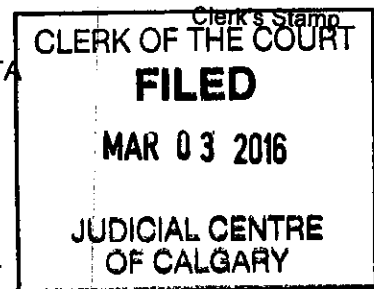


COURT FILE NUMBER 1501 – 00955
COURT COURT OF QUEEN'S BENCH OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY
JUDICIAL CENTER CALGARY



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 **AFFIDAVIT OF SHARON SHERMAN**

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT
Allan Garber Professional Corporation
Barrister and Solicitor
Suite 108, 17707 105 Avenue
Edmonton, AB T5S 1T1
Attn: Allan A. Garber
Tel: (587) 400-9310
Fax: (587) 400-9313
File No.: 156-2015AG

AFFIDAVIT OF SHARON SHERMAN

Sworn on March 1, 2016.

I, Sharon Sherman, of Edmonton, Alberta

SWEAR AND SAY THAT:

1. I am one of the Plaintiffs in a class proceeding commenced in Court of Queen's Bench of Alberta, Judicial District of Edmonton, Action Number 1603 – 03142. A copy of the Statement of Claim is attached as Exhibit "A" to the Affidavit of Marilyn Huber sworn February 24, 2016.

2. I am not a member of the Lutheran Church, but I am a Christian. My father was a pastor in the Evangelical United Brethren Church. I was baptized as a member of that Church.
3. After my father died, my mother Ruby Sherman expressed an interest in moving into the Prince of Peace because it was run by Christians. She was a pastor's wife, a devout Christian, and wanted to be in a Christian environment.
4. In 2007, I took my mother to Prince of Peace to visit. We were told that if she deposited money in the Church Extension Fund, it would reduce her rent.
5. At one of our meetings, I asked how safe the money was. Mr. McArthur assured us the funds were safe. He said to us: "If you can't trust the Lutheran Church, who can you trust?"
6. My mom and I both smiled and we all nodded in agreement, "Yes, of course!"
7. We were given a promotional brochure about the Church Extension Fund. It stated, in part:

Approximately \$62 million is presently loaned to congregations in Alberta and British Columbia.

Safety of the funds is of utmost importance to us as is demonstrated in our management procedures, our loan approval procedures and our investment strategies. The fund has operated for over 80 years and no investors has ever lost a penny. Church Extension works with congregations to ensure that the congregation is able to meet its repayment obligations.

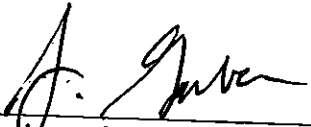
8. My mother underlined several portions of the brochure, including:

The most convincing aspect of the security of the fund is that God is in control and the fund exists totally for the purpose of providing resources for the sake of proclaiming the saving Gospel of Jesus Christ.
9. After receiving these assurances, my mother moved into the Prince of Peace Manor in August 1, 2007. She was 86 years of age at the time. She is now 94 years of age. She is extremely frail, but still alert.
10. My mother agreed to make two CEF deposits. The first CEF deposit in the amount of \$75,000.00, was taken out in July, 2007. A copy of the letter she received from Church Extension confirming the deposit is attached as Exhibit "B" to my Affidavit.
11. In October, 2007, my mother deposited a further \$220,286.00. A copy of the letter from Church Extension confirming the deposit is attached as Exhibit "C" to my Affidavit.

12. The interest earned on the deposits was to be used to help pay for my mother's accommodation charge at the Prince of Peace Manor.
13. In October, 2008, I became a joint owner of my mother's two CEF accounts for the purpose of allowing me to assist my mother in handling her financial affairs. A copy of the "Change in Account Owners" is attached as Exhibit "D" to my Affidavit. That is why I am swearing the Affidavit and not my mother.
14. My mother's deposits matured in 2012. By letter dated September 5, 2012, we were told that the deposits would automatically renew unless they received other instructions. I called Candace Rivet and wanted to know if my mother was receiving full value. Candace said nothing about the deposits being at risk or that there were financial difficulties. We renewed both deposits believing that everything was fine. A copy of the renewal letter is attached as Exhibit "E" to my Affidavit.
15. By letter dated January 5, 2015, we were advised by Mr. Schiemann that the CEF was "facing some hardships" because "a number of congregations and other ministries have been unable to pay their mortgages ..."
16. We were further advised that a moratorium was being placed on withdrawals from and deposits to the Church Extension Fund. A copy of Mr. Schiemann's letter is attached as Exhibit "F" to my Affidavit.
17. Upon receiving Mr. Schiemann's letter, my mother was upset and very concerned that something was wrong with her "Lutheran Church funds," which is how she described them. The handwritten note on the "Summary of the Situation and Options" is my mother's. This is constantly on her mind. It weighs heavily on her. She talks about it constantly.
18. My brother and I were very concerned about our mother's situation. By email dated January 30, 2015, I advised Vanessa Allen of Deloitte that that the "level of uncertainty and stress on seniors in care is unconscionable" and that creditors such as my mother "should be given special protection in the winter years of their lives from the excessive burden and adversity directly inflicted by their debtor." A copy of my email is attached as Exhibit "G" to my Affidavit.
19. The string of emails that followed is attached as Exhibit "H" to my Affidavit.
20. We did not get anywhere. I was told that the Monitor was supposed to be neutral, but I felt that the Monitor was more interested in protecting the Church than helping depositors.
21. My mother became so overwhelmed with the situation that she asked that all future correspondence come to me.

