



**COURT FILE NUMBER** 1501-00955

**COURT** COURT OF QUEEN'S BENCH OF ALBERTA

**JUDICIAL CENTRE** CALGARY

**DOCUMENT** TWELFTH REPORT OF THE MONITOR

IN THE MATTER OF THE COMPANIES CREDITORS'  
ARRANGEMENT ACT, R.S.C. 1985 c. C-36 AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF LUTHERAN CHURCH – CANADA, THE  
ALBERTA – BRITISH COLUMBIA DISTRICT, LUTHERAN  
CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA  
DISTRICT INVESTMENTS LTD., ENCHARIS COMMUNITY  
HOUSING AND SERVICES AND ENCHARIS MANAGEMENT  
AND SUPPORT SERVICES

DATED JANUARY 27, 2016

**ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS DOCUMENT**

**Counsel**

Gowling Lafleur Henderson LLP  
1600, 421 7th Avenue SW  
Calgary, Alberta T2P 4K9  
Attention: Jeffrey Oliver

Telephone/ Facsimile: 403-298-1000/ 403-263-9193  
Email: Jeffrey.Oliver@gowlings.com

**Monitor**

Deloitte Restructuring Inc.  
700 Bankers Court, 850 – 2<sup>nd</sup> Street SW  
Calgary, AB T2P 0R8  
Attention: Jeff Keeble & Vanessa Allen

Telephone/Facsimile: 403-298-5955/ 403-718-3681  
Email: jkeeble@deloitte.ca & vanallen@deloitte.ca

# Table of Contents

Introduction and Notice to Reader .....	3
Introduction .....	3
Notice to Reader .....	4
Court Applications .....	5
The DIL Plan .....	6
Notice of the DIL Meeting .....	6
Amendments to the DIL Plan .....	7
DIL Depositors .....	7
Outcome of the DIL Meeting .....	8
Assets held by DIL .....	9
Conclusion .....	11

## **SCHEDULES**

- Schedule 1            Cover letter and First Report to the Creditors of Lutheran Church – Canada, the Alberta – British Columbia District, dated December 8, 2015 (without schedules)
- Schedule 2            Further information for DIL Depositors - the basics and what you need to do, dated December 8, 2015
- Schedule 3            Proof of advertising in the Globe and Mail National Edition for Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd.
- Schedule 4            Answers to frequently asked questions, dated December 24, 2015
- Schedule 5            Answers to frequently asked questions, dated January 18, 2016 (amended January 20, 2016)
- Schedule 6            Minutes of the Meeting of Creditors for Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd., dated January 23, 2016

# Introduction and Notice to Reader

## Introduction

1. On January 23, 2015 (the “Filing Date”), Lutheran Church – Canada, the Alberta – British Columbia District (the “District”), Encharis Community Housing and Services (“ECHS”), Encharis Management and Support Services (“EMSS”) and Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd. (“DIL”, collectively the “Applicants” or the “District Group”) obtained an Initial Order (the “Initial Order”) from the Court of Queen’s Bench of Alberta (the “Court”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “CCAA”). Deloitte Restructuring Inc. (“Deloitte”) was appointed as Monitor (the “Monitor”) in the CCAA proceedings.
2. For clarity, the District includes the Church Extension Fund (“CEF”), which was originally created to allow District members to loan their money and earn interest in faith-based developments. CEF was operated under the purview of the District’s Department of Stewardship and Financial Ministries and was not created as a separate legal entity. As such, depositors to CEF are creditors of the District (the “District Depositors”). Depositors to DIL will be referred to as the “DIL Depositors”. The District Depositors and the DIL Depositors will collectively be referred to as the “Depositors”.
3. The Initial Order provided for an initial stay of proceedings (the “Stay”) until February 20, 2015. The Court has now granted six extensions of the Stay. The most recent Order was granted at an application on January 20, 2016 (the “January 20 Hearing”) and extended the Stay until April 29, 2016 (the “Extension”).
4. Prior to the Initial Order being granted, Deloitte prepared a Pre-Filing Report of the Proposed Monitor dated January 22, 2015 (the “Pre-Filing Report”). The Monitor subsequently filed the following reports:
  - 4.1. the First Report of the Monitor dated February 17, 2015;
  - 4.2. the Second Report of the Monitor dated March 23, 2015 (the “Second Report”);
  - 4.3. the Third Report of the Monitor dated June 16, 2015;
  - 4.4. the Fourth Report of the Monitor dated June 24, 2015 (the “Fourth Report”);
  - 4.5. the Fifth Report of the Monitor dated August 24, 2015 (the “Fifth Report”);
  - 4.6. the Sixth Report of the Monitor dated September 9, 2015;
  - 4.7. the Seventh Report of the Monitor dated October 20, 2015;
  - 4.8. the Eighth Report of the Monitor dated October 30, 2015;

- 4.9. the Ninth Report of the Monitor dated November 26, 2015;
  - 4.10. the Tenth Report of the Monitor dated December 22, 2015;
  - 4.11. the Eleventh Report of the Monitor dated January 11, 2016 (the “Eleventh Report”, together with the Pre-Filing Report the reports listed in 4.1 to 4.11, will collectively be referred to as the “Reports”).
5. The Monitor also filed a confidential supplement to the Second Report dated March 25, 2015, a confidential supplement to the Fourth Report dated June 25, 2015 and a confidential supplement to the Fifth Report dated August 26, 2015 (collectively the “Supplements”). The Supplements provided the Court with additional detail with respect to the District Group’s applications for the approval of the sales of six parcels of land (the “Sale Lands”). The Supplements were sealed by the Court in order to avoid tainting any future sale processes that would be required if any of the transactions involving the Sale Lands failed to be completed.
  6. In addition to the Reports and the Supplements, the Monitor prepared a First Report to the Creditors of ECHS and EMSS dated November 10, 2015 (the “Encharis Report”) and a First Report to the Creditors of DIL dated December 8, 2015 (the “DIL Report”). Both the Encharis Report and the DIL Report were prepared for the purpose of providing creditors of the corresponding entities with specific information related to the respective plans of compromise and arrangement for ECHS (the “ECHS Plan”) and EMSS, as amended and for DIL, as amended (the “DIL Plan”). All references to the DIL Plan will include all subsequent amendments.
  7. Capitalized terms not otherwise defined herein shall have the meanings given to them in the Reports and in the Supplements.
  8. Information on the CCAA proceedings can be accessed on Deloitte’s website at [www.insolvencies.deloitte.ca](http://www.insolvencies.deloitte.ca) under the link entitled “Lutheran Church – Canada, the Alberta – British Columbia District et. al.” (the “Monitor’s Website”).

## Notice to Reader

9. In preparing this report, the Monitor has relied on unaudited financial information, the books and records of the Applicants and discussions with the Applicant’s employees, the Applicant’s Chief Restructuring Officer, interested parties and stakeholders. The Monitor has not performed an independent review or audit of the information provided.
10. The Monitor assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction, or use of this report.
11. All amounts included herein are in Canadian dollars unless otherwise stated.

# Court Applications

12. The activities of the Applicants leading up to the most recent Court application on January 20, 2016 (the “January 20 Hearing”) are detailed in the Reports.
13. At the January 20 Hearing, the Court granted Orders approving the following relief:
  - 13.1. The Extension;
  - 13.2. Sanctioning the ECHS Plan, declaring that the ECHS Plan is fair and reasonable and declaring that the ECHS Plan and all associated steps, compromises, transactions, arrangements, assignments, releases and reorganizations effected by the ECHS Plan are approved, binding and effective upon those creditors affected by the ECHS Plan; and
  - 13.3. Sanctioning the EMSS Plan, declaring that the EMSS Plan is fair and reasonable and declaring that the EMSS Plan and all associated steps, compromises, transactions, arrangements, assignments, releases and reorganizations effected by the EMSS Plan are approved, binding and effective upon those creditors affected by the EMSS Plan.
14. This report constitutes the Twelfth Report of the Monitor (the “Twelfth Report”). The Twelfth Report provides information with respect to the following:
  - 14.1. The outcome of the meeting of DIL Depositors to consider the DIL Plan (the “DIL Meeting”);
  - 14.2. A future application by DIL for an Order sanctioning the DIL Plan (the “DIL Sanction Order”), declaring that the DIL Plan is fair and reasonable and declaring that the DIL Plan and all associated steps, compromises, transactions, arrangements, assignments, releases and reorganizations effected by the DIL Plan are approved, binding and effective upon those creditors affected by the DIL Plan.

# The DIL Plan

15. The DIL Plan was originally dated November 21, 2015 and filed on November 23, 2015. As previously reported, on December 1, 2015, the Court granted an Order authorizing and directing DIL to present the DIL Plan to its creditors for approval (the “DIL Meeting Order”). An amended version of the DIL Plan was dated December 5, 2015 and filed on December 8, 2015. A further amended version of the DIL Plan was dated and filed on January 11, 2016 (the definition of “DIL Plan” includes all subsequent amendments except where otherwise noted)
16. The DIL Meeting occurred on January 23, 2016.

## Notice of the DIL Meeting

17. The DIL Plan includes only one class of affected creditors consisting of DIL Depositors.
18. The DIL Meeting Order prescribed how the DIL Depositors were to receive notice of the DIL Meeting. The Monitor confirms that the notice requirements set out in the DIL Meeting Order were complied with and that the DIL Depositors were notified of the DIL Meeting as follows:
  - 18.1. The information package for DIL included the address for the Monitor’s Website where DIL Depositors could access the DIL Report including the DIL Plan (as dated December 5, 2015 and filed on December 8, 2015), the DIL Meeting Order, Notice of the DIL Meeting, a form of proxy, a form of election letter, a form of representative action letter and a form of notice of opting out (the “DIL Package”). A copy of the cover letter to DIL Depositors and the DIL Report (without schedules) is attached hereto as “Schedule 1”. A hand-out for DIL Depositors entitled Further information for DIL Depositors – The basics and what you need to do”, also dated December 8, 2015, was also provided with the DIL Package and is attached hereto as “Schedule 2”;
  - 18.2. The Monitor posted a copy of the DIL Package on the Monitor’s Website on December 8, 2015;
  - 18.3. The Monitor placed the Notice of the DIL Meeting in the Globe and Mail National Edition on December 10, 2015. Proof of advertising for the DIL Meeting is attached hereto as “Schedule 3”; and
  - 18.4. The Monitor caused a copy of the DIL Package to be sent to the DIL Depositors by regular mail with all DIL Packages being mailed to the DIL Depositors by December 11, 2015.
19. Following the release of the DIL Package, based on discussions with DIL Depositors, the Monitor prepared two documents entitled “Answers to frequently asked questions” (the “FAQs”), one of which

was dated December 24, 2015 and one of which was dated January 18, 2016 (as amended on January 20, 2016). Copies of the FAQs are attached hereto as “Schedule 4” and “Schedule 5” respectively.

## **Amendments to the DIL Plan**

20. Following the DIL Packages being provided to the DIL Depositors but prior to the DIL Meeting, DIL made further amendments to the DIL Plan, which appear in the version dated and filed on January 11, 2016. The changes reflected in this version of the DIL Plan as compared to the version dated December 5, 2015, filed on December 8, 2015 and included in the DIL Package are as follows:

20.1. Minor revisions to clarify the intent and purpose of the DIL Plan, including the following:

20.1.1. To clarify that the legal counsel chosen to act in any legal action or actions undertaken on behalf of DIL Depositors (the “Representative Action”) will not be the same legal counsel as would be retained to act in any legal action or actions undertaken on behalf of District Depositors; and

20.1.2. To clarify that the charge granted in the Initial Order to indemnify the past and present directors of the Applicants (the “Directors”) against obligations that they may incur in that capacity after the commencement of the CCAA proceedings would not be used to indemnify the Directors against any claims that may be pursued in the Representative Action.

20.2. The addition of wording to clarify that the Class Proceedings Act, R.S.B.C. 1996. C. 60 (British Columbia) and the Class Proceedings Act S.A. 2003, c. C-16.5, as amended by the Class Proceedings Amendment Act, 2010, c.15 (Alberta) may apply to the Representative Action, except to the extent that such legislation is inconsistent with or modified by the DIL Plan or the DIL Sanction Order;

20.3. The addition of wording to clarify that DIL Depositors who are participating in the Representative Action for DIL Depositors are not precluded from participating in any legal action or actions undertaken on behalf of District Depositors; and

20.4. The addition of wording to clarify that the proportionate share of costs payable from a holdback to fund the Representative Action (the “Representative Action Holdback”) for a DIL Depositor who opts-out of the Representative Action will be calculated as at the Sunday of the week on which the respective Notice of Opting Out is received.

## **DIL Depositors**

21. At the Filing Date and as subsequently confirmed by a claims process approved by the Court on February 20, 2015, there were 896 DIL Depositors who had claims totaling approximately \$38.0 million.



22. Pursuant to the Order granted on August 28, 2015 and amended on November 5, 2015, DIL was authorized to distribute \$15.0 million to DIL Depositors (the “Interim Distribution”). In addition to the Interim Distribution, and as set out in the Initial Order, statutory annual minimum payments to RRIF holders have been made for 2015 (the “Minimum Payments”). Selected DIL Depositors have also received payments pursuant to an emergency fund that was implemented prior to the Filing Date and approved by the Court as part of the Initial Order (the “Emergency Payments”). Taking into account the Interim Distribution, the Minimum Payments and the Emergency Payments, distributions to DIL Depositors total approximately \$15.6 million (the “DIL Distributions”) and represent 41% of the original investment by DIL Depositors, as at the Filing Date, without taking into account any estimated write-downs on the value of the assets held by DIL. Following the DIL Distributions, DIL Depositors had total claims of approximately \$22.4 million.

### Outcome of the DIL Meeting

23. The DIL Meeting was conducted in compliance with the terms of the DIL Meeting Order and was held on January 23, 2016 at 10:00 a.m. at the Prince of Peace Church and School, located at 243209 Garden Road NE, in Calgary. There were 87 attendees at the DIL Meeting.
24. The Minutes of the DIL Meeting are attached hereto as “Schedule 6” (the “Minutes”).
25. The Monitor received a total of 472 votes from DIL Depositors with claims totaling approximately \$14.5 million. Of these votes, 410 were received via election letters submitted in advance of the DIL Meeting and 62 were received via election letters or via written ballots submitted in person or by proxy at the DIL Meeting. In total, 53% of DIL Depositors voted and the claims of those DIL Depositors who voted represented 65% of the total proven claims of DIL Depositors.
26. Of the 472 DIL Depositors who voted, 434, or approximately 92%, voted in favour of the DIL Plan and 38 DIL Depositors, or approximately 8%, voted against the DIL Plan. Those DIL Depositors who voted in favour of the DIL Plan had claims totalling approximately \$12.7 million, or approximately 87% of the claims, and those DIL Depositors who voted against the DIL Plan had claims totalling approximately \$1.8 million, or approximately 13% of the claims. As such, the DIL Plan was approved by the required majority, being two-thirds in dollar value and a majority in number of voting DIL Depositors. Pursuant to the resolution that was passed, the DIL Depositors agreed to and accepted the DIL Plan and requested that the Court sanction the DIL Plan.

