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CANADA  
PROVINCE OF ONTARIO  
DISTRICT OF TORONTO  
COURT. No.: CV-14-10609-00CL

SUPERIOR COURT  
Commercial List

**IN THE MATTER OF THE  
PLAN OF COMPROMISE AND  
ARRANGEMENT OF:**

**METCALFE & MANSFIELD ALTERNATIVE  
INVESTMENTS VII CORP., IN ITS CAPACITY AS  
ISSUER TRUSTEE OF DEVONSHIRE TRUST**, having  
its head office at 199 Bay Street, Suite 4850, Commerce  
Court West, Toronto, Ontario, M5L 1G9

Applicant

– and –

**DELOITTE RESTRUCTURING INC.**  
(Pierre Laporte, CPA, CA, CIRP, person in charge), having  
a place of business at 181 Bay Street, Brookfield Place,  
Suite 1400, Toronto, ON, M5J 2V1, Canada

Monitor

**THIRD REPORT TO THE COURT  
SUBMITTED BY DELOITTE RESTRUCTURING INC.  
IN ITS CAPACITY AS MONITOR**

*(Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended)*

**INTRODUCTION AND PURPOSE OF THE THIRD REPORT**

1. On July 8, 2014, Metcalfe & Mansfield Alternative Investments VII Corp. in its capacity as issuer trustee (the “**Applicant**”) of Devonshire Trust (the “**Conduit**”, collectively with the Applicant, the “**CCAA Parties**”) filed and obtained protection from their respective creditors under the *Companies' Creditors Arrangement Act* (the “**CCAA**”) pursuant to an Order granted by the Superior Court of Ontario (the “**Initial Order**”).

2. The Initial Order provides, *inter alia*, for the following:
  - a. No proceedings or enforcement processes in any court or tribunal shall be commenced or continued against or in respect of the CCAA Parties, the Monitor or the Property except with the written consent of the Applicant and the Monitor or with leave of this Court. All Proceedings currently under way against or in respect of the CCAA Parties or affecting the Property are stayed and suspended (the “**Stay**”) until August 7, 2014.
  - b. The appointment of Deloitte Restructuring Inc. (the “**Monitor**”) as Monitor under the CCAA.
3. On July 8, 2014, this Honourable Court also granted an Order (the “**Claims Procedure and Meeting Order**”) governing the claims process pursuant to which Noteholders were required to prove their claims and pursuant to which the Applicant was permitted to call a meeting of Noteholders (the “**Noteholders’ Meeting**”) to vote on the proposed Plan of Compromise and Arrangement (the “**Plan**”).
4. On July 22, 2014, this Honourable Court granted an Order extending the Stay from August 7, 2014 to September 15, 2014.

#### **TERMS OF REFERENCE**

5. Capitalized terms not otherwise defined have the meaning ascribed to them in the First Report, the Second Report, the Plan, the Amended Plan, the Notice of Application, and the supporting affidavit of Mathieu Lafleur-Ayotte dated June 27, 2014, filed by the Applicant. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.
6. In preparing this third Monitor’s report (the “**Third Report**”), the Monitor has necessarily relied upon unaudited financial information and other information supplied, and representations made, by the CCAA Parties and their agents and advisors. Although the Monitor has reviewed the information, some of which was in draft format, the Monitor has not performed an audit or otherwise attempted to verify the accuracy or completeness of any such information. Accordingly, the Monitor does not express any opinion and does not provide any other form of assurance on or relating to the accuracy of any information contained in this Third Report or otherwise used to prepare this Third Report.
7. Forward looking financial information included in this Third Report is based on the CCAA Parties’ assumptions regarding future events, and actual results achieved will vary from this information and the variations may be material. The Monitor has not performed an examination or review of financial forecasts, projections or procedures in accordance with standards set by the Canadian Institute of Chartered Accountants.
8. A copy of this Third Report, the Second Report, the First Report, the Applicant’s application and supporting affidavit, the Plan, the Amended Plan, the Orders granted by the Court to date, and drafts of the Orders sought as well as the Meeting Documents and

further motions and reports of the Monitor are and will be available on the Monitor's website in English at <http://www.deloitte.com/ca/devonshire>. The Monitor has also established a toll free phone number as well as a dedicated email address that are referenced on the Monitor's website so that parties may contact the Monitor if they have questions in respect of this CCAA proceeding. The Monitor's toll free number is 1-855-990-7100 and dedicated email address is CAMontrealDevonshire@deloitte.ca

9. This Third report dated August 15, 2014 (the "**Third Report**") is provided to this Honourable Court by the Monitor to outline the progress of the CCAA Parties' restructuring and to report on the outcome of the Noteholders' Meeting held on August 7, 2014. This Third Report is structured as follows:
  - I. Amendment to the Plan dated August 6, 2014;
  - II. Review of Certain Transactions;
  - III. Report on Claims Procedure & Noteholders' Meeting
  - IV. Request for Sanctioning the Amended Plan dated August 6, 2014;
  - V. Monitor's Activities; and
  - VI. Approval of Fees
  - VII. Monitor's Conclusion.
  
10. The following appendices are attached to this Third report:
  - a. Appendix "A" – Copy of Letter from Stockwoods LLP dated July 22, 2014;
  - b. Appendix "B" – Amended Plan dated August 6, 2014;
  - c. Appendix "C" – First Report (without appendices);
  - d. Appendix "D" – Second Report (without appendices);
  - e. Appendix "E" – Register of Noteholder Proven Claims;
  - f. Appendix "F" – Minutes of the Noteholders' Meeting held August 7, 2014;
  - g. Appendix "G" – Attendance Sheet for Noteholders' Meeting held August 7, 2014;
  - h. Appendix "H" – Affidavit of Jean-Francois Nadon sworn August 14, 2014; and
  - i. Appendix "I" – Affidavit of Linda Sherwood sworn August 13, 2014.

#### **I. AMENDMENT TO THE PLAN**

11. On July 22, 2014, Stockwoods LLP, as counsel for National Bank Financial and National Bank of Canada (collectively, "**National Bank**"), sent a letter to the Service List. A copy of the letter is attached hereto as **Appendix "A"**. Through their counsel, National Bank advised that:
  - a. National Bank intended to vote against the Plan;

- b. National Bank asserted equitable and beneficial ownership of certain Notes held by Barclays Bank PLC or its subsidiaries; and
  - c. National Bank would support the Plan if it was amended to allow for the adjudication of National Bank's claim against Barclays and its subsidiaries.
12. After negotiations between Barclays and National Bank, with the assistance and input of the Applicant and its counsel and of the Monitor and its counsel, the Applicant proposed an amendment to the releases proposed in the Plan that would permit National Bank to pursue its claim against Barclays outside of these CCAA proceedings if National Bank issued its claim within 30 days of the Sanction Order becoming final.
  13. A copy of the Plan as amended dated August 6, 2014, which also includes minor corrections made July 25, 2014, (the "**Amended Plan**"), is attached hereto as **Appendix "B"**.
  14. As required by Section 17.1.4, an amendment that materially alters the effect of the releases in Section 16.1 or Section 16.2 of the Plan must be approved by any Plan Participants affected by the proposed amendment. The Applicant sought and obtained the consent of the Monitor, Barclays and National Bank to the proposed amendment. In addition, CDPQ indicated that it agreed with the amendment.
  15. In addition, in accordance with Section 17.1.1 of the Plan and Amended Plan, the Amended Plan was posted to the Monitor's website and was sent by email to each Noteholder before the Noteholders' Meeting.

## **II. REVIEW OF CERTAIN TRANSACTIONS**

16. As discussed in the First Report, a copy of which (without appendices) is attached hereto as **Appendix "C"**, and as reported at the Noteholders' Meeting, the Monitor, following its appointment, conducted its review of certain transactions preceding the commencement of this CCAA proceeding and did not identify any transactions that would constitute preferences, fraudulent conveyances or transactions at undervalue.

## **III. REPORT ON CLAIMS PROCEDURE & NOTEHOLDERS' MEETING**

17. A copy of the Second Report (without appendices) is attached hereto as **Appendix "D"**.
18. As of the date hereof, the Monitor has received the Required Documentation for 30 Noteholder Claims representing a total of \$671,531,389, as shown in the register attached hereto as **Appendix "E"**.
19. The Monitor has been diligently processing Noteholder Claims and Required Documentation in cooperation with the Applicant and respective counsel.
20. As described in the Second Report, the Monitor provided notice of the Noteholders' Meeting in accordance with the Claims Procedure and Meeting Order.

21. The Monitor commenced the Meeting on August 7, 2014 at 2:00 p.m. The meeting was held at the offices of Osler, Hoskin & Harcourt LLP, 1000 De La Gauchetière Street West, Suite 2100, Montréal QC H3B 4W5.
22. In accordance with the Claims Procedure and Meeting Order, Pierre Laporte, an officer of Deloitte Restructuring Inc., acted as the chair (the “**Chair**”) of the Meeting. Mary Paterson of Osler, Hoskin & Harcourt LLP acted as secretary of the Meeting (the “**Secretary**”) and Jean-Francois Nadon and Igal Wizman of Deloitte Restructuring Inc. acted as scrutineers (the “**Scrutineers**”).
23. In accordance with the Claims Procedure and Meeting Order and the Amended Plan, each Noteholder holding a Proven Claim was entitled to one vote.
24. The Chair held 19 proxies from Noteholders with Proven Claims thereby satisfying the requirement that a quorum of two Noteholders having a Proven Claim be present in person or by proxy. Accordingly, the Chair declared that the Meeting was properly constituted.
25. Sophie Lussier as proxy holder for \$385,000,000 of Noteholder Proven Claims proposed a motion that the Amended Plan be approved (the “**Resolution**”).
26. William Scott as proxy holder for \$219,641,051 of Noteholder Proven Claims seconded the motion that the Amended Plan be approved.
27. The Monitor notes that it received 30 proxies for Noteholders with Proven Claims before the Meeting. One Noteholder, believed to be holding a claim for approximately \$7,400,000, did not submit the Required Documentation before the Meeting. The Monitor is continuing to attempt to communicate with this Noteholder. No Unconfirmed Votes were recorded. The table below summarizes the votes of Noteholders:

Voting Claims				
Number of Claims	Amount	Percentage in Favor by Number	Percentage in Favor by Dollar Value	
30	\$ 671,531,389.00	100%	100%	

28. The Scrutineers tabulated the votes and confirmed that the Resolution was duly carried by a majority of votes at the Meeting, comprising in excess of two-thirds in value.
29. The Chair declared that the requisite majority required by the Meeting Order and Section 6 of the CCAA had been obtained and the Resolution was approved by the Noteholders.
30. The Meeting was terminated at approximately 2:10 p.m. The Minutes of the Meeting are attached to this Report as **Appendix “F”**. The attendance sheet for the Meeting is attached to this Report as **Appendix “G”**.

#### **IV. REQUEST FOR SANCTIONING THE AMENDED PLAN**

31. The Monitor outlined the details of the Plan in its First Report as updated herein. Based on all of the factors more particularly described in the Monitor's First and Second Report and herein, on balance, the Monitor holds the view that:
  - (a) it appears that the likely alternative to the Amended Plan would be lengthy litigation, which could have an adverse effect on the Applicant and its stakeholders with unpredictable recoveries and timelines; and
  - (b) the Amended Plan is fair and reasonable, including the fact that the Amended Plan permits National Bank to pursue its claim against Barclays.
32. As described above, 100% in number and 100% in value of the Noteholders with Proven Claims present in person or by proxy and voting at the Meeting voted to approve the Amended Plan, and the Amended Plan was therefore approved by the Noteholders. There were no Noteholders that voted against the Amended Plan, although one Noteholder did not provide Required Documentation and did not vote.
33. The Monitor is of the view that the Amended Plan satisfies the requirements of the CCAA, in particular the requirements contained in Section 6 thereof.

#### **V. MONITOR'S ACTIVITIES**

34. Since the date of the Second Report, the Monitor has been involved in numerous activities, including:
  - a. participating in numerous meetings, conference calls and discussions with the CCAA Parties and their advisors, the signatories to the Settlement Letter and their advisors, and other Noteholders, including National Bank and its advisors, in respect of the proposed forms of Plan and Sanction Order;
  - b. communicating with and providing notice to Noteholders, including posting material on the Monitor's website and maintaining a toll free hotline number and dedicated email box;
  - c. reviewing and resolving various claims asserted in and outside of the claims process set out in the Claims Procedure Order;
  - d. attending Court proceedings;
  - e. reviewing certain transactions;
  - f. reviewing and considering various documentation in connection with the CCAA proceeding;
  - g. assisting the Applicant in preparing for, and conducting, the Meeting;

- h. preparing the Third Report; and
- i. engaging legal counsel, who has also participated in certain of the above-noted meetings and discussions.

**VI. APPROVAL OF FEES**

- 35. The Monitor and its counsel have maintained detailed records of their professional costs and time during the course of the CCAA proceedings, as detailed in the Affidavit of Jean-Francois Nadon sworn August 14, 2014 and the Affidavit of Linda Sherwood sworn August 13, 2014 (collectively, the “**Fee Affidavits**”). The Monitor has reviewed the fees of its counsel and believes they are reasonable. Copies of the Fee Affidavits are attached to this Monitor’s Third Report as **Appendix “H”** and **Appendix “I”**, respectively.

**VII. MONITOR’S CONCLUSIONS**

- 36. It is the Monitor’s view that the CCAA Parties have acted in good faith and with due diligence in accordance with the Orders of this Court.
- 37. For the reasons set out in this Third Report, the Monitor believes that the Plan should be sanctioned.

The Monitor respectfully submits this Third Report to this Honourable Court.

DATED AT Montreal, this 15<sup>th</sup> day of August, 2014.



---

Pierre Laporte, CPA, CA, CIRP  
President

DELOITTE RESTRUCTURING INC.  
In its capacity as Court-Appointed  
Monitor

**TAB A**

# STOCKWOODS

Barristers

Paul Le Vay  
 Direct Line: 416-593-2493  
 paully@stockwoods.ca

July 22, 2014

## TO SERVICE LIST

Dear Counsel:

**Re: In the matter of the *Companies Creditors Arrangement Act and Devonshire Trust***

We represent National Bank Financial and National Bank Canada (collectively "National"), who are currently the holders of record in respect of Devonshire Notes with a face value of \$7,900,000.00. It is National's position that it is also the equitable and beneficial holder of additional Devonshire Notes, as follows:

CUSIP NO./ISM	ISSUER	PRINCIPAL (CDN\$)	MATURITY	CERTIFICATE NUMBER	HOLDER
CA251930HF36 CA251930K444	Devonshire Trust Series A Class A	410,000 1,674,927			NBC
CA251930JT12 CA251930K444 CA251930HJ57 CA251930HE60 CA251930JU84 CA251930HF36	Devonshire Trust Series A Class A	461,529 2,325,073 857,984 80,379 152,264 54,286			NBF
P5548-2 P5552-8 P5562-1	Devonshire Trust Series A Class E	222,832 117,000 27,000,000	26/02/2008 27/02/2008 03/03/2008	0184 0188 0190	NBC
P4049-7 P5112-3 P5142-0 P5531-5 P5548-2 P5548-2 P5548-2 P5552-8	Devonshire Trust Series A Class E	2,000 165,881 104,285 241,123 830 58,074 85,044 110,247	21/04/2008 06/02/2008 15/02/2008 22/02/2008 26/02/2008 26/02/2008 26/02/2008 27/02/2008	0198 0174 0194 0176 0181 0182 0183 0187	NBF

STOCKWOODS LLP

TD NORTH TOWER, 77 KING STREET WEST, SUITE 4130, P.O. BOX 140, TORONTO, ONTARIO M5K 1H1 • PH: 416-593-7200 • FAX: 416-593-9345

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CUSIP NO./ISM	ISSUER	PRINCIPAL (CDNS)	MATURITY	CERTIFICATE NUMBER	HOLDER
P5562-1		12,728	03/03/2008	0196	
T0327-7	Devonshire Trust Series A Class FRN-2	25,104,565	16/05/2008	0407	NBC

So that you may understand the nature of National's claim, we enclose a draft of the proposed Statement of Claim.

National is pleased that the Plan anticipates a process for finally paying Devonshire Noteholders the sums that should have been paid to them many years ago. However, my clients are concerned that the proposed Release in the Plan does not clearly carve out an exception for claims in fraud. National cannot support a plan that does not permit it any chance of litigating its claim in respect of these Notes.

Full particulars of National's position with respect to the Sanction Hearing will be provided in due course. The purpose of this letter is to ensure, in fairness, that all interested parties are aware of National's position in broad terms.

- For the sake of efficiency and practicality, National will not object (although it could) to the vote proceeding on the basis that Barclays, as the noteholder of record in respect of the disputed Notes, may exercise the votes associated with those Notes at the meeting scheduled for August 7. This is entirely without prejudice to National's position that it is the equitable and beneficial holder of those Notes.
- It is National's intention to vote against the Plan and, assuming it is approved, object at the Sanction Hearing on the basis that the Plan as currently drafted does not permit National to proceed with its claim against Barclays.
- National will support the Plan if it is amended to allow for the adjudication of National's claim. Ideally, this should occur in the context of the CCAA proceeding itself (where the efficiencies of that process can be brought to bear to ensure that this matter is determined as speedily as possible) and National's position will be that this is the proper forum for dealing with its claim. Alternatively and if necessary, the Claim might proceed in the usual civil court process.

We are hopeful that by bringing this to the attention of the Service List, sufficient parties will agree to amend the Plan in accordance with National's position. This would ensure that most Noteholders could obtain the benefit of the proposed Plan as quickly as possible.

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Yours truly,

A handwritten signature in black ink, appearing to read 'PLV', with a stylized flourish extending from the end.

Paul Le Vay  
PLV/jb

Encl.

Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

BETWEEN:

NATIONAL BANK FINANCIAL INC. and NATIONAL BANK OF CANADA

Plaintiffs

and

BARCLAYS BANK PLC

Defendant

**STATEMENT OF CLAIM**

TO THE DEFENDANT(S):

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a Statement of Defence in Form 18A prescribed by the *Rules of Civil Procedure*, serve it on the Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this Statement of Claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your Statement of Defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a Statement of Defence, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the *Rules of Civil Procedure*. This will entitle you to ten more days within which to serve and file your Statement of Defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date \_\_\_\_\_ Issued by \_\_\_\_\_  
Local Registrar  
Address of  
court office: 393 University Avenue, 10th Floor  
Toronto ON M5G 1E6

TO: Barclays Bank PLC  
Bay Adelaide Centre,  
333 Bay Street, Suite 4910  
Toronto ON M5H 2R2

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## CLAIM

1. The Plaintiffs claim against the Defendant:
  - (a) Rescission of a Note Purchase Agreement dated October 10, 2008 and Framework Agreement dated October 10, 2008 (the “Agreements”);
  - (b) A declaration that the Plaintiffs are the legal and beneficial owners of the National Bank Devonshire Notes, as defined below;
  - (c) Costs of this proceeding on a substantial indemnity basis, plus all applicable taxes; and
  - (d) Such further and other relief as this Honourable Court may permit.

### The Parties

2. National Bank Financial Inc. (“NBF”) is a company incorporated under the laws of Canada. It carried on business as an investment dealer, investment adviser and full-service brokerage house.

3. National Bank of Canada (“NBC”) is the parent company of NBF. It is a bank incorporated under the laws of Canada and listed in Schedule I to the *Bank Act*, S.C. 1991, c. 46.

4. Barclays Bank PLC (“Barclays”) is a bank incorporated under the laws of the United Kingdom. It carries on business in Canada and is listed in Schedule III to the *Bank Act*, S.C. 1991, c. 46.

### **Background to the Agreements – the Canadian ABCP Market**

5. In 2007, all parties were participants in the asset-backed commercial paper (“ABCP”) market in Canada.
6. ABCP is a term used to refer to promissory notes, or bonds, issued in the commercial world which is secured (or “backed”) by some kind of financial asset.
7. The ABCP market uses a method of raising financing known as “securitization”. In a securitization transaction, a special-purpose entity such as a trust (and commonly referred to as a “conduit”) purchases income-producing financial assets from operating or finance companies that sell or “originate” those income-producing financial assets. To pay for the assets, the conduit issues ABCP. The conduit pays ABCP holders a rate of interest that is typically less than the income produced by the financial assets that the conduit has purchased.
8. ABCP thus represents debts owing by the trustees of the conduits. The financial assets purchased by the conduits are held as collateral for those debts.
9. Most of the ABCP is short-term commercial paper, usually with a term of 30 to 90 days. However, the financial assets backing the ABCP are typically longer-term. There was thus a timing mismatch between when the conduits would realize on the financial assets it owned and when the conduits would have to re-pay the ABCP holders.
10. For several years, this timing mismatch did not pose a problem, principally for three reasons.

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- (a) Many ABCP investors did not require repayment of their ABCP on maturity, but instead reinvested their existing ABCP at maturity.
- (b) For those investors who did require repayment, new ABCP was continually being sold, generating funds to repay maturing ABCP.
- (c) Many trustees of the conduits entered into back-up liquidity arrangements with third-party lenders, who agreed to provide funds to repay maturing ABCP in certain circumstances.

### **The Devonshire Notes**

11. In Canada, ABCP conduits were commonly thought of in two groups: those who were bank-sponsored owned, and those who were sponsored by companies other than banks (the “independent ABCP market”).

12. Barclays sold assets to an independent ABCP conduit known as Devonshire Trust (“Devonshire”). Devonshire was permitted to acquire assets solely from Barclays.

13. To pay for the assets it acquired from Barclays, Devonshire issued three classes of ABCP (collectively the “Devonshire Notes”):

- (a) Short-term notes (Class A), which matured within 30 to 90 days;
- (b) Extendible notes (Class E); and
- (c) Floating rate notes (Class FRN).

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14. Barclays was also the sole back-up liquidity provider to Devonshire. This means that Barclays agreed to supply funds to repay Devonshire's maturing Class A notes upon the occurrence of what was called a "Market Disruption Event".

15. NBF was the lead dealer in Devonshire Notes. This means that its agents and employees were engaged in selling Devonshire Notes to investors.

16. NBF and NBC were also investors in Devonshire Notes from time-to-time.

#### **The ABCP Market Freeze**

17. On or about August 13, 2007, the independent ABCP market froze in Canada. Investors in maturing ABCP (including ABCP issued by Devonshire) were not prepared to reinvest their funds, and new investors could not be found.

18. Almost all the participants in the independent ABCP market eventually reached an agreement to restructure the independent Canadian ABCP conduits. The only asset and/or liquidity provider to refuse to sign that agreement was Barclays.

19. As a result, attempts to restructure Devonshire were negotiated directly between Barclays and the principal investors in Devonshire Notes. These principal investors included (among others) the Plaintiffs and the Caisse de Depot et Placement du Quebec (the "Caisse"). They did not include investors who held approximately \$75,000,000 in Devonshire Notes (the "Small Noteholders").

### **The Agreements**

20. The parties entered into two related agreements as of October 10, 2008: a Note Purchase Agreement and a Framework Agreement (the “Agreements”). The relevant provisions of the Agreements were as follows.

- (a) NBC and NBF sold to Barclays all Devonshire Class A notes, Class E notes and Class FRN notes held by National Bank (a principal amount of \$59,241,051) for the sum of \$1 (the “National Bank Devonshire Notes”).
- (b) Barclays agreed that it would make an offer to all Small Noteholders of Devonshire Notes, whereby Barclays would offer to exchange the Devonshire Notes held by the Small Noteholders for other notes (“MAV II Notes”) that would have a value that was more or less equal to the face value of the Devonshire Notes.
- (c) NBC and NBF agreed to assist Barclays in obtaining the MAV II Notes to be offered to the Small Noteholders, including by assisting with sourcing the MAV II Notes and acting as Barclay’s agent in making the offer to Small Noteholders.
- (d) The Agreements were to be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws on Canada applicable therein.

21. Despite the terms of the Agreements, after acquiring the National Bank Devonshire Notes, Barclays failed to proceed to make the offer to Small Noteholders as required by the Agreements.

**Barclays' Fraudulent Misrepresentations and Bad Faith**

22. Prior to entering into the Agreements, Barclays secretly determined that it would not proceed with making an offer to the Small Noteholders as required by the Agreements unless and until Barclays was able to reach a favourable deal with the Caisse with respect to the Caisse's Devonshire Notes.

23. Barclays deliberately concealed this relevant fact from the Plaintiffs, and its silence and concealment with respect to this fact constituted a misrepresentation.

24. The misrepresentation was made fraudulently, with an intention to induce the Plaintiffs to enter into the Agreements.

25. But for this misrepresentation, the Plaintiffs would not have entered into the Agreements.

26. After acquiring the National Bank Devonshire Notes, Barclays carried out a scheme in bad faith to disadvantage Devonshire and deplete the value of the Devonshire Notes.

27. As a result of this scheme and Barclay's bad faith, by the time the Plaintiffs learned of Barclays' fraudulent misrepresentation, the National Bank Devonshire Notes had no value and hence the Plaintiffs had suffered no damages.

28. However, on or about June 27, 2014, it was publicly announced that Barclays was prepared to make a payment to Devonshire that Barclay's had previously argued it was not required to make. As a result of this agreement, the National Bank Devonshire Notes acquired value and the Plaintiffs' cause of action for fraudulent misrepresentation became crystallized.

**Remedies**

29. The Plaintiffs submit that they are entitled to the remedy of rescission, and that the Agreements should be set aside and the National Bank Devonshire Notes returned to the Plaintiffs.

30. The Plaintiffs request a declaration that they are the legal and beneficial owners of the National Bank Devonshire Notes.

31. The Plaintiffs propose that this action be tried in the City of Toronto.

**STOCKWOODS LLP**  
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TD North Tower, Box 140  
77 King Street West, Suite 4130  
Toronto ON M5K 1H1

Paul Le Vay (28314E)  
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Lawyers for the Plaintiffs

NATIONAL BANK OF CANADA et al. and BARCLAYS BANK PLC

Court File No.

Plaintiffs

Defendant

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
Proceeding commenced at TORONTO

**STATEMENT OF CLAIM**

**STOCKWOODS LLP**

Barristers

Toronto-Dominion Centre  
TD North Tower, Box 140  
77 King Street West, Suite 4130  
Toronto ON M5K 1H1

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Lawyers for the Plaintiffs

**TAB B**

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**PLAN OF COMPROMISE AND ARRANGEMENT**

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**PURSUANT TO THE  
*COMPANIES' CREDITORS ARRANGEMENT ACT (CANADA)***

**REGARDING**

**METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS VII CORP.,  
IN ITS CAPACITY AS ISSUER TRUSTEE OF DEVONSHIRE TRUST**

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**August 6, 2014**

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# PLAN OF COMPROMISE AND ARRANGEMENT

## PURSUANT TO THE *COMPANIES' CREDITORS ARRANGEMENT ACT (CANADA)*

### ARTICLE 1

#### INTERPRETATION

##### 1.1 Definitions

In this Plan:

"**Actual/365 Fixed Basis**" means a day count convention for calculating interest where each month is treated as having its actual number of days but where the year is assumed to have 365 days, thus providing an additional day of interest on a leap year (366 days of interest applied to an assumed 365-day year);

"**Administrative Agent**" means Metcalfe & Mansfield Capital Corporation, in its capacity as administrative agent under the Administration Agreement, and its successors and permitted assigns in such capacity;

"**Administration Agreement**" means the administration agreement made as of August 2, 2006 between the Applicant and the Administrative Agent providing for certain administrative, management and audit services, as amended, supplemented, modified, restated or replaced from time to time;

"**Advance Tax Ruling**" has the meaning ascribed to it in Section 17.7;

"**Affiliated Companies**" means affiliated companies within the meaning of the *Ontario Securities Act*, as amended, and the instruments, rules and regulations thereunder;

"**Aggregate Available Cash**" has the meaning ascribed to it in Section 5.3.7;

"**Agreement Relating to the Mitigation of Loss**" means the agreement relating to the mitigation of loss dated as of June 13, 2014, entered into between the Applicant and Barclays, as amended, supplemented, modified, restated or replaced from time to time;

"**Anticipated Costs**" means, as at any time, fees, expenses, disbursements or other costs, including any unpaid fee or expense incurred in the provision of goods and services in the administration and management of the Conduit, which are required to be incurred or paid in order to finally settle the estate of the Applicant and includes all Costs in excess of the initial amount of the Costs Reserve on the Plan Implementation Date;

"**Anticipated Costs Invoice**" means has the meaning ascribed to it in Section 7.3;

"**Applicant**" means Metcalfe & Mansfield Alternative Investments VII Corp., in its capacity as issuer trustee of the Conduit;

"**Balance of the Aggregate Available Cash**" means an amount equal to the difference between (i) the Aggregate Available Cash and (ii) the sum of the Costs Reserve, the Indemnity Reserve and all Noteholder Claims, in each case as at the Plan Implementation Date;

"**Barclays**" means Barclays Bank PLC;

"**Barclays' Loss**" means the "Barclays' Loss" referred to in the decision of the Court of Appeal for Ontario, rendered July 26, 2013 in Court File No. C54400;

"**Barclays' Other Claims**" means Barclays' claim in the Litigation and all other claims (contractual or otherwise) that Barclays and its Affiliated Companies may have against the CCAA Parties or could have had against the CCAA Parties in the event that Trial 2 was necessary and had proceeded, including the Barclays' Loss claim in respect of the Litigation under the Agreement Relating to the Mitigation Loss, save and except for (i) the Noteholder Claims of Barclays and the Barclays' Subsidiaries and the claims of Barclays and the Barclays' Subsidiaries to Interest Distributions, in each case rateably with the other Noteholders as provided herein and (ii) only for the purposes of Sections 5.3.3 and 5.3.5, Barclays' claims to the CDS Collateral;

"**Barclays' Subsidiaries**" is the collective reference to each of the following companies that Barclays has represented is wholly-owned by it: Hollygrice Limited, Strickyard Limited, Winhall Limited, Hentock Limited, Coskwo Limited, Blaytell Limited, Godler Limited, Pilkbull Limited, Harflane Limited and "**Barclays' Subsidiary**" means any one thereof;

"**BOC Average 1M BA Rate**" means the average monthly rate for bankers' acceptances with a one-month term, as calculated and published as part of series V122504 by the Bank of Canada (see <http://www.bankofcanada.ca/rates/interest-rates/canadian-interest-rates/>, Series V122504);

"**BOC Daily 1M BA Rate**" means the daily rate for bankers' acceptances with a one-month term, as calculated and published as part of series V39068 by the Bank of Canada (see <http://www.bankofcanada.ca/rates/interest-rates/canadian-interest-rates/>, Series V39068);

"**Business Day**" means a day, other than a Saturday or Sunday, on which banks are generally open for business in Toronto, Ontario and Montreal, Québec;

"**CCAA**" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;

"**CCAA Court**" means the Superior Court of Justice (Ontario);

"**CCAA Charge**" means a Charge created by the Initial CCAA Order;

"**CCAA Parties**" means, collectively, the Applicant and the Conduit;

"**CCAA Proceedings**" means the within proceedings under the CCAA commenced by the Applicant;

"**CDN\$**" means the lawful currency of Canada;

"**CDPQ**" means Caisse de dépôt et placement du Québec;

"**CDS Clearing**" means CDS Clearing and Depository Services Inc.;

"**CDS Collateral**" means all cash and other assets held by the Custodian pursuant to the Tri-Party Custody Agreement;

"**Charge**" means a valid and enforceable security interest, lien, charge, pledge, encumbrance, mortgage, hypothec, adverse claim, title retention agreement or trust agreement of any nature or kind (but excluding any statutory deemed trust or lien for any taxes or levies), on the property of the Conduit;