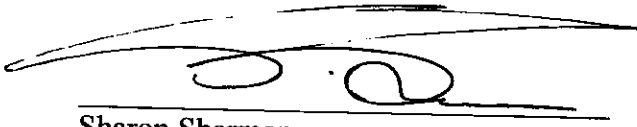
22. I attended the CEF meeting on January 15, 2015 at St. Matthew Lutheran Church in Stony Plain. At that meeting, no one said anything about Mr. Taman's role, or the history of the real estate transactions.
23. I have read Marilyn Huber's Affidavit sworn February 24 2016 and I agree with it. I did not vote at the meeting because I did not have enough information to vote. Also, the importance of the outcome of the vote was downplayed. They were just trying to get a "sense" of how people were feeling.
24. By letter dated April 30, 2015, my lawyer Mr. Aaron Oshry sent a demand letter to the Lutheran-Church Canada. A copy of Mr. Oshry's letter is attached as Exhibit "I" to my Affidavit.
25. Aikins Law, counsel for the Lutheran-Church Canada, replied to Mr. Oshry by letter dated May 4, 2015. A copy of the Aikins Law letter is attached as Exhibit "J" to my Affidavit.
26. I am advised by Mr. Garber that Mr. Oliver, counsel for the Monitor, asked that the Defendants in the class action not be served. A copy of Mr. Oliver's email and Mr. Garber's response is attached as Exhibit "K" to my Affidavit.
27. It is urgent that this matter be resolved quickly in order to help elderly people such as my mother. It is my belief that most of the depositors are elderly. My mother is in full support of the class proceeding and it has lifted her spirits.
28. I am opposed to the stay Application. The date for the CEF creditors meeting has been postponed. The time required to organize a new creditors meeting and approve a plan of restructuring will only further delay the remedies which the elderly so desperately seek.
29. I make this Affidavit in opposition to the application for a Stay of the Class Proceedings.

SWORN BEFORE ME at
 Edmonton, Alberta, this first day of March,
 2016.



(Commissioner for Oaths in and for
 the Province of Alberta)

Allan A. Garber
 Barrister and Solicitor



Sharon Sherman

LIFESTYLE INVESTMENT OPTION
FOR
SENIORS SUPPORTIVE
LIVING FACILITY

Lutheran Church-Canada, the Alberta-British Columbia District is a leader in ministry to seniors. It was the first church to provide its leadership and support to the "Senior Friendly" initiative in Alberta as a part of the International Year of Older Persons 1999. It continues to be a leader in providing Seniors housing and care.

Now, Lutheran Church-Canada, the Alberta-British Columbia District, through its Church Extension division, provides a special lifestyle investment opportunity for residents of "Seniors Supportive Living Facilities", owned by Lutheran Church-Canada, the Alberta-British Columbia District, that helps make a residency at Prince of Peace Manor more affordable.

For example:

Invest \$105,000, in Church Extension and receive 7% interest applied to your lease payments and will be have your lease reduced by \$612.50 per month.

OR

Invest \$175,000 in Church Extension, receive 7% interest applied to your lease payment and you will be paying the balance of the lease, while \$1,020.83 per month is covered by your investment.

N.B.

The principal investment will always be yours to withdraw whenever you leave Prince of Peace Manor. You may choose to leave the principle invested in a Church Extension five (5) year term at the current annualized interest rate even when you are not residing at Prince of Peace Manor.

CHURCH EXTENSION FUND A UNIQUE MINISTRY

WHAT IS CHURCH EXTENSION?

The Church Extension Fund was created in 1921. It has been functioning ever since, providing loans to congregations and institutions of Lutheran Church-Canada for capital building purposes.

The fund has grown over the years, so that today over \$72 million is invested in the fund by members of congregations throughout Alberta and British Columbia. It has over 4,400 investors currently participating in the fund. Approximately \$62 million is presently loaned to congregations in Alberta and British Columbia.

Safety of the funds is of utmost importance to us as demonstrated in our management procedures, our loan approval procedures and our investment strategies. The fund has operated for over 80 years and no investors has ever lost a penny. Church Extension works with congregations to ensure that the congregation is able to meet its repayment obligations. Church Extension is governed by the Board of Directors of Lutheran Church-Canada, the Alberta-British Columbia District. The Board of Directors have established a Department of Stewardship and Financial Ministries that oversees all of the financial activities of the District and sets policies and procedures for the operation of the Church Extension Fund. The Church Extension Committee membership includes a lawyer, an accountant, a bank manager and others with experience in the financial marketplace.

Church Extension has developed a capital fund, over the years, that is approximately \$4.0 million. These funds provide security to the Church Extension program. They are the result of gifts, bequests and

operating balances that have accumulated during the 80 plus years of operation.

