SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK: COMMERCIAL DIVISION

CPPIB CREDIT INVESTMENTS II INC. and CPPIB CREDIT INVESTMENTS III INC.

Plaintiff,

-against-

LIONS GATE ENTERTAINMENT CORPORATION, and LIONS GATE CAPITAL HOLDINGS LLC,

Defendants.

Index No. _____

Date Purchased: August 27, 2024

SUMMONS

TO DEFENDANT, LIONS GATE ENTERTAINMENT CORPORATION:

YOU ARE HEREBY SUMMONED and required to serve upon attorneys for Plaintiffs CPPIB Credit Investments II Inc. and CPPIB Credit Investments III Inc. (together, "CCP Investments") an answer to the complaint in this action within 20 days after the service of this summons, exclusive of the date of the summons, or within 30 days after service is complete if the summons is not personally delivered to you within the State of New York. In case of your failure to answer or appear, judgment will be taken against you by default for the relief demanded in the complaint.

CCP Investments designates New York County as the place of trial. Venue is based on N.Y. C.P.L.R. § 327(b), N.Y. C.P.L.R. § 501, and New York General Obligations Law § 5-1402 because this action arises out of a contract pursuant to which the parties have agreed to submit to the laws and jurisdiction of the State of New York and which involves obligations arising out of transactions covering in the aggregate not less than one million dollars. Venue is also based on N.Y. C.P.L.R. § 503 because, upon information and belief, neither party is deemed to be a resident of a particular county in New York, and a substantial part of the events and omissions

giving rise to CCP Investments' causes of action occurred in New York County. Lions Gate Entertainment Corporation is a Canadian corporation. CCP Investments are located in Canada.

Dated: New York, New York
August 27, 2024

LATHAM & WATKINS LLP

/s/ Joseph Serino, Jr.

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SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK: COMMERCIAL DIVISION

CPPIB CREDIT INVESTMENTS II INC. and CPPIB CREDIT INVESTMENTS III INC.

Plaintiff,

-against-

LIONS GATE ENTERTAINMENT CORPORATION, and LIONS GATE CAPITAL HOLDINGS LLC,

Defendants.

Index No. _____

Date Purchased: August 27, 2024

SUMMONS

TO DEFENDANT, LIONS GATE CAPITAL HOLDINGS LLC:

YOU ARE HEREBY SUMMONED and required to serve upon attorneys for Plaintiffs CPPIB Credit Investments II Inc. and CPPIB Credit Investments III Inc. (together, "CCP Investments") an answer to the complaint in this action within 20 days after the service of this summons, exclusive of the date of the summons, or within 30 days after service is complete if the summons is not personally delivered to you within the State of New York. In case of your failure to answer or appear, judgment will be taken against you by default for the relief demanded in the complaint.

CCP Investments designates New York County as the place of trial. Venue is based on N.Y. C.P.L.R. § 327(b), N.Y. C.P.L.R. § 501, and New York General Obligations Law § 5-1402 because this action arises out of a contract pursuant to which the parties have agreed to submit to the laws and jurisdiction of the State of New York and which involves obligations arising out of transactions covering in the aggregate not less than one million dollars. Venue is also based on N.Y. C.P.L.R. § 503 because, upon information and belief, neither party is deemed to be a resident of a particular county in New York, and a substantial part of the events and omissions

giving rise to CPP Investments' causes of action occurred in New York County. Lions Gate Capital Holdings LLC is a U.S.A. limited liability company. CCP Investments are located in Canada.

Dated: New York, New York
August 27, 2024

LATHAM & WATKINS LLP

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SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK: COMMERCIAL DIVISION

CPPIB CREDIT INVESTMENTS II INC. and CPPIB CREDIT INVESTMENTS III INC. Plaintiff, -against- LIONS GATE ENTERTAINMENT CORPORATION, and LIONS GATE CAPITAL HOLDINGS LLC, Defendants.	Index No. _____ **COMPLAINT**

Plaintiffs CPPIB Credit Investments II Inc. and CPPIB Credit Investments III Inc. (together, "CPP Investments"), by and through their undersigned attorneys, for their complaint against Defendants Lions Gate Entertainment Corporation ("Lions Gate Entertainment" or "LGEC") and Lions Gate Capital Holdings LLC ("LG Holdings") (together, "Lions Gate"), allege as follows[1]:

NATURE OF ACTION

1. This action arises from the hundreds of millions of dollars in 5.500% Senior Notes Due in April 2029 (the "Notes") that Lions Gate issued to noteholders, including CPP Investments, in April 2021. The claims herein arise, in particular, from Lions Gate's intentional and unlawful efforts to eviscerate the express bargained-for sacred rights, protections and payment guarantees owed to CPP Investments and other similarly situated noteholders. The lengths to which Lions

[1] Capitalized but undefined terms herein shall have the meanings ascribed to them in the documents in which they appear, and all emphasis is added unless otherwise stated.

Gate Entertainment and its subsidiary, LG Holdings, have gone to intentionally deprive its noteholders of such rights, protections and guarantees here are nothing short of extraordinary.

2. Lions Gate Entertainment is a public company and majority owner of Lionsgate Studios Corp. ("Lions Gate Studios"). A decade ago, Lions Gate Entertainment was riding high, generating billions in revenues and basking in the glow of its soaring stock price. But it was around this time when Lions Gate made a major strategic blunder that would come back to haunt it in the future: In an attempt to increase its revenues, Lions Gate decided in 2016 to spend $4.4 billion to purchase Starz, a former cable network turned digital subscription platform. Despite the heavy sticker price it paid, Lions Gate has never even come close to realizing the sort of profit it was hoping to get from Starz. By 2022, Lions Gate Entertainment's stock price had fallen to new record lows. Lions Gate pinned at least part of the blame for this deterioration on Starz. In a desperate bid to turn things around, Lions Gate resolved to separate its more profitable television and movie studio business segments, along with its film and television libraries, from the unprofitable Starz segment. In late 2023, Lions Gate took the first step down this road, announcing that it would transfer its studio business to a publicly-traded special purpose acquisition corporation—a corporation run in large part by a Lions Gate board member.

3. Lions Gate knew, however, that there was a flaw in this plan. Its ability to pursue such a transaction was prohibited by the terms of the Indenture that governs the Notes it had issued to CPP Investments and others in 2021. The Indenture contains numerous express rights and protections in favor of noteholders like CPP Investments—rights and protections that CPP Investments expressly relied upon when purchasing the Notes in question—that would restrict any sale, spin, or separation of Lions Gate's other business lines from Starz, including a suite of negative covenants restricting Lions Gate from selling certain assets or executing transactions

involving any "Change of Control" (Ex. 1, Indenture §§ 4.01-4.17); "Events of Default" giving noteholders the right to immediately accelerate their loans should such events occur (*id.* §§ 6.01-6.14); and express "Notes Guarantees" under which Lions Gate's affiliates "jointly and severally, irrevocably and unconditionally guarantee[d]" the repayment of each Note (*id.* §§ 10.01-10.09).

