditions on the abovementioned licensees following the close of the transaction as identified below.
44. The Commission **directs** Pembina Acquisition Corp. to notify the Commission of the close of the transaction and to submit the final agreement related to the transaction, including all annexes, schedules, and associated documentation, to the Commission within 30 days of the closing date of the transaction.
45. The Commission notes that the formal broadcasting licence document issued to a licensee may set out additional requirements for the undertaking, relating to, for example, technical parameters or prohibition on transfer. The licensee shall, therefore, also adhere to any such requirements set out in the broadcasting licences for the undertakings.
46. In regard to the proposed orders to follow in this decision, consistent with subsections 9.1(4) and 11.1(7) of the Act, interested persons may make representations only on the proposed orders by no later than **22 September 2025**, and the licensee may submit a reply to any representations received by no later than **29 September 2025**. The Commission will issue final orders following the close of the comment period and its review of the submissions of the parties, if any.
47. Interested persons who wish to make representations on the proposed orders may do so on the Commission's [public proceedings webpage](#).
48. This decision is to be appended to each licence.

The proposed orders

Standard conditions of service

49. The Commission notes that it updated the standard conditions of service for discretionary services in Broadcasting Regulatory Policy 2023-306. As a result, the Commission considers it appropriate to require HSI and HSC to adhere to these updated standard conditions.
50. Further, pursuant to subsection 49(2) of the *Online Streaming Act*, any regulation made under paragraphs 10(1)(a) or 10(1)(i) of the old *Broadcasting Act* is deemed to be an order made under section 9.1 of the new *Broadcasting Act*. As a result, the Commission considers it appropriate to require that the licensee adhere to these requirements as conditions of service.
51. Accordingly, pursuant to subsection 9.1(1) of the Act, the Commission **proposes to order** Hollywood Suite Inc. and Hollywood Suite Corp. to adhere to the standard conditions of service for discretionary services set out in Appendix 1 of Broadcasting Regulatory Policy

2023-306, as well as to all applicable requirements set out in the Regulations that were made under paragraphs 10(1)(a) or 10(1)(i) of the old Act.

Tangible Benefits

52. Pursuant to subsection 11.1(2) of the Act, the Commission **proposes to order** Pembina Acquisition Corp. to pay tangible benefits in the amount of \$4,950,486, to be paid in equal instalments over seven consecutive broadcast years and allocated in a manner consistent with the Tangible Benefits Policy.
53. In addition, pursuant to subsection 9.1(1) of the Act, the Commission **proposes to order** Pembina Acquisition Corp. to report, as part of its Annual Return required under section 9(1) of the Regulations, on its progress in making these payments.

Secretary General

Related documents

- *Standard conditions of service for licensed discretionary services, national news discretionary services and mainstream sports discretionary services and exemption order for exempt discretionary services – Modifications to the advertising time limit requirement*, Broadcasting Regulatory Policy CRTC 2023-306 and Broadcasting Order CRTC 2023-307, 5 September 2023
- *Hollywood Suite 70s Movies, Hollywood Suite 80s Movies, Hollywood Suite 90s Movies and Hollywood Suite 2000s Movies – Licence renewals*, Broadcasting Decision CRTC 2023-288, 25 August 2023
- *Shaw Communications Inc. – Change of ownership and effective control*, Broadcasting Decision CRTC 2022-76, 24 March 2022
- *V Interactions inc. – Change in ownership and effective control*, Broadcasting Decision CRTC 2020-116, 3 April 2020
- *Simplified approach to tangible benefits and determining the value of the transaction*, Broadcasting Regulatory Policy CRTC 2014-459, 5 September 2014