The Board of Directors, the Department of Stewardship and Financial Ministries, the Church Extension Committee and the staff regularly seek God's will in the decisions that are made and in the management of the fund. However, the most convincing aspect of the security of the fund is that God is in control and the fund exists totally for the purpose of providing resources for the sake of proclaiming the saving Gospel of Jesus Christ.

The funds invested in Church Extension are not locked in and can be accessed at any time if necessary. The interest rate will be adjusted on the amount of principal that is withdrawn and the rate for the applicable length of time that the funds were on deposit will be applied. For example, if you deposited \$100,000 for five years at 3.40% and you needed \$25,000 of that investment after 3 years, the interest on the \$25,000 would be reduced to 2.90% for the three year period. The balance of the \$75,000 would continue to earn 3.40% if left to maturity. Information on current rates and terms is available by calling toll free 1-888-474-0063.

To God Be the Glory!

This is Exhibit "A" referred to in the

Affidavit of

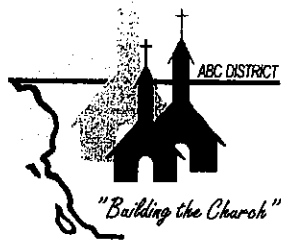
Sharon Sherman

Subscribed before me this

of May 1998 A.D., 2018

A Notary Public, A Commissioner for Oaths
in and for the Province of Alberta





CHURCH EXTENSION

7100 ADA BOULEVARD, EDMONTON, ALBERTA T5B 4E4 PH (780) 474-0063 FAX (780) 477-9829
EMAIL: finances@lccabc.ca TOLL FREE 1-888-474-0063

August 1, 2007

R. Sherman
Suite 322
285030 Luther Rose Blvd.
Calgary, AB T1X 1M9

Dear Ruby,

This letter is to confirm receipt of your Senior's Ministry Lifestyle Investment of \$75,000.00. A copy of the investment application is enclosed for your records. Your investment will receive 7% interest per annum, to be applied directly to your monthly lease in the Prince of Peace Manor.

If you move out of the Manor, you have two options for your investment:

1. The investment of \$75,000.00 will be returned to you within 30 days.
2. The investment may remain with Church Extension, but the interest will be reduced to the current five year rate (which is presently 4.40%). The term of the investment is five years and will mature on July 31, 2012. This investment will automatically be renewed for an additional five year term, unless otherwise requested.

Thank you for being part of the Church Extension ministry. A ministry that helps the Church by providing loans to churches and schools where people can hear the Gospel. Plus, it helps you, the investor, by giving you a good financial return on your invested dollars and the satisfaction of knowing how your invested dollars are serving God.

Church Extension is a great blessing of God to the work of our District. I commend you for being part of it! God continues to provide many opportunities to reach out with His love. In fact, Church Extension has several projects waiting to be funded at this time. Please remember the Church Extension ministry in your prayers.

May our gracious God bless you, keep you in His care and continue to make you a blessing to others for Jesus sake!

In His Service,

Candace Rivet
Candace Rivet
Church Extension Fund
Administrator

Enc.

This is Exhibit B referred to in the
Affidavit of
Sharon Sherman
Sworn before me this 1 day
of March A.D., 2016
J. Miller
A Notary Public, A Commissioner for Oaths
in and for the Province of Alberta



CHURCH EXTENSION

7100 ADA BOULEVARD, EDMONTON, ALBERTA T5B 4E4 PH (780) 474-0063 FAX (780) 477-9829
EMAIL: finances@lccabc.ca TOLL FREE 1-888-474-0063

October 11, 2007

Ruby Sherman
Suite 322 285030 Luther Rose Blvd.
Calgary, AB T1X 1M9

Dear Ruby,

This letter is to confirm receipt of your Senior's Ministry Lifestyle Investment of \$220,286.00. A copy of the investment application is enclosed for your records. Your investment will receive 7% interest per annum, to be applied directly to your monthly lease in the Prince of Peace Manor.

If you move out of the Manor, you have two options for your investment:


1. The investment of \$220,286.00 will be returned to you within 30 days.
2. The investment may remain with Church Extension, but the interest will be reduced to the current five year rate (which is presently 5.00%). The term of the investment is five years and will mature on October 9, 2012. This investment will automatically be renewed for an additional five year term, unless otherwise requested.

Thank you for being part of the Church Extension ministry. A ministry that helps the Church by providing loans to churches and schools, where people can hear the Gospel. Plus, it helps you, the investor, by giving you a good financial return on your invested dollars and the satisfaction of knowing how your invested dollars are serving God.

Church Extension is a great blessing of God to the work of our District. I commend you for being part of it! God continues to provide many opportunities to reach out with His love. In fact, Church Extension has several projects waiting to be funded at this time. Please remember the Church Extension ministry in your prayers.

May our gracious God bless you, keep you in His care and continue to make you a blessing to others for Jesus sake!

In His Service,


Guy Sachs
Church Extension

Enc.