"**Claims Procedure and Meeting Order**" means the Order of the CCAA Court dated July 8, 2014 establishing the Noteholder identification and verification procedure to establish Proven Claims and directing the calling and holding of the Meeting;

"**Class**" means with reference to a Series, a class of Notes within such Series;

"**Class A Notes**" means the outstanding Class A Series A Senior Short Term Notes of the Conduit issued under the Supplemental Indenture;

"**Class E Notes**" means the outstanding Class E Series A Senior Short Term Notes of the Conduit issued under the Supplemental Indenture;

"**Class FRN Notes**" means the outstanding Class FRN-1 Series A Senior Medium Term Notes and the Class FRN-2 Series A Senior Medium Term Notes of the Conduit issued under the Supplemental Indenture;

"**Collateral Deficiency**" has the meaning ascribed to it in Section 5.3.3;

"**Conduit**" means Devonshire Trust, a trust constituted under the laws of the Province of Ontario pursuant to the Settlement Deed;

"**Consultant**" means 9205-3701 Québec Inc., in its capacity as consultant under the Consultation Agreement, and its successors and permitted assigns in such capacity;

"**Consultation Agreement**" means the consultation agreement in connection with the Litigation made as of January 21, 2009 between the Financial Services Agent, the Consultant, the Administrative Agent and the Applicant, as amended, supplemented, modified, restated or replaced from time to time;

"**Costs**" means the costs for the services and disbursements of:

- (i) counsel to the Applicant, Fasken, Martineau, DuMoulin LLP;
- (ii) the accountants to the Applicant, Pricewaterhouse Coopers;
- (iii) counsel to the directors of the Applicant, Lavery DeBilly LLP;
- (iv) litigation counsel to the Applicant, Lenczner, Slaght Royce Smith Griffin LLP;
- (v) the Consultant to the Applicant;
- (vi) the Indenture Trustee;
- (vii) the Custodian;
- (viii) the directors of the Applicant in an amount not to exceed \$250,000 on condition that no out of the ordinary circumstances or unforeseen difficulties arise in the implementation of this Plan, where such circumstances or difficulties would be evidenced by costs in excess of costs anticipated for the Monitor, counsel to the Monitor, Osler Hoskin & Harcourt LLP, and/or counsel to the Applicant, Fasken Martineau DuMoulin LLP;
- (ix) the Monitor;
- (x) counsel to the Monitor, Osler, Hoskin & Harcourt, LLP;
- (xi) other Persons relating to the administration of the estate of the Applicant; and
- (xii) all applicable taxes relating to each of the foregoing costs;

"**Costs Invoice**" has the meaning ascribed to it in Section 6.3;

"**Costs Reserve**" has the meaning ascribed to it in Section 6.1;

"**Costs Reserve Account**" means the account established by the Monitor with respect to the Costs Reserve, and any replacement account established for such purpose, in each case in trust for the benefit of the Persons set forth in Section 6.2;

"**Covered Third Party Claim**" means a claim by a third party against an Indemnified Party that, whether or not successful, would entitle such Indemnified Party to indemnity pursuant to an Indemnity Claim;

"**CRA**" means the Canada Revenue Agency;

"**CRA Confirmation**" means a written confirmation from the CRA that Interest Distributions can be made to Non-Resident Noteholders subject to the applicable Withholding Taxes being retained in the Withholding Tax Reserve Account and that the CRA will nonetheless issue the Advance Tax Ruling;

**"Custodian"** means The Bank of New York Mellon (previously known as Bank of New York, as successor to JPMorgan Chase Bank N.A.), acting through its London Branch, in its capacity as custodian under the Tri-Party Custody Agreement, and its successors and permitted assigns in such capacity;

**"Defence Costs"** means the costs for the defence of the Indemnified Parties or any of them against any Covered Third Party Claims;

**"Effective Time"** means the first moment in time on the Plan Implementation Date;

**"Exclusion Condition"** means National Bank of Canada and/or National Bank Financial Inc. instituting proceedings against Barclays in the Ontario Superior Court of Justice solely on the basis of the NBC Causes of Action, without prejudice to any defences which Barclays may have, within thirty (30) days following the Sanction Order becoming final in accordance with the provisions of Section 14.1.3;

**"Financial Services Agent"** means Quanto Financial Corporation, in its capacity as financial services agent under the Financial Services Agreement, and its successors and permitted assigns in such capacity;

**"Financial Services Agreement"** means the financial services agreement made as of August 2, 2006 between the Applicant and the Financial Services Agent, providing for certain structuring, arranging, analytical, credit assessment, originating and negotiation services, as amended, supplemented, modified, restated or replaced from time to time;

**"First Interest Distribution"** means a distribution made on account of, in lieu of or in satisfaction of interest on the Notes pursuant to Section 11.6;

**"First Interest Distribution Amount"** means an amount equal to the difference between (a) the amount then standing to the credit of the Tax Reserve Account and (b) the amount of the estimate referred to in clause (ii) of Section 11.6;

**"First Supplement"** means the First Supplement to Series A Supplemental Indenture made as of December 21, 2007 among the Applicant, the Indenture Trustee and the Issuing and Paying Agent;

**"Funds Transfer Date"** means the date on which the funds transfers contemplated in Sections 5.3.3, 5.3.4, 5.3.5 and 5.3.7 are to occur as contemplated in Sections 5.2.3 and 14.1.7;

**"Governmental Authority"** means any governmental, regulatory or administrative authority, department, agency, commission, bureau, official minister, board, panel, tribunal, Crown corporation, Crown ministry, court or dispute settlement panel or other law, rule or regulation-making or enforcing entity having or purporting to have jurisdiction on behalf of any nation, or province, territory or state or other subdivision thereof or any municipality, district or other subdivision thereof or other geographic or political subdivision of any of them or exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

**"Indemnified Party"** means any Person having the right to make an Indemnity Claim;

**"Indemnity Claim"** means (i) any claim for indemnity which may be made by the Applicant under and in accordance with the rights of indemnity granted to it, in its favour or in favour of any of its Representatives by the Conduit pursuant to the Settlement Deed, which rights of indemnity, it is hereby acknowledged for greater certainty, also serve to indemnify the Applicant against losses suffered by it or any of its Representatives as a consequence of indemnities granted by the Applicant pursuant to any Programme Agreement and whether such Indemnity Claim is asserted before or after any Programme Agreement upon which the Applicant may rely in order to make such indemnity claim has been terminated, it being expressly deemed for all purposes of this Plan that the indemnity provisions of the Programme Agreements shall remain in full force and effect even following any termination of such Programme Agreements, (ii) any claim for indemnity by the Applicant or any Representative thereof on account of Taxes Payable by the Conduit for which it or any of its Representatives may be held liable under the provisions of either one of Subsection 159(3) of the Tax Act or Section 14 of the *Tax Administration Act* (Quebec) as a consequence of a distribution made under the terms of Article 11, and (iii) any claim for indemnity in respect of Defence Costs of the Applicant or any Representative thereof, as well as any reasonable costs and expenses incurred by the Applicant or any of its Representatives in enforcing their rights under the Plan;

**"Indemnity Payments"** means the payment of any amounts due to the Indemnified Parties pursuant to Other Indemnity Claims;

**"Indemnity Reserve"** has the meaning ascribed to it in Section 8.1;

**"Indemnity Reserve Account"** means the account established by the Monitor with respect to the Indemnity Reserve, and any replacement account established for such purpose, in each case in trust for the benefit of the Persons set forth in Section 8.2;

**"Indenture Trustee"** means CIBC Mellon Trust Company, in its capacity as indenture trustee under the Trust Indenture, and its successors and permitted assigns in such capacity;

**"Initial CCAA Order"** means the initial order of the CCAA Court dated July 8, 2014, pursuant to which, among other things, the CCAA Court granted a stay of proceedings with respect to, among others, the CCAA Parties, as same may be further amended from time to time;

**"Initial Distribution"** has the meaning ascribed to it in Section 11.2;

**"Interest Distribution"** refers to any one of the First Interest Distribution or any other distribution on account of, in lieu of or in satisfaction of interest on the Notes, referred to in Article 11 and **"Interest Distributions"** is the collective reference to all such distributions;

**"Interest Period"** means the first day of a calendar month up to and including the last day of such calendar month;

**"Issuing and Paying Agent"** means NBCN Inc., in its capacity as issuing and paying agent under the Trust Indenture, and its successors and permitted assigns in such capacity;

**"Litigation"** means the action (Court File Nos. CV-09-0370103 and CV-09-8387CL) commenced in the Ontario Superior Court on January 13, 2009 between Barclays, as plaintiff, and the Applicant, the Custodian and the Indenture Trustee, as defendants;

**"Meeting"** means a meeting of the Noteholders with Proven Claims to consider and vote on the Plan held pursuant to the Claims Procedure and Meeting Order and includes any meeting or meetings resulting from the adjournment thereof;

**"Monitor"** means Deloitte Restructuring Inc., in its capacity as monitor of the CCAA Parties appointed pursuant to the Initial CCAA Order;

**"NBC Causes of Action"** means the causes of action that National Bank of Canada and National Bank Financial Inc. allege they have against Barclays in the draft statement of claim prepared by Stockwoods LLP and dated July 31, 2014;

**"Non-Resident Noteholder"** means any Noteholder with a Proven Claim that, as at the Record Date, was a "non-resident" of Canada within the meaning of the Tax Act;

**"Noteholder"** means a holder of one or more Notes on the Record Date, including any holder of a beneficial interest in a Note;

**"Noteholder Claim"** means, with respect to any Noteholder, the aggregate face amount of the Notes held by such Noteholder on the Record Date;

**"Notes"** means collectively, the Class A Notes, the Class E Notes and the Class FRN Notes;

**"Notice of Claim"** has the meaning set out in Section 8.5.1;

**"Order"** means an order of the CCAA Court in the CCAA Proceedings;

**"Other Indemnity Claim"** means an Indemnity Claim other than a Tax Indemnity Claim;

**"Payment Agreement"** means the payment agreement dated as of June 13, 2014, entered into among the Applicant, the Monitor and Barclays, as amended, supplemented, modified, restated or replaced from time to time;

**"Permitted Investments"** means negotiable instruments or securities represented by instruments in registered or bearer form which evidence bankers' acceptances or guaranteed investment certificates (GIC) issued or fully guaranteed as to both credit and timeliness by a Canadian chartered bank listed on Schedule 1 of the *Bank Act* (Canada), the tenor of which instruments or securities shall be determined by the Monitor in consultation with the Applicant to ensure sufficient liquidity in the Plan Reserves to permit the Monitor to make the payments and Interest Distributions as and when contemplated in this Plan, all as permitted by applicable law;

**"Person"** means any individual, partnership, limited partnership, limited liability company, joint venture, trust, trustee, corporation, unincorporated organization, government, agency, regulatory

body or instrumentality thereof, legal personal representative or litigation guardian, or any other entity howsoever designated or constituted;

"**Plan**" means this plan of compromise or arrangement and the Schedules hereto, as same may be amended hereafter in accordance with Section 17.1 herein;

"**Plan Completion Date**" has the meaning ascribed to it in Section 12.1;

"**Plan Implementation Date**" means the Business Day on which the conditions precedent to implementation of this Plan as set out in Article 14 hereof have been satisfied, fulfilled or waived, as applicable, and the Monitor has completed and filed its certificate in accordance with Section 14.3 of this Plan;

"**Plan Participants**" means, the Applicant, the Conduit, the Noteholders, the Financial Services Agent, the Consultant, the Indenture Trustee, the Issuing and Paying Agent, the Custodian and the Administrative Agent;

"**Plan Reserve Accounts**" refers collectively to the Costs Reserve Account, the Indemnity Reserve Account, the Tax Reserve Account and the Withholding Tax Reserve Account;

"**Plan Reserves**" refers collectively to the Costs Reserve, the Indemnity Reserve, the Tax Reserve and the Withholding Tax Reserve;

"**Post Plan Implementation Date Duties**" has the meaning ascribed to it in Section 13.2.10;

"**Post-Maturity Period**" means, with respect to any Note, the period commencing on the date of its maturity up to but excluding the Plan Implementation Date;

"**Primary Plan Reserves**" refers collectively to the Costs Reserve, the Indemnity Reserve and the Tax Reserve;

"**Programme Agreements**" has the meaning set forth in the Trust Indenture and includes, for the purposes of this Plan, the Consultation Agreement, the Termination Agreements and all agreements, instruments and documents in which rights of indemnity have been granted by the Applicant;

"**Pro Rata Share**" means, with respect to any Noteholder, the ratio of:

- (i) the aggregate amount of interest due to such Noteholder as of the Plan Implementation Date on account of all Notes then held by it; to
- (ii) the aggregate amount of interest due to all Noteholders as of the Plan Implementation Date on account of all the Notes;

in each case calculated in accordance with the provisions of Sections 11.3 and 11.4 and rounded up to the second decimal point;

**"Proven Claim"** means a Noteholder Claim in respect of which all Required Documentation has been properly submitted and (a) not objected to by the Monitor or (b) objected to by the Monitor and the validity and quantum of which is subsequently (i) finally determined or (ii) accepted for voting or distribution purposes, as the case may be, in accordance with the provisions of this Plan and the Claims Procedure and Meeting Order;

**"QRA"** means Quebec Revenue Agency;

**"Record Date"** means July 7, 2014;

**"Released Claims"** has the meaning ascribed to it in Section 16.1;

**"Released Parties"** means, collectively, the Applicant, the Financial Services Agent, the Administrative Agent, the Consultant, the Issuing and Paying Agent, the Conduit, the Indenture Trustee, the Custodian, the Noteholders, Barclays, the Barclays' Subsidiaries, the Monitor and the respective Representatives of each such Person;

**"Representative"** means, with respect to any Person, its present and former trustees, officers, directors, employees, shareholders, Affiliated Companies, agents, associated individuals, representatives, auditors, financial advisors, legal counsel, and other professionals and advisors, indemnitees, dependents, heirs and assigns;

**"Required Documentation"** means the physical certificates, if any, representing the Notes held by a Noteholder, a Voter Identification Form and such tender and transmittal documentation as the Monitor may request as provided in the Claims Procedure and Meeting Order;

**"Resident Noteholder"** means any Noteholder with a Proven Claim that is not a Non-Resident Noteholder;

**"Sanction Order"** means the Order dated August 20, 2014, sanctioning and implementing this Plan;

**"Settlement Agreement"** means the letter agreement dated June 13, 2014 entered into among Barclays (on its own behalf and as representative of the Barclays' Subsidiaries), the Applicant and the Custodian evidencing the settlement of the Litigation;

**"Settlement Amount"** has the meaning ascribed to it in Section 5.2.3.2;

**"Settlement Deed"** means the Settlement Deed made as of August 2, 2006 providing for the establishment of the Conduit as a trust under the laws of the Province of Ontario, as amended, supplemented, modified, restated or replaced from time to time;

**"Settlement Deficiency"** has the meaning ascribed to it in Section 5.3.4;

**"Settlement Parties"** refers collectively to the Applicant, Barclays and CDPQ;

**"Special Order"** has the meaning ascribed to it in Section 5.2.2;

"**Standstill**" means the standstill period observed pursuant to the agreement reached on August 16, 2007 with respect to the asset backed commercial paper market in Canada (commonly known as the Montreal Accord and more fully described in the affidavit of Mathieu Lafleur-Ayotte referred to in the Initial CCAA Order), to which the Applicant became a party on October 15, 2007, as such period was extended to April 16, 2008 pursuant to a number of extension agreements and as such period was further extended to January 12, 2009 by daily standstill extensions pursuant to correspondence from Barclays to the Applicant on each Business Day;

"**Supplemental Indenture**" means the Series A Supplemental Indenture, made as of August 2, 2006, among the Applicant, the Indenture Trustee and the Issuing and Paying Agent pursuant to the Trust Indenture, as amended by the First Supplement;

"**Tax Act**" means the *Income Tax Act* (Canada), as amended;

"**Tax Clearance Certificates**" means a certificate issued by the CRA to the Applicant or the Conduit, pursuant to Section 159(2) of the Tax Act and a certificate issued by the QRA to the Applicant or the Conduit pursuant to Section 14 of the *Tax Administration Act* (Québec), in each case relating to Taxes Payable on or prior to December 31, 2014 and "**Tax Clearance Certificate**" refers to either one thereof;

"**Tax Indemnity Claim**" means a claim for indemnity described in clause (ii) of the definition of "**Indemnity Claims**";

"**Tax Reserve**" has the meaning ascribed to it in Section 7.1;

"**Tax Reserve Account**" means the account established by the Monitor with respect to the Tax Reserve, and any replacement account established for such purpose, in each case in trust for the benefit of the Persons set forth in Section 7.2;

"**Taxes**" means all taxes of any kind or nature whatsoever including income taxes, sales taxes, levies, stamp taxes, royalties, duties, and all fees, deductions, compulsory loans, withholdings (including payroll withholdings) and Withholding Taxes imposed, levied, collected, withheld or assessed at any time, by any Governmental Authority having power to tax, together with penalties, fines, additions to tax and interest thereon, and "**Tax**" shall have a correlative meaning;

"**Taxes Payable**" has the meaning ascribed to it in Section 7.1;

"**Termination Agreement**" means any agreement to which the Applicant or the Conduit is a party under the terms of which a Programme Agreement has been terminated and "**Termination Agreements**" is the collective reference to all of the Termination Agreements;

"**Threatened Litigation**" means, as at any time, any pending litigation at such time and any litigation threatened in writing as at such time in respect of which the limitation period applicable to the subject matter of such threatened litigation has not expired and which has not yet resulted in pending litigation, in each case, against an Indemnified Party;

"**Trial 2**" means the second trial between Barclays and the Applicant contemplated by the Bifurcation Order of the Ontario Superior Court dated October 2, 2009 in the Litigation;

"**Tri-Party Custody Agreement**" means the amended and restated tri-party custody agreement dated December 1, 2006 among Barclays, the Applicant and the Custodian (as successor to JPMorgan Chase Bank N.A.);

"**Trust Indenture**" means the trust indenture made as of August 2, 2006 among the Applicant, the Indenture Trustee and the Issuing and Paying Agent, as amended by the Supplemental Indenture and the First Supplement;

"**Unaffected Claims**" has the meaning ascribed to it in Section 3.3 herein;

"**Unaffected Creditors**" means all Persons holding Unaffected Claims, to the extent of their Unaffected Claims and "**Unaffected Creditor**" means any one of them;

"**Voter Identification Form**" means the form that Noteholders must properly complete and deliver to comply with the Claims Procedure and Meeting Order;

"**Website**" means the website established by the Monitor for purposes of the Plan and having the following web address:

(for English): <http://www.deloitte.com/ca/devonshire>

(for French) : <http://www.deloitte.com/ca/devonshire/fr/>

"**Withholding Tax Amount**" means, with respect to Interest Distributions to be made to each Non-Resident Noteholder:

- (i) at all times prior to the receipt of the Advance Tax Ruling and the CRA Confirmation, the amount of the Interest Distributions to be paid to such Non-Resident Noteholder; and
- (ii) prior to the receipt of the Advance Tax Ruling but following receipt of the CRA Confirmation, the aggregate amount of Withholding Taxes payable with respect to the Interest Distributions to be paid to such Non-Resident Noteholder, as determined by the Monitor at the maximum rate applicable under the Tax Act or, subject to receipt from the Non-Resident Noteholder of evidence concerning its residency and beneficial ownership of the Notes satisfactory to the Monitor and the Applicant, such lower rate as may be permitted by treaty;

"**Withholding Taxes**" means the Taxes required to be withheld and paid to the CRA pursuant to the Tax Act with respect to amounts payable on account of, in lieu of or in satisfaction of interest on the Notes, as determined by the Monitor at the maximum rate applicable under the Tax Act or, subject to receipt from the Non-Resident Noteholder of evidence concerning its residency and beneficial ownership of the Notes satisfactory to the Monitor and the Applicant, such lower rate as may be permitted by treaty;

"**Withholding Tax Reserve**" has the meaning ascribed to it in Section 9.1;

"**Withholding Tax Reserve Account**" means the account established by the Monitor with respect to the Withholding Tax Reserve, and any replacement account established for such purpose, in each case in trust for the benefit of the Persons set forth in Section 9.2.

## **1.2 Certain Rules of Interpretation**

In this Plan and the Schedules hereto:

- 1.2.1 the division of this Plan into articles, sections, subsections and clauses and the insertion of headings and a table of contents are for convenience of reference only and shall not affect the construction or interpretation of this Plan. The terms "this Plan", "hereof", "hereunder", "herein" and similar expressions refer to this Plan and not to any particular article, section, subsection or clause and include any plan supplemental hereto. Unless otherwise indicated, any reference in this Plan to an article, section, subsection, clause or schedule refers to the specified article, section, subsection, clause or schedule of or to this Plan;
- 1.2.2 the use of words in the singular or plural, or with a particular gender, shall not limit the scope or exclude the application of any provision of this Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- 1.2.3 the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes without limitation" and "including without limitation", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;
- 1.2.4 unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Toronto, Ontario and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day. Unless otherwise specified, the time period within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day. Whenever any payment to be made or action to be taken under this Plan is required to be made or to be taken on a day other than a Business Day, such payment shall be made or action taken on the next succeeding Business Day; and
- 1.2.5 unless otherwise provided, any reference to a statute, or other enactment of parliament or a legislature includes all regulations made thereunder, all enactments to or re-enactments of such statute or regulations in force from time to time, and if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

## ARTICLE 2

### PURPOSE AND EFFECT OF THE PLAN

#### 2.1 Purpose

The purpose of this Plan is to implement the settlement set forth in the Settlement Agreement including the liquidation of all assets of the Applicant, the establishment of the Plan Reserves to be held by the Monitor as set forth herein, the compromise of the Notes, the making of distributions to the Noteholders, the extinguishing of Barclays' Other Claims and the winding-up of the Conduit.

#### 2.2 Affected Persons

This Plan will be implemented under the CCAA and be binding on all Noteholders and other Persons in accordance with its terms, on the Plan Implementation Date.

## ARTICLE 3

### CLASSIFICATION OF CREDITORS

#### 3.1 Class of Creditors

The sole class for the purpose of considering and voting on this Plan shall be the class consisting of Noteholders.

#### 3.2 Noteholder Identification Procedure

Noteholders shall identify their respective Noteholder Claims for voting purposes, vote in respect of the Plan, and receive the distributions provided for under and pursuant to this Plan in accordance with the Claims Procedure and Meeting Order, the Sanction Order and this Plan.

#### 3.3 Unaffected Claims

This Plan does not compromise, release or otherwise affect any rights or claims:

- 3.3.1 for fees and expenses incurred in the provision of goods and services in the administration and management of the Conduit or relating to the CCAA Proceedings and authorized pursuant to paragraph 7 of the Initial CCAA Order;
- 3.3.2 of the Monitor and its counsel, counsel to the CCAA Parties or that otherwise are secured by the CCAA Charges; or
- 3.3.3 that are owed to Her Majesty in Right of Canada or the Province of Quebec pursuant to the Tax Act or the *Taxation Act* (Quebec) or that fall within Sections 6(3) and 6(4) of the CCAA.

All of the foregoing rights and claims set out in this Section 3.3 are collectively referred to as the "**Unaffected Claims**" and any one of them is an "**Unaffected Claim**".

## ARTICLE 4

### **TREATMENT OF CREDITORS**

#### **4.1 Treatment of Claims**

On the Plan Implementation Date the claims affected by this Plan, including the Noteholder Claims, Barclays' Other Claims and the Released Claims, will be compromised, released and otherwise affected in accordance with the terms of this Plan.

#### **4.2 Treatment of Notes**

For purposes of distributions pursuant to this Plan, except as otherwise provided in Article 11 with respect to Non-Resident Noteholders, all Notes shall be treated equally and rateably, without any preference, priority or distinction among them for any reason.

#### **4.3 Voting Right of Noteholders**

Subject to this Plan and the Claims Procedure and Meeting Order, each Noteholder having a Proven Claim shall be entitled to one vote in an amount equal to such Noteholder's Proven Claim. The procedure for determining the validity and quantum of the Noteholder Claims for voting purposes shall be governed by the Claims Procedure and Meeting Order. For the sake of clarity, where the registered holder of the Note differs from the beneficial holder of the Note, only the beneficial holder of the Note shall be entitled to vote.

#### **4.4 Unaffected Creditors**

Notwithstanding anything to the contrary herein, each Unaffected Creditor shall not be entitled to vote or to receive any distribution under this Plan in respect of its Unaffected Claim. All Unaffected Claims shall be unaffected by the CCAA Proceedings and principal and interest shall continue to accrue notwithstanding the CCAA Proceedings.

#### **4.5 Barclays' Other Claims**

Barclays' and the Barclays' Subsidiaries shall only exercise the right to vote and receive any distribution under this Plan in their capacity as Noteholders and strictly in respect of their Noteholder Claims. With respect to the Barclays' Other Claims and Barclays' claim to the CDS Collateral held by the Custodian, neither Barclays nor any of its Affiliated Companies (including the Barclays' Subsidiaries) shall constitute a separate class of creditors nor have any right to vote or receive distributions under this Plan, save and except the right to receive the payment from the Custodian contemplated in Section 5.3.5.

## ARTICLE 5

### STEPS FOR DISTRIBUTIONS

#### **5.1 Plan Implementation**

Further to the Monitor's receipt in trust as provided in this Plan of (i) the Settlement Amount from the Custodian pursuant to the instruction referred to in Section 5.2.4.1, (ii) the Settlement Deficiency, if any, from Barclays pursuant to the instruction referred to in Section 5.2.4.2, and (iii) all other assets in the Applicant's estate, the Monitor shall, on behalf of the Applicant:

- 5.1.1 create and fund the Primary Plan Reserves;
- 5.1.2 pay to the Noteholders with Proven Claims the entire face amount outstanding under their Notes on the Record Date as provided in this Plan; and
- 5.1.3 when and as contemplated in Article 9 and Article 11 and subject to the provisions thereof, make Interest Distributions to the Noteholders with Proven Claims from amounts then available under the Plan Reserves for such purposes.

#### **5.2 Pre-Closing Steps**

- 5.2.1 By no later than the fifth Business Day prior to the proposed date of the Meeting, each Noteholder shall provide to the Monitor all Required Documentation.
- 5.2.2 With the filing of the application for the Initial Order, the Applicant shall bring a motion in the Litigation proceedings, to be heard contemporaneously with the application for the Initial CCAA Order, for an order (i) declaring that on the Plan Implementation Date, the amount of the Barclays' Loss shall be mitigated by an amount equal to CDN\$240,118,309, thereby reducing the Barclays' Loss to CDN\$23,881,691, and (ii) conditional on the Plan Implementation Date occurring, dismissing the Litigation as against all parties without costs (the "**Special Order**").
- 5.2.3 Upon the conditions precedent to implementation of the Plan contemplated in Sections 14.1.1, 14.1.2, 14.1.3, 14.1.4, 14.1.5 and 14.1.6 being met, the Monitor shall send a written notice to the Custodian (the receipt of such notice by the Custodian being a condition precedent to the Custodian's obligations under Sections 5.3.3 and 5.3.5) and the Settlement Parties:
  - 5.2.3.1 confirming that such conditions precedent have been met;
  - 5.2.3.2 containing a statement setting forth the aggregate amount that the Custodian must transfer to the Applicant from the CDS Collateral (the "**Settlement Amount**") and each component part thereof, which aggregate amount shall correspond to the sum of (a) CDN\$532,668,082.00, (b) CDN\$1,061,916.00, (c) CDN\$58,412,380.00, and (d) an amount in CDN\$ (being interest on the amount in clauses (a), (b) and (c) above) calculated from and including

June 1, 2014 to but excluding the Funds Transfer Date at a rate per annum equal to the BOC Daily 1M BA Rate, reset each Business Day, plus 1.00%, calculated on an Actual/365 Fixed Basis and compounded daily; and

- 5.2.3.3 requesting that the Custodian initiate the transfer of funds contemplated in Section 5.3.3 on the date specified in such notice, and that following such transfer, Barclays, the Custodian and the Applicant then successively make the funds transfers contemplated in Sections 5.3.4, 5.3.5 and 5.3.7.
- 5.2.4 Upon the conditions precedent to implementation of the Plan contemplated in Sections 14.1.2 and 14.1.3 being met:
- 5.2.4.1 the Applicant and Barclays shall deliver a written instruction to the Custodian, directing it to transfer the funds contemplated in Section 5.3.3 directly to the Monitor; and
- 5.2.4.2 the Applicant shall deliver a written direction to Barclays instructing it to pay the Settlement Deficiency, if any, directly to the Monitor.

### 5.3 Closing Steps

The following steps or transactions shall occur and shall be deemed to occur on the Plan Implementation Date in the order they appear below, save and except for Steps 1 to Step 6 below (set forth in Sections 5.3.1 to 5.3.6 below) that, subject to their consummation, shall be deemed to occur concurrently with each other.

#### *STEP 1*

- 5.3.1 By virtue of this Plan and without any further action by any Person, the Barclays' Other Claims shall be subordinated to the claims of all other creditors of the Applicant including all Noteholder Claims.

#### *STEP 2*

- 5.3.2 By virtue of this Plan and without any further action by any Person, the Barclays' Other Claims shall be extinguished.

#### *STEP 3*

- 5.3.3 The Custodian shall then transfer to the Monitor in trust for the Applicant pursuant to the instruction referred to in Section 5.2.4.1, an amount equal to the lesser of:
- 5.3.3.1 the aggregate amount of the CDS Collateral; and
- 5.3.3.2 the Settlement Amount.

To the extent that on the Funds Transfer Date, the Settlement Amount exceeds the amount of the CDS Collateral (the deficiency, if any, between the Settlement Amount

and the CDS Collateral shall be referred to as the "**Collateral Deficiency**"), the Custodian shall not be required to pay such Collateral Deficiency to the Applicant or the Monitor.

*STEP 4*

- 5.3.4 To the extent that on the Funds Transfer Date, the amount received by the Monitor from the Custodian is less than the Settlement Amount, whether as a result of the existence of a Collateral Deficiency or for any other reason (the deficiency, if any, between the amount received by the Monitor from the Custodian and the Settlement Amount shall be referred to as the "**Settlement Deficiency**"), Barclays shall pay to the Monitor in trust for the Applicant pursuant to the instruction referred to in Section 5.2.4.2 on such date an amount equal to the Settlement Deficiency such that the sum of the amount received by the Monitor from Barclays under this Section 5.3.4 and the amount received from the Custodian under Section 5.3.3 is equal to the Settlement Amount.

*STEP 5*

- 5.3.5 To the extent that on the Funds Transfer Date there does not exist a Settlement Deficiency and subject to the payments in Sections 5.3.3 and 5.3.4, if any, having been made, the Custodian shall pay to Barclays, from the CDS Collateral, CDN\$600,000,000, together with all accrued interest thereon, net of the amount paid by the Custodian to the Monitor as provided in Section 5.3.3.

*STEP 6*

- 5.3.6 By virtue of this Plan and without any further action by any Person, the Applicant shall renounce and forgo its right to payment of any and all amounts from Barclays on account of court costs relating to the Litigation, including interest thereon.

*STEP 7*

- 5.3.7 The Applicant shall transfer to the Monitor, on the Funds Transfer Date, in accordance with the Monitor's written instructions, all cash it then holds including the amounts, if any, received by it from the Custodian and Barclays pursuant to Steps 3 and 4 above and all fixed term guaranteed investment certificates it holds (such cash and guaranteed investment certificates are collectively referred to herein as the "**Aggregate Available Cash**"), all of which the Monitor shall hold in trust and distribute in accordance with the provisions of Articles 6, 7, 8, 9 and 10.