# Assets held by DIL

27. At the DIL Meeting, selected DIL Depositors requested that the Monitor report further on the assets currently held by DIL (the “DIL Assets”). The Monitor declined to release estimated realizable values for those DIL Assets which are the subject of ongoing collection efforts for fear of compromising those collection efforts. The Monitor is agreeable, however, to releasing the book values of the DIL Assets as at November 30, 2015 which are summarized below:

Description	DIL Book Values (November 30, 2015) (000's)
Cash (net of pending Interim Distributions)	\$1,561,900
Loans that have been paid (funds held in trust)	3,196,300
Lines of credit	5,400
Mortgages	12,073,700
DIL – ECHS Mortgages (as defined below)	<u>7,808,200</u>
Total	24,645,500
Add back: Interim Distributions	<u>15,612,500</u>
<b>Total</b>	<b><u>\$40,258,000</u></b>

- 27.1. Cash of approximately \$1.6 million was being held in DIL’s operating account as at November 30, 2015. This amount is net of approximately \$1.8 million which is payable to holders of Registered Retirement Income Funds and Locked-in Income Funds pursuant to the Interim Distribution but for which transfers have not yet been requested by the corresponding DIL Depositors;
- 27.2. Cash of approximately \$3.2 million is being held in trust by DIL related to the pay-out of lines of credit and loans to churches that were secured by mortgages against the corresponding properties. Of this amount, approximately \$899,000 is being held in trust by DIL’s legal counsel with the remainder being held in trust by DIL;
- 27.3. One line of credit to a church continues to be outstanding. This church had previously repaid \$40,000 of the line of credit (currently held in trust by DIL) with the remainder to be paid in full following the sanction of a plan of compromise and arrangement for the District;
- 27.4. Loans to churches of approximately \$12.1 million are secured by registered mortgages on the corresponding properties. One of these mortgages (the “Strathmore Mortgage”), which had a

- book value of approximately \$6.1 million as at November 30, 2015 relates to a property in Strathmore Alberta, which was owned by the District (the “Strathmore Property”). There was a question as to the enforceability of the Strathmore Mortgage. Following negotiations between the creditors’ committee established for the District and the creditors’ committee established for DIL (the “Committees”), a settlement was negotiated whereby, upon the sale of the Strathmore Property, the DIL Depositors will receive 50% of the net sale proceeds. This settlement was approved by the Court pursuant to an Order granted on January 4, 2016 (the “Settlement Order”).
- 27.5. Two loans, which had a book value of approximately \$7.8 million as at November 30, 2015, were granted by DIL to ECHS and were secured by registered mortgages (the “DIL – ECHS Mortgages”) against selected properties within the Prince of Peace development, including the lands that house the Harbour and Manor seniors’ care facilities, the surrounding development and expansion lands, vacant land in Chestermere, Alberta and various condominium units (the “Village Condos”) and a residential lot (the “Residential Lot”) within the complex known as the Prince of Peace Village. There was a question as to the priority of the DIL – ECHS Mortgages vis a vis a mortgage registered by the District against many of the same properties. Following negotiations between the Committees, a settlement was agreed upon whereby the District would pay DIL approximately \$4.1 million in satisfaction of their claim related to the DIL – ECHS Mortgages. This settlement was also approved by the Court pursuant to the Settlement Order. DIL will receive additional funds related to a settlement with residents who hold life leases on the Village Condos and pursuant to the sale of a residential lot within the Prince of Peace Village against which the DIL – ECHS Mortgages are also registered.
- 27.6. As reported above, the DIL Distributions totaling approximately \$15.6 million have been released to the DIL Depositors.
- 27.7. Taking into account the settlements set out in paragraphs 27.4 and 27.5 above and the estimated realizable values for the remaining DIL Assets for which collection efforts are ongoing, the Monitor estimates that, as at November 30, 2015, the total net realizations available for DIL Depositors will be between 77% to 83% of their original investments as recorded in DIL’s books and records on the Filing Date.

# Conclusion

28. The Monitor supports the application of the District Group for the DIL Sanction Order, based on the following:
- 28.1. The Monitor supports the DIL Plan and is of the view that the DIL Plan is fair and reasonable and appears to be in the best interest of all parties; and
  - 28.2. At the DIL Meeting, the DIL Depositors voted in favour of the DIL Plan and requested that the Court sanction the DIL Plan.

**DELOITTE RESTRUCTURING INC.,**  
In its capacity as Court-appointed Monitor of  
The Lutheran Church – Canada, The Alberta –  
British Columbia District, Encharis Community  
Housing and Services, Encharis Management  
and Support Services and The Lutheran Church  
– Canada, The Alberta – British Columbia  
District Investments Ltd. and not in its personal  
or corporate capacity



---

Jeff Keeble CA, CIRP, CBV  
Senior Vice-President

# Schedules

---

# Schedule 1

---

December 8, 2015

**Notice to the creditors of Lutheran Church – Canada, the Alberta – British Columbia  
District Investments Ltd. (“DIL”)**

---

As you are aware, DIL obtained an Initial order under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the “CCAA”) on January 23, 2015. Deloitte Restructuring Inc. acts as the Monitor in the CCAA proceedings.

At a hearing on November 30, 2015, the Court granted an Order for DIL (the “Meeting Order”) including the following relief:

1. Authorizing DIL to file the a Plan of Compromise and Arrangement for DIL, as subsequently amended and as may be further amended (the “DIL Plan”), to present the DIL Plan to the depositors of DIL for their consideration in accordance with the Meeting Order and to seek approval of the DIL Plan in the manner set forth in the Meeting Order; and
2. Authorizing DIL to further vary, amend, modify or supplement the DIL Plan by way of a supplementary or further amended and restated plan or plans of compromise and arrangement.

Attached, please find the Monitor’s First Report to the Creditors of DIL, dated December 8, 2015 which includes information on the DIL Plan, the time and place for the meeting scheduled for the creditors of DIL to consider the DIL Plan (the “DIL Meeting”) and the Monitor’s recommendations. It also includes the following documents:

1. A copy of the DIL Plan;
2. A copy of the Notice for the DIL Meeting;
3. A copy of the Meeting Order; and
4. Forms for the Proxy, the Election Letter, the Representative Action Letter and the Notice of Opting-Out.

Upon receipt of this information package, please follow the instructions on the attached hand-out entitled "The Basics and What You Need to Do". If you have any questions, please contact Joseph Sithole at 1-587-293-3202 or contact the undersigned.

Yours truly,

**DELOITTE RESTRUCTURING INC.**

In its capacity as the Court-appointed Monitor of Lutheran Church – Canada, the Alberta – British Columbia District, Encharis Community Housing and Services, Encharis Management and Support Services and Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd. and not in its personal or corporate capacity



---

Vanessa Allen, B. Comm, CIRP  
Vice-President





<b>COURT FILE NUMBER</b>	<b>1501-00955</b>
<b>COURT</b>	<b>COURT OF QUEEN'S BENCH OF ALBERTA</b>
<b>JUDICIAL CENTRE</b>	<b>CALGARY</b>
<b>DOCUMENT</b>	<b>FIRST REPORT TO THE CREDITORS OF LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT INVESTMENTS LTD.</b>

**IN THE MATTER OF THE COMPANIES CREDITORS' ARRANGEMENT ACT, R.S.C. 1985 c. C-36 AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT, LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT INVESTMENTS LTD., ENCHARIS COMMUNITY HOUSING AND SERVICES AND ENCHARIS MANAGEMENT AND SUPPORT SERVICES**

**DATED DECEMBER 8, 2015**

# Table of Contents

Introduction and Notice to Reader .....	3
Introduction .....	3
Notice to Reader .....	4
Court Applications .....	5
The Amended DIL Plan .....	6
DIL Distribution .....	6
Treatment of Affected Creditors .....	6
Distributions .....	6
The Representative Action .....	7
Treatment of Unaffected Creditors .....	10
Key Elements of the Amended DIL Plan .....	10
Other Considerations .....	11
Releases in the Amended DIL Plan .....	11
Proposed Meeting Order .....	12
Voting .....	12
Approval of Plan .....	13
Conclusion .....	14
Monitor's Recommendations on the Amended DIL Plan .....	14

## **SCHEDULES**

Schedule 1	Amended DIL Plan of Compromise and Arrangement, dated December 5, 2015
Schedule 2	Notice of DIL Creditors' Meeting
Schedule 3	Meeting Order granted for DIL on November 30, 2015
Schedule 4	Form of Representative Action Letter
Schedule 5	Form of Notice of Opting Out
Schedule 6	Form of Election Letter
Schedule 7	Form of Proxy

# Introduction and Notice to Reader

## Introduction

1. On January 23, 2015, Lutheran Church – Canada, the Alberta – British Columbia District (the “District”), Encharis Community Housing and Services (“ECHS”), Encharis Management and Support Services and Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd. (“DIL”, collectively the “Applicants” or the “District Group”) obtained an Initial Order (the “Initial Order”) from the Court of Queen’s Bench of Alberta (the “Court”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “CCAA”). Deloitte Restructuring Inc. (“Deloitte”) was appointed as Monitor (the “Monitor”) in the CCAA proceedings.
2. For clarity, the District includes the Church Extension Fund (“CEF”), which was originally created to allow District members to loan their money and earn interest in faith-based developments. CEF was operated under the purview of the District’s Department of Stewardship and Financial Ministries and was not created as a separate legal entity. As such, depositors to CEF are creditors of the District. Depositors to DIL will be referred to as the “DIL Depositors”.
3. The Initial Order provided for an initial stay of proceedings (the “Stay”) until February 20, 2015. The Court has now granted five extensions of the Stay. The most recent Order was granted at an application on October 23, 2015 and extended the Stay until January 29, 2016.
4. Information on the CCAA proceedings, including all of the Monitor’s reports (the “Monitor’s Reports”), can be accessed on Deloitte’s website at [www.insolvencies.deloitte.ca](http://www.insolvencies.deloitte.ca) under the link entitled “Lutheran Church – Canada, the Alberta – British Columbia District et. al.” (the “Monitor’s Website”). The Ninth Report of the Monitor dated November 26, 2015 contains information about the Plan of Compromise and Arrangement filed by DIL dated November 21, 2015 (the “DIL Plan”). The DIL Plan was subsequently amended with a further Amended Plan of Compromise and Arrangement being dated December 5, 2015 (the “Amended DIL Plan”). The Amended DIL Plan is attached hereto as “Schedule 1”.
5. This report constitutes the Monitor’s First Report to the Creditors of DIL (the “Creditor’s Report”). The Creditors’ Report is being provided to provide information on the following:
  - 5.1. The Amended DIL Plan; and
  - 5.2. The Monitor’s recommendations.

## Notice to Reader

6. In preparing this Creditor's Report, the Monitor has relied on unaudited financial information, the books and records of the Applicants and discussions with the Applicant's employees, the Applicant's Chief Restructuring Officer, interested parties and stakeholders. The Monitor has not performed an independent review or audit of the information provided.
7. The Monitor assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction, or use of the Creditors' Report.
8. Capitalized terms not otherwise defined herein shall have the meanings given to them in the Monitor's Reports.
9. All amounts included herein are in Canadian dollars unless otherwise stated.

# Court Applications

10. At a hearing on November 30, 2015, the Court granted an Order in relation to DIL (the “Meeting Order”) including the following relief:
  - 10.1. Authorizing DIL to file the DIL Plan, subject to further amendments being made (such as are reflected in the Amended DIL Plan). The Amended DIL Plan is to be presented to the DIL Depositors for their consideration in accordance with the Meeting Order and DIL is to seek approval of the Amended DIL Plan in the manner set forth in the Meeting Order; and
  - 10.2. Authorizing DIL to further amend, modify or supplement the DIL Plan by way of a supplementary or further amended and restated plan or plans of compromise and arrangement.
11. The Notice of the Creditors’ Meeting is attached as “Schedule 2” hereto. The Meeting Order is attached as “Schedule 3” hereto.

# The Amended DIL Plan

12. The Amended DIL Plan only has one class of creditors, who consist of DIL Depositors (the “Affected Creditors”). The Affected Creditors have proven claims totalling approximately \$38.0 million.

## DIL Distribution

13. Pursuant to the Order granted on August 28, 2015 and amended on November 5, 2015, DIL was authorized to distribute \$15.0 million to DIL Depositors (the “DIL Distribution”). In addition to the DIL Distribution, and as set out in the Initial Order, statutory annual minimum payments to RRIF holders have been made for 2015 (the “Minimum Payments”). Selected DIL Depositors have also received payments pursuant to an emergency fund that was implemented prior to the Filing Date and approved by the Court as part of the Initial Order (the “Emergency Payments”). Taking into account the DIL Distribution, the Minimum Payments and the Emergency Payments, distributions to DIL Depositors to date represent 41% of their investments, as at the Filing Date, without taking into account any estimated write-downs.

## Treatment of Affected Creditors

### Distributions

14. The Amended DIL Plan contemplates the liquidation of the assets held by DIL (the “DIL Assets”), which include the following:
  - 14.1. Cash held in financial institutions;
  - 14.2. Investments in lines of credits and mortgages;
  - 14.3. Any proceeds received from the settlement of two matters (the “Settlements”) being negotiated by the creditors’ committees for the District and DIL (the “DIL Committee”, collectively the “Committees”); and
  - 14.4. Amounts payable pursuant to the Amended Plan of Compromise and Arrangement filed by ECHS from the residents of the Prince of Peace Village, who hold life leases in respect of condominiums owned by ECHS.
15. Pursuant to the Amended DIL Plan, all proceeds from the realization of the DIL Assets (the “Plan Distributions”) will be distributed to DIL Depositors through accounts established with Great-West Life Assurance Company (“GWL”), who acts as the replacement fund manager for DIL and has established or is in the process of establishing new registered retirement savings plans of the same type as those

previously established by DIL (the “New Registered Plans”). GWL previously experienced technical difficulties in their software system related to registered retirement income funds (“RRIFs”) and locked-in income funds (“LIFs”), which precluded them from accepting payments to DIL Depositors holding RRIFs and LIFs pursuant to the DIL Distribution. The Monitor understands that these issues will be resolved by January 2016. As such, it is anticipated that all Plan Distributions will be payable through GWL.

16. Distributions will be made to DIL Depositors each time that the funds held in trust by DIL reach \$3.0 million, subject to the following two holdbacks:
  - 16.1. To satisfy reasonable fees and expenses of the Monitor, the Monitor’s legal counsel, the Applicant’s legal counsel and legal counsel for the DIL Committee; and
  - 16.2. For DIL Depositors, who elect or are deemed to elect to participate in a future legal action or actions, which may be undertaken as a class proceeding (the “Representative Action”), an amount sufficient to fund the out-of-pocket costs associated with the Representative Action and to indemnify any DIL Depositor(s) (the “Representative Action Holdback”), who may be appointed as a representative plaintiff(s) in the Representative Action (the “Representative Plaintiff”) for any costs award.