4. Lions Gate was not willing to abide by these binding restrictions in its own Indenture, and it knew that no economically rational noteholder, who would continue to hold the Notes, would ever consent to the wholesale stripping of such restrictions from the Indenture. So, rather than engaging with CPP Investments and other noteholders generally about an amendment to the Indenture, Lions Gate conspired with a handful of its most favored lenders in an end-run around the Indenture that consisted of a so-called exchange transaction with those favored noteholders, who allegedly held a bare majority of the Notes at the time, in return for their consent to strip the Indenture of all bothersome restrictions and salient noteholder protections.

5. Specifically, Lions Gate offered to redeem the Notes held by these favored noteholders in return for new notes that were superior in all material respects ("New Notes"). The New Notes would be issued to these favored noteholders at par and in the same face amount as their old Notes, despite the fact that those existing Notes were trading well below par on the secondary market at that time. The New Notes would ultimately have a 6.0% coupon, while the existing Notes had a coupon of 5.5%. The New Notes did not mature until April 2030, while the existing Notes were set to mature in 2029. And, most importantly, all or substantially all of the credit backing the existing Notes would be gutted from those Notes and transferred to the New Notes.

6. In order to be eligible to take part in this enticing transaction, however, each of the favored noteholders was required to give their "consent" to certain amendments to the Indenture governing the Notes. Even though the favored noteholders would, by definition, no longer hold any of the Notes under the Indenture the moment they agreed to such amendments by virtue of the purported exchange, Lions Gate sought to use these last-minute "parting kiss" amendments by these favored (and now former) holders of the Notes to argue that a "majority" of the noteholders had "consented" to amend the Indenture. The favored noteholders were only too happy to help facilitate these amendments in exchange for the more favorable terms they had negotiated into the New Notes.

7. The amendments to the Indenture that the favored noteholders agreed to sign were memorialized in Supplemental Indenture No. 10, which, by its terms, purported to gut the Indenture of virtually every contractual right, protection or guarantee of any consequence in favor of all of the remaining noteholders under the Indenture.

8. The ultimate purpose of Supplemental Indenture No. 10 was clear and unmistakable: Lions Gate wanted to convert the Notes from being a credit of the lucrative studio business to a credit of the struggling Starz business in order to pave the way for the separation of those two businesses. To that end, having dealt with the nasty business of removing pesky restrictions in the Indenture that once prohibited any sale or spin of its business lines, Lions Gate then proceeded with the first steps in its plan to separate its faltering Starz business from its more profitable segments.

9. The Notes have plummeted in value as a result of Supplemental Indenture No. 10 and the so-called exchange. The Notes, which were trading at 77 cents on the dollar at the time of the purported exchange, now trade at 68 cents, a decline of almost 12%. By contrast, the

New Notes are now quoted at 90 cents on the dollar—a more than 32% premium to the Notes held by CPP Investments.

10. Lions Gate's scheme and the attendant transactions here all fail, in the first instance, because the purported amendments to the Indenture on which it relies are void as a matter of law. Putting aside the fact that there was no legitimate economic substance to the so-called "exchange" transaction to begin with, the Indenture simply does not permit any of the amendments Lions Gate obtained from the favored noteholders. Indeed, Section 9.02(e) of the Indenture sets forth a list of rights held by each and every individual noteholder, generally known as "sacred rights," that cannot be amended, supplemented or waived in any way "[w]ithout the consent of ***each affected Holder***" of such Notes. Even if the favored noteholders with whom Lions Gate conspired to amend the Indenture are deemed to have held a majority of the Notes at the time they provided their consent to such amendments (a dubious proposition, at best), and even if those favored noteholders are permitted to amend the Notes when they already had a deal to redeem them (another dubious proposition), any attempt by Lions Gate to amend, modify or waive the Indenture in any way that affects even one of these sacred rights without the consent of every affected noteholder is *void ab initio*.

11. The amendments that Lions Gate procured from the favored noteholders here violate far more than just one of the sacred rights in the Indenture. Among other things, the sacred rights set forth in Section 9.02(e) of the Indenture forbid any attempt by Lions Gate to "modify the form of the Notes Guarantee in any manner adverse" to any noteholder, "release the Guarantors" from their obligations under the Notes Guarantees, effect any "change" to when Notes may be redeemed, or "amend the right of any [noteholder] to institute suit" to recover payments owed under their Notes. (Ex. 1, Indenture § 9.02(e).) The amendments here violate all of these rights.

But because Lions Gate never obtained the consent of CPP Investments or any other remaining noteholders actually "affected" by these amendments, such amendments—and any transactions that Lions Gate executed in reliance upon such amendments—are all void as a matter of law.

12. CPP Investments now brings this action, not in search of a windfall, but to hold Lions Gate to the promises it made to CPP Investments—promises CPP Investments relied on in pursuit of its mandate to maximize the value of the Canada Pension Plan (the "CPP") fund that it manages in the best interests of the more than 22 million Canadians who are its contributors and beneficiaries. The only way to accomplish that is to (a) invalidate the amendment, (b) restore all covenants and releases that were stripped by the amendment, (c) accelerate CPP Investments' Notes under the event of default provisions in the Indenture, (d) order LG Holdings to pay all principal, premium and interest (including default interest) amounts owed to CPP Investments under its Notes and (e) enjoin Lions Gate from taking further steps that would exacerbate the irreparable harm it has already caused CPP Investments.

PARTIES

13. Plaintiff CPP Investments is a Canadian Crown corporation with its principal place of business in Toronto, Ontario, Canada. In accordance with its legislative mandate, CPP Investments manages the CPP fund in the best interest of more than 22 million Canadians who are the fund's contributors and beneficiaries. As of the filing of this complaint, CPP Investments holds more than 28% of the currently outstanding Notes.

14. Defendant LG Holdings, which is a wholly-owned subsidiary of Lions Gate Entertainment, is a Delaware limited liability company that does business in New York and California. It is the Issuer of the existing Notes under the terms of the Indenture.

15. Defendant Lions Gate Entertainment is a publicly-traded film and entertainment company incorporated in British Columbia, Canada with its primary offices in Vancouver, British Columbia and Santa Monica, California. Lions Gate Entertainment is a signatory to the Indenture and indirectly owns and controls LG Holdings, the Issuer.

JURISDICTION AND VENUE

16. This Court has jurisdiction over Lions Gate pursuant to N.Y. C.P.L.R. § 302(a)(1) because this dispute arises out of Lions Gate's transaction of business in New York, namely the public issuance of up to $1 billion in senior notes of indebtedness.

17. In addition, under Section 12.17 of the Indenture, LG Holdings irrevocably submitted to the non-exclusive jurisdiction of this Court with respect to any dispute, like this, that arises out of or relates to the Indenture.

18. Lions Gate Entertainment is also bound by Section 12.17 of the Indenture because it is a signatory to the Indenture, and because it was foreseeable that Lions Gate Entertainment would be bound to any such clause agreed to by its wholly-owned subsidiary, LG Holdings.

19. For those same reasons, pursuant to N.Y. C.P.L.R. § 327(b), N.Y. C.P.L.R. § 501, and New York General Obligations Law § 5-1402, this Court is a proper venue for this dispute because Section 12.17 of the Indenture fixes venue in this Court and waives any objections as to improper venue, and this action involves obligations arising out of transactions covering in the aggregate not less than one million dollars. Venue is also proper in this Court pursuant to NY C.P.L.R. § 503 because a substantial part of the events and omissions giving rise to CPP Investments' causes of action occurred in New York County.