*STEP 8*

- 5.3.8 From the Aggregate Available Cash received by it, the Monitor shall establish and fund the Primary Plan Reserves as contemplated in Article 6, Article 7 and Article 8.

*STEP 9*

- 5.3.9 From the Aggregate Available Cash received by it, less the Primary Plan Reserves, the Monitor shall make the Initial Distribution to the Noteholders.

*STEP 10*

- 5.3.10 Immediately following the Initial Distribution, all of the Notes will thereupon be cancelled and terminated without any further action on the part of the Noteholders provided, however, that notwithstanding such cancellation and termination, the Noteholders shall be entitled to Interest Distributions as and when contemplated in Article 9 and Article 11 and subject to the provisions thereof. Save and except for the right of Noteholders to receive Interest Distributions in accordance with the Plan, the rights and obligations of the Noteholders and the Applicant in respect of the Notes will cease. Interest will cease accruing on the Notes as of the day immediately preceding the Plan Implementation Date.

*STEP 11*

- 5.3.11 To the extent not yet terminated, by virtue of this Plan and without any further action by any Person:
- 5.3.11.1 the Settlement Agreement and all rights and obligations of the parties thereto (save for those contemplated in Sections 6(o), 9, 10, 16 and 17 thereof) shall cease and terminate with no additional payments being made by or on behalf of the parties thereto (save for the payments contemplated expressly in the Plan); and
  - 5.3.11.2 all other Programme Agreements, save and except for the Settlement Deed, and all rights and obligations of the parties thereto shall cease and terminate with no additional payments being made by on behalf of the parties thereto (save for the payments contemplated expressly in this Plan) provided, however, that for the purposes of this Plan, the indemnity provisions of the Programme Agreements shall be deemed to remain in full force and effect even following the termination of the Programme Agreements.

*STEP 12*

- 5.3.12 By virtue of this Plan and without any further action by any Person, the Special Orders, the Agreement Relating to the Mitigation of Loss and the Payment Agreement shall become effective, continue in full force and effect and not be terminated by virtue of this Plan.

#### **5.4 Post-Implementation Matters**

As soon as is practicable and in consultation with the Monitor, the Conduit will be terminated and wound-up in accordance with the Settlement Deed as contemplated in Section 17.5 and the Settlement Deed shall thereupon terminate and be cancelled.

### **ARTICLE 6**

#### **COSTS RESERVE**

##### **6.1 Establishment of Costs Reserve**

Upon receipt of the Aggregate Available Cash, the Monitor shall fund therefrom a reserve in the amount of \$1,510,000, on account of Costs (the "Costs Reserve"), which reserve shall be established in its own dedicated in trust account maintained with a Canadian chartered bank listed on Schedule 1 of the *Bank Act* (Canada) or an Affiliated Company of such a bank and invested in Permitted Investments.

The Monitor shall hold, administer and apply the Costs Reserve only in accordance with the provisions of this Article 6.

##### **6.2 Waterfall for Costs Reserve**

The Monitor shall hold the Costs Reserve in trust for the following Persons and purposes and shall apply the Costs Reserve in the following order of priority:

6.2.1 first, for the benefit of the CCAA Parties for the purpose of paying Costs incurred; and

6.2.2 then, for the benefit of the Noteholders on account of Interest Distributions.

##### **6.3 Conditions to Payment of Costs Out of Costs Reserve**

Promptly following its receipt from the Applicant of any invoice relating to Costs incurred (a "Costs Invoice"), the Monitor, with the Applicant's consent, shall pay from the Costs Reserve the amount owing on such Costs Invoice to the Person(s) entitled to payment of such Costs. If the Applicant does not consent to payment of a Costs Invoice, the Monitor may apply to the CCAA Court for further directions.

##### **6.4 Transfer to Tax Reserve Account**

On the date that the Indemnity Reserve is exhausted further to the last transfer from the Indemnity Reserve Account to the Tax Reserve Account pursuant to Section 8.6.3 or 8.6.4, as the case may be, the Monitor shall transfer to the Tax Reserve Account the balance then outstanding in the Costs Reserve Account.

## **6.5 Termination of Costs Reserve**

The Costs Reserve shall terminate automatically as soon as it is exhausted in accordance with the provisions of this Plan.

## **ARTICLE 7**

### **TAX RESERVE**

#### **7.1 Establishment of Tax Reserve**

Upon receipt of the Aggregate Available Cash, the Monitor shall fund therefrom a reserve in an amount equal to the Balance of the Aggregate Available Cash (which, as at June 1, 2014 is estimated to be CDN\$59,693,904) on account of (i) Taxes that may be required to be paid or to be withheld by the CCAA Parties in order to receive the Tax Clearance Certificates (the "**Taxes Payable**"), (ii) Tax Indemnity Claims, and (iii) Anticipated Costs (the "**Tax Reserve**"), which reserve shall be established in its own dedicated in trust account maintained with a Canadian chartered bank listed on Schedule 1 of the *Bank Act* (Canada) or an Affiliated Company of such a bank and invested in Permitted Investments.

The Monitor shall hold, administer and apply the Tax Reserve only in accordance with the provisions of this Article 7.

#### **7.2 Waterfall for Tax Reserve**

The Monitor shall hold the Tax Reserve in trust for the following Persons and purposes and shall apply the Tax Reserve in the following order of priority:

7.2.1 prior to the time that the Costs Reserve is exhausted:

7.2.1.1 first, for the benefit of the CCAA Parties for the purpose of paying Anticipated Costs incurred or to be incurred in excess of the amount of the Costs Reserve;

7.2.1.2 second, for the benefit of the CCAA Parties for the purpose of paying Taxes Payable and satisfying Tax Indemnity Claims; and

7.2.1.3 then, for the benefit of the Noteholders on account of Interest Distributions; and

7.2.2 as of and from the time that the Costs Reserve is exhausted:

7.2.2.1 first, for the benefit of the CCAA Parties for the purpose of paying Anticipated Costs incurred or to be incurred;

7.2.2.2 second, for the benefit of the CCAA Parties for the purpose of paying Taxes Payable and satisfying Tax Indemnity Claims; and

7.2.2.3 then, for the benefit of the Noteholders on account of Interest Distributions.

### **7.3 Conditions to Payment of Anticipated Costs Out of Tax Reserve**

Promptly following its receipt of any invoice relating to Anticipated Costs from the Applicant (an "Anticipated Costs Invoice"), the Monitor shall pay from the Tax Reserve the amount owing on such Anticipated Costs Invoice to the Person(s) entitled to payment of such Anticipated Costs if the Monitor has approved such Anticipated Costs and the amount thereof and the Applicant consents. If there is any dispute with respect to the Anticipated Costs Invoice, the Monitor may apply to the CCAA Court for further directions.

### **7.4 Conditions to Payment of Taxes and Tax Indemnity Claims Out of Tax Reserve**

7.4.1 Promptly following its receipt of any tax assessment, statement or other document attesting that any Taxes Payable are owed by the CCAA Parties to a Governmental Authority, the Monitor, following consultation with the Applicant, shall pay such Taxes Payable to such Governmental Authority from the Tax Reserve.

7.4.2 Promptly following its receipt from an Indemnified Party of a Tax Indemnity Claim, the Monitor shall pay from the Tax Reserve to such Indemnified Party the amount claimed by such Indemnified Party provided that the Monitor has also received:

7.4.2.1 evidence that such Indemnified Party has paid Taxes Payable to a Governmental Authority;

7.4.2.2 the tax assessment, statement or other document relating to the Taxes Payable by the CCAA Parties that such Indemnified Party paid; and

7.4.2.3 a reasonably detailed summary describing the circumstances for the payment by the Indemnified Party, if the Indemnified Party is a Person other than the Applicant.

### **7.5 Payment of Interest Distributions**

The Monitor shall make Interest Distributions to the Noteholders from the Tax Reserve Account as and when contemplated in Article 11.

### **7.6 Termination of Tax Reserve**

The Tax Reserve shall terminate automatically as soon as it is exhausted in accordance with the provisions of this Plan and no further amounts then stand to the credit of any of the other Plan Reserve Accounts.

## ARTICLE 8

### INDEMNITY RESERVE

#### **8.1 Establishment of Indemnity Reserve**

Upon receipt of the Aggregate Available Cash, the Monitor shall fund therefrom a reserve in the amount of CDN\$5,000,000 on account of Other Indemnity Claims as well as Anticipated Costs, Taxes Payable and Tax Indemnity Claims to the extent the Costs Reserve and the Tax Reserve are insufficient to pay such Anticipated Costs, Taxes Payable and Tax Indemnity Claims (the "**Indemnity Reserve**"), which reserve shall be established in its own dedicated in trust account maintained with a Canadian chartered bank listed on Schedule I of the *Bank Act* (Canada) or an Affiliated Company of such a bank and invested in Permitted Investments.

The Monitor shall hold, administer and apply the Indemnity Reserve only in accordance with the provisions of this Article 8.

#### **8.2 Waterfall for Indemnity Reserve**

The Monitor shall hold the Indemnity Reserve in trust for the following Persons and purposes and shall apply the Indemnity Reserve in the following order of priority:

8.2.1 prior to the time the Costs Reserve and the Tax Reserve are exhausted:

- 8.2.1.1 first, for the benefit of the CCAA Parties for the purpose of satisfying Other Indemnity Claims; and
- 8.2.1.2 then, subject to Section 8.6, for the benefit of the Noteholders on account of Interest Distributions; and

8.2.2 as of and from the time that the Costs Reserve and the Tax Reserve are exhausted:

- 8.2.2.1 first, for the benefit of the CCAA Parties for the purpose of paying Anticipated Costs incurred or to be incurred;
- 8.2.2.2 second, for the benefit of the CCAA Parties for the purpose of paying Taxes Payable and satisfying Tax Indemnity Claims;
- 8.2.2.3 third, for the benefit of the CCAA Parties for the purpose of satisfying Other Indemnity Claims; and
- 8.2.2.4 then, subject to Section 8.6, for the benefit of the Noteholders on account of Interest Distributions.

#### **8.3 Conditions to Payment of Anticipated Costs Out of Indemnity Reserve**

Promptly following its receipt of an Anticipated Costs Invoice from the Applicant, the Monitor shall pay from the Indemnity Reserve the amount owing on such Anticipated Costs Invoice to

the Person(s) entitled to payment of such Anticipated Costs if the Monitor has approved such Anticipated Costs and the amount thereof and the Applicant consents. If there is any dispute with respect to the Anticipated Costs Invoice, the Monitor may apply to the CCAA Court for further directions.

#### **8.4 Conditions to Payment of Taxes and Tax Indemnity Claims Out of Indemnity Reserve**

- 8.4.1 To the extent that the Tax Reserve is then exhausted or insufficient to permit the Monitor to pay Taxes Payable, promptly following its receipt of any tax assessment, statement or other document attesting that any Taxes Payable are owed by the CCAA Parties to a Governmental Authority, the Monitor, following consultation with the Applicant, shall pay such Taxes Payable to such Governmental Authority from the Indemnity Reserve.
- 8.4.2 To the extent that the Tax Reserve is then exhausted or insufficient to permit the Monitor to pay a Tax Indemnity Claim, promptly following its receipt from an Indemnified Party of a Tax Indemnity Claim, the Monitor shall pay from the Indemnity Reserve to such Indemnified Party the amount claimed by such Indemnified Party provided, that the Monitor has also received:
- 8.4.2.1 evidence that such Indemnified Party has paid Taxes Payable to a Governmental Authority; and
  - 8.4.2.2 the tax assessment, statement or other document relating to the Taxes Payable by the CCAA Parties that such Indemnified Party paid.

#### **8.5 Conditions to Payment of Other Indemnity Claims**

- 8.5.1 The Monitor may receive a claim in writing for payment of Indemnity Payments from any Indemnified Party (a "Notice of Claim") and any such Notices of Claim received by the Monitor shall be addressed, subject to Section 8.5.6, in the order that they are received.
- 8.5.2 The Monitor shall be under no obligation, however, to make payment of an Indemnity Payment relating to:
- 8.5.2.1 Defence Costs and other costs of the type referred to in clause (iii) of the definition of "**Indemnity Claims**", unless it receives concurrently with the Notice of Claim relating thereto, an invoice relating to such Defence Costs and other costs; and
  - 8.5.2.2 an Other Indemnity Claim (other than one referred to in Section 8.5.2.1), or Covered Third Party Claim, unless it receives concurrently with the Notice of Claim relating thereto, a copy of a final non-appealable judgment of a court of competent jurisdiction condemning an Indemnified Party to pay a sum of money and the Monitor determines that the payment of such amount constitutes an Other Indemnity Claim or Covered Third Party Claim.

- 8.5.3 The Monitor may require, in fulfilling its duties hereunder, any supporting information deemed to be reasonably necessary. In addition, in respect of any Other Indemnity Claim, the Monitor shall request any further supporting documentation in respect thereof that may be reasonably requested by Barclays or CDPQ and the applicable Indemnified Party shall provide such further supporting documentation as is reasonably accessible to it to the Monitor as promptly as possible. Any request for supporting information shall take into account whether a determination referred to in Section 8.5.2 has been made and shall be made by the Monitor promptly following its receipt of a Notice of Claim.
- 8.5.4 Receipt by the Monitor of a Notice of Claim and information in support thereof in accordance with this Section does not commit the Monitor to pay any amounts from the Indemnity Reserve prior to the Monitor obtaining from such advisors as it may reasonably require such additional advice and analysis as the Monitor considers to be reasonably desirable in making a determination as to any of the matters set out above including, without limitation, any additional information, advice or analysis concerning the Notice of Claim. If any dispute arises with respect to the amount of any Notice of Claim, the Monitor may apply to the CCAA Court for further directions. All reasonable expenses of the Monitor and its legal counsel in this regard shall constitute Costs or Anticipated Costs, as the case may be, and be paid subject to the same payment conditions as any other Costs or Anticipated Costs as contemplated in Sections 6.3, 7.3 and 8.3, as the case may be.
- 8.5.5 Where the Monitor has determined that a request for payment of an Indemnity Payment is appropriate, the Monitor shall, within three (3) Business Days of such determination, pay to or to the order of the Indemnified Party making the request (or any other Person designated by that Indemnified Party in writing to the Monitor), an amount equal to the lesser of:
- 8.5.5.1 the amount of the request for Indemnity Payment; and
  - 8.5.5.2 the amount then standing to the credit of the Indemnity Reserve Account.
- 8.5.6 Where more than one Notice of Claim is received by the Monitor, then the payment thereof contemplated hereunder shall be made in the order, following the receipt of such Notices of Claim, that the conditions set out in this Section 8.5 are satisfied with respect to each such Notice of Claim.
- 8.6 Reductions in Indemnity Reserve**
- 8.6.1 On the second anniversary of the Plan Implementation Date, the Indemnity Reserve shall be reduced by, and the Monitor shall transfer to the Tax Reserve Account, the balance outstanding in the Indemnity Reserve Account less an amount equal to the sum of:
- 8.6.1.1 CDN\$1,000,000; and
  - 8.6.1.2 the amount in excess of CDN\$1,000,000 that the Applicant, acting reasonably and following consultation with the Monitor, estimates is required

to satisfy any Threatened Litigation and anticipated Defence Costs related thereto.

8.6.2 From time to time between the second and fourth anniversary of the Plan Implementation Date, whenever a final non-appealable judgment of a court of competent jurisdiction is rendered with respect to any Threatened Litigation or all parties adverse to an Indemnified Party desist therefrom, the Indemnity Reserve shall be reduced by, and the Monitor shall transfer to the Tax Reserve Account, the balance outstanding in the Indemnity Reserve Account less an amount equal to the sum of:

8.6.2.1 CDN\$1,000,000; and

8.6.2.2 the amount, if any, exceeding CDN\$1,000,000 that the Applicant, acting reasonably and following consultation with the Monitor, estimates is required to satisfy Threatened Litigation and anticipated Defence Costs related thereto.

8.6.3 On the fourth anniversary of the Plan Implementation Date, the Indemnity Reserve shall be reduced by, and the Monitor shall transfer to the Tax Reserve Account, the balance outstanding in the Indemnity Reserve Account less an amount equal to the amount that the Applicant, acting reasonably and after consultation with the Monitor, determines is required to satisfy Threatened Litigation and anticipated Defence Costs related thereto.

8.6.4 Following the fourth anniversary of the Plan Implementation Date, whenever a final non-appealable judgment of a court of competent jurisdiction is rendered with respect to any Threatened Litigation or all parties adverse to an Indemnified Party desist therefrom, the Indemnity Reserve shall be reduced by, and the Monitor shall transfer to the Tax Reserve Account, the balance in the Indemnity Reserve Account less an amount equal to the amount that the Applicant, acting reasonably and following consultation with the Monitor, estimates is required to satisfy remaining Threatened Litigation and anticipated Defence Costs related thereto.

8.6.5 When the Monitor, in consultation with the Applicant, determines that no amounts are required to satisfy Threatened Litigation and the anticipated Defence Costs related thereto, the Monitor shall transfer to the Tax Reserve Account the balance in the Indemnity Reserve Account.

#### **8.7 Termination of Indemnity Reserve**

The Indemnity Reserve shall terminate automatically as soon as it is exhausted in accordance with the provisions of this Plan.

## ARTICLE 9

### WITHHOLDING TAX RESERVE

#### **9.1 Establishment of Withholding Tax Reserve**

If the Advance Tax Ruling in a form satisfactory to the Monitor has not been obtained by the seventh (7<sup>th</sup>) Business Day prior to the date on which the First Interest Distribution is to be made, then the Monitor shall establish by no later than the date of the making of the First Interest Distribution, a reserve (the "**Withholding Tax Reserve**") in a dedicated in trust account maintained with a Canadian chartered bank listed on Schedule 1 of the *Bank Act* (Canada) or an Affiliated Company of such a bank and invested in Permitted Investments. The Monitor shall transfer the Withholding Tax Amount to the Withholding Tax Reserve Account from time to time as contemplated in Sections 11.6 and 11.7.

The Monitor shall hold, administer and apply the Withholding Tax Reserve only in accordance with the provisions of this Article 9.

The Monitor shall not establish the Withholding Tax Reserve and shall make the First Interest Distribution in accordance with the provisions of Section 11.6 if (i) the Advance Tax Ruling in a form satisfactory to the Monitor is obtained by the seventh (7<sup>th</sup>) Business Day prior to the date on which the First Interest Distribution is to be made or (ii) prior to the receipt of the Advance Tax Ruling and the CRA Confirmation, Barclays has issued a written notice to the Monitor and the Applicant waiving the benefit of, and right to obtain, the Advance Tax Ruling and CRA Confirmation and requesting that all Interest Distributions hereunder be made to it in the manner contemplated in Section 11.6.6.

#### **9.2 Waterfall for Withholding Tax Reserve**

The Monitor shall hold the Withholding Tax Reserve in trust for the following Persons and purposes and shall apply the Withholding Tax Reserve in the following order of priority:

- 9.2.1 first, for the purpose of paying any Withholding Taxes to the CRA;
- 9.2.2 second, other than with respect to interest earned on, or investment returns arising from, the Withholding Tax Reserve, for the benefit of the Non-Resident Noteholders only, on account of Interest Distributions made to them; and
- 9.2.3 third, with respect to interest earned on, or investment returns arising from, the Withholding Tax Reserve, for the benefit of the Noteholders, on account of Interest Distributions made to them.

#### **9.3 Conditions to Payment Out of Withholding Tax Reserve**

Promptly following the receipt from the Applicant of the Advance Tax Ruling in a form satisfactory to the Monitor and in consultation with the Applicant, the Monitor shall pay from the Withholding Tax Reserve, in accordance with the provisions of such Advance Tax Ruling:

- 9.3.1 to the CRA, the amount required to be paid on account of Withholding Taxes; and
- 9.3.2 if any amounts other than Withholding Taxes have been deposited in the Withholding Tax Reserve Account, then, to each Non-Resident Noteholder, an amount equal to the aggregate amount such Non-Resident Noteholder would have received on account of the Interest Distributions made had no Withholding Taxes been applicable less the amount of the applicable Withholding Taxes paid to the CRA pursuant to Section 9.3.1 with respect to such Non-Resident Noteholder's Interest Distributions.

**9.4 Transfer to Tax Reserve Account**

On the first Business Day following the date on which all the payments contemplated in Section 9.3 have been made, the Monitor shall transfer to the Tax Reserve Account the balance then outstanding in the Withholding Tax Reserve Account.

**9.5 Termination of Withholding Tax Reserve**

The Withholding Tax Reserve shall terminate automatically as soon as it is exhausted in accordance with the provisions of this Plan.

**ARTICLE 10**

**PLAN RESERVES RECORDS & INVESTMENTS**

**10.1 Financial Matters**

The Monitor shall keep such books, records and accounts as are necessary and appropriate to document the assets in the Plan Reserves and all transactions related thereto.

**10.2 Notice of Amounts in the Plan Reserve Accounts**

The Monitor shall, not less frequently than monthly, provide notice to the Applicant and the Noteholders of the balance of the Plan Reserve Accounts and the details of any deposits to, and payments made from, the Plan Reserve Accounts during the period since the last notice delivered by the Monitor or since the Plan Implementation Date, as the case may be. Furthermore, any Noteholder may request that the Monitor provide it with such information as it may reasonably request with respect to the Plan Reserve Accounts.

**10.3 Investment of Plan Reserves**

Following consultation with the Applicant, the Monitor shall invest the proceeds in the Plan Reserve Accounts. Notwithstanding the foregoing and the provisions of Sections 6.1, 7.1, 8.1 and 9.1, on the second anniversary of the Plan Implementation Date, the Monitor shall transfer each Plan Reserve into a dedicated non-interest in trust account and not invest any proceeds in the Plan Reserve Accounts.

#### **10.4 Plan Reserves Income**

The Applicant shall direct the Monitor to pay from the Tax Reserve Account all Taxes Payable with respect to the Applicant's net income resulting from interest earned on, or investment returns arising from, the Plan Reserves.

### **ARTICLE 11**

#### **DISTRIBUTIONS**

##### **11.1 Distributions to Noteholders**

Each Noteholder with a Proven Claim shall be entitled to the following distributions:

- 11.1.1 an initial distribution on the Plan Implementation Date, in an amount equal to the aggregate face amount of the Notes held by such Noteholder, as provided in this Plan, in full and final satisfaction of its Proven Claim; and
- 11.1.2 its Pro Rata Share of all Interest Distributions made from time to time in accordance with the provisions of this Article 11.

##### **11.2 Initial Distribution to Noteholders**

Within three (3) Business Days of the Plan Implementation Date, in full and final satisfaction of all Proven Claims, from the Aggregate Available Cash received by it, the Monitor shall make a first distribution to the Noteholders with Proven Claims, in full satisfaction of principal owing on their Notes, in an amount equal to the face amount of the Notes held by such Noteholders (the "**Initial Distribution**"). If all Noteholders have Proven Claims, then the aggregate amount of the Initial Distribution shall be equal to CDN\$678,931,389, which corresponds to the aggregate outstanding face amount of all the Notes.

##### **11.3 Interest on Notes**

For the purpose of Interest Distributions to be made to the Noteholders pursuant to this Plan, each Class of Notes shall bear interest as provided herein notwithstanding any provision of the Trust Indenture or the Notes to the contrary. Interest shall accrue on the Notes only up to but excluding the Plan Implementation Date, even if a Noteholder fails to present the Required Documentation as required herein and thereby is not paid its Noteholder Claim on the Plan Implementation Date.

##### **11.4 Interest Calculations**

- 11.4.1 By virtue of this Plan and without any further action by any Person, the terms of the Class A Notes and the Supplemental Indenture are hereby amended so that interest on the Class A Notes for each Interest Period included in a particular year during the Post-Maturity Period shall accrue and be computed daily on the face amount of each Class A

Note, on an Actual/365 Fixed Basis but, without any compounding of interest, at the BOC Average 1M BA Rate applicable on each day during such Interest Period. The BOC Average 1M BA Rate applicable during each Interest Period shall be the average monthly rate for bankers' acceptances with a one-month term, as calculated and published as part of series V122504 by the Bank of Canada (see <http://www.bankofcanada.ca/rates/interest-rates/canadian-interest-rates/>, Series V122504).

11.4.2 The face amount of each Class FRN Note shall bear interest:

11.4.2.1 for the period commencing on August 13, 2007 up to but excluding the date of its maturity, at the rate and calculated and compounded as provided in such Note and the Supplemental Indenture; and

11.4.2.2 for each Interest Period included in a particular year during the Post-Maturity Period, computed daily on the face amount of each Class FRN Note plus the capitalized interest thereon up to but excluding the maturity date of each Class FRN Note, on an Actual/365 Fixed Basis but without any compounding of interest, at the BOC Average 1M BA Rate applicable on each day during such Interest Period and, by virtue of this Plan and without any further action by any Person, the terms of the Class FRN Notes and the Supplemental Indenture are hereby amended accordingly. As is the case for the Class A Notes, the BOC Average 1M BA Rate applicable to the Class FRN Notes during each Interest Period shall be the average monthly rate for bankers' acceptances with a one-month term, as calculated and published as part of series V122504 by the Bank of Canada (see <http://www.bankofcanada.ca/rates/interest-rates/canadian-interest-rates/>, Series V122504).

11.4.3 The face amount of each Class E Note shall bear interest:

11.4.3.1 for the period commencing on the initial maturity date of such Class E Note up to but excluding the extended maturity date thereof (which for all purposes of this Plan shall be deemed to be its maturity date), at the rate and calculated as provided in such Note and the Supplemental Indenture; and

11.4.3.2 for each Interest Period included in a particular year during the Post-Maturity Period, computed daily on an Actual/365 Fixed Basis but without any compounding of interest, at the BOC Average 1M BA Rate + 1.00% applicable on each day during such Interest Period. As is the case for the Class A Notes and Class FRN Notes, the BOC Average 1M BA Rate applicable to the Class E Notes during each Interest Period shall be the average monthly rate for bankers' acceptances with a one-month term, as calculated and published as part of series V122504 by the Bank of Canada (see <http://www.bankofcanada.ca/rates/interest-rates/canadian-interest-rates/>, Series V122504).

11.4.4 The aggregate amount of interest accrued on each Note and calculated as aforesaid up to but excluding the Record Date is available for consultation on the Website.

11.4.5 Nothing contained in this Section 11.4 including the amendments contemplated in Sections 11.4.1 or 11.4.2.2 is intended to amend the provisions regarding the supplemental interest payable on the Notes contemplated in the First Supplement.

#### **11.5 Pro Rata Share Calculation**

On the Plan Implementation Date, the Monitor shall calculate the Pro Rata Share of each Noteholder and send a notice to each Noteholder setting forth only its Pro Rata Share, rounded to two decimal points, for the purpose of all Interest Distributions to be made under this Plan, subject to the provisions of Sections 11.6, 11.7 and 11.8 with respect to Withholding Taxes.

#### **11.6 First Interest Distribution**

The Applicant shall provide to the Monitor (i) a copy of each Tax Clearance Certificate within five (5) Business Days of its receipt thereof, and (ii) within five (5) Business Days of its receipt of the second Tax Clearance Certificate, an estimate of the amount the Applicant determines, acting reasonably and with the Monitor's consent, will be required to satisfy any remaining or future tax liabilities (including any outstanding Tax Indemnity Claims and Taxes on income to be earned in the Plan Reserves) of the CCAA Parties and any Anticipated Costs. On receipt of both items described in clauses (i) and (ii) of this Section:

11.6.1 the Monitor shall distribute from the Tax Reserve Account to each Resident Noteholder, its Pro Rata Share of the First Interest Distribution Amount on account of, in lieu of or in satisfaction of interest on such Resident Noteholder's Notes;

11.6.2 if the Advance Tax Ruling and the CRA Confirmation have not been obtained and Barclays has not issued the notice contemplated in Section 9.1, then each Non-Resident Noteholder's Pro Rata Share of the First Interest Distribution Amount shall be transferred by the Monitor to the Withholding Tax Reserve Account;

11.6.3 if the Advance Tax Ruling has not been obtained but the CRA Confirmation has been obtained, then each Non-Resident Noteholder's Pro Rata Share of the First Interest Distribution Amount, less the amount of applicable Withholding Taxes relating to such Non-Resident Noteholder's Pro Rata Share, shall be distributed by the Monitor to each Non-Resident Noteholder on account of, in lieu of or in satisfaction of interest on such Non-Resident Noteholder's Notes and the Monitor shall transfer the amount of such Withholding Taxes to the Withholding Tax Reserve Account;

11.6.4 if the Advance Tax Ruling has been obtained and in accordance with its terms Withholding Taxes are payable in respect of Interest Distributions to a Non-Resident Noteholder, then such Non-Resident Noteholder's Pro Rata Share of the First Interest Distribution Amount, less the amount of applicable Withholding Taxes relating to such Non-Resident Noteholder's Pro Rata Share, shall be distributed by the Monitor to such Non-Resident Noteholder on account of, in lieu of or in satisfaction of interest on such

Non-Resident Noteholder's Notes and the Monitor shall pay the amount of such Withholding Taxes to the CRA;

- 11.6.5 if the Advance Tax Ruling in a form satisfactory to the Monitor has been obtained and in accordance with its terms no Withholding Taxes are payable in respect of Interest Distributions to a Non-Resident Noteholder, such Non-Resident Noteholder's Pro Rata Share of the First Interest Distribution Amount shall be distributed by the Monitor to such Non-Resident Noteholder on account of, in lieu of or in satisfaction of interest on such Non-Resident Noteholder's Notes; and
- 11.6.6 if the Advance Tax Ruling and the CRA Confirmation have not been obtained but Barclays has issued the notice contemplated in Section 9.1, then each Non-Resident Noteholder's Pro Rata Share of the First Interest Distribution Amount, less the amount of Withholding Taxes relating to such Non-Resident Noteholder's Pro Rata Share, shall be distributed to such Non-Resident Noteholder on account of, in lieu of or in satisfaction of interest on such Non-Resident Noteholder's Notes and the Monitor shall pay the amount of such Withholding Taxes to the CRA.

#### **11.7 Subsequent Interest Distributions**

Following a First Interest Distribution made pursuant to Section 11.6, each time that funds are transferred to the Tax Reserve Account from the Costs Reserve Account or the Indemnity Reserve Account pursuant to Sections 6.4, 8.6.1, 8.6.2 or 8.6.3 or funds are otherwise deposited in the Tax Reserve Account, the Monitor may make a distribution from the Tax Reserve Account in an amount equal to the difference between the funds so transferred to the Tax Reserve Account and Anticipated Costs, by paying:

- 11.7.1 to each Resident Noteholder, its Pro Rata Share of such amount, on account of, in lieu of or in satisfaction of interest on such Resident Noteholder's Notes; and
- 11.7.2 with respect to each Non-Resident Noteholder, its Pro Rata Share of such amount, on account of, in lieu of or in satisfaction of interest on such Non-Resident Noteholder's Notes, in accordance with the provisions of Sections 11.6.2 to 11.6.6, as the case may be, *mutatis mutandis*.