### **The Representative Action**

17. In addition to setting out how the Plan Distributions will be paid, the Amended DIL Plan establishes a process (the “Representative Action Process”) whereby the Representative Action can be undertaken for the benefit of those DIL Depositors who elect or are deemed to elect to participate (the “Representative Class”). The Representative Action will include claims by DIL Depositors that are not paid under the Amended DIL Plan or released by the Amended DIL Plan and specifically includes the following:
  - 17.1. Claims related to a contractual right of one or more of the DIL Depositors;
  - 17.2. Claims based on allegations of misrepresentation or wrongful or oppressive conduct;
  - 17.3. Claims for breach of any legal, equitable, contractual or other duty;
  - 17.4. Claims pursuant to which DIL has coverage under the Applicant’s directors’ and officers’ liability insurance (the “D&O Insurance”); and
  - 17.5. Claims to be pursued in DIL’s name, including any derivative action (whether statutory or otherwise) or any claims that could be assigned to a creditor pursuant to Section 38 of the *Bankruptcy and Insolvency Act* (the “BIA”), if such legislation were applicable (claims listed in 17.1 to 17.5 will be collectively referred to as the “Representative Action Claims”).
18. The Monitor notes as follows with respect to the Representative Action Process:



- 18.1. DIL Depositors will have the ability to opt in or opt-out of the Representative Action using a representative action letter, the prescribed form of which is attached as “Schedule 4” hereto (the “Representative Action Letter”). Those DIL Depositors who do not submit a Representative Action Letter will be deemed to have opted-in to the Representative Action. Those DIL Depositors who opt-in (whether they explicitly opt-in or have been deemed to opt-in) will constitute the Representative Class. Those Depositors, who wish to opt-out of the Representative Action must do so explicitly. Those Depositors who opt-out of the Representative Action will be forever barred from participating in the Representative Action, including receiving any proceeds that may become payable pursuant to the Representative Action, and will not be subject to any potential Representative Action Holdback. The deadline for DIL Depositors to opt-out of the Representative Action will be the commencement of the Representative Action.
- 18.2. A subcommittee will be established to choose legal counsel to represent the Representative Class in the Representative Action (the “Subcommittee”). The Subcommittee will include between three and five individuals, including initially at least one member of the DIL Committee. All members of the Subcommittee will be appointed by the DIL Committee and new members of the Subcommittee can be added in the event that any members of the Subcommittee resign. The DIL Committee will remain in place until such time as the CCAA proceedings have been completed.
- 18.3. The duties and responsibilities of the Subcommittee will include the following:
  - 18.3.1. Reviewing the qualifications of at least three lawyers and selecting one lawyer to act as legal counsel for the Representative Class (the “Representative Counsel”);
  - 18.3.2. With the assistance of Representative Counsel, identifying a party(ies) willing to act as the Representative Plaintiff(s);
  - 18.3.3. Remaining in place throughout the Representative Action with their mandate to include the following:
    - 18.3.3.1. Assisting in maximizing the amount available for distribution to the Representative Class;
    - 18.3.3.2. Consulting with and instructing the Representative Counsel on behalf of the Representative Class, including but not limited to the power to settle all or a portion of the Representative Action pursuant to the Sanction Order;
    - 18.3.3.3. Replacing Representative Counsel;
    - 18.3.3.4. Serving in a fiduciary capacity in representing the Representative Class;
    - 18.3.3.5. Establishing the amount of the Representative Action Holdback and directing that payments be made to the Representative Counsel from the Representative Action Holdback; and

18.3.3.6. Bringing any matter before the Court by way of an application for advice and direction.

19. Those DIL Depositors who elect to participate in the Representative Action will have a portion of their Plan Distributions withheld to fund the Representative Action Holdback. The amount of the Representative Action Holdback will be based on the estimated out-of-pocket costs required to advance the Representative Action including a reasonable reserve to provide an indemnity to the Representative Plaintiff. It will only be possible to estimate the value of the Representative Action Holdback once the Representative Counsel has been retained. As such, upon the Representative Counsel being retained, the Monitor will send further correspondence to the Representative Class, providing them with an estimate of the Representative Action Holdback as well as instructions on how to opt-out of the Representative Action should they choose to do so. Attached as "Schedule 5" hereto is a Notice of Opting Out that Eligible Affected Creditors may use to opt-out of the Representative Action following the DIL Meeting (as defined herein).
20. The Representative Action will represent the sole recourse available to DIL Depositors with respect to the Representative Action Claims. For greater clarity, the Representative Action may include multiple legal actions, which could be undertaken in any jurisdiction (including Alberta or British Columbia) and can be undertaken as a class action or otherwise. The Representative Action precludes having multiple groups represented by multiple legal counsel attempting to undertake legal actions, either as a class action or otherwise.
21. The Monitor is aware that at least one other group had intended to commence a class action proceeding in respect of matters which would constitute Representative Action Claims. Pursuant to the Amended DIL Plan, all Representative Action Claims will be dealt with in the Representative Action. The Monitor notes that interested parties may submit name(s) of individuals, who may wish to act on the Subcommittee or, where they have consulted with legal counsel, have their legal counsel put forward as one of the legal counsel to be considered by the Subcommittee to act as Representative Counsel.
22. The Monitor is of the view that the inclusion of the Representative Action Process in the Amended DIL Plan is beneficial to DIL Depositors for the following reasons:
  - 22.1. It provides a streamlined process for the establishment of the Representative Class and the funding of the Representative Action;
  - 22.2. It prevents a situation where DIL Depositors are being contacted by multiple groups seeking to represent them in a class action or otherwise or where recoveries are complicated by multiple groups taking action against the same parties;
  - 22.3. It allows for ongoing involvement of members of the DIL Committee who have information and insight into the CCAA Proceedings that may prove useful to the Subcommittee; and

- 22.4. Selected Depositors have indicated that they view any involvement in litigation as inconsistent with their personal religious beliefs. The Representative Action Process allows DIL Depositors to opt-out of the Representative Action before litigation is ever commenced, should that be their preference.

### **Treatment of Unaffected Creditors**

23. Those creditors with claims that would be unaffected by the Amended DIL Plan include Crown claims, post-filing claims, claims with respect to reasonable fees and disbursements of the Monitor, the Monitor's legal counsel, the Applicants' legal counsel and legal counsel for the DIL Committee, limited claims of current employees, directors and officers, critical suppliers (as set out in the Initial Order), claims against directors that are not released by the CCAA, claims regarding agreements that have not been disclaimed or resiliated, the Representative Action Claims, and a proven claim by the District in the amount of \$863,022 for outstanding management fees (the "District Claim").
24. It is anticipated that the treatment of the District Claim will be addressed in the Settlements. The Monitor's legal counsel has advised that they are of the view that the DIL Assets are effectively held in trust by DIL for the benefit of DIL Depositors. As such, no funds would be available to satisfy the District Claim.

### **Key Elements of the Amended DIL Plan**

25. The key elements of the Amended DIL Plan are as follows:
- 25.1. The Amended DIL Plan would only become effective at such time as a Sanction Order has been granted in respect of the Amended DIL Plans. It is not dependent upon the approval or sanction of any other plan of compromise and arrangement;
- 25.2. The DIL Depositors would be paid as set out above;
- 25.3. DIL would continue its efforts to realize on the DIL Assets by encouraging borrowers to refinance or through the sale, demand, enforcement or non-renewal of loans and registered mortgages;
- 25.4. Upon the DIL Assets having been fully realized and upon distributions having been made to GWL, DIL would cease to operate;
- 25.5. DIL does not have any employees and pays a monthly management fee to the District for assistance in administering DIL's investment fund (the "Management Fee"). The Management fee would continue under the Amended DIL Plan, however, as it is based on the value of the DIL Assets, it would be reduced as the Plan Distributions are made; and
- 25.6. The Representative Action Process would be established as set out herein.

## Other Considerations

26. The Amended DIL Plan meets the criteria outlined in Section 6 of the CCAA in respect of restrictions on the payment of Crown claims. As stated above, DIL does not have any employees and does not participate in any prescribed pension plans.
27. The Amended DIL Plan specifies that Section 36.1 of the CCAA and Sections 38 and 95 to 101 of the BIA (the "Preference Sections") do not apply. The Monitor has reviewed redemptions by DIL Depositors during the year preceding the Filing Date, which total approximately \$1.5 million (the "DIL Redemptions"). Approximately \$19,700 of the DIL Redemptions appear to have been redeemed by related parties. For the three months leading up to the Filing Date, the DIL Redemptions total approximately \$301,700 of which \$5,000 appears to have been redeemed by a related party. Based on the quantum of the individual DIL Redemptions, the Monitor is of the view that there would be very few cases where it would be cost effective to seek the repayment of DIL Redemptions from DIL Depositors. The Applicants also provided, where available, information regarding the member congregations for those DIL Depositors who received DIL Redemptions. Based on the information provided, it does not appear that selected congregations had advance knowledge of the CCAA proceedings. The information regarding the DIL Redemptions was shared with the DIL Committee, who confirmed that they did not have any concerns with the Preference Sections not being applicable should the Amended DIL Plan be sanctioned.

## Releases in the Amended DIL Plan

28. The Amended DIL Plan provides for different forms of releases to the following parties:
  - 28.1. The Monitor, the Monitor's legal counsel, the Applicant's legal counsel, the CRO, the legal counsel for the DIL Committee and the DIL Committee members (the "Released Representatives"); and
  - 28.2. DIL, the other Applicants, the directors, officers and employees of DIL, parties covered under the D&O Insurance and any independent contractors of DIL, who were employed three days or more a week on a regular basis (the "Partially Released Parties").
29. The Amended DIL Plan provides releases to the Released Representatives except to the extent that any liability arises out of any fraud, gross negligence or willful misconduct on the part of the Released Representatives and to the extent that any actions or omissions of the Released Representatives are not directly or indirectly related to the CCAA proceedings or their commencement.
30. The Amended DIL Plan provides for limited releases to the Partially Released Parties, which are largely limited to statutory filing obligations, and do not release any claims of DIL Depositors. The following claims are specifically excluded from being released by the Amended DIL Plan.
  - 30.1. Claims against directors that relate to contractual rights of one or more creditors or are based on allegations or misrepresentations made by directors to creditors or of wrongful or oppressive conduct by directors as set out in Section 5.1(2) of the CCAA;

- 30.2. Claims prosecuted by the Alberta Securities Commission or the British Columbia Securities Commission arising from compliance requirements of the *Securities Act of Alberta* and the *Financial Institutions Act of British Columbia*;
- 30.3. Claims made by the Superintendent of Financial Institutions arising from compliance requirements of the *Loan and Trust Corporations Acts of Alberta and British Columbia*; and
- 30.4. Any Representative Action Claims, whether or not they are insured under the D&O Insurance, which are advanced solely as part of the Representative Action.

### Proposed Meeting Order

31. The meeting to consider the Amended DIL Plan will be held at the following time and place (the “DIL Meeting”):
  - 31.1. Time: Saturday, January 23, 2016 at 10:00 a.m.
  - 31.2. Location: Prince of Peace Church and School, 243209 Garden Road NE, Calgary, AB
32. A representative of the Monitor shall preside as the chair of the DIL Meeting with those individuals entitled to attend the DIL Meeting including Affected Creditors with proven claims or disputed claims that have not been settled or adjudicated (the “Eligible Affected Creditors”) or their respective proxy-holders, directors of DIL, the Monitor, the CRO, the Applicant’s legal counsel, the Monitor’s legal counsel, members of the Committees, legal counsel for the Committees, the meeting chair, scrutineers and the meeting secretary.

### Voting

33. Eligible Affected Creditors may vote in person at the DIL Meeting, which votes shall be done by a show of hands or by a confidential written ballot, at the discretion of the meeting chair. The Eligible Affected Creditors can also vote on the matters to be considered at the DIL Meeting as follows:
  - 33.1. On the approval of the Amended DIL Plan using an Election Letter (the “Election Letter”), the prescribed form of which is attached as “Schedule 6”; and
  - 33.2. On the approval of the Amended DIL Plan as well as on any other items that may be considered at the DIL Meeting using a proxy (the “Proxy”), the prescribed form of which is attached as “Schedule 7”.
34. Both Election Letters and Proxies must be submitted in the form prescribed in “Schedule 6” and “Schedule 7” of the Creditors’ Report by 5:00 p.m. on the last business day preceding the date set for DIL Meeting or any adjournments thereof. Proxies can also be hand delivered to the chair prior to the commencement of the DIL Meeting but will not be accepted thereafter.
35. The person named in the Proxy shall vote the relevant claim in accordance with the direction of the Eligible Affected Creditor who appointed them. The Proxy confers a discretionary authority upon the

person named therein with respect to amendments or variations of the matters being tabled for consideration.

### **Approval of Plan**

36. In order for the Amended DIL Plan to be considered approved, two-thirds in value and a majority in number of the voting Eligible Affected Creditors must vote in favour of the Amended DIL Plan.

# Conclusion

## Monitor's Recommendations on the Amended DIL Plan

37. The Monitor is supportive of the Amended DIL Plan and is of the opinion that the Amended DIL Plan is fair and reasonable and appears to be in the general best interest of all parties as follows:
- 37.1. DIL would continue to realize on the DIL Assets with all funds being made available to DIL Depositors as set out in the Amended DIL Plan. Should the Amended DIL Plan fail, selected DIL Assets may need to be liquidated under forced sale conditions, which may result in lower proceeds, delays in the realization of selected DIL Assets and increased professional fees and expenses;
  - 37.2. The Amended DIL Plan provides a mechanism for distributions to DIL Depositors to be made through GWL, which will allow for the transfer of funds from one registered savings plan to another registered savings plan of the same type; thereby avoiding any negative tax consequences for DIL Depositors;
  - 37.3. The Amended DIL Plan provides for a streamlined process for DIL Depositors to pursue the Representative Action Claims; and
  - 37.4. The DIL Committee has approved the Amended DIL Plan.
38. The Settlements will have a significant impact on the estimated realizations for DIL Depositors. The Settlements will be subject to Court approval. At the time that the Monitor reports on the application to approve the Settlements, the Monitor will provide a range of the estimated realizations to DIL Depositors. The Monitor notes that, regardless of the outcome of the Settlements, the amount available to DIL Depositors pursuant to the Amended DIL Plan will be in excess of that available should the DIL Assets need to be liquidated under forced sale conditions.

**DELOITTE RESTRUCTURING INC.,**

In its capacity as Court-appointed Monitor of The Lutheran Church – Canada, The Alberta – British Columbia District, Encharis Community Housing and Services, Encharis Management and Support Services and The Lutheran Church – Canada, The Alberta – British Columbia District Investments Ltd. and not in its personal or corporate capacity



---

Jeff Keeble, CA, CIRP, CBV  
Senior Vice-President

# Schedule 2

---





December 8, 2015

**FUTHER INFORMATION FOR DIL DEPOSITORS  
DIL'S PLAN OF COMPROMISE AND ARRANGEMENT (THE "DIL PLAN")**

**THE BASICS AND WHAT YOU NEED TO DO**

---

The following provides a brief outline of the basics of the DIL Plan and what you need to do to prior to the meeting that is being scheduled for DIL Depositors to vote on the DIL Plan (the "DIL Meeting"). This document provides high level information only and it is recommended that DIL Depositors review the detailed information included in the Monitor's First Report to the Creditors of DIL, dated December 8, 2015.

**The Basics of the DIL Plan**

The following are the basics of the DIL Plan:

**Distributions to DIL Depositors**

1. DIL is selling or otherwise disposing of its assets.
2. As the assets are sold, funds will be distributed to DIL Depositors by being paid into registered accounts established with Great-West Life Assurance Company ("GWL").

**The Representative Action**

1. A process has been established so that a legal action, defined as the "Representative Action", can be undertaken on behalf of all DIL Depositors, who choose to participate.
2. The Representative Action will include claims by DIL Depositors that are not paid under the DIL Plan and further includes claims against DIL's former directors and officers, claims against DIL's directors' and officers' liability insurer and claims against third parties.
3. A subcommittee (the "Subcommittee") is being appointed to choose a lawyer to represent DIL Depositors in the Representative Action and to provide direction to that lawyer on behalf of all DIL Depositors. The Subcommittee will be made up of DIL Depositors and will include at least one member from the current DIL creditors' committee.
4. Under the DIL Plan one group, led by the Subcommittee, will pursue all legal proceedings on behalf of DIL Depositors. There is no limitation on the number of legal actions that can

be commenced by that group or the jurisdictions in which legal proceedings can be commenced by that group.

### **The Monitor's Recommendations**

The Monitor is recommending the DIL Plan on the following basis:

1. The DIL Plan provides that all of DIL's assets will be sold or otherwise disposed of and all proceeds, net of holdbacks, will be payable to DIL Depositors. If the DIL Plan fails, the disposal of DIL's assets may take longer and DIL's assets may need to be sold under forced sale conditions, which could result in lower recoveries and higher professional fees.
2. Under the DIL Plan, distributions to DIL Depositors are being made through GWL. As the funds are being transferred from one registered savings plan to another registered savings plan of the same type, there are not anticipated to be any negative tax consequences for DIL Depositors.
3. The DIL Plan provides a streamlined process for DIL Depositors to pursue the Representative Action with the ongoing involvement of at least one member of the DIL's creditors' committee. It prevents a situation where DIL Depositors are being contacted by multiple groups seeking to commence legal actions or where recoveries are complicated by multiple groups commencing legal action against the same parties.

