



Broadcasting Decision CRTC 2013-308

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Route reference: 2013-106

Ottawa, 27 June 2013

Astral Media inc., on behalf of itself and certain of its licensed broadcasting subsidiaries

Various locations in Canada

Application 2013-0245-5, received 31 January 2013

Public hearing in Montréal, Quebec

6 May 2013

Various radio stations and specialty services – Acquisition of assets (corporate reorganization within Astral Media inc.)

1. The Commission **approves** the application by Astral Media inc. (Astral), on behalf of itself and certain of its licensed broadcasting subsidiaries, for authority to effect a multi-step corporate reorganization that will take place within Astral prior to the closing of the acquisition of Astral by BCE Inc. (BCE). The corporate reorganization was conditional on the Commission's approval of an application by Astral for authority to change its effective control and control of its licensed broadcasting subsidiaries to BCE that was approved in Broadcasting Decision 2013-310, also issued today. The Commission did not receive any interventions that addressed this corporate reorganization. The Commission addresses interventions concerning the acquisition of Astral by BCE in Broadcasting Decision 2013-310.
2. In Broadcasting Decision 2013-309, issued today, the Commission also approved a multi-step corporate reorganization within BCE that will take place prior to and after the closing of BCE's acquisition of Astral.
3. Following the corporate reorganization approved in this decision, the control of the broadcasting undertakings will continue to be exercised by Astral.
4. The corporate reorganization will be completed through the series of transactions set out below.

Astral radio undertakings

Step 1 – CJOT-FM Ottawa-Gatineau, Ontario-Quebec; and CHHR-FM Vancouver, British Columbia

5. Astral Media Radio Inc. will incorporate two new wholly owned subsidiaries, CJOT-FM Newco and CHHR-FM Newco.

6. Upon their incorporation, CJOT-FM Newco and CHHR-FM Newco will respectively acquire the assets of CJOT-FM Ottawa-Gatineau and CHHR-FM Vancouver. Upon surrender of the current licences, the Commission will issue new broadcasting licences to the new licensees. All of the licences will be subject to the terms and **conditions** in effect under the current licences.

Step 2 – CKZZ-FM Vancouver and CISL Richmond, British Columbia; CIBK-FM and CJAY-FM Calgary, Alberta; CKMM-FM Winnipeg and CFQX-FM Selkirk, Manitoba; CHBM-FM Toronto, CKFM-FM Toronto and CKQB-FM Ottawa, Ontario; and CJAD Montréal, Quebec

7. Astral Media Radio (Toronto) Inc. and 4382072 Canada Inc., partners in a general partnership carrying on business as Astral Media Radio G.P., are the licensees of the radio programming undertakings listed above.
8. Astral Media Radio G.P. will incorporate the following ten new wholly owned subsidiaries: CKZZ Newco, CISL Newco, CIBK Newco, CJAY Newco, CKMM Newco, CFQX Newco, CHBM Newco, CKFM Newco, CKQB Newco and CJAD Newco (collectively the Newcos).
9. Upon incorporation, the Newcos will respectively acquire from Astral Media Radio G.P. the assets of CKZZ-FM Vancouver, CISL Richmond, CIBK-FM Calgary, CJAY-FM Calgary, CKMM-FM Winnipeg, CFQX-FM Selkirk, CHBM-FM Toronto, CKFM-FM Toronto, CKQB-FM Ottawa and CJAD Montréal.
10. Upon surrender of the current licences, the Commission will issue new broadcasting licences to the new licensees. All of the licences will be subject to the terms and **conditions** in effect under the current licences.

Astral television undertakings

Step 3 – TELETOON Canada Inc.

11. The Family Channel Inc.¹ (The Family Channel) will create either a new corporation that will be a subsidiary of The Family Channel (Halftoon Newco) or a new partnership (Halftoon Partnership) in which The Family Channel will hold a 99.9999% partnership interest as well as a new wholly owned subsidiary of The Family Channel (Halftoon Partnerco) that will hold the remaining 0.0001% partnership interest.
12. Upon creation of these entities, The Family Channel will transfer all of its shares in TELETOON Canada Inc. (TELETOON Canada) to either Halftoon Newco or Halftoon Partnership. As a result, TELETOON Canada will remain the licensee of

¹ The Family Channel Inc. holds a 50% share interest in 4116381 Canada Inc., an indirect parent of TELETOON Canada Inc. (TELETOON Canada), the licensee of TELETOON, TELETOON Retro, TELETOON Rétro and Cartoon Network, and a 40% direct share interest in TELETOON Canada.

TELETOON, TELETOON Retro, TELETOON Rétro and Cartoon Network and will be wholly owned by either Halftoon Newco or Halftoon Partnership.

13. The Commission notes that this step does not require the issuance of new broadcasting licences and, therefore, all of the affected licences will continue to be subject to the terms and **conditions** in effect under the current licences.

Step 4 – Historia and Séries+

14. Astral Broadcasting Group Inc. (Astral Broadcasting) and Shaw Media Inc., partners in a general partnership carrying on business as Historia & Séries+, s.e.n.c., are licensees of the Category A specialty services Historia and Séries+.
15. Astral Broadcasting will incorporate a wholly owned subsidiary (Demi-Historia-Séries+ Newco) that will replace Astral Broadcasting as the partner (holding a 50% partnership interest) with Shaw Media Inc. (holding the remaining 50% interest) in Historia & Séries+, s.e.n.c.
16. This transaction requires the issuance of new licences to continue the operation of these specialty services. Upon completion of the transfer of the partnership interest and surrender of the current licences, the Commission will issue new broadcasting licences to the new licensees. All of the licences will be subject to the terms and **conditions** in effect under the current licences.

