



Broadcasting Decision CRTC 2004-159

Ottawa, 23 April 2004

1225520 Ontario Inc.
Across Canada

*Applications 2003-1582-1, 2003-1581-3 and 2003-1583-9
Public Hearing at Halifax, Nova Scotia
1 March 2004*

The Short Film Channel, The Love Channel, and The Horror Channel/The Creep Show – Acquisition of assets

*The Commission **approves** the applications by 1225520 Ontario Inc. to acquire the assets of the national Category 2 specialty television services The Short Film Channel, The Love Channel, and The Horror Channel/The Creep Show.*

The applications

1. The Commission received applications by 1225520 Ontario Inc. to acquire the assets of the national Category 2 specialty television services The Short Film Channel, The Love Channel, and The Horror Channel/The Creep Show from Boxer Four Entertainment Inc.¹ The applicant also requested broadcasting licences to operate these undertakings.
2. Currently, the control of Boxer Four Entertainment Inc. is held by Judy Holm.
3. Given that the assets of the broadcasting undertakings will be transferred to 1225520 Ontario Inc. for a nominal value, the applicant proposed to make a \$500 unrestricted cash contribution to the Canadian Television Fund (CTF), to be disbursed according to the rules of that fund.
4. The Commission did not receive any interventions in connection with these applications.

¹ In *The Short Film Channel*, Decision CRTC 2000-502, *The Love Channel*, Decision CRTC 2000-503 and *The Horror Channel/The Creep Show*, Decision CRTC 2000-508, all dated 24 November 2000 and 14 December 2000, the Commission approved the applications by Boxer Four Entertainment Inc. to operate the Category 2 specialty television services The Short Film Channel, The Love Channel, and The Horror Channel/The Creep Show. The Commission has not issued the licences for these services because they have not yet commenced operations.

The Commission's analysis and determination

5. In *Building on success – A policy framework for Canadian television*, Public Notice CRTC 1999-97, 11 June 1999, the Commission stated that it will generally expect applicants to make commitments to clear and unequivocal tangible benefits representing a financial contribution of 10% of the value of the transaction, as accepted by the Commission. In this circumstance, where the transfer has been for a nominal value, the Commission finds that the \$500 financial contribution to the CTF proposed by the applicant is satisfactory and acceptable.
6. In light of the above, the Commission **approves** the applications by 1225520 Ontario Inc. for authority to acquire the assets of The Short Film Channel, The Love Channel, and The Horror Channel/The Creep Show, and for broadcasting licences to operate the undertakings.

Issuance of the licences

7. The licences will expire 31 August 2007, the same expiry date as that set out in the original licensing decisions. Each licence will be subject to the **conditions** set out in *Introductory statement – Licensing of new digital pay and specialty services – Corrected Appendix 2*, Public Notice CRTC 2000-171-1, 6 March 2001, as well as to the **conditions** specified for each service in its original licensing decision.
8. The licences will be issued once the licensee has satisfied the Commission, with supporting documentation, that the following requirements have been met for the respective services:
 - the licensee has entered into a distribution agreement with at least one licensed distributor; and
 - the licensee has informed the Commission in writing that it is prepared to commence operations. The undertakings must be operational at the earliest possible date and in any event no later than 24 November 2004.
9. In *Deadline to commence operation of Category 2 specialty and pay television services*, Broadcasting Decision CRTC 2003-599, 16 December 2003 (Decision 2003-599), the Commission approved applications for extensions to the implementation deadline for numerous services, including The Short Film Channel, The Love Channel, and

The Horror Channel/The Creep Show. The Commission reminds the applicant that, as stated in Decision 2003-599, the extension to 24 November 2004 is the final extension deadline to commence operation of these services. The licences will not be issued unless the licensee has commenced operations by that date.

Secretary General

This decision is to be appended to each licence. It is available in alternative format upon request, and may also be examined at the following Internet site: <http://www.crtc.gc.ca>