### **What you need to do:**

#### **To Vote on the DIL Plan**

To vote on the DIL Plan you must do one of the following:

#### **Option 1**

**Attend the DIL Meeting, which will be held at the following time and place:**

**Time: Saturday, January 23, 2016 at 10:00 a.m.**

**Location: Prince of Peace Church and School, 243209 Garden Road NE, Calgary, AB.**

#### **Option 2**

**Appoint someone as your proxy by filling out the attached Form of Proxy so that they can attend the DIL Meeting and vote on your behalf.**

### **Option 3**

**Vote on the DIL Plan by filing out the attached Form of Election Letter so that your vote can be recorded even if you cannot attend the DIL Meeting and do not wish to appoint a proxy.**

### **To opt-in or opt-out of the Representative Action**

You can opt-in or opt-out of the Representative Action by filling out the attached Representative Action Letter. If you do not complete the Representative Action Letter you will be deemed to have opted in to the Representative Action.

Once a lawyer has been chosen to represent those DIL Depositors, who choose to participate in the Representative Action, the Monitor will be providing DIL Depositors with additional information regarding the estimated amount to be held back from distributions to those DIL Depositors who opt-in to fund the Representative Action. Depositors will have a further opportunity to opt-out at this time and can opt-out at any time prior to the commencement of the Representative Action.

Form of Proxy

**COURT FILE NUMBER** 1501-00955  
**COURT** COURT OF QUEEN'S BENCH OF ALBERTA  
**JUDICIAL CENTRE** CALGARY  
**DOCUMENT** PROXY  
**APPLICANTS** LUTHERAN CHURCH – CANADA, THE ALBERTA –  
BRITISH COLUMBIA DISTRICT, ENCHARIS  
COMMUNITY HOUSING AND SERVICES, ENCHARIS  
MANAGEMENT AND SUPPORT SERVICES, AND  
LUTHERAN CHURCH – CANADA, THE ALBERTA –  
BRITISH COLUMBIA DISTRICT INVESTMENTS LTD.

I, \_\_\_\_\_ of \_\_\_\_\_, a creditor in the above matter, hereby appoint \_\_\_\_\_ of \_\_\_\_\_, (person you want to appoint) to be my proxyholder in the above matter, except as to the receipt of any distributions pursuant to the DIL Plan, dated November 21, 2015 and amended on December 5, 2015 as may be further amended from time to time (the "DIL Plan") with or without power to appoint another proxyholder in his or her place.

The above named proxyholder shall attend on behalf of and act for me at the DIL Creditors' Meeting to be held in connection with the DIL Plan and at any and all adjournments, postponements or other rescheduling of the DIL Creditors' Meeting, and vote the amount of my Claim(s) as follows:

1. (mark one only):

Vote **FOR** approval of the resolution to accept the DIL Plan; or

Vote **AGAINST** approval of the resolution to accept the DIL Plan.

**IF A BOX IS NOT MARKED AS A VOTE FOR OR AGAINST APPROVAL OF THE PLAN, THEN THE PROXYHOLDER SHALL VOTE AT HIS/HER DISCRETION.**

and

2. Vote at his/her discretion and otherwise act for and on behalf of me with respect to any amendments or variations to the matters identified in the notice of the DIL Creditors'

Meeting and in the DIL Plan, and with respect to other matters that may properly come before the DIL Creditors' Meeting.

**THIS PROXY, ONCE DULY COMPLETED, DATED AND SIGNED, MUST BE SENT TO THE MONITOR BY EMAIL, MAIL, FACSIMILE TRANSMISSION OR COURIER, AND RECEIVED BY THE MONITOR BY NO LATER THAN 5:00 P.M. (CALGARY TIME) ON JANUARY 22, 2015 OR SUCH LATER DATE AS MAY BE THE LAST BUSINESS DAY PRIOR TO THE DATE THE DIL CREDITORS' MEETING HAS BEEN ADJOURNED TO, OR DELIVERED BY HAND TO THE CHAIR OF THE DIL CREDITORS' MEETING PRIOR THE COMMENCEMENT OF THE DIL CREDITORS' MEETING. AFTER COMMENCEMENT OF THE DIL CREDITORS' MEETING (OR ANY ADJOURNMENT THEREOF), NO PROXIES CAN BE ACCEPTED BY THE MONITOR.**

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_,  
20\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Individual Creditor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Name of Corporate Creditor

\_\_\_\_\_  
Name and Title of Signing Officer

Return to:

Deloitte Restructuring Inc., Monitor  
700 Bankers Court, 850 – 2<sup>nd</sup> Street SW  
Calgary, Alberta T2P 0R8

Phone: (587) 293-3203 Fax: (403) 718-3681  
Email: CalgaryRestructuring@deloitte.ca

Form of Election Letter

**COURT FILE NUMBER** 1501-00955  
**COURT** COURT OF QUEEN'S BENCH OF ALBERTA  
**JUDICIAL CENTRE** CALGARY  
**DOCUMENT** ELECTION LETTER  
**APPLICANTS** LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT, ENCHARIS COMMUNITY HOUSING AND SERVICES, ENCHARIS MANAGEMENT AND SUPPORT SERVICES, AND LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT INVESTMENTS LTD.

**THIS ELECTION LETTER SHALL BE VOTED IN ACCORDANCE WITH THE INSTRUCTIONS STATED BELOW EVEN THOUGH THE PLAN PRESENTED BY DIL MAY BE FURTHER MODIFIED OR AMENDED IN ACCORDANCE WITH THE TERMS OF THE DIL PLAN BEFORE OR AT THE DIL CREDITORS' MEETING, OR AFTER THE DIL CREDITORS' MEETING WITH THE APPROVAL OF THE COURT.**

**Voting**

I, \_\_\_\_\_ a creditor (or I \_\_\_\_\_, representative of \_\_\_\_\_, a creditor), in the above matter for the sum of \$\_\_\_\_\_ hereby request the Monitor to record my vote respecting the DIL Plan as made on the November 21, 2015 and amended on December 5, 2015 as may be further amended from time to time as follows:

(mark one only):

- Vote **FOR** approval of the resolution to accept the DIL Plan; or
- Vote **AGAINST** approval of the resolution to accept the DIL Plan.

**IF A BOX IS NOT MARKED AS A VOTE FOR OR AGAINST APPROVAL OF THE DIL PLAN, YOUR VOTE SHALL BE DEEMED TO BE A VOTE FOR APPROVAL OF THE DIL PLAN.**

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of  
\_\_\_\_\_, 201\_\_\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Individual Creditor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Name of Corporate Creditor

\_\_\_\_\_  
Name and Title of Signing Officer

Return to:

Deloitte Restructuring Inc., Monitor  
700 Bankers Court, 850 – 2<sup>nd</sup> Street SW  
Calgary, AB T2P 0R8  
Phone: (587) 293-3203 Fax: (403) 718-3681  
Email: CalgaryRestructuring@deloitte.ca

**Representative Action Letter**

**COURT FILE NUMBER** 1501-00955

**COURT** COURT OF QUEEN'S BENCH OF ALBERTA

**JUDICIAL CENTRE** CALGARY

**DOCUMENT** REPRESENTATIVE ACTION LETTER

**APPLICANTS** LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT, ENCHARIS COMMUNITY HOUSING AND SERVICES, ENCHARIS MANAGEMENT AND SUPPORT SERVICES, AND LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT INVESTMENTS LTD.

**Representative Action Election (For District Investment Depositors Only)**

I, \_\_\_\_\_ a creditor (or I \_\_\_\_\_, representative of \_\_\_\_\_, a creditor), hereby request the Monitor to record my election respecting the Representative Action as follows:

(mark one only):

- Record my election TO PARTICIPATE in the Representative Action; or
- Record my election NOT TO PARTICIPATE in the Representative Action.

**IF A BOX IS NOT MARKED FOR AN ELECTION, YOUR ELECTION SHALL BE RECORDED AS AN ELECTION TO PARTICIPATE IN THE REPRESENTATIVE ACTION.**

**IF YOU ELECT NOT TO PARTICIPATE IN THE REPRESENTATIVE ACTION, YOU ARE OR THE CREDITOR IS:**

- a. waiving all rights as a participant within the Representative Action Claim(s);
- b. not entitled to any further notice of or information regarding the Representative Action, save what is available on the public record;
- c. forever barred from participating in the Representative Action;
- d. not entitled to receive any recovery of any kind, including but not limited to a dividend or distribution under the Plan, that is payable out of proceeds recovered pursuant to the Representative Action; and



- e. not eligible to be a member of any “class” pursuant to the *Class Proceedings Act*, R.S.B.C. 1996, c. 50 (British Columbia) and *Class Proceedings Act*, S.A. 2003, c C-16.5, as amended by the *Class Proceedings Amendment Act, 2010*, c. 15. (Alberta), or any legislation of similar purpose or intent in any Canadian Province or Territory, or State of the United States.

**IF YOU ELECT TO PARTICIPATE IN THE REPRESENTATIVE ACTION, ANY PAYMENTS YOU ARE ENTITLED TO UNDER THE PLAN WILL BE SUBJECT TO THE REPRESENTATIVE ACTION HOLDBACK.**

**THIS ELECTION LETTER, ONCE DULY COMPLETED, DATED AND SIGNED, MUST BE SENT TO THE MONITOR BY EMAIL, MAIL, FACSIMILE TRANSMISSION OR COURIER, AND RECEIVED BY THE MONITOR BY NO LATER THAN 5:00 P.M. (CALGARY TIME) ON JANUARY 22, 2016 OR SUCH LATER DATE AS MAY BE THE LAST BUSINESS DAY PRIOR TO THE DATE THE CREDITORS’ MEETING HAS BEEN ADJOURNED TO. AFTER SUCH TIME, NO ELECTION LETTER CAN BE ACCEPTED BY THE MONITOR.**

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Individual Creditor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Name of Corporate Creditor

\_\_\_\_\_  
Name and Title of Signing Officer

Return to:

Deloitte Restructuring Inc., Monitor  
700 Bankers Court, 850 – 2<sup>nd</sup> Street SW  
Calgary, AB T2P 0R8  
Phone: (587) 293-3203 Fax: (403) 718-3681  
Email: [CalgaryRestructuring@deloitte.ca](mailto:CalgaryRestructuring@deloitte.ca)

# Schedule 3

---

## INTERNATIONAL TICKER

### Yahoo backs off Alibaba plan

Yahoo Inc. said on Wednesday it had shelved plans to spin off its stake in Chinese e-commerce giant **Alibaba Group Holding Ltd.**, citing tax concerns, and will instead create a separate company to hold the rest of its assets.

The new publicly traded company will house Yahoo's Internet business and its 35-per-cent stake in Yahoo Japan, giving investors a clearer view of the company's core business.

However, the plan – which may take a year or more to conclude – adds another layer of uncertainty to chief executive Marissa Mayer's efforts to revive the struggling company.

Yahoo had intended to spin off its Alibaba stake, worth more than \$30-billion (U.S.), by January. But investors, lacking assurance from the U.S. Internal Revenue Service, were worried that a spinoff could cost shareholders billions in taxes.

Yahoo, which has a market capitalization of about \$35-billion, owes almost all of its valuation to its 15-per-cent stake in Alibaba and its holding in Yahoo Japan. – Reuters

### Fonterra sees price improvement

**Fonterra Co-operative Group Ltd.**, the world's largest dairy exporter, maintained its forecast milk payout to New Zealand farmers, saying it was confident that "unsustainably low" global prices would continue to improve in 2016.

The Auckland-based company will pay its 10,500 farmer suppliers \$3.06 (U.S.) a kilogram of milk solids in the current season ending May 31, it said in a statement Thursday.

Dairy auction prices slumped to a 12-year low in August before stabilizing after Fonterra reduced the amount it sells at auction on waning milk production. The company expects prices will rise next year as a global glut dissipates and Chinese buyers return to the market.

"We support the consensus view in the market that an improvement will take place, but the market remains volatile," chairman John Wilson said in the statement. "While there are signs of a recovery, particularly in China, we still need the imbalance between supply and demand to correct." – Bloomberg News

### Detroit-to-Mexico shift predicted

The most lucrative contract negotiations for the United Auto Workers in more than a decade won't add a lot to car makers' costs, even though each company committed \$2-billion (U.S.) or more for raises, bonus money and benefits.

In exchange for improving pay and health care, **General Motors Co.**, **Ford Motor Co.** and **Fiat Chrysler Automobiles NV** can boost production of a few cheaper, lower-margin passenger cars in Mexico, where employees average about \$5 an hour compared with as much as \$29 an hour in U.S. factories. The companies also gain the flexibility to hire more less-expensive, temporary employees and have them work any day of the week.

GM, Ford and Fiat Chrysler did pledge billions in investment for their American factories. But most of this will prepare for new models of vehicles the plants already assemble, according to Art Schwartz, a former GM labour negotiator and president of consulting firm Labor and Economics Associates in Ann Arbor, Mich. – Bloomberg News

### United to stop flying to Dubai

**United Airlines Inc.** on Wednesday said it will cancel flight service between Washington and Dubai starting in late January, meaning no U.S. passenger carrier will fly direct to the Gulf states.

The move comes after the U.S. government awarded a government contract for travel on the route in 2016 to rival JetBlue Airways Corp. and its codeshare partner Emirates, which will operate the Washington-Dubai flights, parent United Continental Holdings Inc. said in an Internet posting.

Dubai-based Emirates will carry an estimated 15,000 U.S. government employees, United said, adding, "We formally protested this decision but were ultimately unsuccessful."

United, along with Delta Air Lines Inc. and American Airlines Group Inc., have accused Emirates and two other Middle Eastern carriers of receiving subsidies from their governments that let them buy more aircraft and drive down ticket prices.

The Gulf airlines have denied the allegations. – Reuters

### Venezuelan bonds rise on political shift

Venezuelan bonds climbed to the highest in six months after the opposition won a so-called supermajority in congressional elections, enough to push for widespread changes.

The opposition won 109 seats in Sunday's vote, compared with 55 for the ruling party, the National Electoral Council said late Tuesday. Another three seats reserved for members of indigenous communities will vote with the opposition. Controlling two-thirds of the seats allows the opposition widespread powers to oppose the government of President Nicolas Maduro.

"We are faced with a tectonic shift in Venezuelan politics," said Jorge Piederahita, the chief executive officer at Torino Capital LLC in New York. "For the first time in almost a generation, the opposition has full control of congress."

Bonds due in 2022 surged 2.5 cents to 53.7 cents on the dollar as of 2:04 p.m. in New York, extending their gain since Friday to 5.8 cents. State-owned oil producer Petroleos de Venezuela's bonds due the same year gained 2.2 cents to 53.9 cents per dollar. – Bloomberg News

# BUSINESS CLASSIFIED

TO PLACE AN AD CALL: 1-800-560-0521  
EMAIL: ADVERTISING@GLOBEANDMAIL.COM

<b>Firm Capital</b> Property Trust (FCD.UN-TSXV)	Monthly Distributions
	<b>7.36% Yield*</b>
www.FirmCapital.com	
*As at December 1 <sup>st</sup> 2015	

## COMMERCIAL REAL ESTATE

**100 % CAREFREE INVESTMENT**  
**FOR SALE \$3,381,800.00 5.5% CAP RATE**

**THORNBURY - COLLINGWOOD**  
**New Ultramar Petroleum Retail Centre & Car Wash**  
Kitty corner from the new Sobeyes and LCBO development.