This is Exhibit "C" referred to in the
Affidavit of

Suzanne Sherman

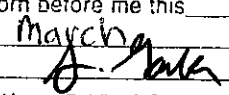
Sworn before me this 1 day
of March A.D., 2016



A Notary Public, A Commissioner for Oaths
in and for the Province of Alberta




Church Extension Fund
Alberta British Columbia District - Lutheran Church - Canada
7100 Ada Blvd, Edmonton, Alberta T5B 4E4
Phone: 780-474-0063 Fax: 780-477-9829
Toll Free: 1-888-474-0063

This is Exhibit **D** referred to in
 Affidavit of Sharon Sherman
 Sworn before me this 1
 of March A.D., 2011

 A Notary Public, A Commissioner for Oaths
 in and for the Province of Alberta

CHANGE IN ACCOUNT OWNERS

DATE: Oct. 15/08 ACCOUNT# 10225-6955-201
-202

From:

Sole owner SHERMAN Ruby L. 
Last Name First Initial Social Ins. Number Birth Date (YYYY/MM/DD)

Or:

Joint owners _____
Last Name First Initial Social Ins. Number Birth date (YYYY/MM/DD)

Last Name First Initial Social Ins. Number Birth Date (YYYY/MM/DD)

(If joint owners, both signatures required)

(Signature) (Printed Name)

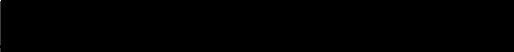
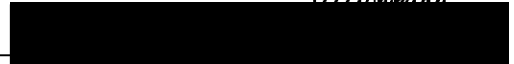
(Signature) (Printed Name)

(Mailing Address) Street City Province Postal Code

TO:

Sole owner _____
Last Name First Initial Social Ins. Number Birth Date (YYYY/MM/DD)

OR:

Joint owners SHERMAN RUBY L. 
Last Name First Initial Social Ins. Number Birth date (YYYY/MM/DD)
SHERMAN SHARON E 
Last Name First Initial Social Ins. Number Birth Date (YYYY/MM/DD)

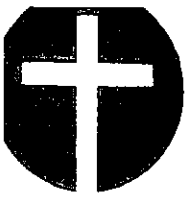
As joint owner with right of survivorship, either party can make withdrawals.

(If joint owners, both signatures required)

(Signature) (Printed Name)

(Signature) (Printed Name)

4372-285030 Luther Res Blvd NE Calgary Alberta T1X 1M9
(Mailing Address) Street City Province Postal Code



CHURCH EXTENSION FUND

ALBERTA | BRITISH COLUMBIA DISTRICT

"Building His church, together."

September 5, 2012

Ruby L Sherman
322-285030 Luther Rose Blvd NE
Calgary, AB T1X 1M9

RE: Investment # 102256955-202

This is Exhibit "E" referred to in the
Affidavit of

Sharon Sherman
Sworn before me this 1 day
of March A.D., 2012

[Signature]
A Notary Public, A Commissioner for Oaths
in and for the Province of Alberta

Dear Friend in Christ,

Your term bonus investment in Church Extension will mature on Oct 01, 2012. The projected balance of your term bonus investment on that date will be \$220,286.00. Effective August 1, 2012 the bonus interest rate structure on 3, 4 and 5 year term deposits changed. The ¼% 'bonus' rate will only be offered on deposits (new or rollovers) of \$100,000 or more as of August 1, 2012. If you have combined deposits totaling \$100,000 or more, the bonus ¼% interest can be requested on this term, but it is not automatic. Please contact the CEF Office at 1-888-474-0063 extension 105 to receive additional information. These deposit rate changes are being made in an effort to eventually reduce the interest rates on our loans to our congregations, schools and other ministry entities.

← include in 3% auto-matic renewals @ 3% (2.75)

Unless we receive other instructions from you, we will renew this investment at 3.0% interest. The renewed deposit will mature on Oct 01, 2017. Please note a new investment / account suffix number will be assigned to this term on the maturity date.

← April 15

↓ combined with Candace that Mon is recession value @ 3%

Church Extension is a great blessing of God to the work of our District. I commend you for being part of it! God continues to provide many opportunities to reach out with His love. Please remember the Church Extension ministry in your prayers, with your invested dollars and by encouraging others to do the same.

May our gracious God bless you, keep you in his care and continue to make you a blessing to others for Jesus' sake.

In His Service,

Ext. 105
Candace Rivet
Church Extension Manager

Both investments renewed in 2017. (\$75,000 @ 5%)

"This service that you perform is not only supplying the needs to God's people but is also overflowing in many expressions of thanks to God." 2 Corinthians 9:12



January 5, 2015

Ruby Sherman
322-285030 Luther Rose Blvd Ne
Calgary, AB T1X1M9

This is Exhibit "F" referred to in the
Affidavit of
Sharon Sherman
Sworn before me this 1 day
of March A.D., 2016
A. Gules
A Notary Public, A Commissioner for Oaths
in and for the Province of Alberta

Dear Investor,

The purpose of this letter is to inform you that the District's Church Extension Fund (CEF) is facing some hardships. We ask that you take the time to read this letter in preparation for discussing the future of the CEF in the ABC District.

At the heart of our faith is God's love. Motivated by that love, we are called to go forth and proclaim the Gospel, to bear one another's burdens and to care for those in need. It was in this spirit, in 1921, that the CEF was created. Since then we have worked across our two provinces to provide financial support for congregations and organizations to pursue their ministry goals.