Without limiting the foregoing, if the Advance Tax Ruling has not been obtained by the second anniversary of the Plan Implementation Date, as of and from such anniversary date the Monitor shall make all Interest Distributions under this Plan by paying (i) to each Resident Noteholder, its Pro Rata Share of such Interest Distributions, (ii) to each Non-Resident Noteholder, its Pro Rata Share of such Interest Distributions less the amount of applicable Withholding Taxes relating to such Non-Resident Noteholder's Pro Rata Share, and (iii) to the CRA, the applicable Withholding Taxes relating to each Non-Resident Noteholder's Pro Rata Share of such Interest Distributions.

### **11.8 Final Interest Distributions**

Following the final transfer of funds to the Tax Reserve Account from the Costs Reserve Account pursuant to Section 6.4 and the Indemnity Reserve Account pursuant to Section 8.6.5, the Monitor shall make a final distribution on account of, in lieu of or in satisfaction of interest on the Notes and pay to each Noteholder its Pro Rata Share of all amounts standing to the credit of the Tax Reserve Account less an amount reserved for Anticipated Costs in accordance with the provisions of the last paragraph of Section 11.7, *mutatis mutandis*. Following the final payment of all outstanding Anticipated Costs, the Monitor shall pay to each Noteholder, on account of, in lieu of or in satisfaction of interest on the Notes, its Pro Rata Share of the balance outstanding in the Tax Reserve Account in accordance with the provisions of the last paragraph of Section 11.7, *mutatis mutandis*. Notwithstanding any other provision of this Article 11, no Noteholder is entitled to or shall receive any amount on account of, in lieu of or in satisfaction of interest on its Notes that exceeds the aggregate amount of interest that it would otherwise be entitled to receive on its Notes as calculated in accordance with the provisions of Section 11.4.

### **11.9 Failure to Claim**

Noteholders who fail to establish Proven Claims within two (2) years of the Plan Implementation Date will be barred from receiving all distributions under this Plan and any amounts that such Noteholders would otherwise have received will be distributed to the other Noteholders who have established Proven Claims on a Pro Rata Share basis in accordance with the provisions of the last paragraph of Section 11.7, *mutatis mutandis*.

## **ARTICLE 12**

### **PLAN COMPLETION**

#### **12.1 Plan Completion**

This Plan shall be fully completed upon the later of (i) the date upon which all the Plan Reserves are exhausted and (ii) the date upon which the final distribution is made by the Monitor to the Noteholders pursuant to Section 11.8 (such later date, the "**Plan Completion Date**"). The Monitor shall be fully and finally released from all its duties and obligations under this Plan and the Sanction Order upon the filing with the CCAA Court of a certificate of the Monitor certifying that the Plan Completion Date has occurred.

## **ARTICLE 13**

### **SANCTION ORDER**

#### **13.1 Application for Sanction Order**

The application for the Sanction Order shall be brought by the Applicant as soon as reasonably practicable following the approval of this Plan by the requisite majorities of Noteholders voting

at the Meeting. On the Plan Implementation Date, subject to the satisfaction of the conditions contained in Article 8 herein, this Plan will be binding upon all Noteholders and all other Persons in accordance with its terms.

### **13.2 Effect of Sanction Order**

In addition to sanctioning this Plan, and subject to the discretion of the CCAA Court, the Sanction Order shall, among other things and without limitation:

- 13.2.1 direct and authorize the Plan Reserves and distributions contemplated under this Plan;
- 13.2.2 declare that all distributions or payments by or at the direction of the Monitor, in each case on behalf of the Applicant under the Plan, are for the account of the CCAA Parties and the fulfillment of their obligations under the Plan;
- 13.2.3 declare that the compromises, releases and injunctions effected hereby are approved, binding and effective as of the Plan Implementation Date upon all Noteholders, the Monitor and all other Persons affected by this Plan and shall enure to the benefit of all such Persons;
- 13.2.4 provide that no Person who is a party to any obligation or agreement with the CCAA Parties shall, following the Plan Implementation Date, accelerate, terminate, rescind, refuse to perform or repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such obligation or agreement, by reason:
  - 13.2.4.1 of any event(s) that occurred on or prior to the Plan Implementation Date that would have entitled any other Person thereto to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the CCAA Parties);
  - 13.2.4.2 of the fact that relief under the CCAA has been sought or obtained in respect of the CCAA Parties, that the CCAA Proceedings have been commenced or completed, or that the within restructuring has been implemented in respect of the CCAA Parties; or
  - 13.2.4.3 of any compromises or arrangements effected pursuant to this Plan;
- 13.2.5 confirm the effect of the Claims Procedure and Meeting Order;
- 13.2.6 provide for a release of the Released Parties in a form consistent with Section 16.1;
- 13.2.7 provide that, as of the Plan Implementation Date, the Settlement Agreement (save and except for the provisions of Sections 6(o), 9, 10, 16 and 17 thereof) and all Programme Agreements (save and except the Settlement Deed) are terminated and all Charges thereunder are discharged, provided, however, that for the purposes of the Plan, (i) the indemnity provisions of the Programme Agreements shall be deemed to remain in full

force and effect even following such termination and (ii) the Noteholders shall continue to constitute secured creditors of the Applicant for purposes of the Programme Agreements;

- 13.2.8 provide that the Monitor shall be authorized, in connection with the making of any payment or distribution under this Plan, to apply in its sole discretion to any Governmental Authority for any consent, authorization, certificate or approval in connection therewith in order to obtain confirmation that it will not be liable for any Taxes Payable provided, that, in so doing, the Monitor may not alter the agreement of the Plan Participants set forth in Article 7 and Article 9;
- 13.2.9 declare that the Monitor shall not incur any liability under the Tax Act or any similar provincial or territorial tax legislation as a result of the completion of the steps contemplated by the Plan, including in respect of its making any payments ordered or permitted under the Plan or the Sanction Order, and is released, remised and discharged from any claims against it under or pursuant to the Tax Act, any similar provincial or territorial tax legislation or otherwise at law, arising in respect of the completion of the steps contemplated by the Plan, including in respect of its making any payments ordered or permitted under the Plan or the Sanction Order and that any claims of such a nature are forever barred and extinguished;
- 13.2.10 provide that the Monitor shall be discharged and released on the Plan Implementation Date, save and except with respect to any remaining duties or powers required to implement and give effect to the terms of this Plan and the Sanction Order (the "**Post Plan Implementation Date Duties** ");

- 13.2.11 declare that the Monitor shall incur no liability or obligation as a result of carrying out the provisions of the Sanction Order and/or the Plan except in respect of any gross negligence or wilful misconduct and declare that the Monitor shall be entitled to rely on the books and records of the CCAA Parties and any information provided by the CCAA Parties without independent investigation and shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information; and
- 13.2.12 declare that the Monitor shall continue to hold the benefit of a CCAA Charge as against the funds held in the Plan Reserves from time to time, and the benefit of all protections of the Monitor provided for in the Initial CCAA Order, Claims Procedure and Meeting Order, Sanction Order, any other Order in the CCAA Proceedings, the CCAA and at law, including the stay of proceedings in its favour, as provided in the Initial CCAA Order as against the funds held in the Plan Reserves from time to time, and the benefit of all protections of the Monitor provided for in the Initial CCAA Order, Claims Procedure and Meeting Order, Sanction Order, the CCAA and at law, until the Monitor has completed its duties under this Plan and the fees and disbursements of the Monitor and its counsel have been fully paid.

### **13.3 Monitor**

On the Plan Implementation Date, and subject to the Sanction Order and any other Orders, the Monitor shall be discharged and released and shall have no further obligations or responsibilities, except only with respect to any remaining duties or power required to implement and give effect to the terms of this Plan, including the Post Plan Implementation Date Duties. In carrying out the Post Plan Implementation Date Duties, the Monitor shall incur no liability or obligation as a result thereof save and except for any gross negligence or wilful misconduct on its part.

## **ARTICLE 14**

### **CONDITIONS PRECEDENT**

#### **14.1 Conditions Precedent to Implementation of Plan**

The implementation of this Plan shall be conditional upon the fulfillment or waiver of the following conditions on or before the Plan Implementation Date:

##### ***APPROVAL BY NOTEHOLDERS***

- 14.1.1 the Plan shall have been approved pursuant to the CCAA by the Noteholders with Proven Claims;

##### ***GRANTING OF SANCTION ORDER***

- 14.1.2 the Sanction Order shall have been granted by the CCAA Court in a form acceptable to the Settlement Parties;

***EXPIRY OF APPEAL PERIODS***

- 14.1.3 the appeal periods and any periods for leave to appeal with respect to the Sanction Order shall have expired without an appeal or application for leave to appeal of such Order having been commenced or, in the event of an appeal or application for leave to appeal, a final determination denying leave to appeal or dismissing such appeal and affirming the sanctioning of this Plan and recognizing the sanctioning of this Plan, as the case may be, shall have been made by the applicable appellate court, with no further right of appeal;

***COMPLETION OF NECESSARY DOCUMENTATION***

- 14.1.4 the execution and delivery by all relevant Persons of all agreements, settlements, resolutions, releases, documents and other instruments that are necessary to be executed and delivered to implement and give effect to all material terms and provisions of this Plan;

***DIRECTIONS OF PAYMENT***

- 14.1.5 Barclays and the Applicant shall have executed and delivered to all relevant Persons the directions of payment referred to in Section 5.2.4;

***SPECIAL ORDER***

- 14.1.6 the Special Order shall have been issued by the relevant court in a form acceptable to Barclays and the Applicant; and

***FUNDS TRANSFERS***

- 14.1.7 the funds transfers contemplated in Sections 5.3.3, 5.3.4, 5.3.5 and 5.3.7 shall have been completed.

Any waiver in whole or in part, of conditions in this Section 14.1 must be in accordance with Section 14.2.

**14.2 Waiver**

Any waiver of conditions in Section 14.1 shall be in writing. The Applicant, with the prior written consent of the Monitor and the other Settlement Parties, shall have the right to waive one or more of the above conditions precedent in whole or in part, except the conditions set out in Sections 14.1.1, 14.1.2, 14.1.6 and 14.1.7.

**14.3 Monitor's Certificate**

Upon the satisfaction or waiver of the conditions set out in Section 14.1 hereof, the Monitor shall file with the CCAA Court in the CCAA Proceedings a certificate that states that all conditions precedent set out in Section 14.1 of this Plan have been satisfied or waived and that the Plan Implementation Date has occurred. The Monitor shall serve such certificate on the service list maintained in the CCAA Proceedings.

#### **14.4 Termination of Plan for Failure to Become Effective**

If the Plan Implementation Date shall not have occurred on or before 60 days following the date of the Sanction Order, or such later date as the Monitor and the Settlement Parties may agree in writing, then, subject to further Order of the CCAA Court, this Plan shall automatically terminate and be of no further force or effect; provided, that this Plan shall not automatically terminate pursuant to this Section if the sole basis for the non-occurrence of the Plan Implementation Date is the pendency of any appeal or application for leave to appeal with respect to the Sanction Order.

### **ARTICLE 15**

#### **EFFECT OF PLAN**

##### **15.1 Effect of Plan Generally**

The Plan (including, without limitation, the releases and injunctions contained in the Plan), upon being sanctioned and approved by the CCAA Court pursuant to the Sanction Order, shall be binding on the Plan Implementation Date on the Noteholders and all other Persons (and each of their respective Representatives, heirs, executors, administrators, guardians, legal personal representatives, successors and assigns) irrespective of the jurisdiction in which such Noteholders and other Persons reside, or in which the claims arose.

##### **15.2 Consents, Waivers and Agreements**

On the Plan Implementation Date, each Noteholder shall be deemed to have consented and agreed to all of the provisions of this Plan in its entirety. In particular, each Noteholder shall be deemed:

- 15.2.1 to have executed and delivered to the Monitor and to the Plan Participants all consents, releases or agreements required to implement and carry out this Plan in its entirety; and
- 15.2.2 to have agreed that, if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Noteholder and the Plan Participants at the Plan Implementation Date (other than those entered into by the Plan Participants in writing on or after the date hereof) and the provisions of this Plan, the provisions of this Plan take precedence and priority and the provisions of such agreement or other arrangement shall be deemed to be amended accordingly.

##### **15.3 Exculpation**

The Applicant, the Monitor, the Conduit, Barclays, Barclays' Subsidiaries, CDPQ, the Consultant, the Custodian and the Indenture Trustee (including in each case, their respective Representatives) shall have no liability or obligation to any Person for their role, or any act or omission, in connection with the Litigation, the Settlement Agreement, the CCAA Proceedings, activities undertaken in preparation for or anticipation of the CCAA Proceedings, the Plan, the

pursuit of sanctioning of the Plan, the consummation and implementation of the Plan or the administration of the Plan or the property to be distributed under the Plan provided, however, that this Section 15.3 shall not limit the obligations of any Person under the Plan.

#### **15.4 Crown Claims**

Any claims of the federal and provincial Crowns of a kind that could be subject to a demand under subsection 224(1.2) of the Tax Act or any substantially similar provision in Canada of provincial legislation or in respect of which the federal or provincial Crown has a Charge in the property of the CCAA Parties or recourse for non-payment against directors or officers of the CCAA Parties, outstanding under the provisions of said subsection 224(1.2) or substantially similar provincial legislation, or any other such claims of the federal or provincial Crown shall be paid on or before the Plan Implementation Date.

## **ARTICLE 16**

### **RELEASES AND INJUNCTIONS**

#### **16.1 Release of the Released Parties**

For good and valuable consideration, every Person (regardless of whether or not such Person is a Noteholder), including each of the Released Parties, on the Person's own behalf and on behalf of the Person's respective present and future Representatives, dependents, heirs, and assigns, as applicable, hereby fully, finally, irrevocably and unconditionally releases and forever discharges each of the Released Parties of and from any and all past, present and future claims, rights, interests, actions, rights of indemnity, liabilities, demands, duties, injuries, damages, expenses, fees (including attorneys' fees and liens), costs, compensation, or causes of action (excluding the NBC Causes of Action to the extent the Exclusion Condition is met) of whatsoever kind or nature whether foreseen or unforeseen, known or unknown, asserted or unasserted, contingent or actual, liquidated or unliquidated, whether in tort or contract, whether statutory, at common law or in equity, based on, in connection with, arising out of, or in any way related to, in whole or in part, directly or indirectly: any act, inaction or omission existing or taking place on or prior to the Plan Implementation Date relating to or otherwise in connection with the creation, issuance, rating, sale and marketing of the Notes in Canada, the Conduit, the Notes, the Litigation, all matters raised or which could have been raised in the Litigation, purchases and sales of the Notes and agreements relating thereto, the Settlement Agreement, the business and affairs of any of the Released Parties relating to or otherwise in connection with the Notes, the Programme Agreements, the CCAA Proceedings, the activities undertaken or not undertaken as a result of the Standstill, in anticipation of or preparation for the compromise of the Notes and/or the CCAA Proceedings, the Meeting or the Plan (collectively, the "**Released Claims**"); and each Person shall not make or continue any claims or proceedings whatsoever based on, in connection with, arising out of, or in any way related to, in whole or in part, directly or indirectly, the substance of the facts giving rise to any matter herein released (including, without limitation, any action, cross-claim, counter-claim, third party action or application) against any Person who claims or might reasonably be expected to claim in any manner or forum against one or more of the

Released Parties, including, without limitation, by way of contribution or indemnity, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, and that in the event that any of the Released Parties are added to such claim or proceeding, it will immediately discontinue any such claim or proceeding. Notwithstanding the foregoing, nothing herein shall release or discharge a Released Party from its obligations, if any, under the Plan or the Payment Agreement. This Section 16.1 does not apply to the NBC Causes of Action to the extent the Exclusion Condition is met or to Unaffected Claims and does not operate to release the obligations of Barclays under the Payment Agreement.

### **16.2 Injunction**

All Persons (regardless of whether or not such Persons are Noteholders), along with their respective present and future Representatives, dependents, heirs and assigns, as applicable, are permanently and forever barred, estopped, stayed and enjoined, on and after the Effective Time, with respect to Released Claims, from (i) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Released Parties, (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the Released Parties or their property, (iii) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits or demands, including without limitation, by way of contribution or indemnity or other relief, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim, in any manner or forum, against one or more of the Released Parties, (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Charge of any kind, or (v) taking any actions to interfere with the implementation or consummation of this Plan. This Section 16.2 does not apply to the NBC Causes of Action to the extent the Exclusion Condition is met or to Unaffected Claims or to the enforcement of any obligations under the Plan or under the Payment Agreement.

### **16.3 Exclusions**

Notwithstanding Sections 16.1 and 16.2, nothing in this Plan shall release, enjoin or compromise claims against directors of the Applicant that are described in Section 5.1(2) of the CCAA.

## **ARTICLE 17**

### **GENERAL PROVISIONS**

#### **17.1 Plan Amendment**

The Applicant reserves the exclusive right to amend this Plan, subject to the Monitor's consent, in a written document filed with the CCAA Court, at any time prior to the Plan Implementation Date, with the prior written consent of the other Settlement Parties, provided, however, that:

- 17.1.1 prior to or during the Meeting, any such amendment must be communicated to the Noteholders in such manner as may be agreed by the Monitor, or as may be ordered by the CCAA Court;
- 17.1.2 after the Meeting, an amendment may be made if it concerns a matter which, in the opinion of the Monitor, or as declared by the CCAA Court, is of an administrative nature required to better give effect to the implementation of this Plan and/or to the Sanction Order and is not materially prejudicial to the interests of the Noteholders or the Plan Participants;
- 17.1.3 after the Meeting, any other amendment may only be made if approved by the CCAA Court;
- 17.1.4 any amendment that materially alters the effect of Section 16.1 or Section 16.2 of this Plan must be approved by any Plan Participants affected by the proposed amendment, modification or supplement; and
- 17.1.5 any supplementary plan or plans of compromise or arrangement filed by the Applicant with the CCAA Court and, if required by this Section 17.1, approved by the CCAA Court, shall, for all purposes be a part of and incorporated in this Plan.

## **17.2 Severability**

In the event that any provision in this Plan is held by the CCAA Court to be invalid, void or unenforceable, this Plan shall be null and void in all respects, with effect in accordance with Section 17.3 hereof.

## **17.3 Termination**

At any time prior to the Plan Implementation Date, the Applicant may, with the prior consent of the other Settlement Parties, and subject to further order of the CCAA Court, determine not to proceed with this Plan notwithstanding any prior approvals given at the Meeting or the obtaining of the Sanction Order. If the conditions precedent to implementation of this Plan are not satisfied or waived, if the Applicant determines not to proceed with this Plan, if the CCAA Court holds any provision of this Plan to be invalid, void or unenforceable or if the Sanction Order is not issued by the CCAA Court: (a) this Plan shall be null and void in all respects; (b) any document or agreement executed pursuant to this Plan, shall be deemed null and void; and (c) nothing contained in this Plan, and no act taken in preparation of the consummation of this Plan, shall: (i) constitute or be deemed to constitute a waiver or release of any Noteholder Claims, Barclays' Other Claims or any defences thereto by or against any of the CCAA Parties or any other Person; (ii) prejudice in any manner the rights of any of the Noteholders, the CCAA Parties or any other Person in any further proceedings involving one or more of the CCAA Parties including any further proceedings relating to the Barclays' Other Claims; or (iii) constitute an admission of any sort by any of the Noteholders, the CCAA Parties or any other Person.

#### **17.4 Covenant of the Plan Participants**

Each Plan Participant hereby covenants and agrees, and is deemed to covenant and agree to execute and deliver, on or after the Effective Time, all such agreements, instruments and documents and to take all such further actions as any of the other Plan Participants may reasonably deem necessary from time to time (at the requesting Plan Participant's expense) to carry out the intent and purposes of this Plan and to consummate the transactions contemplated hereby.

#### **17.5 Covenant of Applicant Regarding Tax Clearance Certificates**

The Applicant shall use all commercially reasonable efforts to promptly make, and diligently pursue, all filings and correspondence required to receive the Tax Clearance Certificates and otherwise close-out all open tax years with a view to distribution to the Noteholders of the Tax Reserve and, if available, the Indemnity Reserve, and the winding up of the Applicant and the Conduit as promptly as practicable.

#### **17.6 Covenant of Applicant Regarding Costs**

The Applicant shall use commercially reasonable efforts with respect to Costs as are under its direct control so that such Costs do not exceed the amount of the Costs Reserve, provided that no contestation or unforeseen event occurs with respect to the Plan, the CCAA Proceedings, the distributions contemplated by Article 11 and the process of acquiring the two Tax Clearance Certificates.

#### **17.7 Covenant of Applicant Regarding Withholding Taxes**

The Applicant and the Conduit shall request, in a form satisfactory to the Monitor, an advance tax ruling from the CRA, as promptly as practicable following the Initial CCAA Order, seeking to confirm that Interest Distributions in this Plan to Non-Resident Noteholders are not subject to Withholding Taxes (the "Advance Tax Ruling").

#### **17.8 Paramountcy**

From and after the Plan Implementation Date, any conflict between: (a) this Plan; and (b) any information statement or summary in respect of this Plan, or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, indenture, loan agreement, commitment letter, document or agreement, written or oral, and any and all amendments and supplements thereto existing between any of the CCAA Parties and any Noteholder or other Person as at the Plan Implementation Date will be deemed to be governed by the terms, conditions and provisions of this Plan and the Sanction Order, which shall take precedence and priority.

#### **17.9 Responsibilities of the Monitor**

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings, and the Monitor will not be responsible or liable for any obligations of the CCAA Parties hereunder. The Monitor will

have only those powers granted to it, and shall be subject to the duties provided for, by this Plan, by the CCAA and by any Order of the CCAA Court in the CCAA Proceedings, including the Initial CCAA Order.

#### **17.10 Plan and Certain Laws**

Section 36.1 of the CCAA, Sections 38 and 95 to 101 of the *Bankruptcy and Insolvency Act* (Canada) and any other federal or provincial law relating to preferences, fraudulent conveyances or transfers at undervalue, shall not apply to this Plan or to any payments, distributions, transfers, allocations or transactions made or completed in connection with this Plan, whether before or after the date of the Initial CCAA Order, including, without limitation, to any and all of the payments, distributions, transfers, allocations or transactions contemplated by and to be implemented pursuant to this Plan.

#### **17.11 Deeming Provisions**

In this Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

#### **17.12 Notices**

Any notice or communication to be delivered hereunder shall be in writing and shall reference this Plan and may, subject as hereinafter provided, be made or given by personal delivery, by electronic mail or by fax addressed to the respective parties as follows:

17.12.1if to a Noteholder:

to the known address (including fax number or email address) for such Noteholder or, if a Noteholder has filed a Voter Identification Form in accordance with the Claims Procedure and Meeting Order, the address for such Noteholder specified therein;

17.12.2if to the Monitor:

Deloitte Restructuring Inc.  
Attention: Pierre Laporte  
Fax: 514 390-4103  
E-mail: [pilaporte@deloitte.ca](mailto:pilaporte@deloitte.ca)

with a copy to:

Osler, Hoskin & Harcourt LLP  
Attention: Sandra Abitan and Mary Paterson  
Fax: 514 904-8100; 416 862-6666  
E-mail: [sabitan@osler.com](mailto:sabitan@osler.com); [mpaterson@osler.com](mailto:mpaterson@osler.com)

**17.12.3if to the Applicant:**

Metcalfe & Mansfield Alternative Investments VII Corp.

Attention: Mr. Claude Dalphond

Fax: 514 982-0170

E-mail: [claudedalphond@ivanhoecambridge.com](mailto:claudedalphond@ivanhoecambridge.com)

with a copy to:

Fasken Martineau DuMoulin LLP

Attention: Robert Y. Girard

Fax: 514 397-7600

E-mail: [rgirard@fasken.com](mailto:rgirard@fasken.com)

or to such other address as any party may from time to time notify the others in accordance with this Section 17.12. All such notices and communications that are delivered shall be deemed to have been received on the date they are sent. Any such notices and communications that are sent by electronic mail or faxed shall be deemed to be received on the date sent or faxed if sent before 5:00 p.m. Eastern Time on a Business Day and otherwise shall be deemed to be received on the Business Day next following the day upon which such electronic mail or fax was sent. Any notice or other communication sent by mail shall be deemed to have been received on the fifth Business Day after the date of mailing. The unintentional failure to give a notice contemplated hereunder shall not invalidate any action taken by any Person pursuant to this Plan.

**17.13 Acknowledgement Regarding Custodian**

The Plan Participants acknowledge and agree that the Custodian is subject to this Plan solely for the purposes of making the payments required to be made by the Custodian pursuant to Sections 5.3.3 and 5.3.5 of this Plan.

**17.14 Successors and Assigns**

The rights, benefits and obligations of any Person named or referred to in this Plan shall be binding on, and shall inure to the benefit of, any heir, executor, trustee, administrator, successor or assign of such Person.

**17.15 Further Assurances**

Notwithstanding that the transactions and events set out in this Plan shall be deemed to occur without any additional act or formality other than as set out herein, each of the Persons affected hereby shall make, do and execute or cause to be made, done or executed all such further acts, deeds, agreements, transfers, assurances, instruments, documents or discharges as may be reasonably required by the Monitor in order to implement and give effect to this Plan.

**17.16 Governing Law**

This Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to any conflict of law provision that would require the application of the law of any other jurisdiction. In the event of any dispute or issue in connection with, or related to, the interpretation, application or effect of this Plan, such dispute or issue shall be subject to the exclusive jurisdiction of the CCAA Court.

Dated at Toronto, Ontario, as of this sixth (6<sup>th</sup>) day of August, 2014.

**TAB C**



**Deloitte Restructuring Inc.**

181 Bay Street, Brookfield Place  
Suite 1400  
Toronto, ON, M5J 2V1  
Canada

Tel.: 416-601-6150  
Fax: 416-601-6690  
www.deloitte.ca

CANADA  
PROVINCE OF ONTARIO  
DISTRICT OF TORONTO  
COURT. No.: CV-14-10609-00CL

SUPERIOR COURT  
Commercial List

**IN THE MATTER OF THE PLAN  
OF COMPROMISE AND  
ARRANGEMENT OF:**

**METCALFE & MANSFIELD ALTERNATIVE  
INVESTMENTS VII CORP., IN ITS CAPACITY AS  
ISSUER TRUSTEE OF DEVONSHIRE TRUST,** having its  
head office at 199 Bay Street, Suite 4850, Commerce Court West,  
Toronto, Ontario, M5L 1G9

Applicant

– and –

**DELOITTE RESTRUCTURING INC.**  
(Pierre Laporte, CPA, CA, CIRP, person in charge), having a  
place of business at 181 Bay Street, Brookfield Place, Suite 1400,  
Toronto, ON, M5J 2V1, Canada

Proposed Monitor

**FIRST REPORT TO THE COURT  
SUBMITTED BY DELOITTE RESTRUCTURING INC.  
IN ITS CAPACITY AS PROPOSED MONITOR**  
*(Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended)*

**I. INTRODUCTION**

1. Metcalfe & Mansfield Alternative Investments VII Corp. in its capacity as issuer trustee (the "**Applicant**") of the Devonshire Trust (the "**Conduit**", collectively with the Applicant, the "**CCAA Parties**") has brought an application seeking:
  - a. an Initial Order;
  - b. permission to file a plan of compromise and arrangement (the "**Plan**"); and
  - c. a Claims Procedure and Meeting Order, among other things,

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pursuant to the *Companies' Creditors Arrangement Act* ("CCAA"). The Applicant has asked Deloitte Restructuring Inc. to act as Monitor of the CCAA Parties, and Deloitte Restructuring Inc. has consented to act in that capacity if appointed by this Honourable Court (in that capacity, the "Monitor").

2. This pre-filing report dated July 3, 2014 (the "Report") is provided to this Honourable Court by the Monitor for the purpose of complying with the CCAA and assisting the Court in respect of:
  - a. The Monitor's prior relationship with the Applicant and the Conduit;
  - b. The proposed Plan (included in the Applicant's application) and to provide the Court with the information required by section 23(1)(d.1) of the CCAA;
  - c. The Administration Charge and Directors' Charge proposed in the draft Initial Order (included in the Applicant's application);
  - d. The Claims Procedure and Meeting Order (included in the Applicant's application); and
  - e. The Conduit's cash flow forecast required by section 23(1)(b) of the CCAA.

## II. TERMS OF REFERENCE

3. Capitalized terms not otherwise defined have the meaning ascribed to them in the Notice of Application, the Plan and the supporting affidavit of Mathieu Lafleur-Ayotte dated June 27, 2014, filed by the Applicant. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.
4. In preparing this Report, the Monitor has necessarily relied upon unaudited financial information and other information supplied, and representations made, by the CCAA Parties and their agents and advisors. Although the Monitor has reviewed the information, some of which was in draft format, the Monitor has not performed an audit or otherwise attempted to verify the accuracy or completeness of any such information. Accordingly, the Monitor does not express any opinion and does not provide any other form of assurance on or relating to the accuracy of any information contained in this Report or otherwise used to prepare this Report.
5. Forward looking financial information included in this Report is based on the CCAA Parties' assumptions regarding future events, and actual results achieved will vary from this information and the variations may be material. The Monitor has not performed an examination or review of financial forecasts, projections or procedures in accordance with standards set by the Canadian Institute of Chartered Accountants.
6. A copy of this Report, the Applicant's application and supporting affidavit, the Plan, and drafts of the Orders sought as well as the Meeting Documents and further motions and reports of the Monitor will be available on the Monitor's website in English at <http://www.deloitte.com/ca/devonshire>. A copy of the Notice of Proceedings will be available on the Monitor's website in French at

<http://www.deloitte.com/ca/devonshire/fr/>. The Monitor has also established a toll free phone number as well as a dedicated email address that are referenced on the Monitor's website so that parties may contact the Monitor if they have questions in respect of this CCAA proceeding. The Monitor's toll free number is 1-855-990-7100 and dedicated email address is CAMontrealDevonshire@deloitte.ca

### III. THE MONITOR'S QUALIFICATIONS TO ACT

7. Deloitte Restructuring Inc. is a trustee within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act*. The Monitor has consented to act as Monitor if so appointed by this Honourable Court. The Monitor's signed consent is attached to the affidavit of Mathieu Lafleur-Ayotte dated June 27, 2014 as Exhibit "L".
8. Neither Deloitte Restructuring Inc. nor any of its representatives or affiliates have been at any time in the two preceding years the auditor, a director, an officer or an employee of the CCAA Parties or otherwise related to the CCAA Parties or to any director or officer of the CCAA Parties or a trustee (or related to any such trustee) under a trust indenture issued by any of the CCAA Parties or any person related to the CCAA Parties. Therefore, in the Monitor's view, the Monitor is qualified to act as Monitor in this CCAA proceeding and subsection.11.7(2) of the CCAA does not apply.

### IV. THE CONTEXT OF THIS CCAA PROCEEDING AND THE PLAN

#### *Context of this CCAA Proceeding*

9. As described in the affidavit of Mathieu Lafleur-Ayotte dated June 27, 2014, the Applicant is the Issuer Trustee of Devonshire Trust, a Conduit participating in the asset-backed commercial paper ("ABCP") market.
10. During the spring and summer of 2007, the U.S. sub-prime mortgage market experienced extensive defaults by sub-prime borrowers. The sub-prime crisis in the U.S eventually extended to the Canadian ABCP market, in which mortgage-backed securities and real estate derivative products had been sold to mainly Canadian investors. After the issues arose in the U.S., Canadian investors started to significantly reduce their ABCP holdings making the Canadian ABCP market more exposed to a liquidity crisis.
11. On August 13 and 14, 2007, many Canadian ABCP conduits were not able to roll their maturing ABCP and consequently requested liquidity from their liquidity providers. In most cases, the liquidity providers declined to provide the liquidity needed to repay maturing ABCP.
12. Representatives of the Caisse de Dépôt et Placement du Québec (the "Caisse"), National Bank of Canada and other ABCP investors, asset providers and liquidity providers met in Montreal to discuss the issues facing the Canadian ABCP market. On August 16, 2007, this group developed an agreement – the Montreal Accord – which provided that parties would (1) work together in good faith to implement a restructuring process and (2) observe a 60-day standstill that was later extended to March 2008.
13. By October 2007, 99 parties, including the Conduit, had signed the Montreal Accord.