**Billion-Dollar Corporation On Lease**  
**Long-Term Lease with Increases**

**Silvina Zgardau, Broker**  
Homelife/Vision Realty Inc.

cell: **416-720-8070**  
office: **416-383-1828**

**\$19,500,000**  
**JUDICIAL SALE**  
**119 - 129**  
**7 Avenue SW,**  
**Calgary, AB**



Court ordered judicial sale,  
19,474 sq.ft. downtown calgary  
property with heritage status



**David Campbell, Broker**  
D.C. & Associates Realty

403-616-2033 • dcbroker@telus.net

**FOR SALE**  
**INVESTOR/USER**  
**OPPORTUNITY**



**688 Chrislea Road**

- Freestanding commercial building
- Approximately 15,500 square feet
- 90% finished office space

For further information, please contact:

**Craig Williamson\***  
craig.williamson@cbre.com  
416 495 6267

**Gary L. Williamson\***  
gary.williamson@cbre.com  
416 495 6247

\*Sales Representative  
**CBRE**  
CBRE Limited, Real Estate Brokerage

**44+ ACRES FOR SALE**  
**MILTON/OAKVILLE**

Prestige retail/commercial  
land development opportunity

On Kings Hwy 25/407

Final bid date on or before  
Dec 15, 2015

**FOR SALE**  
**DOWNTOWN PORT CREDIT**

230 Lakeshore Rd E 7 Hwy 10  
commercial/office/redevelop-  
ment mixed use opportunity  
26,000 sq ft. Former CIBC  
office building.

Final bid date on or before  
Dec 15, 2015

**TONY CHIACCHIA**  
Salesperson  
RAH Realty Inc.  
416-704-6606  
tchiacchia@outlook.com

TO SUBSCRIBE CALL  
1-866-36 GLOBE

## LEGALS

### NOTICE TO CREDITORS

**IN THE MATTER OF LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT, ENCHARIS COMMUNITY HOUSING AND SERVICES, ENCHARIS MANAGEMENT AND SUPPORT SERVICES AND LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT INVESTMENTS LTD.**

**NOTICE IS HEREBY GIVEN THAT:**

1. The Plan of Compromise and Arrangement of Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd. ("DIL"), dated November 21, 2015 and amended on December 5, 2015 (as may be further amended from time to time, the "DIL Plan") was filed pursuant to the Companies' Creditors Arrangement Act (the "CCAA") with the Alberta Court of Queen's Bench (the "Court"). The DIL Plan contemplates the compromise of the rights and claims of DIL's Affected Creditors (as defined in the DIL Plan).
2. Important documents which you should review in consideration of the DIL Plan include the DIL Plan, the DIL Meeting Order, the Monitor's First Report to the Creditors of DIL dated December 8, 2015 (the "Monitor's Report"), the form of Proxy, the Election Letter, the Representative Action Letter, and the Notice of Opting Out (the "Information Package"). The Information Package is available on the website of the Monitor, Deloitte Restructuring Inc. (the "Monitor") at [www.insolvencies.deloitte.ca](http://www.insolvencies.deloitte.ca). If you are unable to access this website, you may obtain a copy of the Information Package by contacting the Monitor by email at [joshthole@deloitte.ca](mailto:joshthole@deloitte.ca) or by telephone at 1-587-293-3203.
3. DIL may vary, modify, amend, or supplement the DIL Plan in accordance with the provisions described in the DIL Plan and the DIL Meeting Order.
4. The Order of the Court dated November 30, 2015 (the "DIL Meeting Order") established the procedures for DIL to call, hold and conduct a meeting of its creditors (the "DIL Creditors' Meeting") to consider and vote on the DIL Plan. For the purpose of considering and voting on the DIL Plan, and receiving distributions thereunder, the Affected Claims of the DIL Affected Creditors shall be grouped into a single class under the DIL Plan.
5. The DIL Creditors' Meeting will be held at the following date, time and location:

Date: January 23, 2016  
Time: 10:00 am  
Location: Prince of Peace Church and School, 243209 Garden Road, Calgary, Alberta

6. Only those creditors with an Eligible Affected Claim, as defined under the DIL Plan (or their respective proxyholders), DIL directors, the Monitor, the Applicants' legal counsel, the Monitor's legal counsel, members of the Creditors' Committees, and the legal counsel for the Creditors' Committees will be eligible to attend the DIL Creditors' Meeting and vote on the DIL Plan. Holders of an Unaffected Claim (as defined in the DIL Plan) will not be entitled to attend and vote at the DIL Creditors' Meeting.

Any Eligible Affected Creditor who is unable to attend the DIL Creditors' Meeting may vote by Proxy. Further, any Eligible Affected Creditor who is not an individual may only attend and vote at the DIL Creditors' Meeting if a proxyholder has been appointed to act on its behalf at the DIL Creditors' Meeting.

Proxies, once duly completed, dated and signed, must be sent by email to the Monitor, or if they cannot be sent by email, delivered to the Monitor at the address of the Monitor as set out on the Proxy form. Proxies must be received by the Monitor by no later than 5:00 p.m. (Calgary time) on the last Business Day preceding the date set for the DIL Creditors' Meeting or any adjournment thereof. Proxies may also be delivered by hand to the Chair prior to the commencement of the DIL Creditors' Meeting. After commencement of the DIL Creditors' Meeting, no Proxies can be accepted by the Monitor.

Any Eligible Affected Creditor who is unable to attend the DIL Creditors' Meeting may also vote by Election Letter.

Election Letters, once duly completed, dated and signed, must be sent by email to the Monitor, or if cannot be sent by email, delivered to the Monitor at the address of the Monitor as set out on the Election Letter form. Election Letters must be received by the Monitor by no later than 5:00 p.m. (Calgary time) on the last Business Day preceding the date set for the DIL Creditors' Meeting or any adjournment thereof.

7. If the DIL Plan achieves the Required Majority (as defined below) at the DIL Creditors' Meeting, DIL shall seek approval of the DIL Plan by the Court at an application for the Sanction Order, which application shall be heard on a date to be scheduled (the "Sanction Hearing"). Any person wishing to oppose the application for the Sanction Order must serve upon the lawyers for both DIL and the Monitor as well as those parties listed on the service list, which was attached to DIL Meeting Order, as posted on the Monitor's website, by not later than 12:00 p.m. (noon) (Calgary time) one week before the Sanction Hearing, a copy of the materials to be used to oppose the motion for approval of the DIL Plan, setting out the basis for such opposition.
8. In order for the DIL Plan to become effective:
  - (a) the DIL Plan must be approved at the DIL Creditors' Meeting by the affirmative vote of a majority in number, representing not less than two-thirds in value of the voting claims of Eligible Affected Creditors, in person, by Proxy, or by Election Letter (this constituting the "Required Majority");
  - (b) the DIL Plan must be sanctioned by the Court; and
  - (c) the conditions to the implementation of the DIL Plan as set out in the DIL Plan must be satisfied or waived.

## COMMERCIAL REAL ESTATE

**CUSHMAN & WAKEFIELD**

**FOR SALE 14,200 SF**  
Investment Opportunity

**2267 Industrial St, Burlington**

- Ideal property for a user
- Interior and exterior renovations
- Current NOI \$56,317 per year

OFFERS DUE: January 28, 2016 3PM EST  
**Enquiries by Principals Only**

**Peter DeGuerre** Sales Representative  
DTZ Canada Inc. C/O Cushman & Wakefield Canada

**Tel: 416 863 1215**

For Sale By Owner Commercial Office Building

22 King Street West, Oshawa (Downtown)

**PURCHASE WITH NO MONEY DOWN**

- 20,000 sq ft office & retail space
- Details: [www.ownoffice.ca](http://www.ownoffice.ca)

Price: \$3,000,000

Contact: Neelo Ahmadi (416) 302-6255 neelo.ahmadi@gmail.com

## BUSINESS TO BUSINESS

**AIRCRAFT**  
**97' Astra**, CDN, Beaut. off market, 6 pax, long range, Low cost. \$1.8 USD M. Jamie Spears 416-203-0600, jaspears.com

**BUSINESS OPPORTUNITIES**  
**Motel Central Alberta** - Hwy#2 franchise sales 700k Asking 3.2m. 50% down. 50% owner finance. 403-848-2485

**INVESTMENT OPPORTUNITIES**  
**GAS STATIONS** - Branded with fast food franchise. Principals only. cam2brown@yahoo.ca; 519-216-0827

**SALES AGENTS & DEALERS**  
**Corporate Employee Relocations Services** - Call Maria Gallova licensed real estate agent @ 416-276-8537 or email mgallova@rogers.com

# Schedule 4

---

December 24, 2015

## Answers to frequently asked questions

### For depositors to Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd. (“DIL”)

---

As you are aware, DIL obtained an Initial order under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the “CCAA”) on January 23, 2015. Deloitte Restructuring Inc. acts as the Monitor in the CCAA proceedings. Defined terms in this document are as included in DIL’s Plan of Compromise and Arrangement (the “DIL Plan”) and in the Monitor’s Tenth Report dated December 22, 2015 (the “Tenth Report”)

The following are the answers to some frequently asked questions received by the Monitor related to the DIL Plan and the package that was recently mailed to you dated December 8, 2015 (the “Information Package”).

1. Why is the Information Package so large and do I need to read it all?

*We are required to provide selected Court documents to DIL Depositors. We have provided you with all of the information that we believe that you will require to assess the DIL Plan. We encourage you to review the documentation provided but note that the document entitled “The Basics and What you Need to Know” is intended to provide you with a high level overview of what is required and easy access to the forms that you need to fill out.*

2. What forms do I need to fill out?

*If you are not planning on attending the meeting for DIL Depositors to vote on the DIL Plan, scheduled for January 23, 2016 (the “DIL Meeting”), you need to fill out one of the following two forms:*

- a. Form of Proxy – if you wish to appoint someone to attend the meeting and vote on your behalf; or*
- b. Form of Election Letter – if you wish to submit your vote ahead of the DIL Meeting.*

*If you do not attend the DIL Meeting or fill out either the Form of Proxy or the Form of Election Letter, you will not have your vote on the DIL Plan recorded. We note that in order for the DIL Plan to be approved, 2/3 in value and a majority in number of voting creditors need to vote in favour of the DIL Plan.*

3. How many witnesses do I need and who can witness my forms for me?

*You only need one witness, who should sign and print their name. Anyone can act as your witness.*

4. What amount do I enter in my Form of Proxy or Form of Election Letter?

*You should enter the amount of your claim (without taking into account any estimated write-down on the value of the assets held by DIL) less the 41% interim distribution. We will verify the amount of your claim, upon receipt of your forms.*

5. How much should I expect to receive from the DIL Plan?

*Subject to several assumptions, the Monitor now estimates that, should the DIL Plan be accepted by the DIL Depositors, the estimated realizations to DIL Depositors will be approximately 77% to 83% of their original investment, without taking into account any estimated write-down in the value of the assets held by DIL. The Monitor notes that the estimated realizations are based on assumptions regarding future events as not all of DIL's assets have been realized and, as such, realizations will vary and the variances could be material (See the Tenth Report).*

6. What is the Representative Action?

*A future legal action or actions that may be undertaken as a class proceeding on behalf of DIL Depositors for the amount of any shortfall in their claims.*

7. Could the Representative Action be a class action?

*Yes. The Representative Action could include multiple legal actions, which could be undertaken in any jurisdiction (including Alberta or British Columbia) and could be undertaken as a class action or otherwise.*

8. If I choose to opt-out of the Representative Action, do I give up my right to future distributions under the DIL Plan?

*No, opting-out of the Representative Action does not affect your distributions under the DIL Plan. It does, however, preclude you from obtaining any recovery as a result of proceeds received from the Representative Action.*

Should you have additional questions, please contact the undersigned by telephone at 1-403-298-5955 or via email at [vanallen@deloitte.ca](mailto:vanallen@deloitte.ca)

Yours truly,

**DELOITTE RESTRUCTURING INC.**

In its capacity as the Court-appointed Monitor of Lutheran Church – Canada, the Alberta – British Columbia District, Encharis Community Housing and Services, Encharis Management and Support Services and Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd. and not in its personal or corporate capacity



---

Vanessa Allen, B. Comm, CIRP  
Vice-President



# Schedule 5

---

January 18, 2015

## **Answers to frequently asked questions**

### **For depositors to Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd. (“DIL”) – Amended January 20, 2016**

---

As you are aware, DIL obtained an Initial order under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the “CCAA”) on January 23, 2015. Deloitte Restructuring Inc. acts as the Monitor in the CCAA proceedings. Defined terms in this document are as included in DIL’s Plan of Compromise and Arrangement (the “DIL Plan”) and in the Monitor’s First Report to the Creditors of DIL dated December 8, 2015. References to the DIL Plan will include all amendments to the DIL Plan, filed as of the date of this document.

The Monitor posted a document entitled “Answers to frequently asked questions” on December 24, 2015. This document provided answers to some questions received by the Monitor related to the DIL Plan. Since that time, the Monitor has received or been made aware of additional questions, which are answered below:

#### **1. What is the Monitor’s role with respect to the DIL Plan?**

The Monitor is not the author of the DIL Plan. The DIL Plan has been formulated by DIL, subject to input from the DIL Committee, the CRO and the Monitor. The Monitor is an officer of the Court and has no economic stake in the outcome of the DIL Plan. The Monitor’s role includes providing DIL Depositors with sufficient information to consider the DIL Plan and reporting to DIL Depositors on its view of the reasonableness and fairness of the DIL Plan.

#### **2. Who will sit on the Subcommittee and what is the Subcommittee’s role?**

*The Subcommittee will be made up of three to five individuals, including at least one member of the DIL Committee (the creditors’ committee established for DIL). All members of the Subcommittee will be DIL Depositors, who also elect to participate in the Representative Action.*

*The Subcommittee will be chosen by the DIL Committee, which is made up of three DIL Depositors with significant claims and two DIL Depositors who were elected by DIL Depositors at large. The DIL Committee serves in a fiduciary capacity on behalf of DIL Depositors.*

*The Subcommittee's first task will be to review the qualifications of at least three lawyers and select one to act as Representative Counsel for those DIL Depositors who are participating in the Representative Action. The Subcommittee will also work with Representative Counsel to identify a party willing to act as Representative Plaintiff.*

*The mandate of the Subcommittee includes assisting in maximizing the amount available for distribution to the Representative Class, consulting with and instructing the Representative Counsel on behalf of the Representative Class, replacing Representative Counsel, serving in a fiduciary capacity in representing the Representative Class, establishing the amount of the Representative Action Holdback and seeking advice and direction from the Court where required. No potential named defendant in the Representative Action will be eligible to serve on the Subcommittee.*

**3. What assurance is there that I will be satisfied with the lawyer chosen to act as Representative Counsel?**

*The lawyers that will be considered to act as Representative Counsel will specialize in class action proceedings or other forms of litigation. Legal counsel who have expressed an interest in acting as Representative Counsel have already been invited to submit their qualifications with the decision on the selection of Representative Counsel being made by the Subcommittee. For clarity, it is currently contemplated that the District Plan will include similar provisions to the DIL Plan regarding a Representative Action to be undertaken on behalf of District Depositors. Different legal counsel will be chosen to act as Representative Counsel for District Depositors and DIL Depositors pursuant to those groups' respective Representative Actions.*

*As the Subcommittee will be made up of DIL Depositors who are participating in the Representative Action, their interests will be aligned with other DIL Depositors in the Representative Class. Also, as noted above, the Subcommittee will act in a fiduciary capacity in respect of the Representative Class.*

*The Subcommittee will likely consider multiple factors in choosing the Representative Counsel, including each candidate's experience, fee arrangements (preference will likely be given to legal counsel who may be willing to act on a contingency basis), litigation strategy, etc.*