FACTUAL ALLEGATIONS

A. Beginning in 2018, Lions Gate encounters significant financial difficulties.

20. About a decade ago, Lions Gate Entertainment was at the height of its financial prowess. At that time, its film studio, Lionsgate Studios, was one of the hottest and most profitable movie studios in the world. This was due in no small part to the unprecedented success of two of its major movie franchises—the *Hunger Games* and the *Twilight Saga* franchises—which collectively raked in billions in revenues over many years.

21. These two movie franchises propelled Lions Gate Entertainment to new heights as a public company. Indeed, Lions Gate's "A" stock steadily climbed through most of the 2010s before peaking on January 26, 2018 at $35.13 per share and with a market capitalization of over $7 billion. This ascension attracted interest from the likes of Hasbro, which offered to acquire Lions Gate for $40 per share in 2017. Still riding high from the success of the *Hunger Games* and *Twilight Saga* franchises, Lions Gate rejected Hasbro's offer.

22. This marked a turning point for Lions Gate. After rejecting Hasbro's offer, Lions Gate Entertainment's stock price suffered a dramatic multi-year decline, falling to less than $10 per share—a more than 70% drop from its peak in January 2018—toward the end of 2019. Things would get even worse for Lions Gate in 2020 with the onset of the COVID-19 pandemic, which impacted the movie industry as a whole and further deteriorated Lions Gate's business. It is against this financial backdrop that Lions Gate took the unlawful acts that would give rise to, and necessitate, this lawsuit.

B. In 2021, Lions Gate issues $1 billion in 5.5% Senior Notes Due 2029.

23. By early 2021, Lions Gate was desperately attempting to mount a comeback. The problem, however, was that Lions Gate was strapped for cash. In February 2021, Lions Gate was reporting roughly $2.56 billion in debt, with only $551.5 million in cash assets on hand. More

than $1 billion of such debt consisted of outstanding notes, paying between 5.875% and 6.375%, which were set to mature in 2024. To alleviate its cash crunch and refinance a portion of this existing debt, Lions Gate began seeking out new financing opportunities.

24. In April 2021, Lions Gate used its wholly-owned subsidiary, LG Holdings, to issue $1 billion in "senior" Notes paying 5.5% interest and maturing in 2029, which were purchased by a variety of noteholders, including CPP Investments. Upon information and belief, Lions Gate utilized a portion of the proceeds from these Notes to redeem its prior outstanding 5.875% and 6.375% notes.

25. The Notes were issued pursuant to an Indenture, dated as of April 1, 2021, among LG Holdings as Issuer, the Guarantors named therein and Deutsche Bank Trust Company Americas as Trustee (the "Indenture", Ex. 1). While LG Holdings was the Issuer, Lions Gate Entertainment itself was also a signatory to the Indenture.

26. The Indenture expressly contained numerous rights, protections and guarantees for noteholders. CPP Investments, which purchased a large amount of the Notes, relied on all of those promises, including the following:

27. **Amendments and "Sacred Rights".** While certain terms of the Indenture can be amended, supplemented or waived with the consent of the noteholders holding a "majority in principal amount of the Notes" at the time of the amendment, the Indenture contains a host of other terms—known as "sacred rights"—that may only be altered with "the consent of each affected Holder" of the Notes at issue. (Ex. 1, Indenture § 9.02(e).)

28. Among other things, CPP Investments' sacred rights include prohibitions against any attempt to: (a) "modify the form of the Notes Guarantee in any manner adverse" to CPP Investments without its express consent (*id.* § 9.02(e)(8)); (b) "release the Guarantors constituting

all or substantially all of the value of the Notes Guarantees of all Guarantors as a whole" without CPP Investments' express consent (*id.*); (c) "change the time at which any Note may be redeemed or repurchased as described under Section 3.07 whether through an amendment or waiver of provisions in the covenants, definitions or otherwise" without CPP Investments' express consent (*id.* § 9.02(e)(4)); or (d) "amend the right of any Holder to institute suit for the enforcement of any payment of principal, premium, if any, or interest on or with respect to such Holder's Notes on or after the respective due dates expressed in this Indenture or such Notes" without CPP Investments' express consent (*id.* § 9.02(e)(6)).

29. **Notes Guarantees.** LG Holdings' payment obligations as Issuer of the Notes are "jointly and severally, irrevocably and unconditionally guarantee[d]" by numerous subsidiaries and affiliates of Lions Gate (the "Notes Guarantees"). (Indenture §§ 10.01-10.09.)

30. **Restrictive Covenants.** The Indenture contains a suite of negative covenants restricting Lions Gate from taking a variety of actions that would impair or impede the noteholders' likelihood of recovery under the Notes, including covenants prohibiting the issuance of new debt, the sale of certain assets, or the consummation of certain transactions. (*Id.* §§ 4.01-4.17.) Notably, these covenants do not just bind LG Holdings, the Issuer; some of them expressly apply to Lions Gate Entertainment as well.

31. For example, such covenants prohibit Lions Gate Entertainment from "caus[ing] or mak[ing] any Asset Sale" unless the cash proceeds from such a sale are applied, in the first instance, to pay down its existing Indebtedness. (*Id.* § 4.10(a).) Such covenants prohibit Lions Gate Entertainment from spinning off any part of its business in any way that would effect a "Change of Control," unless LG Holdings first repurchased "all of the Notes" at a purchase price of "101% of the principal amount of the Notes." (*Id.* § 4.14.) And, subject to exceptions not

applicable here, such covenants prohibit Lions Gate Entertainment and its Restricted Subsidiaries from entering into a transaction with an Affiliate that disposes of property for consideration in excess of $30 million. (*Id.* § 4.11(a).)

32. **Redemption Terms.** The Indenture contains strict provisions with which the Issuer, LG Holdings, must comply when it wants to make an "optional" or partial redemption of the Notes "in whole or in part." (*Id.* §§ 3.01-3.08.) The Issuer is not allowed to cherry-pick the Notes or noteholders that will be redeemed. Instead, if the Issuer wants to redeem less than all of the Notes—a "partial" redemption—then it must provide notice to the Trustee and the Trustee must then select the Notes to be redeemed on "***a pro rata basis or by lot or by such other method as the Trustee shall deem fair and appropriate***." (Ex. 1, Indenture § 3.02(a).)

33. **Events of Default**. The Indenture also includes a defined list of "Events of Default," which allow noteholders to accelerate the amounts owed under the Notes upon specific events. (*Id.* §§ 6.01-6.14.) Lions Gate and LG Holdings attempted to remove several of those Events of Default—Sections 6.01(a)(4), (7) and (8)—through Supplemental Indenture No. 10.

34. Section 6.01(a)(4) of the Indenture makes it an automatic Event of Default if "the Issuer, any Guarantor or any Restricted Subsidiary [fails] to pay any Indebtedness." (*Id.* § 6.01(a)(4).)

35. Section 6.01(a)(8) makes it an automatic Event of Default if "any Notes Guarantee of [Lions Gate Entertainment] or a Significant Subsidiary or group of Restricted Subsidiaries that, taken together . . . would constitute a Significant Subsidiary ceases to be in full force and effect," or any "Guarantor denies or disaffirms its obligations under this Indenture or its Notes Guarantee." (*Id.* § 6.01(a)(8).)