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14. After the Montreal Accord, the Pan-Canadian Third Party Asset Backed Commercial Paper Investor Committee (the “**Investor Committee**”) was formed. Purdy Crawford, Q.C. was appointed its chair. The Investor Committee and its advisors negotiated on behalf of the conduits.
15. By mid-December 2007, the Investor Committee announced a framework for restructuring the Canadian ABCP market (the “**Framework Agreement**”). The Framework Agreement covered 20 conduits but did not include the Conduit because Barclays Bank PLC (“**Barclays**”), the Conduit’s liquidity provider and CDS counterparty, did not accept some of the terms of the Framework Agreement.
16. In March 2008, the Investor Committee announced that CCAA proceedings would be undertaken to restructure the ABCP market, including 20 conduits which had issued a total of \$32 billion of issued notes. These 20 conduits have since been successfully restructured.
17. The Conduit, however, did not participate in those March 2008 CCAA proceedings. Instead, the CCAA Parties and their stakeholders considered restructuring alternatives. However, in January 2009, the Applicant became involved in protracted litigation with Barclays (the “**Barclays/Devonshire Litigation**”), which is described in more detail in the affidavit of Mathieu Lafleur-Ayotte dated June 27, 2014.
18. On June 13, 2014, Barclays, the Applicant and The Bank of New York Mellon (“**BNY**” or the “**Custodian**”) entered into a settlement of the Barclays/Devonshire Litigation (the “**Settlement Agreement**”), which requires Barclays to pay or have paid to the CCAA Parties funds from the monies held by BNY (the “**Settlement Amount**”) in the amount of:
  - a. \$532,668,082 (settlement payments under swaps to be received from Barclays);
  - b. \$1,061,916 (unpaid amount under swaps to be received from Barclays);
  - c. \$58,412,380 (interest owed by Barclays under swaps); and
  - d. such additional amount in CAD as shall be specified to BNY in writing by the Monitor (being interest on the amounts in a, b and c above calculated from and including June 1, 2014 to but excluding the Funds Transfer Date at a rate per annum equal to the 1-month Bank of Canada CDOR, reset each Business Day, plus 1% compounded daily).
19. To implement this Settlement Agreement in an expeditious manner, the CCAA Parties, in consultation with Barclays, the Caisse and the Monitor, prepared the Plan.

***The Proposed Plan of Compromise and Arrangement***

20. As part of its Application, the Applicant seeks the Court’s permission to file the Plan with the Court. The Monitor has reviewed the Plan and is not aware of any reason why the Plan should not be filed with the Court and then put before Noteholders with Proven Claims (defined below) for a vote on whether or not the Plan should be approved.

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21. Certain provisions of the Plan are described below. This summary is not complete and readers should read the Plan for complete information. Capitalized terms not otherwise defined in this section of the Report have the meaning ascribed to them in the Plan.
22. The main purpose of the Plan is to implement the settlement set forth in the Settlement Agreement, including liquidating all assets of the Applicant, establishing Plan Reserves to be held by the Monitor, making distributions to Noteholders, compromising the Notes, extinguishing Barclays' Other Claims and winding-up the Conduit.

#### *Liquidation of the Applicant's Assets*

23. As shown in the balance sheet attached to this Report as Appendix "B", the Conduit's \$745,264,742 in assets (including contingent assets) are composed of:
  - a. Cash held by the Conduit of approximately \$2,390,364 as at June 1, 2014;
  - b. Short-term investments held by the Conduit of approximately \$150,732,000 as at June 1, 2014; and,
  - c. Only if the Plan is implemented, the amount to be received under the Settlement Amount estimated at \$592,142,378 as at June 1, 2014.
24. As set out above, the Settlement Amount is to be received by the Monitor from the Custodian on the Funds Transfer Date. In the event that the Custodian holds an amount less than the Settlement Amount, there exists a settlement deficiency (the "**Settlement Deficiency**"). Pursuant to the Plan, Barclays shall pay to the Monitor the Settlement Deficiency, if any.
25. The aggregate value of the Conduit's assets including any Settlement Deficiency, if any (the "**Aggregate Available Cash**"), is to be transferred to the Monitor on the Funds Transfer Date.

#### *Plan Reserves*

26. The Plan contemplates that once the Monitor receives the Aggregate Available Cash it will fund the following reserve accounts:
  - a. the Costs Reserve, a reserve in the amount of \$1,510,000 for the purpose of paying any invoices related to Costs including but not limited to, trustee fees, current administration costs, and professional fees for the Applicant's legal counsel and the Monitor and its legal counsel;
  - b. the Tax Reserve, a reserve in the amount of \$59,693,904 on account of:
    - (i) Taxes that may be required to be paid or to be withheld by the CCAA Parties in order to receive the Tax Clearance Certificates;
    - (ii) Tax Indemnity Claims; and
    - (iii) Anticipated Costs.

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- c. the Indemnity Reserve, a reserve in the amount of \$5,000,000 on account of Other Indemnity Claims as well as Anticipated Costs, Taxes Payable and Tax Indemnity Claims to the extent the Tax Reserve is insufficient to pay such items. From time to time the Indemnity Reserve shall be reduced by, and the Monitor shall transfer to the Tax Reserve, the balance outstanding in the Indemnity Reserve less \$1 million and the amount in excess of \$1 million, if any, that the Applicant in consultation with the Monitor, estimates is required to satisfy Threatened Litigation and anticipated Defence Costs. Once the Monitor, in consultation with the Applicant determines that no amounts are required to satisfy Threatened Litigation and anticipated Defence Costs, the Monitor shall transfer to the Tax Reserve the balance of the Indemnity Reserve; and
- d. in addition, if the Advance Tax Ruling in a form satisfactory to the Monitor has not been obtained by the time set out in the Plan, unless the Non-Resident Noteholders have issued a written notice to the Monitor and the Applicant waiving the benefit of and right to obtain the Advance Tax Ruling and the CRA Confirmation, then the Monitor shall establish no later than the date of the First Interest Distribution the Withholding Tax Reserve. This Reserve is needed in the event that any Non-Resident Noteholders with Proven Claims are or may be subject to Withholding Taxes on amounts to be paid or credited to them, in lieu of or in satisfaction of interest on their Notes.
27. The Monitor shall hold, administer and apply the reserves in accordance with the Plan.

***The Conduit's Liabilities to Noteholders***

28. The Monitor has been advised by the CCAA Parties that the majority of the Conduit's creditors are Noteholders of series A, E and FRN Notes. As set out in the table below, the approximate total face value owed by the Conduit to its Noteholders is \$678,931,389. In addition, total accrued interest on face amounts owed to the Noteholders was \$87,801,093.

<b>Caisse de Dépôt et Placement du Québec holdings</b>	Class A:	\$133,900,000
	Class E:	\$151,100,000
	Class FRN:	<u>\$100,000,000</u>
		<u><b>\$385,000,000</b></u>

<b>Barclays holdings</b>	Class A:	\$56,416,442
	Class E:	\$113,224,609
	Class FRN:	<u>\$50,000,000</u>
		<u><b>\$219,641,051</b></u>

<b>Other holders</b>	Class A:	\$19,400,000
	Class E:	\$39,890,338
	Class FRN:	<u>\$15,000,000</u>
		<u><b>\$74,290,338</b></u>
		<u><b>\$678,931,389</b></u>

***Distributions to Noteholders Pursuant to the Plan***

29. Each beneficial Noteholder with a Proven Claim shall be entitled to an initial distribution on the Plan Implementation Date (the “**Initial Distribution**”), equal to the aggregate face amount of the Notes held by such Noteholder. If all Noteholders have Proven Claims then the aggregate amount of the Initial Distribution will be \$678,931,389.
30. Each beneficial Noteholder with a Proven Claim shall also be entitled to Interest Distributions made from time to time in accordance with the provisions of the Plan’s Article 11. The Interest Distributions are subject to the Monitor receiving all Tax Clearance Certificates, and in some cases, the CRA Confirmation and the Advance Tax Ruling from relevant tax authorities.
31. The Interest Distributions will be based on the Noteholders’ Pro Rata Share of interest as at the Plan Implementation Date and calculated as part of the interest calculation. The interest calculation has been prepared by the Conduit’s Consultant and has been provided to the Monitor. The Monitor has no objections to the assumptions used in such interest calculation. Certain details of the interest calculation as contemplated by the Plan are summarized below:
  - a. Each series of Notes will bear interest up to but excluding the Plan Implementation Date.
  - b. No interest shall accrue on the face value of the Class A Notes from August 13, 2007 up to the day before its maturity. Post-maturity interest on Class A Notes shall accrue daily, on the face value of each Class A Note, on an Actual/365 Fixed Basis. Interest will not compound and will be calculated at the BOC Average 1M BA Rate applicable on each day during such Interest Period.
  - c. At maturity, Class FRN Notes are equal to the face value including their capitalized coupons. Post-maturity, interest on Class FRN Notes is calculated daily on the face value on an Actual/365 Fixed Basis. Interest will not compound and will be calculated daily at the BOC Average 1M BA Rate applicable on each day during such Interest Period.
  - d. No interest shall accrue on the face value of the Class E Notes from August 13, 2007 up to the day before its initial maturity. Interest will accrue on the face value of the Class E Notes from their initial maturity date up to but excluding their extended maturity at the same rate as the post-maturity period. Post-maturity interest on Class E Notes shall accrue daily, on the face value of each Class E Note, on an Actual/365 Fixed Basis. Interest will not compound and will be calculated at the BOC Average 1M BA Rate + 1.00 % applicable on each day during such Interest Period.
32. The Monitor has estimated a range of recoveries to illustrate the high and low possible outcomes of Plan Implementation. The Monitor emphasizes that the assumptions and estimates used to prepare the estimated range of recoveries pursuant to the Plan are inherently uncertain, though considered reasonable by the CCAA Parties and the

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Monitor. The following table demonstrates the estimated final dividend to Noteholders holding Proven Claims under the Plan:

Estimated Recovery Rates of Noteholders In CAD	Low	High
<b>Estimated net realization value for Noteholders</b>		
Total cash available for distribution	745,264,742	745,264,742
Costs reserve	(1,510,000)	(1,510,000)
Tax reserve	(59,693,854)	-
Indemnity Reserve	(5,000,000)	-
Estimated net cash available for distribution	<u>679,060,888</u>	<u>743,754,742</u>
Noteholders - Face value	100.00%	100.00%
Noteholders - Interest	0.15%	75.46%
Total estimated recovery	88.79%	97.24%

Please note that all amounts may change upon the implementation date.

The total estimated recovery rate for Noteholders may vary as reserves may impact certain Noteholders differently.

The estimated recovery does not take into account any withholding taxes which may need to be deducted from the amount available for distribution

33. The lower range of the net cash available for distribution is composed of total assets available for distribution as shown in the balance sheet attached as Appendix "B" to this Report less the amount required to fund the Plan Reserves.
34. The upper range of the net cash available for distribution is composed of total assets available for distribution as shown in the balance sheet attached as Appendix "B" less only the amount required to fund the Costs Reserve. The amount included in the Costs Reserve account is likely to be used in full to fund administration costs related to the Plan. The remaining reserves may not be required and have been included in the net cash available for distribution.
35. If the Plan is not approved, then the Settlement Agreement will not be completed, which would greatly reduce the recoveries for the Noteholders, and the subsequent legal proceedings could extend for several years.

***Compromise of the Notes and Extinguishing Barclays' Other Claims***

36. Pursuant to the Plan, immediately following the Initial Distribution, all Notes will be cancelled. Rights and obligations of the Noteholders and the Applicant in respect of the Notes will cease except that each Noteholder with a Proven Claim will remain eligible to receive subsequent Interest Distributions as provided in the Plan.
37. Interest will cease accruing on the Notes as of the day immediately preceding Plan Implementation.
38. Barclays' claim in the Barclays/Devonshire Litigation and all other claims that Barclays and its Affiliated Companies may have against the CCAA Parties shall not constitute a separate class of creditors nor have any right to vote or receive distributions. In accordance with the Settlement Agreement, these claims will be fully compromised and extinguished.

***The Conduit's Unaffected Creditors***

39. The Plan does not compromise, release or otherwise affect any rights or claims for creditors that generally fall into one or more of the following categories (the “Unaffected Creditors”):
- a. for fees and expenses incurred in the provision of goods and services in the administration and management of the Conduit or relating to this CCAA proceeding and authorized pursuant to the Initial CCAA Order;
  - b. of the Monitor and its counsel, counsel to the CCAA Parties or that otherwise are secured by the CCAA Charges; or
  - c. that are owed to Her Majesty in Right of Canada or the Province of Quebec pursuant to the Tax Act or the Taxation Act (Quebec) or that fall within sections 6(3) and 6(4) of the CCAA.
40. In essence, all creditors other than the Noteholders are considered unaffected creditors pursuant to the Plan and all future amounts owed to them will continue to be paid in the normal course of business. According to the CCAA Parties, all obligations other than those owed to Noteholders are current.
41. The existing liabilities in respect of the Unaffected Creditors are composed mainly of accounts payable and accrued liabilities in the amount of \$129,449 and brokers' commissions payables of \$41,083. If the Plan is implemented, these amounts and any other unpaid liabilities (other than those in respect of the Notes) will be paid.

***Summary of the Conduit's Liabilities***

42. As set out in Appendix “B” to this Report, the Conduit's total liabilities are approximately \$766,903,014. The total liabilities are composed mainly of accounts payable and accrued liabilities in the amount of \$129,449, brokers' commissions payables of \$41,083, commercial paper of \$513,931,389, floating-rate notes (FRN) of \$165,000,000 and accrued interest on face amounts of \$87,801,093.

***Reviewable Transactions***

43. Section 23(1)(d.1) of the CCAA requires the Monitor to:
- (d.1) file a report with the court on the state of the company's business and financial affairs – containing the monitor's opinion as to the reasonableness of a decision, if any, to include in a compromise or arrangement a provision that Sections 38 and 95 to 101 of the *Bankruptcy and Insolvency Act* do not apply in respect of the compromise or arrangement and containing the prescribed information, if any – at least seven days before the day on which the meeting of creditors referred to in section 4 or 5 is to be held.
44. Section 17.10 of the Plan provides that section 36.1 of the CCAA and sections 38 and 95 to 101 of the *Bankruptcy and Insolvency Act* and any other federal or provincial law relating to preferences, fraudulent conveyances or transfers, at undervalue shall not apply to this Plan or to any payments, distributions, transfers, allocations or transactions made or completed in connection with this Plan, whether before or after the date of the Initial

CCAA Order, including, without limitation, to any and all of the payments, distributions, transfers, allocations or transactions contemplated by and to be implemented pursuant to the Plan. Because the ABCP market has been frozen, the CCAA Parties had minimal transactions since August 2007. The Monitor, following its appointment, will be conducting its review of certain transactions preceding the commencement of this CCAA Proceeding and will report on any transactions that would constitute preferences, fraudulent conveyances or transactions at undervalue at the Meeting of Noteholders.

***Winding-up the Conduit***

45. As provided in the Plan, the Conduit shall be terminated and wound-up as soon as is practicable, which will not occur until after the resolution of all tax matters, including, but not limited to, receiving the Tax Clearance Certificates. The winding-up shall be completed in accordance with the Settlement Deed and the Settlement Deed shall thereupon terminate and be cancelled.

**V. PROPOSED CHARGES IN THE INITIAL ORDER**

46. The Applicant seeks an Initial Order that provides for a charge in the amount of \$400,000 for the Monitor, counsel to the Monitor, and the Applicant's counsel as security for their professional fees and disbursements incurred before and after the Application in respect of this CCAA proceeding (the "**Administration Charge**"). The Administration Charge has been quantified based on the respective professionals' previous history and experience with restructurings of a similar magnitude and complexity. The Monitor believes that the Administration Charge is required to permit this CCAA Proceeding to proceed and is reasonable in the circumstances.
47. The directors' and officers' charge (the "**Directors' Charge**"), as described in the Application, provides for a charge in the amount of \$250,000 as security for various indemnities provided to the directors and officers of the Applicant. It is proposed to rank behind the Administration Charge. The Monitor has been advised by the Applicant's counsel that the Directors' Charge is necessary for the continued service of the Applicant's directors and officers during the restructuring and that the quantum has been calculated relative to the statutory obligations of the Applicant for which the directors and officers may be held liable. The Monitor therefore believes that the Directors' Charge is required and reasonable in the circumstances.

**VI. CLAIMS PROCEDURE**

48. The Applicant is also seeking an order (the "**Claims Procedure and Meeting Order**") authorizing a process for Noteholders to prove any claim or right against the Debtor in connection with any unpaid indebtedness, liability or obligation of any kind owed to such person, based on facts that existed on the Filing Date ("**Noteholder Claim**").
49. The Monitor has reviewed the service list and understands that the Noteholders with the largest claims – Barclays and the Caisse – were served with copies of the Applicant's materials in this application. In addition, the Monitor understands that the Applicant is making efforts to speak with registered Noteholders before the Application is heard. The Initial Order contemplates the Monitor publishing notice of these proceedings in the *Globe & Mail* (national edition) and *La Presse* in accordance with the CCAA. Finally,

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the Monitor will send to Noteholders identified in the affidavit of Mathieu Lafleur-Ayotte dated June 27, 2014 a Notice of Proceedings. A copy of the Notice of Proceedings form for which the Applicant seeks approval in the Claims Procedure and Meeting Order is attached hereto as Appendix "C".

50. Any person who believes it has a Noteholder Claim will have to provide to the Monitor the physical certificates, if any, representing the Notes held by a Noteholder, the Voter Identification Form and such transmittal documentation as the Monitor may request, as provided in the Claim Procedure and Meeting Order (the "**Required Documentation**"). A copy of the Voter Identification Form for which the Applicant seeks approval in the Claims Procedure and Meeting Order is attached hereto as Appendix "D".
51. The Monitor will review the Noteholders' Claims and Required Documentation and will determine, with the assistance of the Applicant, if the claims are satisfactory and have adequately been proven (the "**Proven Claims**").
52. Upon authorization of this Court, Noteholder Claims must be received and proven by the Monitor by no later than two (2) years following the Plan Implementation Date. After this date, Noteholders who have not submitted all Required Documentation to the Monitor shall be forever barred from making or enforcing a Noteholder Claim against the CCAA Parties and all such Claims shall be extinguished and shall not be entitled to receive any distribution in respect of such Claims.
53. Information relating to the status of Noteholder Claims filed against the Conduit will be provided to the Court throughout this CCAA Proceeding.

## **VII. PROPOSED MEETING OF NOTEHOLDERS**

54. As set out in the Claims Procedure and Meeting Order, the Applicant seeks authorization to call, hold, and conduct a meeting of Noteholders to consider the Plan. The proposed meeting will be held for the following purposes, at the following place and time:
  - a. to consider and, if deemed advisable, to approve the Plan pursuant to the CCAA; and
  - b. to transact such other business as may properly come before the Conduit's Noteholders' Meeting (the "**Meeting**") or any adjournment thereof.

<u>Location</u>	<u>Date</u>	<u>Time</u>
Osler, Hoskin & Harcourt 1000 De La Gauchetière Street West Suite 2100 Montréal, QC H3B 4W5, Canada	August 7, 2014	2:00 p.m.(Eastern Time)

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55. Only beneficial Noteholders who have submitted the Required Documentation shall be entitled to attend and vote at the Meeting.
56. The Monitor is of the view that it is appropriate for the Plan and Claims Procedure and Meeting Order to contemplate one class of beneficial Noteholders as the only creditors eligible to vote on the Plan. The Applicant advises that only two entities have perfected security against the CCAA Parties with respect to Devonshire Trust: Barclays Bank PLC and CIBC Mellon. To the extent that Barclays may have greater security interests in the CCAA Parties' assets than other creditors, it has subordinated that security as part of the Settlement Agreement and proposed Plan, which Barclays helped to develop and supports. CIBC Mellon's registration is as Indenture Trustee and registers the security interest granted to the Noteholders pursuant to the Trust Indenture. The Monitor and the Applicant's counsel performed a PPSA search and an RPMRR search and confirmed that Barclays and CIBC appear to have registered security interests. Both were served with the Applicant's application and this Report.
57. At least twenty (20) days prior to the Meeting, Noteholders will receive the Notice of Proceedings, the Voter Identification Form, the Proxy Form and Instructions to Noteholders (collectively, the "**Meeting Documents**") allowing them to vote on the Resolution. Noteholders who have not received the Meeting Documents or who cannot download these documents from the Monitor's website can contact the Monitor. A copy of the Proxy Form for which the Applicant seeks approval in the Claims Procedure and Meeting Order is attached hereto as Appendix "E". A copy of the Instructions to Noteholders for which the Applicant seeks approval in the Claims Procedure and Meeting Order is attached hereto as Appendix "F".
58. Each Noteholder having a Proven Claim shall be entitled to one vote in an amount equal to such Noteholder's Proven Claim. Only the beneficial holder of the Note is entitled to vote in a situation where the registered holder of the Note differs from the beneficial holder of said Note.
59. In order for the Plan to be approved, it must receive a majority in number representing at least two-thirds in value of the Proven Claims (the "**Required Majority**") who actually vote on the Plan (in person or by proxy) at the Meeting. Should the Plan be approved by the respective Required Majority, it is intended that Court approval of the Plan be sought on August 20, 2014.

#### **VIII. THE CASH FLOW FORECAST**

60. The cash flow forecast is attached to this Report as Appendix "A" (and also to the affidavit of Mr. Mathieu Lafleur Ayotte as Exhibit "K"). Because the cash flow forecast is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material. Accordingly, the Monitor expresses no opinion as to whether the projections in the cash flow forecast will be achieved. The Monitor expresses no opinion as to the performance or the non-performance of the CCAA Parties' statutory obligations with regard to projected payments to be made in accordance with the cash flow forecast.

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61. The cash flow forecast is for a period of seven (7) weeks from July 8 to August 25, 2014 and is summarized in the table below:

Extension - 7-week period ending August 25, 2014 (C\$)	
<b>Cash inflows</b>	
Interest	-
<b>Total cash inflows</b>	-
<b>Cash outflows</b>	
Administrative costs	330,617
Professional fees	570,000
<b>Total cash outflows</b>	900,617
<b>Opening balance</b>	2,390,364
Variation in cash balance	(900,617)
<b>Ending cash balance</b>	<u>1,489,747</u>

62. Based on information received from the CCAA Parties, the opening cash balance reflects cash and short term investments held by the Conduits, as described in the table below:

Opening cash balance (C\$)	
<b>Opening cash balance</b>	
Cash	2,390,364
Short-term investments	150,732,000
	<u>153,122,364</u>

### ***Cash Inflows***

63. Since accrued interest on the Conduit's short term investments is only payable at maturity, and none of the short term investments are maturing in the period presented, the CCAA Parties prepared the cash flow forecast assuming that cash inflows would be nil.

### ***Cash Outflows***

64. Cash outflows consist of administrative costs related to the daily administration of the CCAA Parties and professional fees in conjunction with the restructuring, namely professional services rendered by the Monitor and its legal counsel and the CCAA Parties' legal advisor. These fees are estimated to vary throughout the period to complete the remaining steps of the restructuring.

### ***The Monitor's Report on the Cash Flow Forecast***

65. Section 23(1)(b) of the CCAA states that the Monitor shall "review the company's cash-flow statement as to its reasonableness and file a report with the Court on the Monitor's findings."
66. Pursuant to section 23(1)(b) of the CCAA and in accordance with the Canadian Association of Insolvency and Restructuring Professionals Standards of Practice 09-1 ("CAIRP SOP 09-1"), the Monitor hereby reports as follows:

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- a. The cash flow forecast has been prepared by the CCAA Parties for the purpose described in the notes to the cash flow forecast, using Probable and Hypothetical Assumptions. Readers are cautioned that the cash flow forecast may not be appropriate for other purposes.
- b. The Monitor's review consisted of inquiries, analytical procedures and discussion related to information supplied by the CCAA Parties. Because Hypothetical Assumptions need not be supported, the Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the cash flow forecast. The Monitor also reviewed the support provided by the CCAA Parties for the Probable Assumptions, and the preparation and presentation of the cash flow forecast.
- c. Based on its review, nothing has come to the attention of the Monitor that causes it to believe, that in all material respects:
  - (i) the Hypothetical Assumptions are not consistent with the purpose of the cash flow forecast;
  - (ii) as at the date of this report, the Probable Assumptions developed by the CCAA Parties are not suitably supported and consistent with the plans of the Applicant or do not provide a reasonable basis for the cash flow forecast, given the Hypothetical Assumptions; or
  - (iii) The cash flow forecast does not reflect the Probable and Hypothetical Assumptions.

## **IX. MONITOR'S ACTIVITIES**

67. Since being retained, the Monitor has been involved in numerous activities, including:
- a. participating in numerous meetings, conference calls and discussions with the CCAA Parties and their advisors, the signatories to the Settlement Letter and their advisors, and other Noteholders in connection with the proposed Settlement Agreement, Plan and cash flow forecast;
  - b. participating in numerous meetings, conference calls and discussions with the CCAA Parties and their advisors, and certain Noteholders and their advisors, in respect of the proposed forms of Initial Order, Claims Procedure and Meeting Order and Sanction Order;
  - c. engaging legal counsel, who has also participated in certain of the above-noted meetings and discussions;
  - d. reviewing and considering various documentation in connection with the CCAA Proceeding; and
  - e. preparing this Report.

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## X. MONITOR'S CONCLUSIONS

68. For the reasons set out in this Report, the Monitor believes that:
- a. It is appropriate that the CCAA Parties be granted the benefit of protection under the CCAA. This CCAA proceeding will enable the CCAA Parties to implement the Settlement Agreement, liquidate the Conduit's assets, and make distributions to the Noteholders;
  - b. The Monitor is qualified to act as Monitor in these CCAA Proceedings;
  - c. There is no reason why the Plan should not be filed with the Court;
  - d. The Charges proposed in the Application are reasonable;
  - e. The proposed Claims Procedure is reasonable;
  - f. The proposed approach to the Meeting of Noteholders is reasonable; and
  - g. The Conduit's cash flow forecast is reasonable.
69. As described earlier in this Report, under the Plan and the Settlement Agreement the Noteholders' recovery is estimated to be between 89% to 97%. Noteholders are anticipated to recover 100% of the face value of the Notes and between 0% to 75% of accrued interest. This recovery is likely greater than the likely recovery if this CCAA proceeding does not move forward and the Plan is not approved. It is the Monitor's view that the CCAA Parties have acted in good faith and with due diligence in their efforts to develop a restructuring plan for the benefit of all stakeholders.

The Monitor respectfully submits this Report to this Honourable Court.

DATED AT Montreal, this 3rd day of July, 2014.



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Pierre Laporte, CPA, CA, CIRP  
President

DELOITTE RESTRUCTURING INC.  
In its capacity as Court-Appointed Monitor

**TAB D**



**Deloitte Restructuring Inc.**

181 Bay Street, Brookfield Place  
Suite 1400  
Toronto, ON, M5J 2V1  
Canada

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CANADA  
PROVINCE OF ONTARIO  
DISTRICT OF TORONTO  
COURT. No.: CV-14-10609-00CL

SUPERIOR COURT  
Commercial List

**IN THE MATTER OF THE PLAN  
OF COMPROMISE AND  
ARRANGEMENT OF:**

**METCALFE & MANSFIELD ALTERNATIVE  
INVESTMENTS VII CORP., IN ITS CAPACITY AS  
ISSUER TRUSTEE OF DEVONSHIRE TRUST**, having its  
head office at 199 Bay Street, Suite 4850, Commerce Court West,  
Toronto, Ontario, M5L 1G9

Applicant

– and –

**DELOITTE RESTRUCTURING INC.**  
(Pierre Laporte, CPA, CA, CIRP, person in charge), having a  
place of business at 181 Bay Street, Brookfield Place, Suite 1400,  
Toronto, ON, M5J 2V1, Canada

Monitor

**SECOND REPORT TO THE COURT  
SUBMITTED BY DELOITTE RESTRUCTURING INC.  
IN ITS CAPACITY AS MONITOR**

*(Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended)*

**INTRODUCTION**

1. On July 8, 2014, Metcalfe & Mansfield Alternative Investments VII Corp. in its capacity as issuer trustee (the "**Applicant**") of Devonshire Trust (the "**Conduit**", collectively with the Applicant, the "**CCAA Parties**") filed and obtained protection from their respective creditors under the *Companies' Creditors Arrangement Act* (the "**CCAA**") pursuant to an Order granted by the Superior Court of Ontario (the "**Initial Order**").
2. The Initial Order provides, inter alia, for the following:
  - a. No proceedings or enforcement processes in any court or tribunal shall be commenced or continued against or in respect of the CCAA Parties, the Monitor

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or the Property except with the written consent of the Applicant and the Monitor or with leave of this Court. All Proceedings currently under way against or in respect of the CCAA Parties or affecting the Property are stayed and suspended (the “Stay”) until August 7<sup>th</sup>, 2014.

- b. No person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the CCAA Parties, except with the written consent of the Applicant and the Monitor, or leave of this Court.
- c. All persons having agreements with the CCAA Parties shall continue to provide goods and services in the normal course of business.
- d. Deloitte Restructuring Inc. (the “Monitor”) is appointed as Monitor pursuant to the CCAA.

#### TERMS OF REFERENCE

4. Capitalized terms not otherwise defined have the meaning ascribed to them in the First Report, the Plan and the supporting affidavit of Mathieu Lafleur-Ayotte dated June 27, 2014, filed by the Applicant. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.
5. In preparing this second Monitor’s report (“**Second Report**”), the Monitor has necessarily relied upon unaudited financial information and other information supplied, and representations made, by the CCAA Parties and their agents and advisors. Although the Monitor has reviewed the information, some of which was in draft format, the Monitor has not performed an audit or otherwise attempted to verify the accuracy or completeness of any such information. Accordingly, the Monitor does not express any opinion and does not provide any other form of assurance on or relating to the accuracy of any information contained in this Second Report or otherwise used to prepare this Second Report.
6. Forward looking financial information included in this Second Report is based on the CCAA Parties’ assumptions regarding future events, and actual results achieved will vary from this information and the variations may be material. The Monitor has not performed an examination or review of financial forecasts, projections or procedures in accordance with standards set by the Canadian Institute of Chartered Accountants.
7. A copy of this Second Report, the First Report, the Applicant’s application and supporting affidavit, the Plan, and the Orders granted to date as well as the Meeting Documents and further motions and reports of the Monitor are available on the Monitor’s website in English at <http://www.deloitte.com/ca/devonshire>. The Monitor has also established a toll free phone number as well as a dedicated email address that are referenced on the Monitor’s website so that parties may contact the Monitor if they have questions in respect of this CCAA proceeding. The Monitor’s toll free number is 1-855-990-7100 and dedicated email address is CAMontrealDevonshire@deloitte.ca

## PURPOSE OF THE SECOND REPORT

8. This Second Report dated July 20, 2014 is provided to this Honourable Court by the Monitor to outline the progress of the CCAA Parties' restructuring and relating steps and confirm the support of the Monitor to the Applicant's Motion to extend the Stay Period.
9. This Second Report is structured as follows:
  - I- Review of Certain Transactions;
  - II- Claims Procedure and Reporting Duties performed by the Monitor;
  - III- Extension of the Stay Period;
  - IV- Activities of the Monitor; and
  - V- Monitor's Conclusion.

