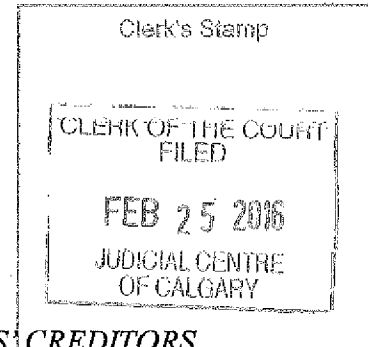


COURT FILE NO.: 1501-00955
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY



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

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.

DOCUMENT **APPLICATION BY THE MONITOR, DELOITTE RESTRUCTURING INC., STAYING ALBERTA PROCEEDING & BC PROCEEDING ISSUED PURSUANT TO CLASS PROCEEDINGS ACT AND SEALING ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Gowling WLG (Canada) LLP
1600, 421 – 7th Avenue S.W.
Calgary, AB T2P 4K9

Telephone (403) 298-1000
Facsimile (403) 263-9193

File No. A135752

Attention: Jeffrey L. Oliver

NOTICE OF APPLICATION

Deloitte Restructuring Inc. ("**Deloitte**"), in its capacity as monitor (in such capacity, the "**Monitor**") of Lutheran Church – Canada, the Alberta – British Columbia District (the "**District**"), Encharis Community Housing and Services, Encharis Management and Support Services, and Lutheran Church – Canada, the Alberta – British Columbia District Investments

Ltd. (collectively, the “**Applicants**”), will make an application to a Justice presiding over the Commercial List on the day and time set out below:

Date: February 29, 2016

Time: 2:00 p.m.

Where: Calgary Courts Centre

Before Whom: The Honourable Madam Justice B.E.C. Romaine

Go to the end of this document to see what you can do and when you must do it.

Remedy claimed or sought:

1. An Order, substantially in the form attached as **Schedule “A”** hereto, *inter alia*:
 - (a) abridging the time for service and filing of this Notice of Application and its supporting materials;
 - (b) staying and suspending, pending further order of the Court, the Court of Queen’s Bench of Alberta (Edmonton) proceeding bearing Court File Number 1603-03142 with the style of cause *Sharon Sherman and Marilyn Huber v. Lutheran Church – Canada, et al.* (the “**Alberta Proceeding**”);
 - (c) staying and suspending, pending further order of the Court, the Supreme Court of British Columbia (Vancouver Registry) proceeding bearing Court File Number SE 161737 with the style of cause *Elvira Theodora Kroeger and Randall Scott Kellen v. Lutheran Church – Canada et al.* (the “**BC Proceeding**”);
 - (d) directing counsel for the plaintiffs in the Alberta Proceeding and BC Proceeding to serve, within 72 hours of the pronouncement of the Order sought, upon any defendants upon whom such counsel served or delivered the Statement of Claim or Notice of Civil Claim (as applicable) in each action with: (i) an entered copy of the Order sought; and (ii) a copy of the most up-to-date version of the plans of arrangement of Lutheran Church-Canada, the Alberta British Columbia District and Lutheran Church-Canada, and Alberta British Columbia District Investments Ltd, and shall provide the Monitor with proof of such service forthwith upon completion;
 - (e) authorizing the Monitor to take the steps referenced in paragraph 1(d) above in the event that the Monitor is of the view, acting reasonably, that such steps have not been undertaken to its satisfaction.

2. An Order, substantially in the form attached as **Schedule "B"** hereto, sealing the Confidential Supplement to the Fifteenth Report (the "**Confidential Supplement**") of the Monitor, filed February 25, 2015 (the "**Fifteenth Report**").
3. Such further and other relief as counsel may advise and as this Honourable Court may permit.

Grounds for making this application:

4. All terms not otherwise defined herein shall have the meaning prescribed to them in the Fifteenth Report of the Monitor, filed February 25, 2016.