36. Section 6.01(a)(7) makes it an automatic Event of Default if "[Lions Gate Entertainment], the Issuer or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together . . . would constitute a Significant Subsidiary [fail] to pay final judgments aggregating in excess of $75,000,000." (*Id.* § 6.01(a)(7).) In other words, if a noteholder were to obtain a judgment compelling Lions Gate or certain Lions Gate subsidiaries to pay the debt owed on the Notes (which far exceed $75 million), their failure to comply with that judgment would constitute an independent Event of Default.

37. Section 6.02(a), in turn, provides that CPP Investments' remedy for any Event of Default under Sections 6.01(a)(4), (7) or (8) is acceleration, pursuant to which all "principal, premium, if any, and accrued and unpaid interest [on CPP Investments' Notes] shall be due and payable immediately." (*Id.* § 6.02(a).)

C. After facing more financial headwinds throughout 2022, Lions Gate resolves to separate from its unprofitable Starz business.

38. Lions Gate spent the better part of 2021 attempting to turn around its business. While it was able to briefly reverse the downward trend its stock had taken in 2019 and 2020, in May 2022 Lions Gate Entertainment posted a $50 million operating loss in the fourth quarter ended March 31, 2022, which sent its stock plunging below $6.00 per share by the end of 2022.

39. Lions Gate pinned much of the blame for its financial woes on one of its businesses in particular, Starz, Inc. ("Starz"). Lions Gate had purchased Starz, a former "premium" cable TV network turned digital subscription platform, back in 2016 for $4.4 billion. Lions Gate had hoped, at that time, to be able to generate a significant new revenue stream by integrating Starz's TV platforms with Lions Gate's existing business and offerings. After the acquisition closed, however, the integration of Starz into Lions Gate was anything but smooth, dragging on for many years and leading to the public ouster of Starz's longtime CEO in early 2019. As the years passed,

Lions Gate was never able to realize anything close to the sort of profit it had hoped to receive from Starz.

40. In a bid to generate additional value and address the drag on its stock price, which it blamed on the Starz business, Lions Gate's management resolved by late 2021 "to sell or spin off" Starz. *See, e.g.*, Tony Maglio, *Here's Why Lionsgate Will Be Happy to Sell Starz at a Major Loss*, IndieWire (June 2, 2022), https://www.indiewire.com/features/general/why-lionsgate-is-selling-starz-1234729596; Lions Gate Entertainment's Form 8-K (Nov. 4, 2021) (explaining that Lions Gate Entertainment's Board had authorized the exploration of "potential capital markets alternatives for [Starz] including, but not limited to, a full or partial spin-off, split-off, issuance of a tracking stock or other transactions"). To that end, Lions Gate came up with a plan to separate its more profitable television and movie studio business segments, along with its film and television libraries, from the unprofitable Starz segment through a series of incremental steps.

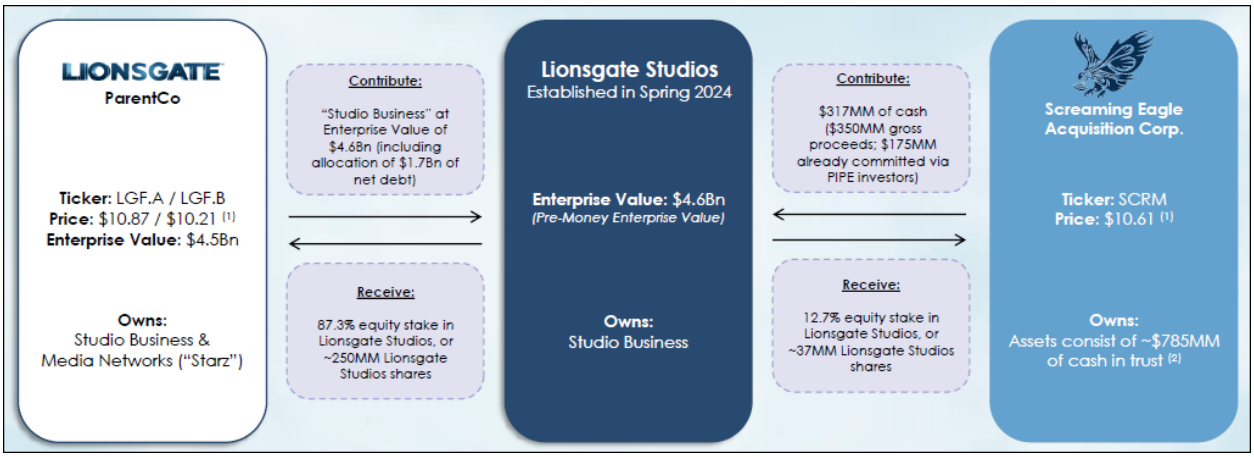
41. On information and belief, one of Lions Gate's first steps in this integrated plan was the transfer of its studio business to a special purpose acquisition company ("SPAC") called Screaming Eagle Acquisition Corp. ("SEAC").

42. On information and belief, SEAC went public on or about January 6, 2022. Its Chairman is Harry Sloan, who is also a member of Lions Gate's board of directors.

43. On December 22, 2023, the publicly-traded Lions Gate announced that it had entered into a Business Combination Agreement with the publicly-traded SEAC to separate Starz from the money-making parts of Lions Gate's businesses (the "SEAC Transaction"). Among other things, the Business Combination Agreement required the SEAC parties to purchase PIPE shares in Lions Gate for $175 million.

44. Under SPAC regulations, but for the SEAC Transaction on December 22, 2023, SEAC would have been required to dissolve and return all funds to its original investors on January 6, 2024.

45. Lions Gate's public disclosures depicted the SEAC Transaction as follows:



See LGEC Form 8-K, Ex. 99.2, at 19 (Jan. 4, 2024).

46. As part of the SEAC Transaction, Lions Gate's non-Starz businesses—including its more profitable television and movie studio business segments, its film and television libraries, and many of the Lions Gate affiliates that were Guarantors under the Indenture—would be spun off into an indirect, wholly-owned subsidiary (constituting an "Affiliate" under the Indenture), which would in turn transfer the studio business to a SEAC-affiliated entity in order to create a new publicly-traded company called Lions Gate Studios. The new Lions Gate Studios would be valued at $4.6 billion and contain substantially all of the assets formerly belonging to Lions Gate Entertainment other than Starz.

47. Once that step was completed, the SEAC-related investors would own 12.7% of the equity in Lions Gate Studios. In return for its equity stake in Lions Gate Studios, SEAC agreed to inject at least $350 million in cash into that entity and to increase its PIPE share purchases from $175 million to $225 million.

48. For the time being, the remaining 87.3% of the equity in Lions Gate Studios would continue to be owned by Lions Gate Entertainment, the Parent Company and so-called RemainCo, which would also continue to hold 100% of the Starz business.

49. On information and belief, based on Lions Gate's sometimes unclear and incomplete public statements, it appears that Lions Gate Entertainment ultimately intends to seek the required shareholder and regulatory approvals under Canadian law to distribute its 87.3% interest in Lions Gate Studios to its own public shareholders. At that point, all that would be left in the Parent Company and RemainCo would be 100% of Starz.

50. The SEAC Transaction was originally scheduled to close in May 2024, a date that was designed to give Lions Gate time to deal with an impediment to closing—Lions Gate could not close the SEAC Transaction without making material changes to the Indenture.