## I. REVIEW OF CERTAIN TRANSACTIONS

8. The Monitor, following its appointment, has commenced its review of certain transactions preceding the commencement of this CCAA Proceeding and is still waiting for additional documents in order to complete its review. The Monitor anticipates that it will have completed its review before the Meeting of Creditors and will communicate its findings during the said Meeting of Creditors. The Monitor will also include its findings in in the next Monitor's report.

## II. CLAIMS PROCEDURE & REPORTING DUTIES PERFORMED BY THE MONITOR

9. Pursuant to the Initial Order on July 10, 2014 the Monitor published the Notice of Proceedings in the *National Post* (national edition) and *La Presse* in accordance with the CCAA.
10. Within five (5) business days of the Initial Order being granted, the Monitor made available on its website all public information and documentation related to the CCAA Parties' restructuring process, including the Notice of Proceedings, a listing of the Beneficial Noteholders, and all Court documentation.
11. Within five (5) business days of the Claims Procedure and Meeting Order being granted, the Monitor has sent Meeting Documents to 17 identified beneficial Noteholders (July 11, 2014) and to an additional 3 beneficial Noteholders and to 7 Registered Holders (including the Issuing and Paying Agent, NBCN Inc., on July 15, 2014).
12. As of the date hereof, the Monitor has received the Required Documentation for 1 Noteholder Claim representing a total of \$ 10 million.
13. The Monitor has been diligently processing Noteholder Claims and Required Documentation in cooperation with the Applicant and respective counsel.

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14. Pursuant the Claims Procedure and Meeting Order, Noteholder Claims must be received and proven by the Monitor by no later than two (2) years following the Plan Implementation Date. After this date, a beneficial Noteholder that has not provided all of the Required Documentation shall (a) be forever barred from making or enforcing a Noteholder Claim against the Applicant or against the Devonshire Trust and such Noteholder Claim will be forever extinguished, (b) be forever barred from making or enforcing such Noteholder Claim against any other person who can claim contribution or indemnity from the Applicant or against the Devonshire Trust, (c) not be entitled to receive any distribution in respect of such Noteholder claim; and (d) not be entitled to any further notice and shall not be entitled to participate in the CCAA Proceedings in respect of such claims.

### III. EXTENSION OF STAY PERIOD

#### *OVERVIEW*

15. Pursuant to the Initial Order, the Stay was granted until August 7<sup>th</sup> 2014
16. The CCAA Parties notified the Monitor of their intention to request a first extension of the Stay to September 15, 2014 (the “**First Extension Period**”).
17. This short extension will allow, *inter alia*, the CCAA Parties, to hold the Meeting and is the Plan is approved, seek the Sanction Order, allow the expiry of appeal periods with respect to the Sanction Order, complete fund transfers and proceed with the Initial Distribution.
18. It is the Monitor’s opinion that the First Extension Period is necessary to ensure that the CCAA Parties continue their restructuring initiatives.
19. It is the Monitor’s view that the CCAA Parties have acted in good faith and with due diligence to date.

#### *EXTENDED 3 WEEKS CASH FLOW FORECASTS*

20. The cash flow forecast is attached to this Report as Appendix “A”. Because the cash flow forecast is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material. Accordingly, the Monitor expresses no opinion as to whether the projections in the cash flow forecast will be achieved. The Monitor expresses no opinion as to the performance or the non-performance of the CCAA Parties’ statutory obligations with regard to projected payments to be made in accordance with the cash flow forecast.
21. The cash flow forecast is for a period of 10 weeks from July 8 to September 15, 2014 and assumes that the Plan is approved and implemented before September 15, 2014; and is summarized in the table below:

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<b>10-week period ending September 15, 2014</b>	
<b>(C\$)</b>	
<b>Cash inflows</b>	
Receipts from sale of short-term investments	131,500,000
Interest receipt from sale of short-term investments	1,230,695
Settlement payment (a)	532,668,082
Unpaid amount under swaps (b)	1,061,916
Interest owed under swaps (c)	58,412,380
Interest on (a), (b) and (c)	3,313,291
<b>Total cash inflows</b>	<b>728,186,364</b>
<b>Cash outflows</b>	
Transfer to Monitor's trust accounts	729,626,111
Administrative costs	340,617
Professional fees	610,000
Other outflows	-
<b>Total cash outflows</b>	<b>730,576,728</b>
<b>Opening balance</b>	<b>2,390,364</b>
Variation in cash balance	(2,390,364)
<b>Ending cash balance</b>	<b>-</b>
<b>Opening short-term investment balance</b>	
Sale of short-term investments	(131,500,000)
Transfer to Monitor's trust accounts	(19,232,000)
<b>Ending short-term investments balance</b>	<b>-</b>

22. Based on information received from the CCAA Parties, the opening cash balance reflects cash and short term investments held by the Conduits, as described in the table below:

<b>Opening cash balance</b>	
<b>(C\$)</b>	
<b>Opening cash balance</b>	
Cash	2,390,364
Short-term investments	150,732,000
	<u>153,122,364</u>

### *Cash Inflows*

23. All of the Conduit's cash inflows, namely, approximately \$728.2M, are projected to occur in week 8 of the cash flow which coincides with the estimated Plan Implementation Date.
24. Cash inflows of approximately \$595.5M are to be received as part of the Settlement Agreement and relate to (a) the settlement payment under swaps, (b) the unpaid amount under swaps, (c) the interest owed under swaps and any interest on (a), (b) and (c) calculated from and including June 1, 2014 to but excluding the Funds Transfer Date (projected as September 2, 2014) at a rate per annum equal to the BOC Daily 1M BA Rate, reset each Business Day, plus 1%, calculated on an Actual/365 Fixed Basis and compounded daily.

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25. It is expected that the Conduit will sell approximately \$131M of short-term investments in order to have sufficient liquidity to transfer to the Monitor's Trust accounts. Cash inflows of approximately \$132.7M relate to the sale of two (2) short-term investments as well as interest receipt collected as part of the sale of the said short-term investment.
26. None of the remaining short-term investments are maturing in the period presented.

*Cash Outflows*

27. It is projected that the Conduit will disburse a total of approximately \$749.7M during the period presented in the cash flow, of which, approximately \$730.5M is in cash and approximately \$19.2M is in short-term investments.
28. Out of the total disbursements of \$749.7M, it is projected that the Conduit will transfer to the Monitor's trust accounts a total of approximately \$729.6M in cash and approximately \$19.2M in short-term investments.
29. Once the Monitor receives these funds they will be segregated in the following manner:
  - a. \$678,931,389 for the Initial Distribution to Noteholders as provided for in the Plan. This distribution is to occur 3 business days after the Plan Implementation Date;
  - b. \$1,510,000 for the Costs Reserve;
  - c. \$59,693,854 for the Tax Reserve;
  - d. \$5,000,000 for the Indemnity Reserve, and;
  - e. \$3,722,868 in the Monitor's general trust account.
30. In addition to the funds transferred to the Monitor, approximately \$340,000 will be disbursed by the Conduit during the period presented in the cash flow as costs related to the daily administration of the CCAA Parties and approximately \$610,000 related to professional fees in conjunction with the restructuring, namely professional services rendered by the Monitor and its legal counsel and the CCAA Parties' legal advisor.

*The Monitor's Report on the Cash Flow Forecast*

31. Section 23(1)(b) of the CCAA states that the Monitor shall "review the company's cash-flow statement as to its reasonableness and file a report with the Court on the Monitor's findings."
32. Pursuant to section 23(1)(b) of the CCAA and in accordance with the Canadian Association of Insolvency and Restructuring Professionals Standards of Practice 09-1 ("CAIRP SOP 09-1"), the Monitor hereby reports as follows:
  - a. The cash flow forecast has been prepared by the CCAA Parties for the purpose described in the notes to the cash flow forecast, using Probable and Hypothetical Assumptions. Readers are cautioned that the cash flow forecast may not be appropriate for other purposes.

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- b. The Monitor's review consisted of inquiries, analytical procedures and discussion related to information supplied by the CCAA Parties. Because Hypothetical Assumptions need not be supported, the Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the cash flow forecast. The Monitor also reviewed the support provided by the CCAA Parties for the Probable Assumptions, and the preparation and presentation of the cash flow forecast.
- c. Based on its review, nothing has come to the attention of the Monitor that causes it to believe, that in all material respects:
  - (i) the Hypothetical Assumptions are not consistent with the purpose of the cash flow forecast;
  - (ii) as at the date of this report, the Probable Assumptions developed by the CCAA Parties are not suitably supported and consistent with the plans of the Applicant or do not provide a reasonable basis for the cash flow forecast, given the Hypothetical Assumptions; or
  - (iii) The cash flow forecast does not reflect the Probable and Hypothetical Assumptions.

#### **IV. MONITOR'S ACTIVITIES**

33. Since the date of the First Report , the Monitor has been involved in numerous activities, including:
- a. participating in numerous meetings, conference calls and discussions with the CCAA Parties and their advisors in connection with the Plan and cash flow forecast;
  - b. participating in numerous meetings, conference calls and discussions with the CCAA Parties and their advisors, and certain Noteholders and their advisors, in respect of the proposed forms of Initial Order, Claims Procedure and Meeting Order and Sanction Order;
  - c. engaging legal counsel, who has also participated in certain of the above-noted meetings and discussions;
  - d. attending the initial application;
  - e. communicating with Noteholders (as required by the Claims Procedure and Meeting Order);
  - f. mailing of Meeting Documents (as required by the Claims Procedure and Meeting Order);
  - g. publishing of the Notice of Proceedings in the required newspapers (as required by the Initial Order);

- 8 -

- h. starting review of certain transactions;
- i. reviewing and considering various documentation in connection with the CCAA Proceeding; and
- j. preparing this Second Report.

**V. MONITOR'S CONCLUSIONS**

- 34. It is the Monitor's view that the CCAA Parties have acted in good faith and with due diligence and in accordance with the Orders granted by this Honourable Court.
- 35. For the reasons set out in this Second Report, the Monitor believes that:
  - a. An extension of the Stay Period to September 15, 2014 should be granted to ensure that the CCAA Parties are able to implement certain essential restructuring initiatives.

The Monitor respectfully submits this Second Report to this Honourable Court.

DATED AT Montreal, this 20 day of July, 2014.



---

Pierre Laporte, CPA, CA, CIRP  
President

DELOITTE RESTRUCTURING INC.  
In its capacity as Court-Appointed Monitor

# TAB E

Beneficial Holder	Amount filed	VOTE
<b>Ally Credit Canada Limited</b>	Not submitted	Not Submitted
<b>Caisse de depot et placement du Quebec ("CDP")</b>	\$ 100,000,000.00	FOR
CDP	\$7,600,000.00	
CDP	\$41,500,000.00	
CDP	\$41,800,000.00	
CDP	\$20,000,000.00	
CDP	\$20,000,000.00	
CDP	\$22,500,000.00	
CDP	\$10,800,000.00	
CDP	\$30,000,000.00	
CDP	\$21,602,000.00	
CDP	\$15,000,000.00	
CDP	\$41,000,000.00	
CDP	\$1,398,000.00	
CDP	\$8,800,000.00	
CDP	\$3,000,000.00	
<b>TOTAL</b>	<b>\$385,000,000.00</b>	
<b>Barclays Bank PLC and Barclays Subsidiaries</b>		
Barclays PLC	\$ 60,000,000.00	
Barclays PLC	\$ 227,247.00	
Barclays PLC	\$ 27,012,728.00	
Barclays PLC	\$ 2,000.00	
Barclays PLC	\$ 241,123.00	
Barclays PLC	\$ 104,285.00	
Barclays PLC	\$ 25,104,565.00	
Barclays PLC	\$ 165,881.00	
Barclays PLC	\$ 307,876.00	
Barclays PLC	\$ 58,074.00	
Barclays PLC	\$ 830.00	
Barclays PLC	\$ 152,264.00	
Barclays PLC	\$ 80,379.00	
Barclays PLC	\$ 464,286.00	
Barclays PLC	\$ 857,984.00	
Barclays PLC	\$ 461,529.00	
Barclays PLC	\$ 4,000,000.00	
<b>TOTAL</b>	<b>\$ 119,241,051.00</b>	<b>FOR</b>
<b>GOLDER</b>		
	\$ 4,227,458.65	
	\$ 4,227,458.65	
	\$ 2,818,305.71	
	\$ 281,830.36	
	\$ 2,818,305.86	
<b>TOTAL</b>	<b>\$ 14,373,359.23</b>	<b>FOR</b>
<b>HENTOCK</b>		
	\$ 1,692,979.92	

	\$ 1,692,979.92	
	\$ 1,128,653.25	
	\$ 112,865.33	
	\$ 1,128,653.26	
<b>TOTAL</b>	<b>\$ 5,756,131.68</b>	<b>FOR</b>
<b>COSKOW</b>		
	\$ 371,119.75	
	\$ 371,119.75	
	\$ 247,413.15	
	\$ 24,741.32	
	\$ 247,413.16	
<b>TOTAL</b>	<b>\$ 1,261,807.13</b>	<b>FOR</b>
<b>HOLLYGRICE</b>		
	\$ 3,753,079.83	
	\$ 3,753,079.83	
	\$ 2,502,053.15	
	\$ 250,205.33	
	\$ 2,502,053.19	
<b>TOTAL</b>	<b>\$ 12,760,471.33</b>	<b>FOR</b>
<b>STRICKYARD</b>		
	\$ 1,354,957.74	
	\$ 1,354,957.74	
	\$ 903,305.15	
	\$ 90,330.52	
	\$ 903,305.15	
<b>TOTAL</b>	<b>\$ 4,606,856.30</b>	<b>FOR</b>
<b>BLAYTELL</b>		
	\$ 3,123,308.16	
	\$ 3,123,308.16	
	\$ 2,082,205.64	
	\$ 8,000,000.00	
	\$ 3,400,000.00	
	\$ 208,220.55	
	\$ 2,082,205.41	
<b>TOTAL</b>	<b>\$ 22,019,247.92</b>	<b>FOR</b>
<b>WINHALL</b>		
	\$ 10,477,095.95	
	\$ 10,477,095.95	
	\$ 318,063.95	
	\$ 5,031,806.59	

	\$ 318,063.97	
<b>TOTAL</b>	<b>\$ 26,622,126.41</b>	<b>FOR</b>
<b>PILKBULL</b>		
<b>TOTAL</b>	<b>\$ 9,410,000.00</b>	<b>FOR</b>
<b>HARFLANE</b>		
<b>TOTAL</b>	<b>\$ 3,590,000.00</b>	<b>FOR</b>
<b>Casgrain &amp; Company Limited</b>		
	<b>\$ 1,178,000.00</b>	<b>FOR</b>
<b>City of Hamilton</b>	<b>\$ 10,000,000.00</b>	<b>FOR</b>
<b>Domtar Pension Plans</b>		
<b>Domtar Pension Plan - Non Negotiated Employees</b>	<b>\$ 5,322,000.00</b>	<b>FOR</b>
<b>Domtar Pension Plans - Hourly Employees of Dryden, Ontario</b>	<b>\$ 2,526,000.00</b>	<b>FOR</b>
<b>Domtar Pension Plan - Espanola Division - Retirement Plan 2</b>	<b>\$ 1,371,000.00</b>	<b>FOR</b>
<b>Domtar Pension Plan - for Unionized Employees</b>	<b>\$ 3,594,000.00</b>	<b>FOR</b>
<b>Domtar Pension Plan - Ottawa-Hull Division, Retirement Income Plan for Hourly-Rated Employees</b>	<b>\$ 766,500.00</b>	<b>FOR</b>
<b>TOTAL</b>	<b>\$ 13,579,500.00</b>	
<b>Prince Albert Pulp</b>	<b>\$ 1,420,500.00</b>	<b>FOR</b>
<b>Fonds Fiera Arbitrage a Courte Terme (previously Natcan)</b>	<b>\$ 465,890.00</b>	<b>FOR</b>
<b>Mimajique Inc. (previously - Natcan)</b>	<b>\$22,996.00</b>	<b>FOR</b>
<b>Mr. Jacques Chartrand (previously - Natcan)</b>	<b>\$ 23,452.00</b>	<b>FOR</b>
<b>HEC Montreal</b>	<b>\$ 300,000.00</b>	<b>FOR</b>
<b>ICICI Bank Canada</b>	<b>\$15,000,000.00</b>	<b>FOR</b>
<b>National Bank of Canada (previously Dadrex Holding)</b>	<b>\$3,980,000.00</b>	<b>FOR</b>

<b>National Bank Financial (previously Dadrex Holdings)</b>	<b>\$3,950,000.00</b>	<b>FOR</b>
<b>Nav Canada</b>	<b>\$ 10,000,000.00</b>	<b>FOR</b>
<b>North Pole Capital Master Fund (</b>	<b>\$ 1,000,000.00</b>	<b>FOR</b>
<b>University of Alberta</b>	<b>\$ 3,000,000.00</b>	<b>FOR</b>
<b>University of British Columbia Investment Management Trust</b>	<b>\$ 3,000,000.00</b>	<b>FOR</b>
<b>Total</b>	<b>\$ 671,531,389.00</b>	

**TAB F**

**Noteholders' Meeting Minutes**  
**Metcalf & Mansfield Alternative Investments VII Corp.**  
**August 7, 2014**

The Meeting commenced at 2:00 p.m.

**Attendance:**

- Pierre Laporte, Jean-Francois Nadon, Igal Wizman and Anna Koroneos, Deloitte Restructuring Inc.
- Mary Paterson, Osler, Hoskin & Harcourt LLP
- Claude Dalphond, Metcalfe & Mansfield Alternative Investments VII Corp.
- Xeno Martis and Robert Girard, Fasken Martineau
- Sophie Lussier, CDPQ
- Virginie Gauthier, Norton Rose Fulbright
- William Scott, Stikeman Elliott LLP

**Call to Order**

- Pierre Laporte introduced himself as the (“**Chair**”) and thanked everyone in attendance
- The Chair introduced Mary Paterson of the Monitor’s counsel as secretary
- The Chair introduced Jean-Francois Nadon and Igal Wizman of the Monitor as the scrutineers
- The Chair identified all persons entitled to attend and speak at the Meeting and confirmed that all attendees were all eligible to attend
- The Chair confirmed that a quorum was met and called the Meeting to order

**Notice of Meeting**

- The Chair briefly described the Monitor’s compliance with the notice requirements set out in the Claims Procedure and Meeting Order

**The Restructuring Process**

- The Chair discussed the fact that the Monitor had filed Reports which detailed the Applicant’s CCAA Proceedings
- The Chair acknowledged that the parties present had been closely following and/or been extensively involved in the CCAA proceedings to date and did not propose to go through a detailed summary regarding the CCAA Proceedings or the Amended Plan

**Reviewable Transactions**

- The Chair noted that the Monitor had reviewed transactions occurring before the CCAA Proceedings commenced and had not identified any reviewable transactions

**Discussion/Question on the Amended and Restated Plan**

- The Chair asked if there were any questions or other matters relating to the Amended Plan or the Monitor's Reports that anyone wished to discuss

- No individuals came forward with any questions and there were no discussions relating to the Amended Plan

### **Voting of the Plan and Vote Count**

- The Plan that was tabled for consideration at the Meeting was identified as the Amended Plan of Compromise and Arrangement dated August 6, 2014 (the “**Amended Plan**”)
- The voting commenced and the Chair indicated that under the CCAA a majority in number and 2/3 in value of the voting class is needed for approval of the Amended Plan
- The Chair announced the proposed resolution for the vote as resolved and accepted
- Sophie Lussier made the motion to approve the resolution. William Scott seconded the motion
- There were no further discussions

### **Voting Results**

- The Chair announced the results of the vote and subsequent approval of the Amended Plan

<b>Voting Claims</b>				
<b>Number of Claims</b>	<b>Amount</b>	<b>Percentage in Favor by Number</b>	<b>Percentage in Favor by Dollar Value</b>	
30	\$ 671,531,389.00	100%	100%	

### **Termination of Meeting**

- The Chair formally concluded the Meeting at 2:10 p.m.

**TAB G**



**TAB H**

Court File No. CV-14-10609-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

*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  
AND ARRANGEMENT INVOLVING METCALFE & MANSFIELD  
ALTERNATIVE INVESTMENTS VII CORP. IN ITS CAPACITY  
AS ISSUER TRUSTEE OF THE DEVONSHIRE TRUST

**AFFIDAVIT OF JEAN-FRANCOIS NADON  
(Sworn August 14, 2014)**

I, Jean-Francois Nadon, of the City of Montreal, in the Province of Quebec, MAKE  
OATH AND SAY:

1. I am a partner of Deloitte Restructuring Inc. ("**Deloitte**"), and as such I have personal knowledge of the matters contained in this affidavit. Where I have relied on other sources for information, I have identified such sources and believe the information to be true.
2. Pursuant to an Order dated July 8, 2014, Deloitte is the court-appointed Monitor (the "**Monitor**") of the Applicant. This affidavit is made in support of a motion to be made by the Applicant that seeks, *inter alia*, approval of the fees and disbursements of the Monitor for the pre-filing period of April 7 to July 7, 2014, and the post-filing period of July 8, 2014, to July 31, 2014 (collectively, the "**Period**").
3. The Monitor's invoices, which are dated June 10, 2014, June 27, 2014, July 24, 2014 and August 14, 2014 (the "**Invoices**"), disclose in detail: (i) the names, hourly rates and time expended by each person who rendered services; and (ii) the total charges for each of the

- 2 -

categories of services rendered for the relevant time period. The Invoices, are attached as Exhibit "A" to this Affidavit.

4. During the Period, the total fees set out in the Invoices were \$387,950.00, plus disbursements of \$209,764.58 and applicable taxes of \$89,507.75, for an aggregate amount of \$687,222.33.

5. As set out in the following table, 941.9 hours were incurred by Deloitte personnel during the Period, resulting in an average hourly rate of \$411.88 (exclusive of applicable taxes):

<b>Name</b>	<b>Total Hours</b>	<b>Hourly Rate (\$)</b>
Benoit Clouâtre	1.3	525
Jean Fortier	110.3	525
Lorraine Jutras	3.6	525
Pierre Laporte	59	525
Martin Legault	139.1	525
Jean-Francois Nadon	121	525
Amélie Desrochers	0.4	375
Robert Macri	35.7	375
Robert Mccullogh	10.7	375
Igal Wizman	180.6	375
Andrew Ajram	2.3	300
Jadys Bourdelais	1.2	300
Martin Cardinal	60	300
Anna Koroneos	32.3	300
Nicolas Pascal	19	300
Émilie Paul-Hus-Grégoire	3.1	300
David Peloquin	77.5	300
Émilie Roy	14.4	300
Adina Bochis	11.2	225
Michael Marianer	22.8	225

Rachelle Nadeau	3.5	225
Suzanne Langlois	31	100
Mylène Laverdière	1.9	100

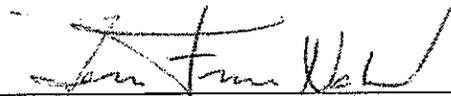
6. The activities performed, time expended and fees charges are reasonable in light of the services performed and the prevailing market rates for such services. The Monitor has been paid in full in respect of the fees, disbursements and taxes detailed in the Invoices.

7. I swear this affidavit for the purpose of this motion and for no improper purpose.

SWORN BEFORE ME at the City of Montréal, in the Province of Québec this day of August 14, 2014.



Commissioner for Taking Affidavits



Jean-Francois Nadon



This is **Exhibit "A"** to the  
Affidavit of Jean-Francois Nadon  
sworn before me, this 14<sup>th</sup> day of  
August, 2014.

A handwritten signature in black ink, appearing to read "S. J. McNeil", written over a horizontal line.

A Commissioner for taking Affidavits, etc.



Samson Bélair/Deloitte & Touche Inc.  
1 Place Ville Marie  
Suite 3000  
Montreal QC H3B 4T9  
Canada

Tel: 514-393-7372  
Fax: 514-390-4103  
www.deloitte.ca

Metcalfe & Mansfield Alternative Investment VII Corp  
3700-800 Place Victoria  
Montreal QC H4Z 1E9

**Attention: Mr. Raymond Cloutier, Mr. Claude Dalphond and  
Mr. Benoit Deschamps**

Date: June 10, 2014  
Invoice No: 3602942  
Client/Mandate No: 932068.1000000  
Partner: Pierre Laporte

GST Registration No: 886084482  
QST Registration No: 1001722961

## Invoice replaces invoice 3597050 dated May 10, 2014

For professional services rendered to Metcalfe & Mansfield Alternative Investment VII Corp, as stipulated in the engagement letter dated April 7, 2014, for the period ended May 24, 2014

Fees	\$73,515.00
Administrative charges on fees @ 7%	5,146.05
Direct charges (see detail below)	50,011.00
<b>Subtotal</b>	<b>128,672.05</b>
GST @ 5%	6,433.60
QST @ 9.975%	12,835.04
<b>Amount payable</b>	<b>\$147,940.69</b>

Payable upon receipt to: Samson Bélair/Deloitte & Touche Inc.

We accept payment by cheque, wire, Electronic Funds Transfer and online bill payment (select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution).

Please confirm your transfer by sending an email to:  
deloittemontreal@deloitte.ca

#### Bank information for wire transfer

Scotia Bank  
1800 Mc Gill College Avenue  
Montreal QC Canada H3V 3Y1  
Montreal Business Support Centre, Transit: 63 081-002

Swift Code CAD\$: NOS CC ATT  
CDN Account Number: 63081 00830 11  
Swift Code USD\$: NOS CUS 33  
ABA #: 026002532  
US Account Number: 63081 88230 14

Metcalfe & Mansfield Alternative Investment VII Corp  
 June 10, 2014  
 Page 2

## Summary of Hours

For professional services rendered to Metcalfe & Mansfield Alternative Investment VII Corp, as stipulated in the engagement letter dated April 7, 2014, for the period ended May 24, 2014  
 Invoice No.3602942

<b>Professional</b>	<b>Rate</b>	<b>Hours</b>	<b>Total</b>
Pierre Laporte, CPA, CA, CIRP, Partner	525	33.0	17,325.00
Jean-François Nadon, CPA, CA, CIRP, Partner	525	38.5	20,212.50
Robert Macri, CPA, CA, CIRP, Senior Manager	375	29.7	11,137.50
Igal Wizman, ISP, Senior Manager	375	33.6	12,600.00
Andrew Ajram, Manager	300	2.3	690.00
David Peloquin, CPA, CA, CIRP, CFA, Manager	300	38.5	11,550.00
<b>Total</b>		<b>175.6</b>	<b>\$73,515.00</b>

## Direct charges

<b>Description</b>	<b>Total</b>
Osler, Hoskin & Harcourt LLP, for professional services rendered for Project M&M (see attached invoice dated May 31, 2014; invoice number 11660418)	\$50,011.00
<b>Total</b>	<b>\$50,011.00</b>

Metcalfe & Mansfield Alternative Investment VII Corp  
June 10, 2014  
Page 3

## Summary of Services Rendered

For professional services rendered to Metcalfe & Mansfield Alternative Investment VII Corp, as stipulated in the engagement letter dated April 7, 2014, for the period ended May 24, 2014  
Invoice No. 3602942

- Discussions and meetings with Mansfield Alternative Investment VII Corp. (“Metcalfe”) and its legal counsel Fasken Martineau;
- Numerous calls and meetings with the proposed Monitor’s legal counsel Osler;
- Discussions with Mathieu Lafleur-Ayotte in regards to various subjects including the interest model;
- Review of the various proposed forms related to the CCAA restructuring of Metcalfe & Mansfield Alternative Investments VII Corp., in its capacity of the Devonshire Trust (“Devonshire”):
  - The initial order;
  - Sanction order;
  - The meeting order;
  - Plan of compromise and arrangement;
  - Settlement agreement;
  - Notice of application;
  - Sanction order.
- Internal meetings and planning;
- Preparation of the consent to act letter;
- Preparation of the pre-filing Proposed Monitor’s Report;
- Preparation of the confirmation of Notes to be sent to NBCN;
- Preparation of the meeting materials (forms) Proxy, instructions to Noteholders, claims process form and notice to creditors;
- Preparation for CCAA statutory Forms I and II.



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Fax: 514-390-4103  
www.deloitte.ca

Metcalfe & Mansfield Alternative Investment VII Corp  
3700-800 Place Victoria  
Montreal QC H4Z 1E9

**Attention: Mr. Raymond Cloutier, Mr. Claude Dalphond and  
Mr. Benoit Deschamps**

Date: June 10, 2014  
Invoice No: 3602965  
Client/Mandate No: 932068.1000001  
Partner: Pierre Laporte

GST Registration No: 886084482  
QST Registration No: 1001722961

## Invoice replaces invoice 3597057 dated May 30, 2014

For professional services rendered to Metcalfe & Mansfield Alternative Investment VII Corp, as stipulated in the engagement letter dated April 7, 2014, for the period ended May 24, 2014

Fees	\$121,650.00
Administrative charges on fees @ 7%	8,515.50
Direct charges (see detail below)	20,991.00
Subtotal	151,156.50
GST @ 5%	7,557.83
QST @ 9.975%	15,077.86
<b>Amount payable</b>	<b>\$173,792.19</b>

Payable upon receipt to: Samson Bélair/Deloitte & Touche Inc.

We accept payment by cheque, wire, Electronic Funds Transfer and online bill payment (select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution).

Please confirm your transfer by sending an email to:  
deloittemontreal@deloitte.ca

#### Bank information for wire transfer

Scotia Bank  
1800 Mc Gill College Avenue  
Montreal QC Canada H3V 3Y1  
Montreal Business Support Centre, Transit: 63 081-002

Swift Code CAD\$: NOS CC ATT  
CDN Account Number: 63081 00830 11  
Swift Code USD\$: NOS CUS 33  
ABA #: 026002532  
US Account Number: 63081 88230 14

Metcalfe & Mansfield Alternative Investment VII Corp  
 June 10, 2014  
 Page 2

## Summary of Hours

For professional services rendered to Metcalfe & Mansfield Alternative Investment VII Corp, as stipulated in the engagement letter dated April 7, 2014, for the period ended May 24, 2014  
 Invoice No.3602965

<b>Professional</b>	<b>Rate</b>	<b>Hours</b>	<b>Total</b>
Jean Fortier, CPA, CA, Partner	525	74.3	39,007.50
Lorraine Jutras, CPA, CA, Partner	525	3.6	1,890.00
Martin Legault, CPA, CA, Partner	525	95.5	50,137.50
Amélie Desrochers, Senior Manager	375	0.4	150.00
Robert Mcculloch, Senior Manager	375	7.8	2,925.00
Jadys Bourdelais, Manager	300	1.2	360.00
Martin Cardinal, Manager	300	57.6	17,280.00
Émilie Roy, Manager	300	14.4	4,320.00
Michael Marianer, Associate	225	22.8	5,130.00
Rachelle Nadeau, Associate	225	2.0	450.00
<b>Total</b>		<b>279.6</b>	<b>\$121,650.00</b>

## Direct charges

<b>Description</b>	<b>Total</b>
Osler, Hoskin & Harcourt LLP, for professional services (tax advice) rendered for Project M&M (see attached invoice dated May 31, 2014; invoice number 11660429)	\$20,991.00
<b>Total</b>	<b>\$20,991.00</b>

Metcalfe & Mansfield Alternative Investment VII Corp  
June 10, 2014  
Page 3

## Summary of Services Rendered

For professional services rendered to Metcalfe & Mansfield Alternative Investment VII Corp, as stipulated in the engagement letter dated April 7, 2014, for the period ended May 24, 2014  
Invoice No. 3602965

- Tax Assistance to the proposed Monitor in respect of CCAA restructuring:
  - Work related to proposed restructuring Plan of Compromise and Arrangement, including finalization of Settlement Letter to be reached with Barclays Bank, Canadian and foreign withholding tax considerations and mitigation of Barclays' Loss;
  - Work related to the impact of debt settlement and repayment and other related issues, including on determination of trust year-end, various sales tax considerations and high level review of past years corporate tax returns and financial statements;
  - Review of clearance certificate process and distribution and reserve mechanisms provided for in the Settlement Letter and the Plan of Compromise and Arrangement.