**4. How will the Representative Counsel's fees be charged in the Representative Action?**

*Any fee arrangement will be negotiated between the Subcommittee and Representative Counsel. The Subcommittee will likely give preference to legal counsel who are willing to act mainly on a contingency basis but this decision will ultimately be that of the Subcommittee.*

*The DIL Plan provides the Representative Action Holdback as a mechanism for DIL Depositors to share any out-of-pocket costs associated with the Representative Action. For greater clarity, should the lawyer chosen to act as Representative Counsel be willing to act entirely on a contingency basis, it is possible that no Representative Action Holdback will be required. The inclusion of the Representative Action Holdback in the plan is intended to provide the Subcommittee the flexibility to fund the Representative Action in the most appropriate fashion.*

*The inclusion of the Representative Action in the DIL Plan may result in cost savings for DIL Depositors since it serves to streamline future litigation and avoids a situation where DIL Depositors are making contributions to multiple legal counsel to pursue the Representative Action Claims. It also may provide for increased recoveries on the basis that defendants will be able to settle claims with confidence that no further litigation from other potential parties related to DIL will be advanced.*

**5. What releases are provided for in the DIL Plan?**

*As previously reported, the releases provided for in the DIL Plan are very limited. For DIL, the other Applicants, the directors, officers and employees of DIL, parties covered under the D&O insurance and any independent contractors of DIL, who were employed three days or more a week on a regular basis, the releases are largely limited to statutory filing obligations (the Monitor is not aware of any such obligations) and most importantly, do not impact any claims that DIL Depositors wish to advance in the Representative Action. The Monitor notes that more fulsome releases are often granted in CCAA proceedings but that, as a result of negotiations between DIL, the Monitor and the DIL Committee, such releases do not form part of the DIL Plan.*

*The DIL Plan provides for releases to the professionals involved in the CCAA proceedings but these releases are limited to the extent that any liability arises out of fraud, gross negligence or willful misconduct and only apply to action or omissions related directly or indirectly to the CCAA proceedings. Similar releases are routinely provided to professionals in most CCAA plans of arrangement.*

**6. How can I vote on the DIL Plan if amendments can still be made to the DIL Plan?**

*The provisions of the DIL Plan that allow for the DIL Plan be amended are typical in CCAA plans of arrangement. The purpose of these provisions is to allow for amendments that ensure that the DIL Plan's mechanics and operations are as efficient as possible. No amendments could be made, without prior consultation with DIL Depositors, which substantively changed the DIL Plan or worsened the treatment of DIL Depositors under the DIL Plan.*

**7. What amendments have been made to the DIL Plan since the version that was mailed to me on December 8, 2015?**

*A further amended version of the DIL Plan was filed on January 11, 2016. This document is posted on the Monitor's website and the link is below:*

<http://www.insolvencies.deloitte.ca/Documents/Amended%20Amended%20Plan%20of%20Compromise%20and%20Arrangement%20of%20LCC%20-%20filed%20Jan%202011,%202016.pdf>

*The amendments to the DIL Plan included in the version filed on January 11, 2016 are minor and include the following:*

- *Amendments were made to definitions to clarify the intent and purpose of the DIL Plan;*
- *Wording was added clarifying that class proceedings legislation in Alberta and British Columbia may apply to any Representative Action;*
- *Wording was added to clarify that DIL Depositors who are participants in the Representative Action for DIL Depositors are not precluded from participating in a Representative Action for District Depositors; and*
- *Wording was added to clarify that the Proportionate Share of Costs for a DIL Depositor who opts-out of the Representative Action from the Representative Action Holdback will be calculated as at the Sunday of the week in which the Notice of Opting Out is received. For clarity, should a Representative Action Holdback be required, this holdback will be from distributions made pursuant to the DIL Plan to DIL Depositors who are part of the Representative Class.*

**8. When should I decide whether to opt-in or opt-out of the Representative Action?**

*DIL Depositors can opt-out of the Representative Action at any point until the commencement of the Representative Action.*

*Some DIL Depositors have indicated that they view any involvement in litigation as inconsistent with their personal religious beliefs. Those DIL Depositors have the option of opting-out of the Representative Action right away, if that is their preference. The ability to opt-out in advance of the commencement of such legal proceedings is not available in traditional class proceedings.*

*For DIL Depositors who remain uncertain about whether they want to participate in the Representative Action, additional information will be provided by the Monitor prior to DIL Depositors having to decide whether they wish to opt-in or opt-out of the Representative Action. This information will include the names of the members of the Subcommittee, the name of the Representative Counsel, the estimated amount of the Representative Action Holdback and the timeframe for commencement of the Representative Action. This information would be provided following the DIL Plan being approved by the Court and prior to the commencement of the Representative Action.*

**9. What will happen if I do not fill out my Election Letter correctly?**

*Upon receipt, the Monitor will review the Election Letter submitted by each DIL Depositor and will contact DIL Depositors where the Election Letter is incomplete or the amount is entered incorrectly.*

*The Election Letter indicates that, should the DIL Depositor submitting the Election Letter not specify their vote, they will be considered as having voted for approval of the resolution to accept the DIL Plan.*

*For clarity, we note the following:*

- *You must submit an Election Letter (or vote in person or by proxy) in order to have a vote recorded on the DIL Plan. If you do not submit an Election Letter (or vote in person or by proxy), no vote will be recorded on your behalf and your claim will be excluded from the calculation of the Required Majority (as further described below). For clarity, if the DIL Plan is approved by the Required Majority and sanctioned by the Court, the claims of all DIL Depositors will be dealt with as set out in the DIL Plan regardless of whether or not individual DIL Depositors submitted Election Letters.*
- *Should you submit an Election Letter with no vote recorded, the Monitor will attempt to contact you to confirm whether you had intended to further complete the Election Letter. If you submit an Election Letter with no vote recorded and the Monitor cannot reach you, you will be considered as voting in favour of the DIL Plan.*

## **10. How and where can the Representative Action be advanced?**

*The Representative Action could include multiple legal actions, which could be undertaken in any jurisdiction (including Alberta or British Columbia) and could be undertaken as a class action or otherwise. To be clear, the DIL Plan does not preclude the commencement of a legal action that will be governed by the Class Proceedings Act, R.S.B.C. 1996, c. 50 (British Columbia) or any other class proceedings legislation. If there are advantages to commencing legal proceedings under, for example, British Columbia legislation, this will likely be a major consideration for Representative Counsel and the Subcommittee in determining how to proceed.*

*The Representative Action will be advanced following Court approval of the DIL Plan. The timing for commencement of the Representative Action will be determined by the Subcommittee and the Representative Counsel and will be communicated to DIL Depositors by the Monitor.*

## **11. How are the votes on the DIL Plan calculated?**

*Each DIL Depositor has one and not multiple votes on the DIL Plan. In order for the DIL Plan to be considered as being approved by DIL Depositors it must be approved by the Required Majority being 2/3 in value and a majority in number of voting DIL Depositors. For clarity this means that two tests must be met:*

- 1. When considering the total dollar value of the claims of those voting for and against the DIL Plan, at least 2/3 in dollar value must be voting in favour of the DIL Plan. For example, if DIL Depositors with claims totaling \$1.0 million vote on the DIL Plan, the claims of DIL Depositors voting in favour of the DIL Plan must be at least \$666,667 in order for the DIL Plan to pass.*
- 2. When considering the votes received from DIL Depositors, a majority of DIL Depositors who are voting must vote in favour of the DIL Plan. For example, if 400 DIL Depositors vote on the DIL Plan, at least 201 DIL Depositors must vote in favour of the DIL Plan in order for the DIL Plan to pass.*

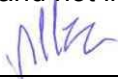
*Also for clarity, DIL Depositors are voting for or against the DIL Plan in its entirety i.e. there is no ability to vote in favour of selected portions of the DIL Plan and against other portions of the DIL Plan.*

Should you have additional questions, please contact the undersigned by telephone at 1-403-298-5955 or via email at [vanallen@deloitte.ca](mailto:vanallen@deloitte.ca)

Yours truly,

**DELOITTE RESTRUCTURING INC.**

In its capacity as the Court-appointed Monitor of Lutheran Church – Canada, the Alberta – British Columbia District, Encharis Community Housing and Services, Encharis Management and Support Services and Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd. and not in its personal or corporate capacity



---

Vanessa Allen, B. Comm, CIRP  
Vice-President



# Schedule 6

---

**IN THE MATTER OF THE  
PLAN OF COMPROMISE AND ARRANGEMENT FOR  
LUTHERAN CHURCH CANADA, THE ALBERTA – BRITISH COLUMBIA INVESTMENTS LTD. (“DIL”)  
MINUTES OF THE MEETING OF CREDITORS FOR DIL**

**DATE AND TIME:** January 23, 2016 @ 10:00 a.m.  
**LOCATION:** 243209 Garden Road NE, Calgary, AB

**CHAIR:** Vanessa A. Allen, Deloitte Restructuring Inc.  
**PRESENT:** See Attached Attendance List

**ATTENDANCE**

1. The Chair proceeded to record the attendance of those individuals and creditors present or represented at the meeting of creditors for DIL (the “DIL Meeting”). The Chair adjourned the commencement of the DIL Meeting for approximately 25 minutes to allow all attendees to have their attendance recorded.
2. The Chair called the DIL Meeting to order. The DIL Meeting was convened pursuant to the Order of the Court of Queen’s Bench of Alberta (the “Court”) granted on December 1, 2015 (the “Meeting Order”). The Monitor indicated that they were granted the authority to chair the DIL Meeting pursuant to paragraph 14 of the Meeting Order.
3. Defined terms herein are as defined in the Monitor’s First Report to the DIL Depositors, dated December 8, 2015.

**INTRODUCTIONS**

4. The Chair introduced the following individuals who were in attendance at the DIL Meeting:
  - 4.1. Tom Cumming and Greg Peterson from Gowlings LLP, who act as legal counsel for the Monitor;
  - 4.2. Francis Taman from Bishop & McKenzie LLP, who acts as legal counsel for DIL;
  - 4.3. Cameron Sherban from Kluane Partners, who acts as the Chief Restructuring Officer for DIL;

- 4.4. Gerry Kruger, Reid Glenn and Holly Drinkle, who were members of the DIL Committee;  
and
- 4.5. Doug Nishimura from Field LLP, who acts as legal counsel for the DIL Committee.

### **QUORUM**

5. The Chair examined the proxies filed with the Monitor. Pursuant to paragraph 22 of the Meeting Order, the required quorum for the DIL Meeting is two Eligible Affected Creditors present in person or by proxy at the DIL Meeting. Based on those in attendance and the proxies received by the Monitor, the Monitor determined that a quorum was present at the DIL Meeting. The proxy holders present were as recorded on the attached Attendance List.
6. The following preliminary discussion ensued:
  - 6.1. An attendee inquired if there would be an opportunity to ask questions throughout the DIL Meeting. The Monitor indicated that there would be time for questions at various points throughout the meeting and requested that attendees, as much as possible, hold their questions for those designated portions of the DIL Meeting.
  - 6.2. An attendee inquires how long they had access to the room in which the meeting was being held. The Monitor indicated that they had access to the room as long as was required to complete the DIL Meeting.
  - 6.3. An attendee inquired if the DIL Meeting would be recorded. The Monitor indicated that the DIL Meeting would not be recorded but minutes would be prepared summarizing the discussion.

### **AGENDA**

7. The Chair reported that the Agenda for the DIL Meeting would be as follows:
  - 7.1. Overview of the procedures to be followed at the DIL Meeting;
  - 7.2. Overview of the plan of compromise and arrangement for DIL (the "DIL Plan"). References to the DIL Plan would include all subsequent amendments. The Monitor indicated that they would review the most recent amendments reflected in the Amended Amended DIL Plan dated and filed on January 11, 2016;
  - 7.3. Question period;
  - 7.4. Comments from the DIL creditor's committee (the "DIL Committee");
  - 7.5. Voting on a resolution regarding the DIL Plan; and
  - 7.6. Adjournment.

8. The following further preliminary discussion ensued:
  - 8.1. An attendee inquired as to the treatment of DIL Depositors, who may not have been aware of the most recent amendments to the DIL Plan. The Monitor indicated that the most recent version of the DIL Plan had been posted on their website on January 11, 2016. The amendments included in that version of the DIL Plan had not been substantive. The Monitor further indicated that minor amendments were allowable to clarify the intent and purpose of the DIL Plan without further consultation with DIL Depositors being required.
  - 8.2. An attendee inquired if they could confirm whether an Election Letter submitted by them had been received by the Monitor prior to re-submitting their vote. The Monitor indicated that they would have the opportunity to do so prior to the vote should they desire.
  - 8.3. An attendee inquired as to DIL Depositors, who may not have received notification of the DIL Meeting. The Monitor indicated that they would speak to notice in a few minutes.
  - 8.4. An attendee inquired as to how many Election Letters had been received in advance of the DIL Meeting, how many people in attendance at the DIL Meeting were eligible to vote and what the implications were for those DIL Depositors who chose not to vote. The Monitor indicated that they would not report on the number of Election Letters received or the number of votes received at the DIL Meeting until such time as the overall voting results were released. The Monitor indicated that, if the DIL Plan was approved by the DIL Depositors and sanctioned by the Court, all DIL Depositors would be bound by it. Those DIL Depositors who did not vote, would not have a vote recorded and would not be included in the calculation of the outcome of the votes. The Monitor further indicated that it was not uncommon in insolvency proceedings for not all creditors to participate.
  - 8.5. An attendee inquired as to how votes would be recorded for those DIL Depositors, who did not submit a vote. The Monitor reiterated that no vote would be recorded for those DIL Depositors who did not vote.

#### **OVERVIEW OF THE PROCEDURES TO BE FOLLOWED AT THE DIL MEETING**

9. The Chair indicated that the following procedures would be followed at the DIL Meeting:
  - 9.1. Pursuant to paragraph 16 of the Meeting Order, the only persons entitled to attend or speak at the DIL Meeting are DIL Creditors or their respective proxy holders, DIL Directors, the Monitor, DIL's legal counsel, the Monitor's legal counsel, members of the creditors' committees, legal counsel for the creditors' committees, the Chair, the

scrutineers and the secretary. Any other person could be admitted by invitation of the Chair.

- 9.2. The Chair had admitted all those individuals who had attended at the DIL Meeting. The Monitor indicated that media would not have been permitted to attend the DIL Meeting but that no media had requested that they be admitted to the DIL Meeting.
- 9.3. Those who were not either a DIL Depositor or the proxy holder for a DIL Depositor were advised that, although they could remain to observe the DIL Meeting, they would not be allowed participate in the DIL Meeting.
- 9.4. DIL Depositors and proxy holders were advised that there would be time for questions at various times during the DIL Meeting. Deloitte representatives would be circulating with microphones. The Monitor asked DIL Depositors to be brief in submitting their comments or questions indicating that as Chair, they sought a balance between ensuring that valid questions and concerns were addressed, and having an organized and efficient meeting.
- 9.5. The Monitor reiterated that it was not allowable for the DIL Meeting to be recorded.
- 9.6. The Monitor indicated that, should it be required, the meeting could be adjourned at the discretion of the Chair (the Monitor indicated that they anticipated that there may be short adjournments at various times throughout the meeting, such as where time was required to count votes). The Monitor further indicated that the meeting could be adjourned should such a resolution be approved by a majority in value of the DIL Depositors present in person or via proxy at the DIL Meeting.
- 9.7. The Monitor indicated the following with respect to voting at the DIL Meeting:
  - 9.7.1. The only people eligible to vote at the DIL Meeting were those whose claims had been proven pursuant to the Claims Process Order that had been made by the Court on February 20, 2015 (i.e. DIL Depositors) or those who were acting as a proxy for such individuals.
  - 9.7.2. Voting on the plan would be done using the form of Election Letters that had been circulated to DIL Depositors on entering the DIL Meeting. The Monitor noted that each DIL Depositor would only be allowed to submit one form of Election Letter. As such, if a DIL Depositor had previously submitted a form of Election Letter but was now in attendance at the DIL Meeting, they did not need to submit a further form of Election Letter unless, prior to the vote being called, they wished to amend the vote they had previously submitted in which case, they could submit a further Election Letter, which would be considered to take precedence to the Election Letter that they had previously provided to the Monitor.