51. Among other things, the consummation of just the SEAC Transaction alone would have violated the Indenture covenants against "Asset Sales," "Change of Control" transactions, and "Affiliate Transactions" which, in turn, would have foreclosed the SEAC Transaction or required Lions Gate to buy out all of the Notes at a premium.

52. For example, the Indenture defines "Change of Control" broadly to include any "sale, assignment, lease, transfer, conveyance or other disposition . . . of all or substantially all of the assets of [Lions Gate Entertainment]" to "any 'person' . . . other than any Permitted Holder or a Restricted Subsidiary." (Ex. 1, Indenture § 1.01.) This is precisely what the SEAC Transaction purported to do—transfer substantially all of the assets of Lions Gate to a new entity, Lions Gate Studios, which is neither a Permitted Holder nor Restricted Subsidiary. (*Id.* § 4.14.)

53. The Indenture further provides that, in the event of a "Change of Control," LG Holdings must "make an offer to purchase all of the Notes" at a "purchase price in cash equal to 101% of the principal amount of the Notes." (*Id.*)

D. To clear the way for the SEAC Transaction, Lions Gate devises an unlawful scheme to strip the noteholders of their covenants, rights, protections and guarantees under the Notes.

54. The Change of Control and other provisions of the Indenture presented a serious impediment to the closing of the SEAC Transaction, a vital first step in Lions Gate's master plan to shed the Starz business, because Lions Gate could not afford to offer 101% to repurchase all of the Notes. Lions Gate's solution to that problem was to enter into a secret pact with a subset of the noteholders to change the terms of the Indenture itself.

55. The crux of this secret agreement involved a so-called "exchange" transaction—which, in reality, was a redemption—between Lions Gate and a select group of favored noteholders that, at the time, held just over 50% of the outstanding Notes (the "Favored Noteholders"). CPP Investments was never offered a chance to participate in this transaction and did not learn about this secret arrangement until it was too late to bring an action to stop it.

56. Lions Gate's leadership has repeatedly pointed to this so-called "exchange" as a key component of its integrated plan to separate the studio and Starz business segments. *See, e.g.*, LGEC Earnings Call Transcript (May 23, 2024), at 5-6 (LGEC's Executive Vice Chairman, claiming the so-called exchange "provides us with greater flexibility in managing our corporate debt" and is among the transactions that "will help propel us towards a full separation of our Studio and Starz businesses"); *id.* at 7 (LGEC's Chief Financial Officer, stating that Lions Gate "recently announced another important step toward full separation when we completed a bond exchange").

57. Lions Gate has chosen not to publicly identify the Favored Noteholders but, on information and belief, they include persons and entities with financial interests in the SEAC

Transaction. According to public reporting, these Favored Noteholders worked hand in glove with Lions Gate to devise the redemption as part of Lions Gate's larger scheme to consummate the Business Combination Agreement, the PIPE purchases, the SEAC Transaction and ultimate separation of its studios and Starz businesses.

58. The terms of this redemption were memorialized in a so-called Exchange Agreement executed by Lions Gate and the Favored Noteholders on or about May 2, 2024 ("Exchange Agreement"). (Ex. 2, Exchange Agreement.) The upshot of that agreement was that Lions Gate would cause another one of its wholly-owned subsidiaries to redeem the 5.5% Notes maturing in 2029 from the Favored Noteholders and issue new senior notes that, once the separation was complete, would pay 6% and would not mature until April 2030.

59. There is no legitimate economic reason for Lions Gate to have offered, let alone participated, in such a redemption of the existing Notes. Lions Gate did not need, and was not seeking, any new or incremental debt. Unlike most transactions involving the issuance of new notes or loans, the New Notes issued to the Favored Noteholders were in the ***same face amounts*** as the Notes they purported to replace. As such, Lions Gate did not receive any additional debt proceeds as a result of this transaction nor did it capture any debt discount.

60. Nor was this redemption an attempt to refinance Lions Gate's existing Notes with cheaper debt on better terms. The opposite is true. Under the purported Exchange Agreement, the New Notes that Lions Gate agreed to issue would pay a ***higher*** coupon rate—6.0% per annum—compared to the original 5.5% Notes, and for longer.

61. But that is not the only evidence that the New Notes were more valuable than the Notes they purported to replace. At the time of the redemption, while the existing Notes were trading at roughly 77 cents on the dollar, Lions Gate agreed to issue the New Notes ***at par***, which

represented a nearly 30% premium to the existing Notes. Within days, the existing Notes had fallen to nearly 71 cents on the dollar. Today, the existing Notes are trading at 68 cents on the dollar, while the New Notes are being quoted at 90 cents on the dollar.

62. Instead, the real reason why Lions Gate offered the Favored Noteholders a sweetheart of a deal was the *quid pro quo*, namely, the "parting kiss" amendments those Favored Noteholders purportedly could approve that would apply only to continuing holders of the existing Notes, like CPP Investments, and, more importantly, would clear the way for Lions Gate to consummate the SEAC Transaction.

63. To that end, the so-called Exchange Agreement expressly required each of the Favored Noteholders to "take all such actions and execute all such documentation as shall be necessary or reasonably requested by [Lions Gate]" to provide their "consent" to a sweeping series of amendments to the Indenture before redeeming their existing Notes. (Ex. 2, Exchange Agreement § 3.1(a)(ii).) The Exchange Agreement itself characterized those amendments as "a material inducement" for the redemption. *Id.* at 1 (recitals).

64. In other words, Lions Gate successfully used the attractive terms of the New Notes to secure the Indenture amendments needed to close the SEAC Transaction and to enable Lions Gate to transfer substantially all of the value of the business outside of the credit group that would remain responsible for the old Notes.

65. While the Favored Noteholders purportedly held more than 50% of the existing Notes when they signed off on the Indenture amendments, they had in hand a contractual commitment from Lions Gate, in the form of the Exchange Agreement, that they would never be subject to or bound by those onerous amendments because their existing Notes would be redeemed and replaced with New Notes. Adding insult to injury, the indenture for the New Notes contained

the very covenants, rights and guarantees that the Favored Noteholders helped to strip from the Indenture for the Notes held by CPP Investments.

66. Nonetheless, elevating form over substance, Lions Gate would, and did, claim that those draconian, "parting kiss" amendments were approved by holders of more than 50% of the existing Notes. Those amendments would allow Lions Gate to run roughshod over the noteholders, like CPP Investments, who, unlike the Favored Noteholders, remained bound by and subject to the Indenture, as amended.

E. In May 2024, Lions Gate executes the redemption transaction, issues the New Notes, and procures the Supplemental Indenture.

67. As required under the so-called Exchange Agreement, on May 8, 2024, the Favored Noteholders, who purported to hold a majority of the existing Notes, executed Supplemental Indenture No. 10, and the "parting kiss" amendments to the Indenture allegedly became effective. (Ex. 3, Supplemental Indenture.)