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www.deloitte.ca

Metcalfe & Mansfield Alternative Investment VII Corp  
3700-800 Place Victoria  
Montreal QC H4Z 1E9

**Attention: Mr. Raymond Cloutier, Mr. Claude Dalphond and  
Mr. Benoit Deschamps**

Date: June 27, 2014  
Invoice No: 3611840  
Client/Mandate No: 932068.1000001  
Partner: Pierre Laporte  
GST Registration No: 886084482  
QST Registration No: 1001722961

## Invoice

For professional services rendered to Metcalfe & Mansfield Alternative Investment VII Corp, as stipulated in the engagement letter dated April 7, 2014, for the period ended June 20, 2014

	Fees	\$34,102.50
	Administrative fees @ 7%	2,387.18
	Direct charges (see detail below)	11,813.00
	Subtotal	48,302.68
	GST @ 5%	2,415.13
	QST @ 9.975%	4,818.19
	<b>Amount payable</b>	<b>\$55,536.00</b>

Payable upon receipt to: Samson Bélair/Deloitte & Touche Inc.

We accept payment by cheque, wire, Electronic Funds Transfer and online bill payment (select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution).

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deloittemontreal@deloitte.ca

#### Bank information for wire transfer

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Montreal Business Support Centre, Transit: 63 081-002

Swift Code CAD\$: NOS CC ATT  
CDN Account Number: 63081 00830 11  
Swift Code USD\$: NOS CUS 33  
ABA #: 026002532  
US Account Number: 63081 88230 14

Metcalfe & Mansfield Alternative Investment VII Corp  
 June 27, 2014  
 Page 2

## Summary of Hours

For professional services rendered to Metcalfe & Mansfield Alternative Investment VII Corp, as stipulated in the engagement letter dated April 7, 2014, for the period ended June 20, 2014  
 Invoice No. 3611840

<b>Professional</b>	<b>Rate</b>	<b>Hours</b>	<b>Total</b>
Jean Fortier, CPA, CA, Partner	525	30.1	15,802.50
Martin Legault, Lawyer, Partner	525	29.0	15,225.00
Robert Mcculloch, CPA, CA, Senior Manager	375	2.9	1,087.50
Martin Cardinal, CPA, CA, Manager	300	2.4	720.00
Émilie Paul-Hus-Grégoire, CPA, CA, Manager	300	3.1	930.00
Rachelle Nadeau, Associate	225	1.5	337.50
<b>Total</b>		<b>69.0</b>	<b>\$34,102.50</b>

## Direct charges

<b>Description</b>	<b>Total</b>
Osler, Hoskin & Harcourt LLP, for professional services rendered for Project M&M (see attached invoice dated June 19, 2014; invoice number 11668112)	\$6,271.00
Osler, Hoskin & Harcourt LLP, for professional services rendered for Project M&M (see attached invoice dated June 26, 2014; invoice number 11670109)	\$5,542.00
<b>Total</b>	<b>\$11,813.00</b>

Metcalfe & Mansfield Alternative Investment VII Corp  
June 27, 2014  
Page 3

## Summary of Services Rendered

For professional services rendered to Metcalfe & Mansfield Alternative Investment VII Corp, as stipulated in the engagement letter dated April 7, 2014, for the period ended June 20, 2014  
Invoice No. 3611840

- Tax Assistance to the proposed Monitor in respect of CCAA restructuring:
  - Review of legal documentation, including Plan of Compromise and Arrangement, Settlement Letter, Mitigation Agreement, Payment Agreement, Claims Procedure and Meeting Order, Sanction Order, CCAA Initial Order and other related documents;
  - Work related to proposed restructuring Plan of Compromise and Arrangement, including finalization of Settlement Letter to be reached with Barclays Bank, Canadian and foreign withholding tax considerations and mitigation of Barclays' Loss;
  - Review of Advance Income Tax Ruling request prepared by Fasken to address any uncertainty in relation to interest distributions made to non-resident noteholders in accordance with the Plan of Compromise and Arrangement.



Samson Bélair/Deloitte & Touche Inc.  
1 Place Ville Marie  
Suite 3000  
Montreal QC H3B 4T9  
Canada

Tel: 514-393-7372  
Fax: 514-390-4103  
www.deloitte.ca

Metcalf & Mansfield Alternative Investment VII Corp  
3700-800 Place Victoria  
Montreal QC H4Z 1E9

Attention: Mr. Raymond Cloutier, Mr. Claude Dalphond and  
Mr. Benoit Deschamps

Date: June 27, 2014  
Invoice No: 3611762  
Client/Mandate No: 932068.1000000  
Partner: Pierre Laporte

GST Registration No: 866084482  
QST Registration No: 1001722961

## Invoice

For professional services rendered to Metcalf & Mansfield Alternative Investment VII Corp, as stipulated in the engagement letter dated April 7, 2014, for the period ended June 20, 2014

	Fees	\$48,975.00
	Administrative fees @ 7%	3,428.25
	Direct charges (see detail below)	42,996.14
	Subtotal	95,399.39
	GST @ 5%	4,769.97
	QST @ 9.975%	9,516.09
	<b>Amount payable</b>	<b>\$109,685.45</b>

Payable upon receipt to: Samson Bélair/Deloitte & Touche Inc.

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deloittemontreal@deloitte.ca

#### Bank information for wire transfer

Scotia Bank  
1800 Mc Gill College Avenue  
Montreal QC Canada H3V 3Y1  
Montreal Business Support Centre, Transit: 63 081-002

Swift Code CAD\$: NOS CC ATT  
CDN Account Number: 63081 00830 11  
Swift Code USD\$: NOS CUS 33  
ABA #: 026002532  
US Account Number: 63081 88230 14

Metcalfe & Mansfield Alternative Investment VII Corp  
 June 27, 2014  
 Page 2

## Summary of Hours

For professional services rendered to Metcalfe & Mansfield Alternative Investment VII Corp, as stipulated in the engagement letter dated April 7, 2014, for the period ended June 20, 2014  
 Invoice No. 3611762

<b>Professional</b>	<b>Rate</b>	<b>Hours</b>	<b>Total</b>
Pierre Laporte, CPA, CA, CIRP, Partner	525	17.5	9,187.50
Jean-François Nadon, CPA, CA, CIRP, Partner	525	28.0	14,700.00
Robert Macri, CPA, CA, CIRP, Senior Manager	375	6.0	2,250.00
Igal Wizman, ISP, Senior Manager	375	37.3	13,987.50
David Peloquin, CPA, CA, CIRP, CFA, Manager	300	29.5	8,850.00
<b>Total</b>		<b>118.3</b>	<b>\$48,975.00</b>

## Direct charges

<b>Description</b>	<b>Total</b>
Osler, Hoskin & Harcourt LLP, for professional services rendered for Project M&M (see attached invoice dated June 26, 2014; invoice number 11670106)	\$42,996.14
<b>Total</b>	<b>\$42,996.14</b>

Metcalfe & Mansfield Alternative Investment VII Corp  
June 27, 2014  
Page 3

## Summary of Services Rendered

For professional services rendered to Metcalfe & Mansfield Alternative Investment VII Corp, as stipulated in the engagement letter dated April 7, 2014, for the period ended June 20, 2014  
Invoice No. 3611762

- Discussions and meetings with Mansfield Alternative Investment VII Corp. (“Metcalfe”) and its legal counsel Fasken Martineau;
- Numerous calls and meetings with the proposed Monitor’s legal counsel Osler;
- Continued review of the various proposed documents related to the CCAA restructuring of Metcalfe & Mansfield Alternative Investments VII Corp., in its capacity of the Devonshire Trust (“Devonshire”):
  - The initial order;
  - Sanction order;
  - The meeting order;
  - Plan of compromise and arrangement;
  - Settlement agreement;
  - Notice of application;
  - Sanction order;
  - Mathieu Lafleur Ayotte Affidavit;
  - Mitigation Agreement;
  - Payment Agreement.
- Internal meetings and planning;
- Modifications to the consent to act letter;
- Preparation and modifications to the pre-filing Proposed Monitor’s Report;
- Preparation and modifications to the Meeting Documents (forms) Proxy, instructions to Noteholders, Voter Identification Form;
- Preparation and modifications to CCAA statutory Forms I and II;
- Preparation of Monitor’s website;
- Preparation of Monitor’s toll free numbers and email addresses.



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www.deloitte.ca

Metcalfe & Mansfield Alternative Investment VII Corp  
3700-800 Place Victoria  
Montreal QC H4Z 1E9

**Attention: Mr. Raymond Cloutier, Mr. Claude Dalphond and  
Mr. Benoit Deschamps**

Date: July 24, 2014  
Invoice No: 3626489  
Client/Mandate No: 932068.1000001  
Partner: Pierre Laporte  
GST Registration No: 886084482  
QST Registration No: 1001722961

## Invoice

For professional services rendered to Metcalfe & Mansfield Alternative Investment VII Corp, as stipulated in the engagement letter dated April 7, 2014, for the period ended July 11, 2014

	Fees	\$10,027.50
	Administrative fees @ 7%	701.93
	Direct charges (see detail below)	1,385.50
	Subtotal	12,114.93
	GST @ 5%	605.75
	QST @ 9.975%	1,208.46
	<b>Amount payable</b>	<b>\$13,929.14</b>

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Please confirm your transfer by sending an email to:  
deloittemontreal@deloitte.ca

#### Bank information for wire transfer

Scotia Bank  
1800 Mc Gill College Avenue  
Montreal QC Canada H3V 3Y1  
Montreal Business Support Centre, Transit: 63 081-002

Swift Code CAD\$: NOS CC ATT  
CDN Account Number: 63081 00830 11  
Swift Code USD\$: NOS CUS 33  
ABA #: 026002532  
US Account Number: 63081 88230 14

Metcalfe & Mansfield Alternative Investment VII Corp  
 July 24, 2014  
 Page 2

## Summary of Hours

For professional services rendered to Metcalfe & Mansfield Alternative Investment VII Corp, as stipulated in the engagement letter dated April 7, 2014, for the period ended July 11, 2014  
 Invoice No. 3626489

<b>Professional</b>	<b>Rate</b>	<b>Hours</b>	<b>Total</b>
Jean Fortier, CPA, CA, Partner	525	4.8	2,520.00
Martin Legault, Lawyer, Partner	525	14.3	7,507.50
<b>Total</b>		<b>19.1</b>	<b>\$10,027.50</b>

## Direct charges

<b>Description</b>	<b>Total</b>
Osler, Hoskin & Harcourt LLP, for professional services rendered for Project M&M (see attached invoice dated July 15, 2014; invoice number 11686019)	\$1,385.50
<b>Total</b>	<b>\$1,385.50</b>

Metcalfe & Mansfield Alternative Investment VII Corp  
July 24, 2014  
Page 3

## Summary of Services Rendered

For professional services rendered to Metcalfe & Mansfield Alternative Investment VII Corp, as stipulated in the engagement letter dated April 7, 2014, for the period ended July 11, 2014  
Invoice No. 3626489

- Tax Assistance to the proposed Monitor in respect of CCAA restructuring:
  - Review of legal documentation, including Plan of Compromise and Arrangement, Settlement Letter, Mitigation Agreement, Payment Agreement, Claims Procedure and Meeting Order, Sanction Order, CCAA Initial Order and other related documents;
  - Review of Advance Income Tax Ruling request prepared by Fasken to address any uncertainty in relation to interest distributions made to non-resident noteholders in accordance with the Plan of Compromise and Arrangement.



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Fax: 514-390-4103  
www.deloitte.ca

Metcalf & Mansfield Alternative Investment VII Corp  
3700-800 Place Victoria  
Montreal QC H4Z 1E9

**Attention: Mr. Raymond Cloutier, Mr. Claude Dalphond and  
Mr. Benoit Deschamps**

Date: July 24, 2014  
Invoice No: 3626490  
Client/Mandate No: 932068.1000000  
Partner: Pierre Laporte

GST Registration No: 886084482  
QST Registration No: 1001722961

## Invoice

For professional services rendered to Metcalf & Mansfield Alternative Investment VII Corp, as stipulated in the engagement letter dated April 7, 2014, for the period ended July 11, 2014	
Fees	\$48,880.00
Administrative fees @ 7%	3,421.60
Direct charges (see detail below)	25,662.84
Subtotal	77,964.44
GST @ 5%	3,898.22
QST @ 9.975%	7,776.95
<b>Amount payable</b>	<b>\$89,639.61</b>

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Montreal QC Canada H3V 3Y1  
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Metcalfe & Mansfield Alternative Investment VII Corp  
 July 24, 2014  
 Page 2

## Summary of Hours

For professional services rendered to Metcalfe & Mansfield Alternative Investment VII Corp, as stipulated in the engagement letter dated April 7, 2014, for the period ended July 11, 2014  
 Invoice No. 3626490

<b>Professional</b>	<b>Rate</b>	<b>Hours</b>	<b>Total</b>
Benoit Clouâtre, CPA, CA, CIRP, Partner	525	1.3	682.50
Pierre Laporte, CPA, CA, CIRP, Partner	525	2.0	1,050.00
Jean-François Nadon, CPA, CA, CIRP, Partner	525	39.5	20,737.50
Igal Wizman, ISP, Senior Manager	375	54.8	20,550.00
David Peloquin, CPA, CA, CIRP, CFA, Manager	300	1.5	450.00
Adina Bochis, Senior Consultant	225	11.2	2,520.00
Suzanne Langlois, Administration	100	27.0	2,700.00
Mylène Laverdière, Administration	100	1.9	190.00
<b>Total</b>		<b>139.2</b>	<b>\$48,880.00</b>

## Direct charges

<b>Description</b>	<b>Total</b>
Osler, Hoskin & Harcourt LLP, for professional services rendered for Project M&M (see attached invoice dated July 15, 2014; invoice number 11684641)	\$16,829.56
CMG Communications Inc. for Newspaper ads (see attached invoice dated July 8, 2014, invoice number 35878)	8,833.28
<b>Total</b>	<b>\$25,662.84</b>

Metcalfe & Mansfield Alternative Investment VII Corp  
July 24, 2014  
Page 3

## Summary of Services Rendered

For professional services rendered to Metcalfe & Mansfield Alternative Investment VII Corp, as stipulated in the engagement letter dated April 7, 2014, for the period ended July 11, 2014  
Invoice No. 3626490

- Discussions and meetings with Mansfield Alternative Investment VII Corp. (“Metcalfe”) and its legal counsel Fasken Martineau;
- Numerous calls and meetings with the Monitor’s legal counsel Osler;
- Continued review of the various proposed documents related to the CCAA restructuring of Metcalfe & Mansfield Alternative Investments VII Corp., in its capacity of the Devonshire Trust (“Devonshire”):
  - The initial order;
  - Sanction order;
  - The meeting order;
  - Plan of compromise and arrangement;
  - Settlement agreement;
  - Notice of application;
  - Sanction order;
  - Mathieu Lafleur Ayotte Affidavit;
  - Mitigation Agreement;
  - Payment Agreement.
- Internal meetings and planning;
- Preparation and modifications to the pre-filing Proposed Monitor’s Report;
- Preparation and modifications to the Meeting Documents (forms) Proxy, instructions to Noteholders, Voter Identification Form;
- Preparation and modifications to CCAA statutory Forms I and II;
- Preparation of Monitor’s website;
- Preparation of Monitor’s toll free numbers and email addresses;
- Attended Initial Application;
- Posting CCAA documents on the Monitor’s website;

## Facture/Invoice

Courteau - Cebra  
**cmg**  
 COMMUNICATIONS INC.

Date	Facture/Inv. #
08/07/2014	35878

PUBLICITÉ - PLACEMENT ET STRATÉGIE MÉDIAS - STUDIO DE CRÉATION.

1717, Boul. St-Martin Ouest, suite 280  
 Laval (Québec) H7S 1N2

Téléphone : (450) 781-1248 / 1-888-781-1248  
 Télécopieur : (450) 681-5035

Samson Bélair Deloitte & Touche Inc.  
 1, Place Ville-Marie, bureau 3000  
 Montréal (Québec)  
 H3B 4T9  
 Att: Mme Suzanne Langlois

P.O. No.	Termes/Terms
	Net 30

Item	Qtée/Qty	Description	Taux/Rate	Montant/Amount
La Presse	512	Jeudi 10 juillet 2014 (4 x 128)	5.69	2,913.28
Production	1	Devonshire Trust	95.00	95.00
Prêt à photo	1	Référence : CMG1407064	30.00	30.00
Envoi élect. du matériel	1		30.00	30.00
National Post	300	Jeudi 10 juillet 2014 (3 x 100)	18.70	5,610.00
Production	1	Devonshire Trust	95.00	95.00
Prêt à photo	1	Référence : CMG1407064	30.00	30.00
Envoi élect. du matériel	1		30.00	30.00
		TPS : 865045272	5.00%	441.66
		TVQ : 1205622175TQ0001	9.975%	881.12
Merci de faire affaire avec CMG Communications Inc.			<b>Total</b>	<b>\$10,156.06</b>

Les comptes en souffrance seront sujets à des frais de retard (2%).  
 Veuillez inscrire le numéro de la facture sur votre chèque. Merci.



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Suite 3000  
Montreal QC H3B 4T9  
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Fax: 514-390-4103  
www.deloitte.ca

Metcalfe & Mansfield Alternative Investment VII Corp  
3700-800 Place Victoria  
Montreal QC H4Z 1E9

**Attention: Mr. Raymond Cloutier, Mr. Claude Dalphond and  
Mr. Benoit Deschamps**

Date: August 14, 2014  
Invoice No: 3636052  
Client/Mandate No: 932068.1000001  
Partner: Pierre Laporte

GST Registration No: 886084482  
QST Registration No: 1001722961

## Invoice

For professional services rendered to Metcalfe & Mansfield Alternative Investment VII Corp, as stipulated in the engagement letter dated April 7, 2014, for the period ended July 31, 2014	
Fees	\$735.00
Administrative fees @ 7%	51.45
Direct charges (see detail below)	3,667.50
Subtotal	4,453.95
GST @ 5%	222.70
QST @ 9.975%	444.28
<b>Amount payable</b>	<b>\$5,120.93</b>

Payable upon receipt to: Samson Bélair/Deloitte & Touche Inc.

We accept payment by cheque, wire, Electronic Funds Transfer and online bill payment (select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution).

Please confirm your transfer by sending an email to:  
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#### Bank information for wire transfer

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Swift Code USD\$: NOS CUS 33  
ABA #: 026002532  
US Account Number: 63081 88230 14

Metcalf & Mansfield Alternative Investment VII Corp  
 August 14, 2014  
 Page 2

## Summary of Hours

For professional services rendered to Metcalf & Mansfield Alternative Investment VII Corp, as stipulated in the engagement letter dated April 7, 2014, for the period ended July 31, 2014  
 Invoice No. 3636052

<b>Professional</b>	<b>Rate</b>	<b>Hours</b>	<b>Total</b>
Jean Fortier, CPA, CA, Partner	525	1.1	577.50
Martin Legault, Lawyer, Partner	525	0.3	157.50
<b>Total</b>		<b>1.4</b>	<b>\$735.00</b>

## Direct charges

<b>Description</b>	<b>Total</b>
Osler, Hoskin & Harcourt LLP, for professional services rendered for Project M&M (see attached invoice dated August 13, 2014; invoice number 11696298)	\$3,667.50
<b>Total</b>	<b>\$3,667.50</b>

Metcalf & Mansfield Alternative Investment VII Corp  
August 14, 2014  
Page 3

## Summary of Services Rendered

For professional services rendered to Metcalf & Mansfield Alternative Investment VII Corp, as stipulated in the engagement letter dated April 7, 2014, for the period ended July 31, 2014  
Invoice No. 3636052

- Tax Assistance to the Monitor in respect of CCAA restructuring:
  - Reviewing correspondence;
  - Emailing Timothy Hugues and Mary Paterson from Osler;
  - Discussions surrounding statement of claims filed by NBC and potential impact on sanction order.



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1 Place Ville Marie  
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Metcalfe & Mansfield Alternative Investment VII Corp  
3700-800 Place Victoria  
Montreal QC H4Z 1E9

**Attention: Mr. Raymond Cloutier, Mr. Claude Dalphond and  
Mr. Benoit Deschamps**

Date: August 14, 2014  
Invoice No: 3636051  
Client/Mandate No: 932068.1000000  
Partner: Pierre Laporte

GST Registration No: 886084482  
QST Registration No: 1001722961

## Invoice

For professional services rendered to Metcalfe & Mansfield Alternative Investment VII Corp, as stipulated in the engagement letter dated April 7, 2014, for the period ended July 31, 2014	
Fees	\$50,065.00
Administrative fees @ 7%	3,504.55
Direct charges (see detail below)	26,081.09
Subtotal	79,650.64
GST @ 5%	3,982.53
QST @ 9.975%	7,945.15
<b>Amount payable</b>	<b>\$91,578.32</b>

Payable upon receipt to: Samson Bélair/Deloitte & Touche Inc.

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Metcalfe & Mansfield Alternative Investment VII Corp  
 August 14, 2014  
 Page 2

## Summary of Hours

For professional services rendered to Metcalfe & Mansfield Alternative Investment VII Corp, as stipulated in the engagement letter dated April 7, 2014, for the period ended July 31, 2014  
 Invoice No. 3636051

<b>Professional</b>	<b>Rate</b>	<b>Hours</b>	<b>Total</b>
Pierre Laporte, CPA, CA, CIRP, Partner	525	6.5	3,412.50
Jean-François Nadon, CPA, CA, CIRP, Partner	525	15.0	7,875.00
Igal Wizman, ISP, Senior Manager	375	54.9	20,587.50
Anna Koroneos, CIRP, Manager	300	32.3	9,690.00
Nicolas Pascal, Manager	300	19.0	5,700.00
David Peloquin, CPA, CA, CIRP, CFA, Manager	300	8.0	2,400.00
Suzanne Langlois, Administration	100	4.0	400.00
<b>Total</b>		<b>139.7</b>	<b>\$50,065.00</b>

## Direct charges

<b>Description</b>	<b>Total</b>
Osler, Hoskin & Harcourt LLP, for professional services rendered for Project M&M (see attached invoice dated August 13, 2014; number 11693994)	\$23,659.09
Other charges	2,422.00
<b>Total</b>	<b>\$26,081.09</b>

Metcalfe & Mansfield Alternative Investment VII Corp  
August 14, 2014  
Page 3

## Summary of Services Rendered

For professional services rendered to Metcalfe & Mansfield Alternative Investment VII Corp, as stipulated in the engagement letter dated April 7, 2014, for the period ended July 31, 2014  
Invoice No. 3636051

- Discussions and meetings with Mansfield Alternative Investment VII Corp. (“Metcalfe”) and its legal counsel Fasken Martineau;
- Numerous calls and meetings with the Monitor’s legal counsel Osler;
- Continued review of the various proposed documents related to the CCAA restructuring of Metcalfe & Mansfield Alternative Investments VII Corp., in its capacity of the Devonshire Trust (“Devonshire”);
- Internal meetings and planning;
- Preparation and modifications to the Monitor’s Second Report;
- Mailing of the Meeting Documents (forms) Proxy, instructions to Noteholders, Voter Identification Form;
- Preparation and modifications to CCAA statutory Forms I and II;
- Posting CCAA documents on the Monitor’s website;
- Communications with Noteholders;
- Review of Voter Identification form; and,
- Review of Devonshire transactions.

*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 AND ARRANGEMENT INVOLVING METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS VII CORP. IN ITS CAPACITY AS ISSUER TRUSTEE OF DEVONSHIRE TRUST*

Court File No. CV-14-10609-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)**

Proceedings commenced at  
Toronto

**AFFIDAVIT OF JEAN-FRANCOIS NADON**

**OSLER, HOSKIN & HARCOURT LLP**  
P. O. Box 50, 1 First Canadian Place  
Toronto ON M5X 1B8

Mary Paterson (LSUC#51572P)  
Tel: (416) 862-4924  
Fax: (416) 862-6666

*Counsel to Deloitte Restructuring Inc., in its capacity as  
Monitor of Metcalfe & Mansfield Alternative Investments VII  
Corp.*

**TAB I**

Court File No. CV-14-10609-00CL

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**

*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  
AND ARRANGEMENT INVOLVING METCALFE & MANSFIELD  
ALTERNATIVE INVESTMENTS VII CORP. IN ITS CAPACITY  
AS ISSUER TRUSTEE OF DEVONSHIRE TRUST

**AFFIDAVIT OF LINDA SHERWOOD**  
**(Sworn August 13, 2014)**

I, Linda Sherwood, of the City of Pickering, in the Province of Ontario, MAKE  
OATH AND SAY:

1. I am an assistant at the law firm of Osler, Hoskin & Harcourt LLP ("**Osler**"), and work with Mary Paterson, a partner of the law firm of Osler, which is counsel for Deloitte Restructuring Inc. ("**Deloitte**"), and as such I have knowledge of the matters contained in this affidavit. Where I have relied on other sources for information, I have identified such sources and believe the information to be true.
2. Pursuant to an Order dated July 8, 2014, Deloitte is the court-appointed Monitor (the "**Monitor**") in this CCAA Proceeding. The Monitor retained Osler as its counsel in this matter. This affidavit is made in support of a motion to be made by the Applicant that seeks, *inter alia*, approval of the fees and disbursements of Osler in its capacity as legal counsel for the Monitor for the pre-filing and post-filing periods of April 10 to July 31, 2014 (collectively, the "**Period**").

3. Osler's invoices, which are dated May 31, 2014; June 19, 2014; June 26, 2014; July 15, 2014 and August 13, 2014 (the "Invoices"), disclose in detail: (i) the names, hourly rates and time expended by each person who rendered services; (ii) the dates on which the services were rendered; (iii) the time expended each day; and (iv) the total charges for each of the categories of services rendered for the relevant time period. The Invoices, redacted for privilege, are attached as Exhibit "A" to this Affidavit.

4. During the Period, the total fees set out in the Invoices were \$170,070.00, plus disbursements of \$1,282.79 and applicable taxes of \$25,660.09, for an aggregate amount of \$197,012.88.

5. As set out in the following table, 256.30 hours were incurred by Osler personnel during the Period, resulting in an average hourly rate of \$663.56 (exclusive of applicable taxes):

Name	Total Hours	Hourly Rate (\$)
Mark Brender	4.50	970
Shelley Obal	.50	890
Sandra Abitan	40.40	840
Timothy Hughes	40.40	815
Michael De Lellis	1.00	660
Mary Paterson	150.50	620
Julien Morissette	1.0	555
Christine Waldner	.90	510
Arielle Kaplan	12.40	190
Sanzida Islam	1.50	195
Julie Veronich	2.70	190
<b>TOTAL</b>	<b>256.30</b>	

6. The activities performed were requested by the Monitor, and time expended and the fees charges are reasonable in light of the services performed and the prevailing market rates

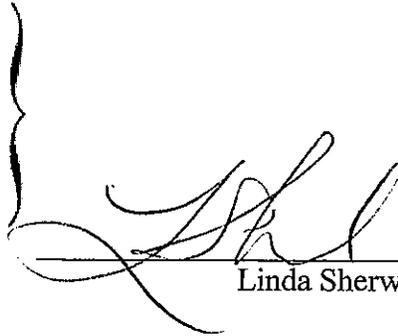
for such services. Osler has been paid in full in respect of the fees, disbursements and taxes detailed in the Invoices except for the invoices issued in August 2014, which are being processed.

7. I swear this affidavit for the purpose of this motion and for no improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario this 13<sup>th</sup> day of August, 2014.



Mary Paterson  
Commissioner for Taking Affidavits



Linda Sherwood

This is **Exhibit "A"** to the  
Affidavit of Linda Sherwood  
sworn before me, this 13th day of  
August, 2014.



---

A Commissioner for taking Affidavits, etc.  
(Mary Paterson)

Osler, Hoskin & Harcourt S.E.N.C.R.L./s.r.l.  
 1000 rue De La Gauchetière Ouest  
 bureau 2100  
 Montréal (Québec) H3B 4W5  
 CANADA  
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 514.904.8101 FACSIMILE

# OSLER

Samson Bélair/Deloitte & Touche Inc.  
 1, Place Ville-Marie, bureau 3000  
 Montréal, QC H3B 4T9  
 CANADA

Invoice No.: 11660418  
 Date: May 31, 2014  
 Client No.: 227057

GST/HST No.: 121983217 RT0001  
 QST No.: 1087084341 TQ0001

Attention: Pierre Laporte

Contact: Sandra Abitan  
 Direct Dial: (514) 904-5648  
 E-mail: SAbitan@osler.com

For professional services rendered for Project M&M (F#1154970).