- 9.7.3. The Monitor noted that where an Election Letter and a Proxy had been submitted and the Proxy submitted did not specify the DIL Depositor's preference for voting for or against the DIL Plan and the Proxy present at the DIL Meeting wished to submit a different vote on behalf of the DIL Depositor for whom they were acting (compared to what was reflected in the Election Letter), the vote submitted by the Proxy at the DIL Meeting would take precedence.
- 9.7.4. In order for the DIL Plan to be passed, a majority in number and 2/3 in dollar value of voting creditors must vote in favour of the DIL Plan.
- 9.7.5. In order for other resolutions to be passed at the DIL Meeting (outside of a vote to adjourn the DIL Meeting), a simple majority in number would be required.

### **NOTICE OF THE DIL MEETING**

10. The Meeting Order prescribed how the DIL Depositors were to receive notice of the DIL Meeting. The Monitor confirmed that the notice requirements set out in the Meeting Order were complied with and that the DIL Depositors were notified of the DIL Meeting as follows:
  - 10.1. The Monitor posted a copy of the information package for DIL Depositors on the Monitor's Website on December 8, 2015;
  - 10.2. The Monitor printed notice of the DIL Meeting in the Globe and Mail National Edition on December 10, 2015.
  - 10.3. The Information Package was mailed to DIL Depositors with all mail-outs being completed by December 11, 2015, which included the Monitor's First Report to the DIL Depositors dated December 8, 2015 (the "DIL Report"); and
  - 10.4. Two documents entitled "Answers to Frequently Asked Questions" (the "Q&As") were subsequently posted on the Monitor's website on December 24, 2015 and January 18, 2016 (as amended on January 20, 2016).

### **OVERVIEW OF THE DIL PLAN**

11. The Chair proceeded to summarize the DIL Plan reviewing the material included in the DIL Report and the Q&As, highlighting how the DIL Depositors would be treated should the DIL Plan be approved and explaining that should the DIL Depositors approve the DIL Plan, it would still need to be sanctioned by the Court. The Chair reported that the DIL Plan had been further amended on January 11, 2016 and reviewed the changes incorporated into the DIL Plan as part of these amendments. The Chair then asked if there were any questions from those in attendance regarding the DIL Plan.

12. The following discussion ensued:
- 12.1. An attendee inquired as to how the Monitor could be assured that all DIL Depositors had been contacted. The Monitor re-iterated their comments regarding how notice had been provided to DIL Depositors. The Monitor indicated that in many CCAA proceedings, notice would not be provided via a mail-out.
  - 12.2. An attendee inquired if the Monitor or the CRO had contacted anyone personally regarding how to vote, specifically DIL Depositors with high dollar value claims. The Monitor indicated that it was up to DIL Depositors to make their own decision regarding how to vote. The Monitor had responded to inquiries from all DIL Depositors who had contacted them and had, at the request of a member congregation, attended a meeting of approximately forty DIL Depositors in Red Deer, Alberta. The Monitor reiterated that they were a Court Officer and had no economic stake in the outcome of the DIL Plan.
    - 12.2.1. The CRO indicated that he had contacted DIL Depositors to encourage them to vote but had not solicited any proxies.
    - 12.2.2. Doug Nishimura spoke on behalf of the DIL Committee and indicated that the DIL Committee had not approached DIL Depositors but had responded to inquiries received from DIL Depositors. The DIL Committee had not encouraged DIL Depositors to vote in any particular fashion.
  - 12.3. An attendee inquired how much money was held in DIL's bank account as of today. The Monitor indicated that they did not have the current amount held in DIL's bank account with them but that there were sufficient funds held in trust to allow for a distribution to occur immediately following the expiry of the appeal period should a Sanction Order be granted for DIL. The attendee expressed dissatisfaction with this response.
  - 12.4. An attendee inquired as to the status of a large mortgage held by DIL, which the member congregation had not yet repaid. The Monitor indicated that collection efforts were ongoing. The CRO indicated that they were continuing to negotiate with the member congregation to try to collect this outstanding mortgage.
  - 12.5. An attendee inquired as to the outstanding balance and if interest was being paid on a mortgage on a property in Strathmore, Alberta. The Monitor indicated that this property was leased by Golden Hill School Division. Regular payments were being made on the mortgage and the outstanding balance was approximately \$6.1 million. An attendee indicated that they did not believe that interest was being calculated correctly on this loan. The Monitor indicated that the attendee could make specific inquiries following the DIL Meeting should they wish to do so.

- 12.6. An attendee indicated that they wished to be provided with additional financial information regarding the assets held by DIL. The Monitor indicated that a description of DIL's assets had been provided in the Monitor's prior reports. Information regarding estimated values for assets where realization efforts were ongoing would not be released in order not to taint those realization efforts. The Monitor briefly reviewed the following assets held by DIL:
- 12.6.1. In addition to cash held in their operating account, DIL and their legal counsel currently held approximately \$3.2 million in trust related to loans and mortgages that had been repaid. An additional mortgage for approximately \$365,000 had also recently been repaid and would be added to the amount held in trust.
  - 12.6.2. One line of credit in the amount of approximately \$5,400 from a member congregation continued to be outstanding;
  - 12.6.3. Mortgages with a book value of approximately \$19.5 million as at November 30, 2015 were outstanding. These mortgages included two mortgages totalling approximately \$7.8 million, which were due from ECHS and were the subject of a settlement between the District Committee and the DIL Committee. Pursuant to this settlement, DIL was to receive approximately \$4.1 million in satisfaction of their claim with respect to these mortgages. It also included a mortgage on a property in Strathmore, Alberta, which was the subject of a further settlement between the District Committee and the DIL Committee. Pursuant to this settlement, DIL would receive 50% of the net sale proceeds from this property once it was sold.
  - 12.6.4. DIL would receive additional proceeds from a settlement with life lease residents within the Prince of Peace Village (as outlined in the ECHS Plan) and the sale of a residential lot within the Prince of Peace development.
- 12.7. An attendee inquired about the status of a claim by the District against DIL related to outstanding management fees. The Monitor indicated that they had reviewed the claim with their legal counsel and were of the view that this claim would rank behind the claim of DIL Depositors for whom DIL's assets were held in trust. In any event, this claim had been withdrawn pursuant to the settlements between the District Committee and the DIL Committee.
- 12.8. An attendee inquired as to what would happen if the DIL Plan failed. The Monitor indicated that there was some uncertainty but, in the event that the DIL Plan failed, it was likely that there would be a further insolvency proceedings, such as a receivership.



- 12.9. An attendee asked whether DIL would have influence over the Subcommittee or whether it was possible that any of DIL's directors or officers would sit on the Subcommittee. The Monitor indicated that the Subcommittee would be chosen by the DIL creditors' committee, who were made up of high value DIL Depositors and members elected by the DIL Depositors at large. The Subcommittee would be made up of DIL Depositors, who were also participants in the Representative Action. DIL would not have input into the formation of the Subcommittee.
- 12.10. An attendee asked whether the Representative Action needed to be adversarial or whether other options to resolve claims could be considered. The Monitor indicated that all options would be open to the Subcommittee and Representative Counsel; however, the assistance of Representative Counsel would likely be required to resolve claims and it was likely that the collection of some claims would be adversarial. During the Representative Action, however, it may be possible that some settlements would be reached prior to litigation having to be undertaken.
- 12.11. An attendee asked Francis Taman if legal counsel for the District was protected from the Representative Action pursuant to the DIL Plan. Francis Taman indicated that the only releases provided to professionals in the DIL Plan were with respect to activities undertaken related to the CCAA proceedings or their commencement. He further noted that Bishop & McKenzie LLP had not been the District's legal counsel prior to the CCAA proceedings. When asked who had been the District's legal counsel prior to the CCAA proceedings, Francis Taman indicated that it had been Prowse Chowne LLP.
- 12.12. Errin Poyner, who acted as legal counsel for two DIL Depositors, who had been seeking to initiate their own class action proceedings and was proxy holder for a DIL Depositor asked a series of questions. The following discussion ensued:
- 12.12.1. It was asked whether the Representative Action was the only avenue open to DIL Depositors to pursue the shortfall in satisfying their claim. The Monitor indicated that this was correct.
- 12.12.2. Confirmation was requested that, pursuant to the Representative Action, DIL Depositors would not be able to select their own legal counsel. The Monitor confirmed that this was correct. The Representative Counsel would be chosen by the Subcommittee.
- 12.12.3. It was asked whether it was a requirement that members of the Subcommittee be DIL Depositors. The Monitor indicated that this was the case.
- 12.12.4. It was asked if there was a minimum claim required for DIL Depositors, who wished to sit on the Subcommittee. The Monitor indicated that there was

not. For clarification, it was asked and the Monitor confirmed that a DIL Depositor may have a small dollar value claim and still be considered to act on the Subcommittee.

- 12.12.5. It was asked how Subcommittee members could be removed from the Subcommittee. The Monitor indicated that the intention of the DIL Plan was not to provide comprehensive guidelines around how the Subcommittee would conduct itself but to provide a mechanism to establish the Subcommittee and general guidance as to the Subcommittee's role. The role of the Subcommittee may be further set out in an Order sanctioning the DIL Plan.
- 12.12.6. It was asked if DIL Depositors would be made aware of any potential conflicts of interest by members of the Subcommittee. The Monitor indicated that the Subcommittee would be selected by the DIL Committee. Should a member have a conflict of interest, they likely would not be chosen to act on the Subcommittee or may in the future have to resign from the Subcommittee. Doug Nishimura indicated that the process would be overseen by the Court and that, should a member of the Subcommittee fail to disclose a conflict of interest, they may be subject to legal sanction.
- 12.12.7. Confirmation was requested that should the DIL Plan be sanctioned, DIL Depositors would be forfeiting their right to pursue legal action for any shortfall in recovering their claim against DIL. The Monitor indicated that DIL Depositors were not forfeiting their right to pursue legal action, they were simply agreeing to a process, which would see them pursuing legal action as a consolidated group under the process set out in the DIL Plan.
- 12.12.8. Confirmation was requested that, once the Representative Action Holdback was exhausted, additional funds may be required to fund the Representative Action. The Monitor indicated that this was possible and, if this was the case, the amount would be determined by the Subcommittee in conjunction with Representative Counsel. The Representative Action Holdback would only be calculated, however, on a one time basis. Any further requests for funding would be made to the Representative Class directly.
- 12.12.9. Confirmation was requested that DIL Depositors would have until the day before the commencement of the Representative Action to opt-out of the Representative Action. The Monitor confirmed that this was the case.
- 12.12.10. It was asked when DIL Depositors would know the amount of the Representative Action Holdback. The Monitor indicated that, as had been previously stated, once the Subcommittee had been formed and

Representative Counsel had been chosen, the Monitor would provide further correspondence to DIL Depositors with respect to the names of Subcommittee members, the name of Representative Counsel, the date for commencement of the Representative Action and the amount of the Representative Action Holdback. The Monitor noted that DIL Depositors would still not have certainty as to the amount of the Representative Action Holdback since additional DIL Depositors would likely opt-out following receipt of that correspondence.

- 12.12.11. It was asked whether a person who had not returned a Representative Action Letter would be deemed to have opted out of the Representative Action. The Monitor indicated that DIL Depositors were deemed to have opted in to the Representative Action until they explicitly opted out.
- 12.12.12. Confirmation was requested that the number of those who had opted in to the Representative Action would not be known until the commencement of the Representative Action. The Monitor indicated that this was correct.
- 12.12.13. Confirmation was requested that the communication described by the Monitor would be sent to everyone except those who had opted out of the Representative Action. The Monitor indicated that this was correct.
- 12.12.14. It was asked whether details of the claims to be pursued in the Representative Action would be released. The Monitor indicated they had provided some information in their previous reports regarding the types of claims that could be pursued in the Representative Action. The Subcommittee, in conjunction with Representative Counsel, could determine what additional information should be released to DIL Depositors.
- 12.12.15. Confirmation was requested that some people had indicated that they did not wish to pursue legal action for personal reasons. The Monitor confirmed that that was the case.
- 12.12.16. It was stated that people should have more information on what claims would be pursued prior to having to opt in or opt out of the Representative Action. Confirmation was then requested as to what information the Subcommittee would be required to provide to DIL Depositors, who were participating in the Representative Action. The Monitor indicated that they would provide the information that they had previously described and that the provision of additional information would be at the discretion of the Subcommittee and Representative Counsel.
- 12.12.17. It was asked why there were two different letters that could be used to opt out of the Representative Action. The Monitor indicated that the

Representative Action Letter was intended to be provided to the Monitor through the CCAA Proceedings in order to allow those DIL Depositors who wished to do so the opportunity to opt out early in the process. The Notice of Opting Out could be provided to the Monitor or to Representative Counsel. The Monitor indicated that both documents effectively served the same purpose in allowing DIL Depositors to opt out of the Representative Action.

12.12.18. A comment was raised that, nowhere in the DIL Plan did it state that the Subcommittee had a duty to communicate with DIL Depositors. The Monitor indicated that the DIL Plan was not intend to fully define the role of the Subcommittee. It was simply intended to set out an initial process to establish the Subcommittee and commence the Representative Action.

12.12.19. A question was raised as to what claims would be pursued in the Representative Action. The Monitor reviewed the types of claims that may be pursued including claims against the former directors and officers of DIL, for some of which coverage may be available under DIL's directors' and officers' liability insurance and claims against third parties such as professionals, who had acted on behalf of DIL in the past.

12.12.20. A question was raised as to whether opting out of the Representative Action precluded DIL Depositors from advancing another type of legal action. The Monitor indicated that this was correct.

12.12.21. A question was asked as to, if by opting out of the Representative Action, DIL Depositors were signing away their rights to pursue the Representative Action Claims. The Monitor indicated that they were not releasing their rights to pursue the Representative Action Claims but were agreeing to pursue their claims on a unified basis through the Representative Action Process.

12.13. An attendee inquired as to whether legal counsel for the DIL Committee represented the DIL Depositors at large. Doug Nishimura indicated that he acted as legal counsel for the DIL Committee, who acted in a fiduciary capacity in representing DIL Depositors. He did not represent individual DIL Depositors. It was further asked whether the Subcommittee represented DIL Depositors. Doug Nishimura indicated that the Subcommittee acted in a fiduciary capacity on behalf of those DIL Depositors who were participants in the Representative Action.

12.14. An attendee expressed concern that they wished to retain the right to pursue legal action independently and wished the DIL Plan to be defeated for that reason. The

Monitor indicated that each DIL Depositor had the ability to vote for or against the DIL Plan.