68. Among other things, Supplemental Indenture No. 10 stripped thirteen covenants from the Indenture—covenants that were designed to protect CPP Investments, and which played a major role in CPP Investments' decision to purchase the Notes. Specifically, Supplemental Indenture No. 10 purported to release "the Issuer, the Restricted Subsidiaries and the Guarantors . . . from their respective obligations under" the following covenants:

Section	Indenture	Amendment
4.03	Titled "Reports and Other Information," which required Lions Gate Entertainment to satisfy disclosure obligations under Sections 13 and 15(d) of the Exchange Act.	**DELETED**
4.04	Titled "Compliance Certificate," which required LG Holdings to disclose any known Defaults to the Trustee.	**DELETED**

Section	Indenture	Amendment
4.07	Titled "Limitations on Restricted Payments," which prohibited Lions Gate Entertainment and certain subsidiaries from making certain types of payment, such as dividends and cash payments to redeem Capital Stock.	**DELETED**
4.08	Titled "Limitation on Restrictions on Distribution from Restricted Subsidiaries," which prohibited Lions Gate Entertainment from allowing restrictions on certain subsidiaries' ability to pay dividends or make other contributions on its Capital Stock, or make loans to Lions Gate Entertainment or certain subsidiaries.	**DELETED**
4.09	Titled "Limitation on Indebtedness," which, among other things, prevented Lions Gate Entertainment and certain subsidiaries from incurring certain secured debt to the detriment of noteholders.	**DELETED**
4.10	Titled "Sale of Assets," which, among other things, prevented Lions Gate Entertainment from selling its assets for less than Fair Market Value.	**DELETED**
4.11	Titled "Limitation on Affiliate Transactions," which, among other things, prevented Lions Gate Entertainment from entering into transactions with its affiliates worth more than $30 million unless certain guarantees were provided (*e.g.*, terms as favorable as in an arms-length transaction).	**DELETED**
4.12	Titled "Limitations on Liens," which limited the ability of Lions Gate Entertainment and certain subsidiaries to incur liens on their property.	**DELETED**
4.13	Titled "Corporate Existence," which required Issuer to take steps to preserve and keep in full force and effect its corporate existence.	**DELETED**
4.14	Titled "Offer to Repurchase Upon Change of Control," which ensured that CPP Investments and other noteholders would be paid in full in the event of a change of control of Lions Gate Entertainment.	**DELETED**
4.15	Titled "Future Guarantees," which ensured that Lions Gate Entertainment and LG Holdings would cause certain Lions Gate-related entities to become a Guarantor under the Indenture.	**DELETED**

Section	Indenture	Amendment
4.16	Titled "Effectiveness of Covenants," which provided for the reinstatement of certain suspended covenants in the event the Notes' credit rating is downgraded from an Investment Grade Rating.	**DELETED**
4.17	Titled "Limitation of Lines of Business," which required Lions Gate Entertainment to ensure certain subsidiaries would not engage in anything other than Lions Gate's primary business.	**DELETED**

69. Supplemental Indenture No. 10 also struck three Events of Default from the remedies provided under the Indenture. Notably, none of these Events of Default was curable under the Indenture and each of them automatically triggered CPP Investments' right to acceleration. The three Events of Default are as follows:

Section	Indenture	Amendment
6.01(a)(4)	Providing as an "Event of Default" a failure by LG Holdings, any Guarantor, or certain subsidiaries to pay any Indebtedness.	**DELETED**
6.01(a)(7)	Providing as an "Event of Default" the failure of Lions Gate Entertainment, LG Holdings, any Significant Subsidiary, or Restricted Subsidiaries to pay final judgments in excess of $75 million.	**DELETED**
6.01(a)(8)	Providing as an "Event of Default" any Notes Guarantee of a Significant Subsidiary ceasing to be in full force and effect, or any Guarantor denying or disaffirming its obligations under the Indenture.	**DELETED**

70. Supplemental Indenture No. 10 also added several new provisions to the Indenture to enable Lions Gate to strip out and transfer substantially all the value of its business into a new "good co," *i.e.*, Lions Gate Studios, and to fundamentally change the nature of the credit that CPP Investments signed up for when it purchased its Notes.

71. First, Supplemental Indenture No. 10 added a new Section 5.01, entitled "Transactions Permitted." The new Section 5.01 pre-emptively blesses every aspect of the so-called "Separation Transaction," which is defined in relevant part to broadly include any "transactions that results in the separation of the Studio Business and the STARZ Business," as determined by Lions Gate Entertainment in its sole and absolute discretion "and any related transactions entered into in connection therewith." (Ex. 3, Supplemental Indenture § 2(d)).

72. Second, Supplemental Indenture No. 10 purports to create a safe harbor exception to the Indenture's requirement in Section 3.02 that all optional or partial redemptions must be deemed "fair and appropriate" by the Trustee pursuant to Section 3.07. Specifically, Supplemental Indenture No. 10 purports to exempt from those provision all so-called "Supplemental Indenture Transactions," which is broadly defined to include the Exchange Transaction, the Separation Transaction, and any "other Transactions" related thereto. (*Id.* § 2(c).)

73. Third, it waives Events of Default relating to or arising from the amendments in Supplemental Indenture No. 10, or any of the transactions contemplated thereby. (*Id.* § 4.)

74. Fourth, Section 2.7(f) of Supplemental Indenture No. 10 provides that, upon the consummation of what Lions Gate refers to as the Separation Transaction, "any Guarantor that is part of the Studio Business (as determined by LGEC in its sole discretion)" will be automatically released from all of its obligations under the Notes. (*Id.* § 2.7(f).)

75. While Lions Gate's transaction documents and public statements about the meaning of the term Separation Transaction have been less than clear and complete, on information and belief Lions Gate's position is that the Separation Transaction will be consummated once Lions Gate Entertainment receives the requisite approvals from its shareholders, its regulators, and the

British Columbia Supreme Court to complete the transfer of its 87.3% equity interest in the Lions Gate Studios to the public shareholders of Lions Gate Entertainment.

76. Under the guise of these so-called supplements or modifications to the Indenture, Lions Gate is fundamentally altering the credit platform that CPP Investments and numerous other noteholders bought into when they purchased the Notes.

77. When Lions Gate was selling the Notes in 2021, it promised CPP Investments that the Notes would have the full backing of the entire Lions Gate business, including the profitable Studios business, and further promised that such backing could not be modified in any respect without CPP Investments' express consent. Now, however, Lions Gate maintains that by virtue of a few cosmetic changes to the Indenture, purportedly authorized by a few noteholders who no longer hold the Notes, the Notes that CPP Investments signed up for no longer enjoy the credit or backing of the entire Lions Gate business but are instead a credit of the moribund Starz business—the same business that Lions Gate has worked so hard to shed and leave behind.

78. CPP Investments has already suffered, and will continue to suffer, irreparable harm as a result of the covenant stripping that is already effective according to the terms of Supplemental Indenture No. 10. CPP Investments should not be forced to incur the additional harm of standing by while Lions Gate consummates the final step in its scheme to irrevocably change the fundamental nature of the credit and assets backing the Indenture by automatically releasing all Guarantors under the Indenture that Lions Gate Entertainment deems to be part of the Studio Business, and, as a result, leaving only the credit and assets of Starz to back the Notes owned by CPP Investments and other similarly situated noteholders.

F. Lions Gate's actions violate the terms of the Indenture, including the "sacred rights" of CPP Investments and other noteholders.

79. Lions Gate's use of purported majority consent by the Favored Noteholders in an attempt to jettison Lions Gate's obligations to CPP Investments under the Notes has a fatal flaw: Supplemental Indenture No. 10 fundamentally altered a number of CPP Investments' sacred rights under the Indenture, rights that could not be modified without CPP Investments' prior consent. Lions Gate never sought, much less obtained, such consent from CPP Investments in connection with Supplemental Indenture No. 10.