Class Proceedings

5. On February 22, 2016, Sharon Sherman and Marilyn Huber, as plaintiffs, commenced proceedings pursuant to the *Class Proceedings Act* by issuing a Statement of Claim in the Court of Queen's Bench of Alberta (the "**Alberta Proceeding**") naming as defendants: Lutheran Church – Canada, Lutheran Church – Canada Financial Ministries, Francis Taman, Bishop & McKenzie LLP, John Williams, Roland Chowne, Prowse Chowne LLP, Concentra Trust, and Shepherd's Village Ministries Ltd.
6. On February 23, 2016, Elvira Theodora Kroeger and Randall Scott Kellen, as plaintiffs, commenced proceedings pursuant to the *Class Proceedings Act* by issuing a Notice of Civil Claim in The Supreme Court of British Columbia (the "**BC Proceeding**") naming as defendants the same defendants as in the Alberta Proceeding, being: Lutheran Church – Canada, Lutheran Church – Canada Financial Ministries, Francis Taman, Bishop & McKenzie LLP, John Williams, Ronald Chowne, Prowse Chowne LLP, Concentra Trust, and Shepherd's Village Ministries Ltd. (collectively, the "**Defendants**").
7. In the aggregate, the Alberta Proceeding and BC Proceeding claimants represent a nominal amount of the claims filed in relation to the DIL and District Plans.
8. The categories and types of claims advanced in the Alberta Proceeding and the BC Proceeding are the same categories and types of claims that would be available to be advanced in the representative action provisions of the DIL and District Plans.
9. The Statement of Claim in the Alberta Proceeding and the Notice of Civil Claim in the BC Proceeding have been served upon various defendants in such actions. Counsel in those proceedings have refused to consent to a stay of such proceedings pending the completion of the efforts of DIL and District to present and potentially sanction plans of compromise and arrangement.
10. While the DIL Plan would, if sanctioned, effectively stay aspects of such proceedings in relation to DIL Depositors, it would not prevent the Alberta Proceeding and the BC Proceeding from being advanced as against the Defendants on behalf of the representative plaintiffs in their capacity as District Depositors.

11. The plaintiffs in the BC Proceeding have been active participants within this proceeding. Through their counsel, they were provided with the opportunity to directly address the DIL and District Creditor Committees, and to have direct input on the DIL Plan. Counsel to the plaintiffs in the Alberta Proceeding appear to be working closely with counsel to the BC Proceeding. With full knowledge of the Representative Action provisions of the DIL Plan and the District Plan, the plaintiffs commenced the Alberta Proceeding and BC Proceeding.
12. As detailed in the Fifteenth Report of the Monitor, the Monitor is concerned that there is a risk that DIL Depositors and District Depositors will be prejudiced in the event that the Alberta Proceeding and BC Proceeding are not stayed, pending further Order of this Honourable Court, in order to permit DIL and District to continue to advance their plans. The Monitor is also of the view that the commencement of those proceedings represents a collateral attack on the integrity of the within proceedings.
13. The power to grant a stay of proceedings extends to, *inter alia*, parties who could potentially jeopardize the success of the plan.
14. There is no prejudice to staying the Alberta Proceedings and BC Proceedings pending further order of this Honourable Court.
15. Any prejudice to proposed class proceedings claimants is significantly outweighed by the benefits of the stay being expanded to such proceedings. CCAA proceedings are collective in nature. Individual actions which undermine the collective benefits those proceedings can offer should be discouraged.
16. The balance of prejudice favours the relief sought.