- 12.15. A concern was raised by an attendee that the Subcommittee members were unknown, the actions being pursued were unknown and the litigation strategy was unknown. The Monitor confirmed that the Subcommittee and Representative Counsel would only be selected following the DIL Plan being sanctioned by the Court.
- 12.16. An attendee inquired as to whether opting out early would change the timing for DIL Depositors to receive distributions under the DIL Plan. The Monitor indicated that it would not other than to the extent that those DIL Depositors who opted in to the Representative Action would be subject to the Representative Action Holdback.
- 12.17. An attendee pointed out that DIL was a faith-based organization with unique considerations. The Monitor indicated that this was a large reason why the District Committee and the DIL Committee had been established early in the process.
- 12.18. An attendee indicated that they would only be in favour of a Subcommittee if they had access to its members. They expressed concern that the contact information for members of the DIL Committee members had not been posted. The Monitor indicated that the DIL Committee was acting in a fiduciary capacity on behalf of DIL Depositors and were considered to be representative of the larger group of DIL Depositors. The DIL Committee members were volunteers, who in many cases had full-time jobs. It would not be feasible for them to communicate with all DIL Depositors. The DIL Committee members had volunteered long hours of their time to advance the DIL Plan. The Subcommittee would also be made up of members who were acting in a fiduciary capacity on behalf of DIL Depositors. It would be up to them to establish appropriate methods to communicate with DIL Depositors.
- 12.19. An attendee indicated that, although he was grateful for the results achieved by the DIL Committee, he believed DIL Depositors were being bullied through the inclusion of the Representative Action in the DIL Plan, which he did not feel was legal. The Monitor indicated that this was a Court supervised process and DIL Depositors who wished could always attend at Court to voice their concerns.
- 12.20. An attendee indicated that he was shocked that the DIL Committee was working on a volunteer basis. He indicated that prior to finding Ms. Poyner, he had been unable to find another legal counsel, who would consider working on a contingency basis. He indicated that the Monitor's concern that, in the absence of the Representative Action, DIL Depositors may be contacted by multiple legal counsel seeking to represent them in legal proceedings was unwarranted. The Monitor indicated that they believed that the concern that DIL Depositors could be contacted by multiple legal counsel was warranted.

12.21. An attendee indicated that they felt there was too much negativity being expressed at the DIL Meeting and that many DIL Depositors had a more positive view.

13. The Monitor adjourned the meeting for 10 minutes. Many DIL Depositors indicated that they had to leave and the Monitor indicated that they could submit their Election Letters at that time should they wish to do so.

14. The Monitor reconvened the DIL Meeting and the following further discussion ensued:

14.1. An attendee asked how much the Representative Action Holdback would be and how much DIL Depositors would be estimated to get back in the Representative Action. The Monitor indicated that the amount of the Representative Action Holdback would not be determined until such time as the Subcommittee was appointed and Representative Counsel was chosen. The Monitor indicated that further information regarding the estimated Representative Action Holdback would be provided by the Monitor once the amount had been determined by the Subcommittee and the Representative Counsel. The Monitor further indicated that the recovery pursuant to the Representative Action was uncertain.

14.2. An attendee expressed concern that experts were unable to estimate recoveries in the Representative Action. The Monitor indicated that recoveries in litigation were always uncertain and that Representative Counsel would likely provide some direction to the Subcommittee as to what claims they could pursue.

#### **COMMENTS FROM THE DIL COMMITTEE**

15. The Monitor introduced Gerry Kruger and Reid Glenn from the DIL Committee, who discussed their backgrounds, how they had come to be appointed to the DIL Committee and indicated that they had done their best to assist in obtaining the greatest recovery for the DIL Depositors.

16. Following the comments by the DIL Committee members, Errin Poyner asked a further series of questions, which are summarized below:

16.1. A comment was made that some DIL Depositors may wish to pursue some claims but not others and the Representative Action did not allow them the opportunity to choose what claims would be pursued.

16.2. A question was asked as to for whose benefit the Representative Action Process was developed. The Monitor indicated that, in their view, the Representative Action was for the benefit of the DIL Depositors and had been included in the DIL Plan in

consultation with the DIL Committee. The Monitor reiterated their view of the benefits of the Representative Action.

16.3. A question was raised as to whether DIL should have been subject to a CCAA proceeding since their plan was to liquidate. A further comment was made that the Representative Action was not within the scope of what should be included in a CCAA proceeding. The Monitor indicated that there were many CCAA proceedings that contemplated the liquidation of assets. In addition, they were of the view that the inclusion of the Representative Action in the DIL Plan was within the scope of the CCAA. The Monitor pointed out the DIL Plan had been developed in consultation with numerous insolvency counsel. Tom Cumming further commented that the CCAA was a flexible piece of legislation, which was intended to allow sufficient flexibility to provide the best outcome in any given situation. Tom Cumming indicated that in their experience, a large number of lawsuits could result in lower recoveries. The DIL Plan was intended to provide an organized framework to pursue the Representative Action.

16.4. A further concern was raised that the Representative Action should not be included in the CCAA since it involved claims against third parties. Tom Cumming reiterated that this was within the scope of the CCAA.

17. An attendee asked whether there was an option to pursue claims outside of litigation through Representative Action. The Monitor indicated that all options would be open to the Subcommittee in consultation with the Representative Counsel but that further legal action would likely be required in some cases.

18. There being no further questions, the Monitor proceeded to the vote.

## **RESOLUTION**

19. The Chair read the following resolution in regards to the DIL Plan:

20. WHEREAS DIL has made an application pursuant to the *Companies' Creditors' Arrangement Act, R.S.C. 1985, c. C-36, as amended* (the "CCAA") to reorganize its affairs for the benefit of its creditors;

21. AND WHEREAS DIL filed an Amended Amended version of the DIL Plan with respect to its creditors on January 11, 2016 (all references to the DIL Plan include all subsequent amendments);

22. AND WHEREAS the creditors of DIL (the "DIL Creditors") have considered the DIL Plan and such other material and information as they, in their individual discretion, feel is necessary and appropriate to consider;
23. AND WHEREAS the DIL Creditors understand that should the DIL Plan be sanctioned by the Court, it will be binding upon all of the DIL Creditors, subject to the conditions precedent and other terms and conditions set out more fully in the DIL Plan;
24. AND WHEREAS the DIL Creditors wish to agree to the proposed compromises and arrangements set out in the DIL Plan;
25. The DIL Creditors resolve that:
- 25.1. The DIL Plan be and hereby is agreed to and accepted by the DIL Creditors in accordance with its terms; and
  - 25.2. The Court is requested to sanction the DIL Plan.
26. The Chair called for a vote from the DIL Creditors present at the DIL Meeting. The Monitor requested that those DIL Depositors present submit their votes by completing the Election Letter that had been provided to them at the commencement of the DIL Meeting. The Monitor reviewed how to properly complete the Election Letter. The Monitor asked that, once the Election Letters were completed, they be handed to one of the Deloitte representatives who were pointed out and were circulating throughout the room.
27. Following the votes being collected, the following discussion ensued:
- 26.1. An attendee asked how the results of the vote would be communicated. The Monitor indicated that the results of the vote would be communicated through the Monitors' website and that the Monitor was required to report to the Court within three business days of the DIL Meeting, the voting results.
28. The Monitor adjourned the DIL Meeting for one hour so that the Monitor could tabulate the votes provided by those attending the DIL Meeting.
29. The Monitor indicated that the results of the voting were being reported on a preliminary basis, subject to further quality review. The Monitor indicated that they had received a total of 473 votes from DIL Depositors with claims totaling approximately \$14.6 million. 434 DIL Depositors had voted in favour of the DIL Plan and 39 DIL Depositors had voted against the DIL Plan. The claims of DIL Depositors voting in favour of the DIL Plan had a combined



value of approximately \$12.7 million (87%) and the claims of DIL Depositors voting against the DIL Plan had a combined value of approximately \$2.0 million (13%). As such, the required majority of DIL Depositors had voted in favour of the DIL Plan and the DIL Plan was deemed to be approved by the DIL Depositors.

30. Subsequent to the DIL Meeting, the Monitor completed a further quality review of the voting results, which resulted in a minor change. The updated voting results are as follows and as included in the voting register:

31. The Monitor received a total of 472 votes from DIL Depositors with claims totaling approximately \$14.5 million. 434 DIL Depositors had voted in favour of the DIL Plan and 38 Depositors had voted against the DIL Plan. The claims of DIL Depositors voting in favour of the DIL Plan had a combined value of approximately \$12.7 million (87%) and the claims of DIL Depositors voting against the DIL Plan had a combined value of approximately \$1.8 million (13%).

#### **ADJOURNMENT**

32. There being no further business, the DIL Meeting was adjourned.

**DELOITTE RESTRUCTURING INC.,  
IN ITS CAPACITY AS MONITOR OF  
LUTHERAN CHURCH – CANADA, ALBERTA –  
BRITISH COLUMBIA DISTRICT, ENCHARIS  
COMMUNITY HOUSING AND SERVICES, ENCHARIS  
MANAGEMENT AND SUPPORT SERVICES, AND  
LUTHERAN CHURCH – CANADA, THE ALBERTA –  
BRITISH COLUMBIA DISTRICT INVESTMENTS LTD.,  
AND NOT IN ITS PERSONAL CAPACITY**

  
\_\_\_\_\_  
Vanessa A. Allen

In the Matter of the Plan of Compromise or Arrangement of  
Lutheran Church Canada, The Alberta – British Columbia District Investments Ltd.  
Deloitte Restructuring Inc., Monitor

*[Handwritten signature]*

January 23, 2016  
10:00 PM  
Prince of Peace Church and School  
243209 Garden Road NE  
Calgary, Alberta

Name (Print)	Name (Sign)	Name of depositor for whom you act as a proxy
<del>Philip W. Lemke</del>	<del>[Signature]</del>	<del>District Creditors Cmte</del>
<del>FRANK FORBER</del>	<del>[Signature]</del>	<del>JOHN BOLES.</del>
<del>EVAN G. BOLES</del>	<del>Evan G Boles</del>	<del>JOHN BOLES.</del>
<del>Diane Keller</del>	<del>[Signature]</del>	<del>---</del>
<del>Tom Cumming</del>	<del>Tom Cumming</del>	<del>---</del>
<del>DEBORAH BOLES</del>	<del>[Signature]</del>	<del>---</del>
<del>Cam Sherben</del>	<del>[Signature]</del>	<del>---</del>
<del>JOHN DAWE</del>	<del>[Signature]</del>	<del>same</del>
<del>Ruth Brayer</del>	<del>[Signature]</del>	<del>---</del>
<del>MARIE CANADAY</del>	<del>[Signature]</del>	<del>SAME</del>
<del>Craig Cannaday</del>	<del>Craig Cannaday</del>	<del>---</del>
<del>DAVID HICKS</del>	<del>[Signature]</del>	<del>Gloria Hicks.</del>
<del>Lynn Hokanson</del>	<del>Lynn B. Hokanson</del>	<del>Saare Flat</del>
<del>Henry Hokanson</del>	<del>[Signature]</del>	<del>---</del>
<del>HAROLDENA FELSTEAD</del>	<del>[Signature]</del>	<del>---</del>
<del>BOB FELSTEAD</del>	<del>[Signature]</del>	<del>---</del>
<del>[Signature]</del>	<del>[Signature]</del>	<del>---</del>
<del>KEITH BOHLKEN</del>	<del>[Signature]</del>	<del>---</del>
<del>Rhonda Bohlken</del>	<del>Rhonda B. Bohlken</del>	<del>---</del>
<del>Viola Giesbrecht</del>	<del>Elise Giesbrecht.</del>	<del>---</del>
<del>ALBERT GIESBRECHT</del>	<del>Albert Giesbrecht</del>	<del>---</del>
<del>Ronald Goertzen</del>	<del>[Signature]</del>	<del>---</del>
<del>Shirley Kirschenman</del>	<del>Shirley Kirschenman</del>	<del>---</del>
<del>EDWIN KIRSCHENMAN</del>	<del>[Signature]</del>	<del>---</del>
<del>BRUCE CORNIER</del>	<del>[Signature]</del>	<del>---</del>
<del>Doreen Decore</del>	<del>[Signature]</del>	<del>---</del>
<del>Bernarda Vera de Jong</del>	<del>[Signature]</del>	<del>---</del>
<del>MONICA FERREHO</del>	<del>[Signature]</del>	<del>---</del>
<del>GARY ANNING</del>	<del>[Signature]</del>	<del>---</del>
<del>Carren Dressler</del>	<del>[Signature]</del>	<del>Jennifer Dressler</del>
<del>ROGER FREDERICK</del>	<del>[Signature]</del>	<del>---</del>
<del>DONALD SPECHT</del>	<del>[Signature]</del>	<del>ALVIRA KROEGER</del>
<del>JOANNE SAMUEL</del>	<del>[Signature]</del>	<del>Debra Kroeger.</del>
<del>Holly Drinkle</del>	<del>[Signature]</del>	<del>Esther Berger Morris Berger</del>

~~Leagy Berger Jennifer Rillon~~  
~~Julie Rillon~~

In the Matter of the Plan of Compromise or Arrangement of  
 Lutheran Church Canada, The Alberta – British Columbia District Investments Ltd.  
 Deloitte Restructuring Inc., Monitor

Name (Print)	Name (Sign)	Name of depositor for whom you act as a proxy
K RON TRIFFO		RON TRIFFO
H.T. SCHADDER		H.T. SCHADDER
Doug Nishimura		n/a
Harry Reese	Harry S. Reese	
Lorna Reese	Lorna Reese	
Rose Schuelke	Rose Schuelke	
Deborah Milford	Deborah Milford	
KITCH MILFORD	Kitch Milford	
James Schuelke	James Schuelke	
Cheryl Vigen	Cheryl Vigen	
LOREN VIGEN	Loren Vigen	
Danette Plumer	Danette Plumer	
Glen Plumer	Glen Plumer	
Michelle Neal	Michelle Neal	
Andrew Neal	Andrew Neal	
Brian Swan	Brian Swan	
CARL BOGDA	Carl Bogda	Fern M. Peltzer
GABOR A. SMIT	Gabor A. Smit	
<del>to</del> Ralph van Arman		
SAMUEL SCHWESER		MARGARET SCHWESER
FAITH STAINES	Faith Staines	
Floyd Schrein	Floyd Schrein	
PHILIPPA MAYER.	Philippa Mayer	
ALFRED MAYER	Alfred Mayer	
Raymond Brivin	Raymond Brivin	Diederika Sobenk
Robert Mohns	Robert Mohns	
Lindsay Buschill	Lindsay Buschill	
Joseph Sithole	Joseph Sithole	
Wes Alibond	Wes Alibond	
Vanessa Allen	Vanessa Allen	

In the Matter of the Plan of Compromise or Arrangement of  
 Lutheran Church Canada, The Alberta – British Columbia District Investments Ltd.  
 Deloitte Restructuring Inc., Monitor

Name (Print)	Name (Sign)	Name of depositor for whom you act as a proxy
KEITH HABERSTOCK KEITH CALSON	Rev Keith [Signature]	
GERRY KINZLER	[Signature]	
DAVE DRENKE	[Signature]	
ELSIE GEDDEBT	[Signature]	
CARL BOGDA	C.L. Bogda	
BARNABA BOGDA	Barnaba B. Bogda	
ERRIN POYNER	[Signature]	MARK KROEGER
Susanne Boivin	[Signature]	
ELIZABETH EVIN	Elizabeth Evin	
RAYMOND KELLEN Cosmonie Baum	Raymond Kellen Cosmonie Baum	
Karen Kubke	K. Kubke	
Rosalind Kubke	Rosalind Kubke	
RONALD HABERSTOCK	Ronald Haberstock	
Rochelle Boivin	Rochelle Boivin	
Susan Bartlett	Susan Bartlett	
DOUG BARTLETT	[Signature]	
Elsie Baird	[Signature]	
HILTON HACK	[Signature]	KRISTIN HACK
Matthew Bartoll	[Signature]	Frieda and Rox Bartoll
Larry Lentz	Larry Lentz	

**Meeting of Creditors for DIL - Summary Voting Register**  
**January 23, 2016, 10:00am**

---

Total value of voting claims:	\$	14,507,409
Claims in favor:	\$	12,660,126
% of claims in favor (value):		87%
Claims against:	\$	1,847,283
% of claims against (value):		13%
Total number of voting claims:		472
Claims in favor:		434
% of claims in favor (number):		92%
Claims against:		38
% of claims against (number):		8%