While we have all seen the benefits of CEF, personally or through others, the processes that governed our decision making have not kept up with the increasing complexity of what is involved in constructing and developing land and buildings. A number of congregations and other ministries have been unable to pay their mortgages, leaving us in a difficult situation.

As of spring 2015, the CEF will be facing a cash flow shortage, meaning we are unable to continue honouring withdrawals. As of January 2, 2015, we have placed a moratorium on withdrawals and deposits to enable us, in partnership with you and your fellow investors, to review our options and determine our way forward.

We recognize that some of our investors rely on CEF interest payments to meet basic living expenses. We have set up an Emergency Fund for those in this situation. This Fund will provide payments to those in need, on a monthly basis, as an advance on the payments that would be received as part of the plan. If you are in this situation, please contact 1-888-295-0683 or talk to your pastor.

For those of you who have invested in the registered accounts (TFSAs, RRIFs and RRSPs), they are in a separate situation, and we will address that situation in a note to follow shortly.

The foundation of our options is clear – we will need to begin selling District assets to pay back our investors. We have two ways we can approach this sale, and this is where we need your help in making our decision:

Option 1: Liquidation

We would immediately start to sell District assets in an attempt to repay as much of the amount owing to the investors in a short time frame. The exact timing of this would be dependent on how long it would take us to sell the various properties, but under this first option, you will see a portion of your funds returned in the fairly near future. Additional payments would be made as the various properties were sold. The total amount returned could be as high as \$0.50 on the dollar, although that amount may be less. As part of this approach, the District administrative operations would cease to operate.

Considerations:

- Based on property values, investors could see as much as \$0.50 returned on each dollar
- Funds will be returned as assets are sold
- District properties will be sold and District services to church workers, congregations and schools as well as home mission support and development would all but cease
- The return of funds depends on the sale of assets – which means it's not possible to determine a precise timeline

Option 2: Restructuring

In this option, a portion of the District assets would be sold to partially repay the investors. One of the District's assets – the Prince of Peace Manor and Harbour – would continue to operate in order to generate additional payments for the investors. Operations at the Manor and the Harbour would be taken over by an experienced seniors housing company and steps would be taken to maximize the value of the Manor and Harbour. Income generated from the Manor and Harbour would be paid to you as it is received until the building and operations were sold. Additionally, the property would be subdivided and portions would be sold off at the highest possible price over time. The objective would be to continue to pay the income from the Manor and Harbour to you until it made sense to sell the Manor and Harbour. Our initial projections suggest it may be possible to fully repay the investors using this method, though the timeframes will be longer than liquidating and other risks may be involved. Even if a full recovery does not happen, the returns have the potential to be better than Option 1 due to the fact that operations can be made more efficient and redevelopment and expansion options can be considered. The District could continue to operate under this approach.

Considerations

- Initial projections suggest it could be possible to fully repay investors
- New management has been hired for the Harbour and Manor. Diversicare, an experienced retirement home and senior care operator, was signed on in December and began to manage operations as of January. Under Diversicare's guidance, projections



show the potential for cash flow growth which could accelerate the timeline for paying back our investors.

- We could protect ministry and some District administrative functions.
- While this option has the potential for a greater payback, it may have a higher risk, as the return on investment depends on both the sale of assets and future operations at the Manor and Harbour.
- Restructuring will take longer to return funds to investors

While neither option is perfect, we ask you to prayerfully consider them and determine your preferences and priorities for the way forward.

Please join us to discuss the situation and our plans in person at one of our investor information meetings. A comprehensive list of meeting times and locations has been included here. We hope you can attend.

In the meantime, please don't hesitate to reach out to us via phone (a free call on 1-888-295-0683) or on our website (www.abcdistrict.ca). To access the website, please use the login information for your province as listed below:

Username: Alberta

Password: 3exKfjzC

Username: British Columbia

Password: L6XusXDK

Yours in prayer,

Rev. Donald Schiemann, President
Alberta-British Columbia District
Lutheran Church-Canada

Summary of the Situation and Options

Trust Letter

(Betrouwen)

The Situation:

The CEF is currently holding deposits valued at \$95.89M, with estimated redemptions of \$929,000 per month. CEF's current cash and marketable securities total \$7.8M. The rest of the Fund is invested in assets whose collective value falls below the total deposits of \$95.89.

Should withdrawals remain the same, the CEF will have a cash flow shortage in the spring of 2015.

Where we are:

We have placed a moratorium on withdrawals.

We have assessed our options and need your help on where we go next.

No option is perfect, but we were thinking of the best possible ways to provide you with the best ways to reclaim as much as possible of your initial investment.

Our options:

Option 1

Immediate liquidation: we would sell off District assets as quickly as reasonably possible to return what is left of the cash back to all of you. The amount and timeline would be dependent on how long it would take us to sell the properties. The total amount returned could be as high as \$0.50 on the dollar, although that amount may be less.