Sealing of Confidential Supplement to the Fifteenth Report of the Monitor

17. The Monitor will provide the Confidential Supplement to this Honourable Court in advance of the February 29th hearing. The Confidential Supplement contains additional detail with respect to the number of DIL Depositors whom have explicitly opted in and out of the Representative Action thus far, and the specific owing to the plaintiffs in the Alberta Proceedings and the British Columbia Proceedings. The Monitor is concerned that the disclosure of the level of participation in the Representative Action may influence the decision of other DIL Depositors to participate or not participate in such action. Further, pursuant to paragraph 46 of the Initial Order, the amount of individual claims of depositors in DIL and District must remain confidential.
18. The Monitor requests that the Confidential Supplement be sealed by the Court until the Monitor's discharge application, at which point the Monitor will be required to raise the continued existence of the sealing order before the presiding justice.
19. There will be no prejudice to any party as a result of the sealing of the Confidential Supplement.
20. The Court has the inherent jurisdiction to grant the relief requested.

Material or evidence to be relied on:

21. The Ninth Report of the Monitor, dated November 26, 2015;
22. The Tenth Report of the Monitor, filed December 22, 2015;
23. The Twelfth Report of the Monitor, filed January 27, 2016;
24. The Fourteenth Report of the Monitor, filed February 24, 2016;
25. The Fifteenth Report of the Monitor, filed February 25, 2016;
26. The First Report to the Creditors of DIL, dated December 8, 2015;
27. Pre-Filing Report of the Proposed Monitor, dated January 22, 2016;
28. Initial Order dated January 23, 2015; and
29. Such other material as counsel may submit and this Court may permit.

Applicable rules:

30. The *Alberta Rules of Court*, including Rules 1.4(1), 6.3, 6.28(b) and 13.5.

Applicable Acts and regulations:

31. *Companies' Creditors and Arrangement Act*, RSC 1985 c C-36, including s. 11.
32. *Judicature Act*, R.S.A. 2000, c. J-2, including s. 18(2).

Any irregularity complained of or objection relied on:

33. None.

How the application is proposed to be heard or considered:

34. In person.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and time shown at the beginning of this form. If you intend to give evidence in response to the application, you must

reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

SCHEDULE "A"

COURT FILE NO.: 1501-00955
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY



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

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.

DOCUMENT **ORDER STAYING ALBERTA PROCEEDING & BC PROCEEDING ISSUED PURSUANT TO *CLASS PROCEEDINGS ACT***

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Gowling WLG (Canada) LLP
1600, 421 – 7th Avenue S.W.
Calgary, AB T2P 4K9
Telephone (403) 298-1000
Facsimile (403) 263-9193
File No. A135752

Attention: Jeffrey L. Oliver

DATE ON WHICH ORDER WAS PRONOUNCED: February 29, 2016

LOCATION AT WHICH ORDER WAS MADE: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Madam Justice B.E.C. Romaine

UPON THE APPLICATION of Deloitte Restructuring Inc., in its capacity as monitor (in such capacity, the “**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. (collectively, the “**Applicants**”) for an Order staying and suspending the Alberta Proceeding (defined below) and the BC Proceeding (defined below); **AND UPON HEARING** counsel for the Monitor, counsel for the Applicants, and any other parties present; **AND UPON HAVING READ** the Twelfth Report of the Monitor, filed January 27, 2016, the Fourteenth Report of the Monitor, filed February 24, 2016, the Fifteenth Report of the Monitor, filed February 25, 2016, and the Confidential Supplement thereto;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. All parties entitled to notice of this application have been served with notice of this application and that the time for service is hereby abridged such that service effected on the parties served with notice of this application shall be good and sufficient notice of this application.
2. All capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Initial Order granted by the Honourable Justice K.D. Yamauchi in this Action dated January 23, 2015 (the “**Initial Order**”).
3. The following proceedings are hereby stayed and suspended pending further Order of this Court:
 - (a) The Court of Queen’s Bench of Alberta (Edmonton) proceeding bearing Court File Number 1603-03142 with style of cause *Sharon Sherman and Marilyn Huber v. Lutheran Church – Canada, Lutheran Church – Canada Financial Ministries, Francis Taman, Bishop & McKenzie LLP, John Williams, Roland Chowne, Prowe Chowne LLP, Concentra Trust, and Shepherd’s Village Ministries Ltd.* (the “**Alberta Proceeding**”); and