80. In total, Supplemental Indenture No. 10 breached at least four of CPP Investments' sacred rights. First, despite the fact that Section 9.02(e)(8) of the Indenture prohibits any attempt to "modify the form of the Notes Guarantee in any manner adverse to" CPP Investments without its prior consent, Supplemental Indenture No. 10 has all but obliterated the Notes Guarantees. Supplemental Indenture No. 10 extinguished virtually all of the covenants and Events of Default that protected CPP Investments' Notes. It also purportedly removed and exculpated LG Holdings, the Guarantors and any Restricted Subsidiary against any liability for stripping such rights without CPP Investments' consent. (*See* Ex. 3, Supplemental Indenture § 13.)

81. Second, despite the Indenture's prohibition in Section 9.02(e)(8) on the "release [of] the Guarantors constituting all or substantially all of the value of the Notes Guarantees" without CPP Investments' express consent, Supplemental Indenture No. 10 purports to amend Section 10.06(a) to provide for an automatic and unconditional release of "any Guarantor that is part of the Studio Business (as determined by [LG Holdings] in its sole discretion)" upon the consummation of the Separation Transaction. (*Id.* § 2(f).) Under the present circumstances, that is tantamount to a release of "all or substantially all" of the value of the Notes Guarantees.

82. Under the Indenture, all or substantially all of the value in the Notes Guarantees came from the Guarantors associated with the Studio Business. Upon the consummation of the Separation Transaction, however, those Guarantors would be released from their obligations to CPP Investments and would become Guarantors of the New Notes only. (Ex. 3, Supplemental Indenture § 2(f).) As a result, the only Guarantors of the Notes owned by CPP Investments would be the entities associated with the sputtering Starz business, but those guarantees have no value at all. Indeed, Lions Gate's motivation for the master spin to begin with was to separate the Lions Gate Studios business (Good Co) from the Starz business (Bad Co).

83. Third, Section 9.02(e)(4) of the Indenture forbids any amendment that would "change the time at which any Note may be redeemed or repurchased as described under Section 3.07 whether through an amendment or waiver of provisions in the covenants, definitions or otherwise" without CPP Investments' consent, which is exactly what Lions Gate attempted to do here. Though styled as an "exchange," what Lions Gate did with the Favored Noteholders had all the hallmarks of a redemption.

84. Article III of the Indenture allows LG Holdings, as the Issuer, to perform "optional" redemptions of the Notes "in whole or in part," and prescribes the conditions precedent that LG Holdings must satisfy when making a partial redemption. (Ex. 1, Indenture § 3.07.) Specifically "[i]f the Issuer elects to redeem Notes pursuant to Section 3.07, it shall furnish to the Trustee, at least five Business Days before notice of redemption is required to be sent or caused to be sent to Holders" an Officer's Certificate setting forth certain terms of the redemption. (*Id.* § 3.01.) Thereafter, "[i]f less than all of the Notes are to be so redeemed pursuant to Section 3.07," the "particular Notes to be redeemed or purchased ***shall be selected***, unless otherwise provided herein, not less than 10 nor more than 60 days prior to the redemption date ***by***

the Trustee from the then outstanding Notes not previously called for redemption or purchase." (*Id.* § 3.02(a) (emphasis added).) And the Trustee must select the Notes to be redeemed on "***a pro rata basis or by lot or by such other method as the Trustee shall deem fair and appropriate***." (*Id.*)

85. Lions Gate did not follow any of these mandatory steps when it caused the redemption of the Notes held by the Favored Noteholders. Lions Gate did not provide the requisite certificate to the Trustee. The Trustee was given no say with respect to which Notes would be redeemed—Lions Gate selected the Notes that would give it the bare majority it needed to amend the Indenture. And the Notes were not redeemed on a "pro rata" or otherwise "fair and appropriate" basis—they were redeemed on terms that were part of clandestine negotiations between Lions Gate and the Favored Noteholders.

86. Fourth, without CPP Investments' consent, Supplemental Indenture No. 10 purports to "amend" CPP Investments' unfettered right under Section 9.02(e)(6) of the Indenture "to institute suit for the enforcement of any payment" on its Notes. This was achieved by, among other things, stripping Events of Default from the Indenture. Specifically, CPP Investments' right to bring suit to enforce payment on the Notes is conditioned on a number of factors, including that CPP Investments must first give "the Trustee notice that an Event of Default is continuing." (Ex. 1, Indenture § 6.06.) In other words, CPP Investments cannot take advantage of its right to commence suit for payment under the Indenture without first giving the Trustee notice of an Event of Default. Supplemental Indenture No. 10 limits that right, and makes it harder for CPP Investments to satisfy the conditions precedent to such suit, by stripping the "Events of Default" under Sections 6.01(a)(4), (7) and (8) of the Indenture. (Ex. 3, Supplemental Indenture § 2(b)(xiv).)

87. Even if the Indenture did not expressly prohibit Lions Gate's actions (which it undoubtedly does), such actions are still unlawful—and Lions Gate's efforts to amend the Indenture still fail—because they violate the implied covenant of good faith and fair dealing recognized in every agreement under New York law.

88. While it is true that Section 9.02 of the Indenture permits some, but not all, amendments to be made with the consent of a majority of the Holders of the Notes, the meaning, spirit and implications of that provision are unambiguous—only those noteholders who actually possess and hold a majority of the economic interests represented by the Notes should have the ability to amend the terms of the Indenture governing such Notes on behalf of all noteholders.

89. Lions Gate knew that it had no chance of convincing any actual Holders of the Notes to consent to any of the amendments to the Indenture it needed for the SEAC Transaction if those Holders were to continue holding the Notes in question. That dilemma is the very purpose of the sacred rights—some amendments are so adverse to the economic interests of a noteholder that they may only be effectuated with the consent of the noteholders whose interests will actually be impaired by such amendments. Those interests cannot be taken away by a majority, especially not when the majority will not be around to suffer the same impairment it asks the other noteholders to bear.

90. As confirmed by contemporary reporting, rather than seek the consent of all Holders of the Notes to Supplemental Indenture No. 10, Lions Gate and the Favored Noteholders—constituting a majority—schemed to deny CPP Investments and the other excluded noteholders the benefit of their bargain in order to secure a marginally more beneficial deal for the Favored Noteholders. But Lions Gate's attempt to procure the "consent" to amend the Indenture from those Favored Noteholders—who would no longer hold any interests in any Notes the

moment they consented to such amendments—violates the implied covenant of good faith and fair dealing, if not the express terms of Section 9.02 themselves.

91. Moreover, on information and belief, the conspiracy to amend the Indenture was facilitated by Harry Sloan, who, in addition to serving as SEAC's chairman, also sits on the board of Lions Gate Entertainment. And, on information and belief, some or all of the Favored Noteholders who consented to the amendments in Supplemental Indenture No. 10 before redeeming their Notes have interests in Lions Gate Entertainment beyond their New Notes.

FIRST CAUSE OF ACTION

(Declaratory Judgment)

92. CPP Investments repeats and realleges the allegations set forth above as if fully set forth herein.

93. CPP Investments, Lions Gate Entertainment and LG Holdings are parties to the Indenture, which is a valid and enforceable contract governed by New York law.