Option 2

Restructuring: In this case, we are considering options that would allow our investors to see payments from ongoing operations at one of the District's entities, Prince of Peace Manor and Harbour, while continuing to sell off other assets for the best achievable price. Investors would receive payments from income generated at Prince of Peace and as properties are sold. Full payment could be received, but the timeline for recovery could be longer than liquidation.

During this time, we will not be issuing interest payments or redemptions.

Next steps:

We will be hosting meetings in each region to hear your opinions and determine our way forward. See meeting details below.

We encourage you to get in touch with any questions, concerns or comments either through our call centre (1-888-295-0683) or our website (www.abcdistrict.ca)

From: **Sharon Sherman** <sharon.sherman@ualberta.ca>
Date: Fri, Jan 30, 2015 at 8:14 AM
Subject: Lutheran Church - Canada , the Alberta - British Columbia District et. al.
To: "Allen, Vanessa (CA - Alberta)" <vanallen@deloitte.ca>
Cc: Jerry Sherman <gcsherman@primus.ca>, Jerry Sherman <csherman20@yahoo.ca>

Dear Vanessa,

We are making this appeal to the Monitor at the request of our 93 year old mother, Ruby Sherman, who lives at Prince of Peace (POP) Manor.

We do not wish to minimize the hardships many investors are currently facing. However, the situation of creditors living at POP Manor and Harbour is unique.

The actions of ABC District and its representatives have created a cloud of chaos over POP that affects the emotional, social, spiritual, physical and financial well-being of both staff and residents. To knowingly trigger this level of uncertainty and stress on seniors in care is unconscionable.

In 2007, our widowed mother moved into POP on the agreement that her rent would be reduced based on her investments. As ABC District has been granted a period of protection, we request the same for our mother – that her interest payments be reinstated as of January 1, 2015.

We are aware of the Emergency Fund and find it prohibitive. The application process is complex and the form requires that detailed private financial information be provided to a debtor who severed our trust and confidence on January 5, 2015.

Additionally, we believe creditors at POP should be granted special protection in the winter years of their lives from the excessive burden and adversity directly inflicted by their debtor.

We request your speedy resolution to this matter.

Sincerely,

Sharon Sherman

Gerald Sherman

This is Exhibit "G" referred to in the
Affidavit of
Sharon Sherman
Sworn before me this 1 day
of March A.D., 2016
A. Datta
A Notary Public, A Commissioner for Oaths
in and for the Province of Alberta

From: **Allen, Vanessa (CA - Alberta)** <vanallen@deloitte.ca>
Date: Mon, Feb 2, 2015 at 4:22 PM
Subject: RE: Lutheran Church - Canada , the Alberta - British Columbia District et. al.
To: Sharon Sherman <sharon.sherman@ualberta.ca>
Cc: Jerry Sherman <gcsherman@primus.ca>, Jerry Sherman <csherman20@yahoo.ca>, "Sithole, Joseph (CA - Alberta)" <josithole@deloitte.ca>, "Keeble, Jeff (CA - Alberta)" <jkeeble@deloitte.ca>

Hi Sharon,

As you have seen in your review of the Court Order, this information is not being made publicly available so we are not in a position to release it to you.

Thanks,

Vanessa A. Allen, B. Comm, CIRP
Senior Manager
Financial Advisory
Deloitte Restructuring Inc.

Direct: [403-298-5955](tel:403-298-5955)
Cell: [403-477-9661](tel:403-477-9661)
Fax: [403-718-3681](tel:403-718-3681)
Email: vanallen@deloitte.ca
www.deloitte.ca

700 Bankers Court
850 - 2 Street SW
Calgary, AB T2P 0R8
Canada

From: Sharon Sherman [<mailto:sharon.sherman@ualberta.ca>]
Sent: Monday, February 02, 2015 4:19 PM
To: Allen, Vanessa (CA - Alberta)
Cc: Jerry Sherman; Jerry Sherman; Sithole, Joseph (CA - Alberta); Keeble, Jeff (CA - Alberta)
Subject: Re: Lutheran Church - Canada , the Alberta - British Columbia District et. al.

Hi Vanessa,

Yes, I have seen the list of names as well as the striking out on the Order. Is the Monitor, then, refusing to provide us with contact information?

Thank you,

Sharon

This is Exhibit H referred to in the
Affidavit of
Sharon Sherman
Sworn before me this 1 day
of March A.D., 2016
A. Allen
A Notary Public, A Commissioner for Oaths
in and for the Province of Alberta

On Mon, Feb 2, 2015 at 4:11 PM, Allen, Vanessa (CA - Alberta) <vanallen@deloitte.ca> wrote:

Hi Sharon,

A list of depositors is available on our website. Pursuant to the Initial Order, the addresses for individual depositors are not being published.

Thanks very much

Vanessa A. Allen, B. Comm, CIRP
Senior Manager
Financial Advisory
Deloitte Restructuring Inc.

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850 - 2 Street SW
Calgary, AB T2P 0R8
Canada

From: Sharon Sherman [<mailto:sharon.sherman@ualberta.ca>]
Sent: Monday, February 02, 2015 3:55 PM
To: Allen, Vanessa (CA - Alberta)
Cc: Jerry Sherman; Jerry Sherman; Sithole, Joseph (CA - Alberta); Keeble, Jeff (CA - Alberta)
Subject: Re: Lutheran Church - Canada , the Alberta - British Columbia District et. al.