Step 5 – Historia & Séries+, s.e.n.c.

17. Following step 4, a new partnership (Demi-Historia-Séries+ Partnership) will be created in which Astral Broadcasting will hold a 99.9999% partnership interest and a new wholly owned subsidiary of Astral Broadcasting (Demi-Historia-Séries+ Partnerco) will hold the remaining 0.0001% partnership interest.
18. Upon creation of these entities, the shares of Astral Broadcasting in Demi-Historia-Séries+ Newco will be transferred to Demi-Historia-Séries+ Partnership.
19. The Commission notes that this step does not require the issuance of new broadcasting licences. Consequently, all of the affected licences will continue to be subject to the terms and **conditions** in effect under the current licences.

Step 6 – MusiquePlus and MusiMax

20. MusiquePlus inc. will either incorporate one new wholly owned subsidiary (MusiquePlus-MusiMax Newco) to hold both MusiquePlus and MusiMax undertakings (Option 1), or two wholly owned subsidiaries (MusiquePlus Newco and MusiMax Newco) to respectively hold MusiquePlus and MusiMax undertakings (Option 2).
21. Upon incorporation of these corporations, and depending on the option chosen by Astral, MusiquePlus-MusiMax Newco or MusiquePlus Newco and MusiMax Newco will acquire from MusiquePlus inc. the assets of these undertakings.

22. Upon surrender of the current licences, the Commission will issue new broadcasting licences to the new licensees. All of the licences will be subject to the terms and **conditions** in effect under the current licences.

Step 7 – The Movie Network, The Movie Network Encore, Canal D, Canal Vie, Super Écran, VRAK.TV, Ztélé and CINÉPOP

23. Astral Broadcasting will incorporate eight new wholly owned subsidiaries: TMN Newco, TMN Encore Newco, Canal D Newco, Canal Vie Newco, Super Écran Newco, VRAK.TV Newco, Ztélé Newco and CINÉPOP Newco (collectively the TV Newcos).

24. Upon their incorporation, the TV Newcos will respectively acquire from Astral Broadcasting the assets of The Movie Network, The Movie Network Encore, Canal D, Canal Vie, Super Écran, VRAK.TV, Ztélé and CINÉPOP.

25. Upon surrender of the current licences, the Commission will issue new broadcasting licences to the new licensees. All of the licences will be subject to the terms and **conditions** in effect under the current licences.

Step 8 – Family Channel, Disney XD and Disney Junior

26. The Family Channel Inc. (The Family Channel) and Astral Broadcasting will create one of the following:

- a separate Newco to be wholly owned either by The Family Channel for each of Family Channel (Family Channel Newco) and Disney XD (Disney XD Newco) or by Astral Broadcasting for Disney Junior (Disney Junior Newco) (Option 1); or
- only one Newco to be ultimately wholly owned by The Family Channel (Family-XD-Junior Newco) to hold all three undertakings (i.e., Family Channel, Disney XD and Disney Junior) (Option 2); or
- two Newcos, one to be wholly owned by The Family Channel (Family-XD Newco) and the other to be wholly owned by Astral Broadcasting (Disney Junior Newco), the first to hold Family Channel and Disney XD, and the second, Disney Junior (Option 3); or
- two Newcos to be wholly owned by The Family Channel (Family-Junior Newco and Disney XD Newco), the first to hold Family Channel and Disney Junior and the second, Disney XD (Option 4); or
- two Newcos to be wholly owned by The Family Channel (XD-Junior Newco and Family Channel Newco), the first to hold Disney Junior and Disney XD and the second, Family Channel (Option 5).

27. Depending on the option chosen by Astral, the entity or entities created will acquire, either from Astral Broadcasting or The Family Channel, the assets of the above-mentioned undertakings.

28. Upon surrender of the current licences, the Commission will issue new broadcasting licences to the new licensees. All of the licences will be subject to the terms and **conditions** in effect under the current licences.

Step 9 – Wind-up or amalgamation

29. Prior to the closing of the acquisition of Astral by BCE approved in Broadcasting Decision 2013-310, Astral may wind-up Astral Media Radio inc., Astral Broadcasting, MusiquePlus inc. and The Family Channel Inc. into Astral or amalgamate those entities. This would result in the assets of the remaining broadcasting undertakings being held by Astral Media Radio inc. and Astral Broadcasting, the shares of the Newcos, Partnercos and TV Newcos, and the 50.1% voting interest of Astral Broadcasting in Viewer's Choice Inc.² being transferred to Astral.

30. Should Astral choose to wind-up these entities, new licences would need to be issued to continue the operation of the broadcasting undertakings. Upon surrender of the current licences of the wound-up licensees, the Commission will issue new broadcasting licences to the new licensees. All of the licences will be subject to the same terms and **conditions** as those in effect under the current licences.

Other issues

31. Astral is required to inform the Commission once each step of the transaction has been completed.

32. The Commission also directs the applicant to file, within 30 days of this decision, executed copies of all corporate documents (including but not limited to partnership agreements, partnership registrations, certificate and articles of incorporation, bylaws, certificate and articles of dissolution, and certificate and articles of amalgamation).

Secretary General

Related documents

- *Notice of hearing*, Broadcasting Notice of Consultation CRTC 2013-106, 6 March 2013
- *Astral broadcasting undertakings – Change of effective control*, Broadcasting Decision CRTC 2013-310, 27 June 2013
- *Various radio stations and specialty services – Acquisition of assets (corporate reorganization within BCE Inc.)*, Broadcasting Decision CRTC 2013-309, 27 June 2013

**This decision is to be appended to each licence.*

² Certain of these wind-ups or amalgamations may be delayed and become part of a post transaction to be completed by BCE after its acquisition of Astral.