94. A justiciable controversy exists with respect to Lions Gate's performance under the Indenture and its attempt to rewrite that indenture to CPP Investment's detriment, via Supplemental Indenture No. 10, without CPP Investments' express consent, as is required by the sacred rights in Section 9.02(e) of the Indenture.

95. CPP Investments has performed all of its obligations under the Indenture.

96. By effectuating Supplemental Indenture No. 10 and the so-called "exchange," Lions Gate Entertainment and LG Holdings have materially breached numerous provisions of the Indenture, including CPP Investments' sacred rights under Sections 9.02(e)(4), (6) and (8).

97. In addition, if the Separation Transaction has not yet been consummated and if Section 2(f) of Supplemental Indenture No. 10 has not yet become effective, then Lions Gate

Entertainment and LG Holdings have anticipatorily repudiated their obligations under Section 9.02(e)(8) of the Indenture by agreeing to Section 2(f) in Supplemental Indenture No. 10.

98. CPP Investments was not asked to consent to Supplemental Indenture No. 10 or the purported exchange with the Favored Noteholders. Nor did CPP Investments ever give such consent.

99. CPP Investments has been directly harmed by LG Holdings' and Lions Gate Entertainment's breaches of the Indenture. Such harm is irreparable, as no amount of money damages can adequately compensate CPP Investments for the denial and loss of its sacred rights.

100. CPP Investments is not the only party that has been irreparably harmed by Lions Gate's misconduct, as CPP Investments manages the assets which support the financial sustainability of the CPP fund on which more than 22 million Canadian beneficiaries and contributors depend.

101. As a remedy for Lions Gate's breaches, CPP Investments respectfully requests that this Court enter judgment declaring that: (a) LG Holdings and Lions Gate Entertainment have materially breached or repudiated the Indenture, including CPP Investments' sacred rights set forth in Sections 9.02(e)(4), (6) and (8) thereunder; (b) Supplemental Indenture No. 10 is null and void; (c) the covenants, Events of Default and Notes releases under Supplemental Indenture No. 10 are restored; (d) CPP Investments is entitled to declare all principal, premium and interest on its Notes due and payable under the Indenture; and (e) LG Holdings is obligated to specifically perform its payment obligations to CPP Investments.

SECOND CAUSE OF ACTION

(Breach of Implied Covenant)

102. CPP Investments repeats and realleges the allegations set forth above as if fully set forth herein.

103. Like all agreements governed by New York law, the Indenture contains an implied covenant of good faith and fair dealing that requires LG Holdings and/or Lions Gate Entertainment to refrain from conduct that would deny CPP Investments the benefit of its bargain.

104. The expectations of CPP Investments and Lions Gate when entering into the Indenture were straightforward. Lions Gate would receive much-needed financing upon CPP Investments' purchase of its Notes. In return, CPP Investments expected its Notes to be honored, guaranteed and supported by the entire Lions Gate enterprise, including the Studios business segment. It expected its Notes to be on equal footing with all other noteholders. It expected that the terms of the Indenture most dear to it could not be amended without its consent, and that the remaining provisions of the Indenture could only be amended by a majority of ***Holders*** of the Notes who would be subject to the same modifications they imposed on all other noteholders. And it expected its investment in Lions Gate to be protected from—and to at least have received notice of and an opportunity to object to—related-party transactions between Lions Gate and its board members, officers and executives and any similar transactions that had the appearance of impropriety or self-dealing.

105. LG Holdings and Lions Gate Entertainment have received the benefit of their bargain, but CPP Investments has not. To the contrary, after CPP Investments purchased the existing Notes, the Favored Noteholders, Lions Gate Entertainment, and LG Holdings secretly huddled together to concoct a multi-step but integrated transaction that, by design, had the effect

of swapping the credit that CPP Investments signed up for and, in the process, wiping out every key aspect of the bargain CPP Investments thought it had struck.

106. As a result, CPP Investments now finds itself holding notes that have plummeted in value and that are inferior to the New Notes held by the Favored Noteholders, who were permitted to redeem their Notes for the superior New Notes.

107. In the unlikely event that Lions Gate and its cohorts are found to have successfully avoided tripping any express provisions of the Indenture then, at a minimum, Lions Gate Entertainment and LG Holdings still violated the implied covenant of good faith and fair dealing under that Indenture.

108. Lions Gate's conduct has directly harmed CPP Investments by denying it the fundament of its bargain.

109. CPP Investments is entitled to judgment directing LG Holdings to either: (a) afford CPP Investments the opportunity to participate in the redemption and issuance on the exact terms as the Favored Noteholders; or (b) pay CPP Investments money damages equal to the difference between the market value of its notes immediately before the issuance of the New Notes and their market value on the date this complaint was filed.

THIRD CAUSE OF ACTION

(Permanent Injunction)

110. CPP Investments repeats and realleges the allegations set forth above as if fully set forth herein.

111. CPP Investments, Lions Gate Entertainment, and LG Holdings are parties to the Indenture, which is a valid and enforceable contract governed by New York law.

112. When it effectuated Supplemental Indenture No. 10 and the purported exchange, Lions Gate Entertainment and LG Holdings materially breached numerous provisions of the Indenture, including CPP Investments' sacred rights under Section 9.02(e) of the Indenture, and caused irreparable harm to CPP Investments.

113. According to Section 2.7(f) of Supplemental Indenture No. 10, "any Guarantor that is part of the Studio Business (as determined by [LG Holdings] in its sole discretion)" shall be automatically and unconditionally released from all obligations under the Notes "upon the consummation of the Separation Transaction."

114. If that vaguely-described Separation Transaction has not yet been consummated, then it must be enjoined to prevent further irreparable harm to CPP Investments.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs CPPIB Credit Investments II Inc. and CPPIB Credit Investments III Inc. (together, "CPP Investments") pray for the following relief:

a. On their first cause of action, judgment declaring that: (a) LG Holdings and Lions Gate Entertainment have materially breached or repudiated the Indenture, including Sections 9.02(e)(4), (6) and (8) thereunder; (b) Supplemental Indenture No. 10 is null and void; (c) the covenants and Events of Default stripped under, and Notes releases added by, Supplemental Indenture No. 10 are restored to the *status quo ante*; (d) CPP Investments is entitled to declare all principal, premium and interest on its Notes due and payable; and (e) LG Holdings is obligated to specifically perform its payment obligations to CPP Investments;

b. On their second cause of action, entering judgment in favor of CPP Investments and directing LG Holdings and Lions Gate Entertainment to either: (a) afford CPP Investments the opportunity to participate in the redemption and issuance on the exact terms as the Favored Noteholders; or (b) pay CPP Investments money damages equal to the difference between the market value of its notes immediately before the issuance of the New Notes and their market value on the date this complaint was filed in an amount to be proved at trial, in an amount exceeding the $500,000 jurisdictional limits of this Court's Commercial Division;

c. On their third cause of action, enter an order permanently enjoining LG Holdings and Lions Gate Entertainment from consummating the Separation Transaction if that transaction has not yet been consummated; and

d. Such other and further relief as the Court may deem just and proper.

Dated: August 27, 2024
New York, New York

Respectfully submitted,

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