Hi Vanessa,

Due to demographic urgency, please provide a list of creditor names with contact information.

We do not believe the interests of seniors were represented in court and wish to organize for legal counsel.

Thank you,

Sharon

On Fri, Jan 30, 2015 at 4:30 PM, Allen, Vanessa (CA - Alberta) <vanallen@deloitte.ca> wrote:

Hi Sharon,

The main number for the Office of the Superintendent of Bankruptcy is 1-877-376-9902. You will have to inquire from there as to who would be the most appropriate individual for you to address your concerns to.

Thanks very much,

Vanessa A. Allen, B. Comm, CIRP
Senior Manager
Financial Advisory
Deloitte Restructuring Inc.

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Fax: 403-718-3681
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Calgary, AB T2P 0R8
Canada

From: Sharon Sherman [<mailto:sharon.sherman@ualberta.ca>]
Sent: Friday, January 30, 2015 4:24 PM
To: Allen, Vanessa (CA - Alberta)
Cc: Jerry Sherman; Jerry Sherman; Sithole, Joseph (CA - Alberta); Keeble, Jeff (CA - Alberta)
Subject: Re: Lutheran Church - Canada , the Alberta - British Columbia District et. al.

Hi Vanessa,

I believe we have made our concerns clear.

Please provide specifics - contact name(s) and direct phone number(s) for the Office of the Superintendent of Bankruptcy.

Thank you,

Sharon

On Fri, Jan 30, 2015 at 4:11 PM, Allen, Vanessa (CA - Alberta) <vanallen@deloitte.ca> wrote:

Hi Sharon,

If you have concerns regarding our role as Monitor, you may contact the Office of the Superintendent of Bankruptcy.

Please note that the stay of proceedings is pursuant to the Order of the Court of Queen's Bench of Alberta granted on January 23, 2015, which is attached for your records.

As we had previously indicated, if you would like to give us a call to discuss your concerns in further detail, please feel free to do so.

Thanks very much,

Vanessa A. Allen, B. Comm, CIRP
Senior Manager
Financial Advisory
Deloitte Restructuring Inc.

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Email: vanallen@deloitte.ca

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700 Bankers Court
850 - 2 Street SW
Calgary, AB T2P 0R8
Canada

From: Sharon Sherman [<mailto:sharon.sherman@ualberta.ca>]

Sent: Friday, January 30, 2015 3:52 PM

To: Allen, Vanessa (CA - Alberta)

Cc: Jerry Sherman; Jerry Sherman; Sithole, Joseph (CA - Alberta)

Subject: Re: Lutheran Church - Canada , the Alberta - British Columbia District et. al.

Hi Vanessa,

Thank you for your timely response.

Please advise who oversees the Monitor so we can take our concerns forward.

Sincerely,

Sharon

On Fri, Jan 30, 2015 at 3:13 PM, Allen, Vanessa (CA - Alberta) <vanallen@deloitte.ca> wrote:

Hi Sharon,

As there is a stay of proceedings in place, withdrawals from CEF cannot be reinstated; however, the emergency fund is set up to allow those in need to access funding and to ensure that people like your mother have the resources they need during the CCAA. If you would like to give us a call, we are happy to assist with the application form. We have also spoken with management of the District Group and understand that they can make someone available to meet with your mother and assist her in filling out the form.

Thanks very much,

Vanessa A. Allen, B. Comm, CIRP
Senior Manager
Financial Advisory
Deloitte Restructuring Inc.

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F. 780.420.6290
E. lawyers@oshryco.com

Aaron Oshry
Direct Line: (780) 801-3994
e-mail: aoshry@oshryco.com

file - 9503

April 30, 2015

Via Courier

Lutheran Church-Canada
3074 Portage Ave
Winnipeg, MB R3K OY2

Dear Sirs/Madams:

RE: Ruby Sherman

Please be advised that we act for Ruby Sherman. We have been provided with a copy of her Church Extension Investment confirmations the details of which are as follows:

1. Senior's Ministry Lifestyle Investment
Amount: \$220,286
Interest: 7% per annum
Date: October 11, 2007

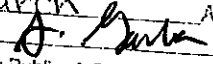
2. Senior's Ministry Lifestyle Investment
Amount: \$75,000.00
Interest: 7 % per annum
Date: August 1, 2007

You have committed your name to the Church Extension Fund, thereby inducing people including my client into believing that this was a project when which you were involved in and sanctioned. But for the inclusion of your name my client would not have made the investment. You are liable to my client for the payment of the investment as the Extension Fund is in receivership. Please consider this a demand for the said amounts plus interest to be paid to my office by way of bank draft, money order or certified cheque within 10 days from the date of this letter. If we do not receive the funds we are considering an application to the court for a class action without further notice to you.