- (b) The Supreme Court of British Columbia (Vancouver Registry) proceeding bearing Court File Number SE 161737 with style of cause *Elvira Theodora Kroeger and Randall Scott Kellen v. Lutheran Church – Canada, Lutheran Church – Canada Financial Ministries, Francis Taman, Bishop & McKenzie LLP, a Partnership, John Williams; Ronald Chowne, Prowse Chowne LLP, Concentra Trust, and Shepherd’s Village Ministries Ltd.* (the “**BC Proceeding**”).
4. Within 72 hours of the pronouncement of this Order, counsel to the plaintiffs in the Alberta Proceeding and the BC Proceeding (collectively, “**AB and BC Counsel**”) shall serve upon any defendants to whom the Statement of Claim or Notice of Civil Claim (as the case may be) has been served or delivered by AB and BC Counsel with:
- (a) an entered copy of this Order; and
- (b) a copy of the most up to date version of the plans of arrangement of District and DIL, a copy of which shall be provided to AB and BC Counsel by the Monitor and shall provide the Monitor with proof of such service forthwith upon completion.
5. The Monitor is hereby authorized to take the steps referenced in paragraph 4 above in the event that the Monitor is not satisfied, acting reasonably, that such steps have not been undertaken to its satisfaction.
6. Any party may apply to set aside this Order upon providing the Monitor and all other interested parties with five (5) days notice of such application.

SCHEDULE "B"

**Order
Rule 9.1**

COURT FILE NO.: 1501-00955
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

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

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.

DOCUMENT **SEALING ORDER – FIFTH CONFIDENTIAL
SUPPLEMENT**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Gowling WLG (Canada) LLP
1600, 421 – 7th Avenue S.W.
Calgary, AB T2P 4K9
Telephone (403) 298-1000
Facsimile (403) 263-9193
File No. A135752

Attention: Jeffrey L. Oliver

DATE ON WHICH ORDER WAS PRONOUNCED: February 29, 2016

LOCATION AT WHICH ORDER WAS MADE: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Madam Justice B.E.C. Romaine

UPON THE APPLICATION of counsel for Deloitte Restructuring Inc., in its capacity as monitor (in such capacity, the “**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. for a sealing order in relation to the Confidential Supplement to the Fifteenth Report of the Monitor, filed February 25, 2015 (the “**Fifteenth Report**”) (the “**Confidential Supplement**”); **AND UPON HEARING** counsel for the Monitor, counsel for the Applicants and any other parties present; **AND UPON HAVING READ** the Twelfth Report of the Monitor, filed January 27, 2016, the Fourteenth Report of the Monitor, filed February 24, 2016, the Fifteenth Report of the Monitor, and the Confidential Supplement thereto;

IT IS HEREBY ORDERED THAT:

1. All parties entitled to notice of this application have been served with notice of this application and that the time for service is hereby abridged such that service effected on the parties served with notice of this application shall be good and sufficient notice of this application.
2. Division 4 of Part 6 of the Alberta Rules of Court does not apply to this Application.
3. The Confidential Supplement shall, until the Monitor’s discharge in this proceeding, be sealed and kept confidential, to be shown only to a Justice of the Court of Queen’s Bench of Alberta, and accordingly, shall be filed with the Clerk of the Court who shall keep the Confidential Supplement in a sealed envelope, which shall clearly be marked “SEALED PURSUANT TO THE ORDER OF THE HON. MADAME JUSTICE B.E.C. ROMAINE DATED FEBRUARY 29, 2016”.
4. The Monitor shall request the unsealing of Confidential Supplement at its application for discharge, or alternatively shall report to the Court at that time in relation to why the Confidential Supplement should continue to be sealed and for what duration of time.

5. Any party may apply to set aside this Order upon providing the Monitor and all other interested parties with five (5) days notice of such application.

Justice of the Court of Queen's
Bench of Alberta