Please govern yourselves accordingly.
Yours truly,

OSHRY & COMPANY

Per 
AARON OSHRY
//AOdm

This is Exhibit "I" referred to in the
Affidavit of
Sharon Sherman
Sworn before me this 1 day
of March A.D., 2016

A Notary Public, A Commissioner for Oaths
in and for the Province of Alberta

AIKINS LAW

May 4, 2015

Oshry & Company
Barristers & Solicitors
1004 Bell Tower
10104 – 103 Avenue
Edmonton, AB T5J 0H8

Attention: Aaron Oshry

**Re: Lutheran Church-Canada
Your File Number 9503**

VIA E-MAIL

This is Exhibit "J" referred to in the
Affidavit of
Sharon Sherman
Sworn before me this 1 day
of March A.D., 20 16
J. Doolley
A Notary Public, A Commissioner for Oaths
in and for the Province of Alberta

We act for Lutheran Church-Canada. Your letter of May 1, 2015 to our client has been forwarded to me for reply.

To assist you in advising your client I am attaching a copy of an initial Order made by the Court of Queen's Bench of Alberta in Bankruptcy and Insolvency under the Companies' Creditors Arrangements Act. I expect that the investments referred to in your letter were issued by one or more of the Applicants in this matter.

Several subsequent Orders have been issued by the Court with respect to this matter (including a process for advancing claims against the applicants). I would encourage you to investigate the claims process in an expeditious manner.

By way of further clarity I am attaching a copy of Chapter 42 of The Statutes of Alberta (1991) which continued a corporation which is one of the Applicants (Lutheran Church-Canada, The Alberta – British Columbia District). This is a different corporate entity than our client which was established by a Special Act of Parliament.

I trust the above will be of assistance to you in advising your client.

AIKINS, MACAULAY & THORVALDSON LLP

Per:
TPD/cr
Encls.

AIKINS, MACAULAY & THORVALDSON LLP
30th Floor - 360 Main Street, Winnipeg, Manitoba
Canada R3C 4G1

Telephone (204) 957.0050
Fax (204) 957.0840
aikins.com

PLEASE REPLY TO
Thomas P. Dooley *

Direct Line (204) 957.4628
Fax (204) 957.4239
Email tpd@aikins.com

* services provided by
T P Dooley Law Corporation

LEGAL ASSISTANT
Connie Romas

Direct Line (204) 957.4728
Email connier@aikins.com

FILE NO.
1403305-03

Allan Garber

From: Oliver, Jeffrey <Jeffrey.Oliver@gowlingwlg.com>
Sent: February 24, 2016 3:01 PM
To: Allan Garber; EPoyner@smrlaw.ca
Subject: RE: Lutheran Church - Class Proceedings Issue

Can the couriers be recalled, or is it too late?

Jeffrey Oliver
Partner
T +1 403 298 1818
M +1 403 608 3691
F +1 403 695 3558

From: Allan Garber [mailto:allan@garberlaw.ca]
Sent: February-24-16 2:59 PM
To: Oliver, Jeffrey; EPoyner@smrlaw.ca
Subject: RE: Lutheran Church - Class Proceedings Issue

Our statement of claim has already been served on Bishop & McKenzie and Prowse Chown. A copy was sent by email to Mr. Taman. It was sent by courier earlier this morning to the other Defendants. I do undertake to take no further steps until the stay application is heard.

Allan Garber
Barrister & Solicitor

108, 17707 – 105 Avenue NW
Edmonton, AB T5S 1T1
Telephone (587) 400-9311
Fax (587) 400-9313
Email allan@garberlaw.ca

From: Oliver, Jeffrey [mailto:Jeffrey.Oliver@gowlingwlg.com]
Sent: February 24, 2016 2:54 PM
To: EPoyner@smrlaw.ca; Allan Garber <allan@garberlaw.ca>
Subject: Lutheran Church - Class Proceedings Issue

This is Exhibit "K" referred to in the
Affidavit of
Sharon Sherman
Sworn before me this 1 day
of March A.D., 2016
A. Poyner
A Notary Public, A Commissioner for Oaths
in and for the Province of Alberta

Ms. Poyner and Mr. Garber,

I have received Ms. Poyner's letter. Can you please advise us if you would undertake to the court to not serve the statements of claim until our stay application is heard (assuming we get this before the Court relatively quickly).

I do not anticipate receiving instructions to adjourn the entire application to sanction the DIL Plan, but subject to your reply on my inquiry below, I can seek instructions in relation to adjourning the stay application for the time period requested.

Please let me know

Thank you

Allan Garber

From: Oliver, Jeffrey <Jeffrey.Oliver@gowlingwlg.com>
Sent: February 25, 2016 1:53 PM
To: Allan Garber
Subject: RE: LCC

Thank you for the update. It is appreciated

Jeffrey Oliver
Partner
T +1 403 298 1818
M +1 403 608 3691
F +1 403 695 3558

From: Allan Garber [mailto:allan@garberlaw.ca]
Sent: February-25-16 1:52 PM
To: Oliver, Jeffrey
Subject: LCC

I was able to intercept the letters serving the LCC, Concentra Trust and Lutheran Church Canada Financial Ministries.

Allan Garber
Barrister & Solicitor

108, 17707 – 105 Avenue NW
Edmonton, AB T5S 1T1
Telephone (587) 400-9311
Fax (587) 400-9313
Email allan@garberlaw.ca

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