OUR FEE HEREIN	49,771.00
REIMBURSABLE EXPENSES	240.00
GST	2,500.55
QST @ 9.975%	4,988.60
<b>TOTAL (CAD):</b>	<b>57,500.15</b>

**PAYMENT DUE ON OR BEFORE JUNE 30, 2014**



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 (RECEIPTS)  
 1 First Canadian Place  
 PO BOX 50  
 Toronto, Ontario M5X 1B8  
 Canada

Invoice No.: 11660418  
 Client No.: 227057  
 Amount: 57,500.15 CAD

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*Please return remittance advice(s) with cheque.*

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## FEE SUMMARY

NAME	HRS	RATE	FEES
<u>PARTNER</u>			
Sandra Abitan	20.80	840	17,472.00
Mary J. Paterson	51.20	620	31,744.00
<u>ASSOCIATE</u>			
Julien Morissette	1.00	555	555.00
<b>TOTAL FEES (CAD):</b>	<b>73.00</b>		<b>49,771.00</b>

## FEE DETAIL

DATE	NAME	DESCRIPTION	HRS
Apr-10-14	Sandra Abitan	Reviewing [REDACTED] discussions with P. Laporte; discussions with M. Paterson; drafting and reviewing email correspondence.	1.50
Apr-10-14	Mary J. Paterson	Reviewing draft [REDACTED]	2.30
Apr-11-14	Sandra Abitan	Reviewing Plan, [REDACTED] and related orders; discussions with P. Laporte and J.-F. Nadon; discussions with M. Paterson; drafting and reviewing email correspondence.	2.50
Apr-11-14	Julien Morissette	Reading and marking precedent for S. Abitan and M. Paterson; circulating same.	0.80
Apr-11-14	Mary J. Paterson	Reviewing draft Plan; commenting on [REDACTED]	4.80
Apr-12-14	Sandra Abitan	Working on proceedings, Plan and related documents; drafting and reviewing email correspondence.	4.00
Apr-12-14	Julien Morissette	Researching legislation for S. Abitan.	0.20
Apr-12-14	Mary J. Paterson	Finalizing comments on draft [REDACTED] reviewing draft Plan; reviewing draft Initial Order; reviewing draft meeting order; reviewing draft sanction order.	8.10
Apr-13-14	Mary J. Paterson	Revising materials, including sanction order and notice of application.	1.30
Apr-14-14	Sandra Abitan	Attending conference calls; reviewing proceedings; drafting and reviewing email correspondence.	3.00

Apr-14-14	Mary J. Paterson	Preparing for and attending conference call with client regarding draft materials; preparing for and attending call regarding [REDACTED] revising Plan.	6.70
Apr-15-14	Sandra Abitan	Reviewing Plan, claims order and [REDACTED] discussions with M. Paterson; drafting and reviewing email correspondence.	1.00
Apr-15-14	Mary J. Paterson	Correspondence related to comments on Plan; speaking with A. Kauffman regarding claims process; revising and circulating comments on the draft Plan; speaking with T. Hughes [REDACTED]	3.00
Apr-16-14	Sandra Abitan	Reviewing amendments; drafting and reviewing email correspondence; following up on [REDACTED]	1.30
Apr-16-14	Mary J. Paterson	Finalizing correspondence related to [REDACTED]	0.10
Apr-17-14	Sandra Abitan	Attending conference call with Fasken and Deloitte; discussions with M. Paterson; reviewing email correspondence.	2.50
Apr-17-14	Mary J. Paterson	Reviewing correspondence related to [REDACTED] speaking with A. Kauffman regarding same; preparing for and attending call regarding comments on the Plan.	2.10
Apr-18-14	Mary J. Paterson	Revising Plan based on comments from call on April 17.	2.10
Apr-19-14	Mary J. Paterson	Moving mark-up of Plan forward; reviewing related correspondence.	0.20
Apr-22-14	Sandra Abitan	Reviewing documents; drafting and reviewing email correspondence; discussions with M. Paterson.	0.50
Apr-22-14	Mary J. Paterson	Speaking with S. Abitan regarding the Plan; speaking with A. Onesi regarding same; revising Plan.	3.20
Apr-23-14	Mary J. Paterson	Reviewing correspondence about Plan comments.	0.20
Apr-24-14	Mary J. Paterson	Corresponding with client and then Fasken regarding accounting information.	0.10
Apr-25-14	Mary J. Paterson	Correspondence regarding accounting issues.	0.10
Apr-28-14	Sandra Abitan	Discussions with P. Laporte and M. Paterson.	0.20
Apr-28-14	Mary J. Paterson	Following up with Fasken; speaking to A. Kauffman about next steps; corresponding with client regarding same.	0.20
Apr-29-14	Mary J. Paterson	Correspondence related to timing.	0.10
Apr-30-14	Mary J. Paterson	Correspondence related to timing of draft plan from Fasken; leaving message for A. Onesi at Fasken regarding same.	0.10

May-02-14	Mary J. Paterson	Reviewing revised Plan containing comments from Fasken.	0.10
May-05-14	Mary J. Paterson	Reviewing revised Plan.	0.50
May-06-14	Sandra Abitan	Reviewing plan amendments.	0.30
May-06-14	Mary J. Paterson	Reviewing Plan.	0.30
May-07-14	Sandra Abitan	Telephone conversation with M. Paterson; conference call with M. Paterson, J. Fortier, M. Legault and P. Laporte.	1.50
May-07-14	Mary J. Paterson	Reviewing draft Plan; speaking with S. Abitan about same; attending call with client regarding revisions to the Plan; revising Plan; sending revised Plan to Fasken.	7.50
May-08-14	Mary J. Paterson	Speaking with A. Kauffman regarding revisions to Plan; correspondence regarding same.	0.40
May-09-14	Sandra Abitan	Drafting and reviewing email correspondence concerning plan.	0.30
May-09-14	Mary J. Paterson	Attending call with Fasken regarding Monitor comments on the Plan.	1.20
May-10-14	Mary J. Paterson	Drafting report to client on Fasken call.	0.80
May-11-14	Mary J. Paterson	Drafting and sending report to client on call with Fasken.	0.40
May-12-14	Mary J. Paterson	Corresponding with client; speaking with A. Onesi regarding timing.	0.20
May-14-14	Sandra Abitan	Following up concerning timing.	0.20
May-20-14	Mary J. Paterson	Corresponding with client about next steps.	0.10
May-23-14	Mary J. Paterson	Following up with Fasken; reporting to client.	0.20
May-25-14	Mary J. Paterson	Reviewing correspondence related to Plan; corresponding with client regarding same; preparing [REDACTED]	0.10
May-26-14	Mary J. Paterson	Reviewing and responding to correspondence.	0.10
May-28-14	Sandra Abitan	Attending meeting at Norton Rose with Caisse, Fasken, Lavery and Deloitte; meeting with Deloitte; drafting and reviewing emails correspondence.	2.00
May-28-14	Mary J. Paterson	Drafting [REDACTED] speaking with L. Wizman concerning draft documents; preparing for and attending working group call; considering issue [REDACTED] corresponding with client regarding [REDACTED]	4.60

TOTAL HOURS:

73.00

**EXPENSE SUMMARY**

<b>DESCRIPTION</b>	<b>AMOUNT</b>
<b><u>EXPENSES - TAXABLE</u></b>	
Printing Costs	229.80
Telecommunications Charges	10.20
<b>TOTAL (CAD):</b>	<b>240.00</b>

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Samson Bélair/Deloitte & Touche Inc.  
 1, Place Ville-Marie, bureau 3000  
 Montréal, QC H3B 4T9  
 CANADA

Invoice No.: 11660429  
 Date: May 31, 2014  
 Client No.: 227057

GST/HST No.: 121983217 RT0001  
 QST No.: 1087084341 TQ0001

Attention: Pierre Laporte

Contact: Sandra Abitan  
 Direct Dial: (514) 904-5648  
 E-mail: SAbitan@osler.com

For professional services (tax advice) rendered in connection with Project M&M (F#1154970).

OUR FEE HEREIN	20,991.00
GST	1,049.55
QST @ 9.975%	2,093.85
<b>TOTAL (CAD):</b>	<b>24,134.40</b>

**PAYMENT DUE ON OR BEFORE JUNE 30, 2014**



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Invoice No.: 11660429  
 Client No.: 227057  
 Amount: 24,134.40 CAD

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## FEE SUMMARY

NAME	HRS	RATE	FEES
<b>PARTNER</b>			
Mark Brender	4.50	970	4,365.00
Timothy Hughes	20.40	815	16,626.00
<b>TOTAL FEES (CAD):</b>	<b>24.90</b>		<b>20,991.00</b>

## FEE DETAIL

DATE	NAME	DESCRIPTION	HRS
Apr-11-14	Mark Brender	Working on file including holding office discussion with S. Abitan; reviewing correspondence.	0.50
Apr-14-14	Mark Brender	Working on file including attention to correspondence; exchanging correspondence with J. Fortier et al.; reviewing file; attending conference call with M. Legault and J. Fortier; holding office discussion with T. Hughes; reviewing documents.	2.00
Apr-14-14	Timothy Hughes	Telephone call with M. Brender; reviewing correspondence; reviewing documents.	0.80
Apr-15-14	Mark Brender	Working on file including attention to correspondence.	1.00
Apr-15-14	Timothy Hughes	Telephone call with Deloitte; reviewing documents; preparing for and participating in conference call with B. Scott of Stikeman Elliott; e-mailing S. Abitan; telephone calls J. Fortier and M. Legault.	4.20
Apr-16-14	Mark Brender	Working on file including attention [REDACTED] attention to correspondence; holding office discussion with T. Hughes.	1.00
Apr-16-14	Timothy Hughes	Reviewing documents; reviewing correspondence; e-mailing J. Fortier and M. Legault; conference call with J. Fortier and M. Legault; telephone call with S. Abitan; telephone call with M. Brender.	1.90
Apr-17-14	Timothy Hughes	Reviewing correspondence; reviewing documents; considering issues; telephone call with M. Paterson; conference call with working group; telephone call with J. Fortier.	2.90
Apr-18-14	Timothy Hughes	Preparing for and attending conference call with Deloitte and Fasken; e-mailing M. Paterson.	2.10
Apr-20-14	Timothy Hughes	Reviewing correspondence; reviewing documents.	0.20
Apr-21-14	Timothy Hughes	Reviewing correspondence; reviewing documents.	0.40

Apr-23-14	Timothy Hughes	Reviewing correspondence; reviewing documents; considering issues.	1.10
Apr-24-14	Timothy Hughes	Reviewing correspondence; reviewing documents; e-mailing M. Legault; conference call M. Legault and J. Fortier.	1.40
May-05-14	Timothy Hughes	Reviewing documents; considering issues; preparing for and attending telephone call with M. Legault and J. Fortier.	1.70
May-06-14	Timothy Hughes	Telephone call M. Legault; considering issues.	0.20
May-07-14	Timothy Hughes	Reviewing correspondence; e-mailing M. Paterson; e-mailing M. Legault; e-mailing J-F Nadon; telephone call M. Legault; reviewing and revising documents; considering issues.	3.20
May-12-14	Timothy Hughes	Reviewing correspondence; considering issues.	0.30
<b>TOTAL HOURS:</b>			<b>24.90</b>

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Samson Bélair/Deloitte & Touche Inc.  
 1, Place Ville-Marie, bureau 3000  
 Montréal, QC H3B 4T9  
 CANADA

Invoice No.: 11668112  
 Date: June 19, 2014  
 Client No.: 227057

GST/HST No.: 121983217 RT0001  
 QST No.: 1087084341 TQ0001

Attention: Pierre Laporte

Contact: Sandra Abitan  
 Direct Dial: (514) 904-5648  
 E-mail: SAbitan@osler.com

For professional services rendered for Project M&M (F#1154970).

OUR FEE HEREIN	6,271.00
GST	313.55
QST @ 9.975%	625.53
<b>TOTAL (CAD):</b>	<b>7,210.08</b>

**PAYMENT DUE ON OR BEFORE JULY 19, 2014**



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 FINANCE & ACCOUNTING  
 (RECEIPTS)  
 1 First Canadian Place  
 PO BOX 50  
 Toronto, Ontario M5X 1B8  
 Canada

Invoice No.: 11668112  
 Client No.: 227057  
 Amount: 7,210.08 CAD

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## FEE SUMMARY

NAME	HRS	RATE	FEES
<b><u>PARTNER</u></b>			
Timothy Hughes	7.00	815	5,705.00
Mary J. Paterson	0.30	620	186.00
<b><u>STUDENT</u></b>			
Arielle Kaplan	2.00	190	380.00
<b>TOTAL FEES (CAD):</b>	<b>9.30</b>		<b>6,271.00</b>

## FEE DETAIL

DATE	NAME	DESCRIPTION	HRS
May-02-14	Timothy Hughes	Reviewing correspondence; reviewing documents; considering issues; e-mailing M. Legault.	2.30
May-03-14	Timothy Hughes	Correspondence with M. Legault.	0.20
May-11-14	Timothy Hughes	Reviewing correspondence; reviewing documents; considering issues.	0.70
May-20-14	Timothy Hughes	Reviewing correspondence; e-mailing M. Paterson; considering issues.	0.70
May-23-14	Timothy Hughes	Reviewing correspondence; considering issues.	0.40
May-25-14	Timothy Hughes	Reviewing correspondence; considering issues.	0.40
May-28-14	Timothy Hughes	Preparing for and attending conference call with working group.	1.90
May-30-14	Timothy Hughes	Reviewing correspondence; reviewing documents.	0.40
May-30-14	Arielle Kaplan	Researching [REDACTED]	2.00
May-30-14	Mary J. Paterson	Corresponding with A. Kauffman regarding proposed 13.2.9 in draft Plan; preparing to review pre-filing report.	0.30
<b>TOTAL HOURS:</b>			<b>9.30</b>

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 1, Place Ville-Marie, bureau 3000  
 Montréal, QC H3B 4T9  
 CANADA

Invoice No.: 11670106  
 Date: June 26, 2014  
 Client No.: 227057

GST/HST No.: 121983217 RT0001  
 QST No.: 1087084341 TQ0001

Attention: Pierre Laporte

Contact: Sandra Abitan  
 Direct Dial: (514) 904-5648  
 E-mail: SAbitan@osler.com

For professional services rendered for Project M&M (F#1154970).

OUR FEE HEREIN	42,444.00
REIMBURSABLE EXPENSES	552.14
GST	2,149.81
QST @ 9.975%	4,288.87
<b>TOTAL (CAD):</b>	<b>49,434.82</b>

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Invoice No.: 11670106  
 Client No.: 227057

Amount: 49,434.82 CAD

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 referencing invoice number(s) being paid.

Please return remittance advice(s) with  
 cheque.

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## FEE SUMMARY

NAME	HRS	RATE	FEES
<u>PARTNER</u>			
Sandra Abitan	10.70	840	8,988.00
Mary J. Paterson	50.50	620	31,310.00
<u>STUDENT</u>			
Arielle Kaplan	10.40	190	1,976.00
<u>CORPORATE SEARCHES FIXED FEES</u>			
Corporate Searches by Elizabeth E. Buchanan			170.00
<b>TOTAL FEES (CAD):</b>	<b>71.60</b>		<b>42,444.00</b>

## FEE DETAIL

DATE	NAME	DESCRIPTION	HRS
Jun-02-14	Sandra Abitan	Reviewing email correspondence; drafting proceedings.	1.00
Jun-02-14	Arielle Kaplan	Researching [REDACTED]	1.00
Jun-03-14	Sandra Abitan	Reviewing plan amendments, draft proceedings; drafting and reviewing email correspondence.	1.50
Jun-03-14	Arielle Kaplan	Researching and reading sanction orders [REDACTED] [REDACTED] Researching [REDACTED]	5.40
Jun-04-14	Sandra Abitan	Reviewing plan and proceedings; exchanging emails; discussions with M. Paterson.	1.50
Jun-04-14	Arielle Kaplan	Looking at the [REDACTED] Summarizing findings in an email; Speaking to M. Paterson on the phone about my findings; Looking at [REDACTED] [REDACTED]	2.40
Jun-04-14	Mary J. Paterson	Reviewing draft Plan, [REDACTED] and Court documents.	5.70
Jun-05-14	Sandra Abitan	Reviewing materials; conference call with clients.	2.30
Jun-05-14	Arielle Kaplan	Reading [REDACTED] [REDACTED] Meeting with M. Paterson to discuss my findings; Meeting with D. Rosenblat and M. De Lellis about a I&R question; Emailing my findings to M. Paterson.	1.60
Jun-05-14	Mary J. Paterson	Reviewing Court drafts; preparing for and attending call with client regarding same.	4.80

Jun-06-14	Sandra Abitan	Reviewing Ogilvy comments; discussions with M. Paterson.	0.50
Jun-06-14	Mary J. Paterson	Reviewing and revising Plan and Court documents; attending call with counsel; reporting to client.	6.70
Jun-09-14	Sandra Abitan	Reviewing draft documents; discussions with M. Paterson; drafting and reviewing email correspondence.	1.30
Jun-09-14	Mary J. Paterson	Reviewing revised Orders; reviewing comments on [REDACTED] with appendices, Plan, Notice of Application and Factum; providing comments on same; preparing for and attending call with working group regarding Plan, [REDACTED] reporting on same.	7.20
Jun-10-14	Sandra Abitan	Reviewing Court proceedings [REDACTED] discussions with M. Paterson.	1.00
Jun-10-14	Mary J. Paterson	Reviewing Stikeman Elliott comments on [REDACTED] providing response on same to Fasken; corresponding with client about comments; speaking with J. Nadon and M. Legault regarding [REDACTED] speaking with A. Onesi regarding same.	2.20
Jun-11-14	Sandra Abitan	Reviewing correspondence and agreements; discussions with M. Paterson.	0.80
Jun-11-14	Mary J. Paterson	Reviewing final comments on Plan, [REDACTED] [REDACTED] sending comments to working group; speaking with D. Chochla regarding paragraph 12 of Initial Order; reviewing final comments on Initial Order, Claims Procedure Order, and Sanction Order.	4.20
Jun-12-14	Sandra Abitan	Reviewing documents; discussions with M. Paterson.	0.80
Jun-12-14	Mary J. Paterson	Speaking with S. Abitan on outstanding issues; speaking to I. Wizman; speaking with B. Scott; reviewing drafts and comments and corresponding about same.	1.70
Jun-13-14	Mary J. Paterson	Reviewing most recent drafts; seeking instructions; [REDACTED]	1.30
Jun-16-14	Mary J. Paterson	Speaking with I. Wizman regarding issue in Plan related to interest calculations.	0.90
Jun-17-14	Mary J. Paterson	Reviewing BNY comments; reviewing draft affidavit; reviewing drafts of required forms and Required Documents; attending calls related to language in Plan regarding interest calculations; attending call related to BNY requested changes.	3.20

Jun-18-14	Mary J. Paterson	Reviewing drafts of required documents; reviewing correspondence between parties about next steps; reviewing request for Advance Tax Ruling.	3.10
Jun-19-14	Mary J. Paterson	Reviewing correspondence related to drafts; revising drafts; reviewing pre-filing report.	6.00
Jun-20-14	Corporate Searches by Elizabeth E. Buchanan	Receiving instructions from J. Verconich; conducting corporate history respecting Metcalfe & Mansfield Alternative Investments VII Corp. and reporting thereon.	
Jun-20-14	Mary J. Paterson	Reviewing and revising pre-filing report; corresponding related to forms, drafts and other documents, including the draft advance tax ruling filing; considering PPSA searches.	3.50

<b>TOTAL HOURS:</b>	<b>71.60</b>
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#### EXPENSE SUMMARY

DESCRIPTION	AMOUNT
<b><u>EXPENSES - TAXABLE</u></b>	
Courier Expenses	43.02
On-line Database Services	126.00
Printing Costs	300.00
Telecommunications Charges	1.12
Cyberbahn Fees for Searches/Certificates/Filings	30.00
OnCorp Fees for Searches/Certificates/Filings	52.00
<b>TOTAL (CAD):</b>	<b><u>552.14</u></b>

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 1000 rue De La Gauchetière Ouest  
 bureau 2100  
 Montréal (Québec) H3B 4W5  
 CANADA  
 514.904.8100 MAIN  
 514.904.8101 FACSIMILE

# OSLER

Samson Bélair/Deloitte & Touche Inc.  
 1, Place Ville-Marie, bureau 3000  
 Montréal, QC H3B 4T9  
 CANADA

Invoice No.: 11670109  
 Date: June 26, 2014  
 Client No.: 227057

GST/HST No.: 121983217 RT0001  
 QST No.: 1087084341 TQ0001

Attention: Pierre Laporte

Contact: Sandra Abitan  
 Direct Dial: (514) 904-5648  
 E-mail: SAbitan@osler.com

For professional services rendered for Project M&M – Tax Advice (F#1154970).

OUR FEE HEREIN	5,542.00
GST	277.10
QST @ 9.975%	552.81
<b>TOTAL (CAD):</b>	<b>6,371.91</b>

**PAYMENT DUE ON OR BEFORE JULY 26, 2014**



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Invoice No.: 11670109  
 Client No.: 227057  
 Amount: 6,371.91 CAD

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## FEE SUMMARY

NAME	HRS	RATE	FEES
<u>PARTNER</u>			
Timothy Hughes	6.80	815	5,542.00
<b>TOTAL FEES (CAD):</b>	<b>6.80</b>		<b>5,542.00</b>

## FEE DETAIL

DATE	NAME	DESCRIPTION	HRS
Jun-02-14	Timothy Hughes	Reviewing correspondence; reviewing documents.	0.40
Jun-04-14	Timothy Hughes	Reviewing correspondence; reviewing documents.	0.40
Jun-05-14	Timothy Hughes	Reviewing correspondence; reviewing documents; conference call Osler/Deloitte.	2.50
Jun-09-14	Timothy Hughes	Reviewing correspondence; considering issues.	0.40
Jun-10-14	Timothy Hughes	Reviewing correspondence; reviewing documents; considering issues.	1.40
Jun-11-14	Timothy Hughes	Reviewing correspondence; reviewing documents; considering issues.	1.40
Jun-12-14	Timothy Hughes	Reviewing correspondence; considering issues.	0.30
<b>TOTAL HOURS:</b>			<b>6.80</b>

Osler, Hoskin & Harcourt S.E.N.C.R.L./s.r.l.  
 1000 rue De La Gauchetière Ouest  
 bureau 2100  
 Montréal (Québec) H3B 4W5  
 CANADA  
 514.904.8100 MAIN  
 514.904.8101 FACSIMILE

# OSLER

Samson Bélair/Deloitte & Touche Inc.  
 1, Place Ville-Marie, bureau 3000  
 Montréal, QC H3B 4T9  
 CANADA

Invoice No.: 11686019  
 Date: July 15, 2014  
 Client No.: 227057

GST/HST No.: 121983217 RT0001  
 QST No.: 1087084341 TQ0001

Attention: Pierre Laporte

Contact: Sandra Abitan  
 Direct Dial: (514) 904-5648  
 E-mail: SAbitan@osler.com

For professional services rendered for Tax Advice (F#1154970).

OUR FEE HEREIN	1,385.50
GST	69.28
QST @ 9.975%	138.20
<b>TOTAL (CAD):</b>	<b>1,592.98</b>

**PAYMENT DUE ON OR BEFORE AUGUST 14, 2014**



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 Account No: 5219313  
 SWIFT Code: TDOMCATTOR

Cheque Payments:

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 (RECEIPTS)  
 1 First Canadian Place  
 PO BOX 50  
 Toronto, Ontario M5X 1B8  
 Canada

Invoice No.: 11686019  
 Client No.: 227057  
 Amount: 1,592.98 CAD

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## FEE SUMMARY

NAME	HRS	RATE	FEES
<u>PARTNER</u>			
Timothy Hughes	1.70	815	1,385.50
<b>TOTAL FEES (CAD):</b>	<b>1.70</b>		<b>1,385.50</b>

## FEE DETAIL

DATE	NAME	DESCRIPTION	HRS
Jun-19-14	Timothy Hughes	Reviewing and commenting on CRA ruling request; e-mailing M. Paterson and Deloitte tax.	1.40
Jun-30-14	Timothy Hughes	Reviewing correspondence; reviewing documents.	0.30
<b>TOTAL HOURS:</b>			<b>1.70</b>

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 CANADA  
 514.904.8100 MAIN  
 514.904.8101 FACSIMILE

# OSLER

Samson Bélair/Deloitte & Touche Inc.  
 1, Place Ville-Marie, bureau 3000  
 Montréal, QC H3B 4T9  
 CANADA

Invoice No.: 11684641  
 Date: July 15, 2014  
 Client No.: 227057

GST/HST No.: 121983217 RT0001  
 QST No.: 1087084341 TQ0001

Attention: Pierre Laporte

Contact: Sandra Abitan  
 Direct Dial: (514) 904-5648  
 E-mail: SAbitan@osler.com

For professional services rendered for Project M&M (F#1154970).

OUR FEE HEREIN	16,521.50
REIMBURSABLE EXPENSES	308.06
GST	841.48
QST @ 9.975%	1,678.75
<b>TOTAL (CAD):</b>	<b>19,349.79</b>

**PAYMENT DUE ON OR BEFORE AUGUST 14, 2014**



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 SWIFT Code: IDOMCATTOR

Cheque Payments:

Osler, Hoskin & Harcourt LLP  
 FINANCE & ACCOUNTING  
 (RECEIPTS)  
 1 First Canadian Place  
 PO BOX 50  
 Toronto, Ontario M5X 1B8  
 Canada

Invoice No.: 11684641  
 Client No.: 227057  
 Amount: 19,349.79 CAD

Email payment details to [payments@osler.com](mailto:payments@osler.com),  
 referencing invoice number(s) being paid.

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## FEE SUMMARY

NAME	HRS	RATE	FEE\$
<b><u>PARTNER</u></b>			
Sandra Abitan			
Mary J. Paterson	3.80	840	3,192.00
	20.20	620	12,524.00
<b><u>PARAPROFESSIONAL</u></b>			
Sanzida Islam			
Julie Verconich	1.50	195	292.50
	2.70	190	513.00
<b>TOTAL FEES (CAD):</b>	<b>28.20</b>		<b>16,521.50</b>

## FEE DETAIL

DATE	NAME	DESCRIPTION	HRS
Jun-20-14	Sanzida Islam	Corresponding and discussing with J. Verconich regarding some RPMRR searches to be conducted; conducting same RPMRR searches.	0.60
Jun-20-14	Julie Verconich	Receiving email from M. Paterson; email to corporate search clerks requesting history; receiving corporate history; email to M. Paterson regarding file; ordering Ontario PPSA searches; email to S. Islam requesting Quebec RPMRR searches and summary.	1.00
Jun-21-14	Mary J. Paterson	Reviewing draft report; reviewing draft orders; sending final agreed versions to A. Kauffman; checking security of Notes.	2.80
Jun-23-14	Sanzida Islam	Drafting, reviewing and finalizing a RPMRR search report; submitting same to M. Paterson; corresponding regarding same with M. Paterson; discussing regarding same with S. Abitan.	0.90
Jun-23-14	Mary J. Paterson	Revising pre-filing report to include Meeting Documents as appendices; reviewing revisions to Voter Identification Form.	1.60
Jun-23-14	Julie Verconich	Receiving and reviewing Ontario PPSA searches; ordering Ontario PPSA summaries.	0.50
Jun-24-14	Mary J. Paterson	Sending comments on draft affidavit to Fasken; speaking with I. Wizman; speaking with A. Kauffman; considering [REDACTED]	4.10
Jun-24-14	Julie Verconich	Preparing Ontario PPSA summary; emails with M. Paterson regarding file.	1.20
Jun-25-14	Sandra Abitan	Reviewing materials; drafting and reviewing email correspondence; discussions with M. Paterson and I. Wizman.	1.50

Jun-25-14	Mary J. Paterson	Reviewing comments and changes made on Monitor's forms; corresponding regarding same; reviewing motion related to mitigation of loss; corresponding with client regarding same.	2.90
Jun-26-14	Sandra Abitan	Reviewing [REDACTED] affidavit; discussions with M. Paterson; drafting and reviewing email correspondence.	1.50
Jun-26-14	Mary J. Paterson	Reviewing and responding to correspondence related to draft documents.	3.70
Jun-27-14	Sandra Abitan	Reviewing comments to monitor report; drafting and reviewing email correspondence.	0.80
Jun-27-14	Mary J. Paterson	Finalizing documents; corresponding regarding same; speaking with B. Scott.	2.20
Jun-30-14	Mary J. Paterson	Preparing application record; corresponding with client about Barclays interest; reviewing Stikeman comments on Advance Tax Ruling.	2.90
<b>TOTAL HOURS:</b>			<b>28.20</b>

**EXPENSE SUMMARY**

<b>DESCRIPTION</b>	<b>AMOUNT</b>
<b><u>EXPENSES - TAXABLE</u></b>	
Corporate Search Charges	2.00
Printing Costs	151.50
Telecommunications - External	54.64
Telecommunications Charges	8.92
OnCorp Fees for Searches/Certificates/Filings	73.00
Other Searches	18.00
<b>TOTAL (CAD):</b>	<b>308.06</b>

**Osler, Hoskin & Harcourt S.E.N.C.R.L./s.r.l.**  
 1000 rue De La Gauchetière Ouest  
 bureau 2100  
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 CANADA  
 514.904.8100 MAIN  
 514.904.8101 FACSIMILE

# OSLER

Samson Bélair/Deloitte & Touche Inc.  
 1, Place Ville-Marie, bureau 3000  
 Montréal, QC H3B 4T9  
 CANADA

Invoice No.: 11696298  
 Date: August 13, 2014  
 Client No.: 227057

GST/HST No.: 121983217 RT0001  
 QST No.: 1087084341 TQ0001

Attention: Pierre Laporte

Contact: Sandra Abitan  
 Direct Dial: (514) 904-5648  
 E-mail: SAbitan@osler.com

For professional services rendered for Metcalfe & Mansfield Alternative Investments VII Corp. and Devonshire Trust (Formerly Project M&M) - Tax Advice (F#1154970).

OUR FEE HEREIN	3,667.50
GST	183.38
QST @ 9.975%	365.83
<b>TOTAL (CAD):</b>	<b>4,216.71</b>

**PAYMENT DUE ON OR BEFORE SEPTEMBER 12, 2014**



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 (RECEIPTS)  
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 PO BOX 50  
 Toronto, Ontario M5X 1B8  
 Canada

Invoice No.: 11696298  
 Client No.: 227057  
 Amount: 4,216.71 CAD

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*Please return remittance advice(s) with cheque.*

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**FEE SUMMARY**

<b>NAME</b>	<b>HRS</b>	<b>RATE</b>	<b>FEES</b>
<b><u>PARTNER</u></b>			
Timothy Hughes	4.50	815	3,667.50
<b>TOTAL FEES (CAD):</b>	<b>4.50</b>		<b>3,667.50</b>

**FEE DETAIL**

<b>DATE</b>	<b>NAME</b>	<b>DESCRIPTION</b>	<b>HRS</b>
Jul-03-14	Timothy Hughes	Reviewing correspondence; e-mailing J. Fortier; reviewing documents; preparing for and attending conference call with J. Fortier and M. Legault; telephone calls M. Paterson.	2.10
Jul-04-14	Timothy Hughes	Reviewing correspondence; considering issues.	0.30
Jul-05-14	Timothy Hughes	Reviewing correspondence; considering issues.	0.20
Jul-07-14	Timothy Hughes	Reviewing correspondence; considering issues.	0.20
Jul-08-14	Timothy Hughes	Reviewing correspondence; reviewing Stikeman changes to draft ruling request; considering issues.	1.10
Jul-09-14	Timothy Hughes	Reviewing documents; e-mailing M. Legault.	0.30
Jul-10-14	Timothy Hughes	Reviewing correspondence; reviewing documents; considering issues; e-mailing M. Legault, J. Fortier and M. Paterson.	0.30
<b>TOTAL HOURS:</b>			<b>4.50</b>

Osler, Hoskin & Harcourt S.E.N.C.R.L./s.r.l.  
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 514.904.8101 FACSIMILE

# OSLER

Samson Bélair/Deloitte & Touche Inc.  
 1, Place Ville-Marie, bureau 3000  
 Montréal, QC H3B 4T9  
 CANADA

Invoice No.: 11693994  
 Date: August 13, 2014  
 Client No.: 227057

GST/HST No.: 121983217 RT0001  
 QST No.: 1087084341 TQ0001

Attention: Pierre Laporte

Contact: Sandra Abitan  
 Direct Dial: (514) 904-5648  
 E-mail: SAbitan@osler.com

For professional services rendered for Metcalfe & Mansfield Alternative Investments VII Corp. and Devonshire Trust (Formerly Project M&M) (F#1154970).

OUR FEE HEREIN	23,476.50
REIMBURSABLE EXPENSES	182.59
GST	1,182.96
QST @ 9.975%	2,359.99
<b>TOTAL (CAD):</b>	<b>27,202.04</b>

**PAYMENT DUE ON OR BEFORE SEPTEMBER 12, 2014**



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 1 First Canadian Place  
 PO BOX 50  
 Toronto, Ontario M5X 1B8  
 Canada

Invoice No.: 11693994  
 Client No.: 227057  
 Amount: 27,202.04 CAD

Email payment details to [payments@osler.com](mailto:payments@osler.com), referencing invoice number(s) being paid.

Please return remittance advice(s) with cheque.

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**FEE SUMMARY**

NAME	HRS	RATE	FEES
<u>PARTNER</u>			
Sandra Abitan	5.10	840	4,284.00
Michael De Lellis	1.00	660	660.00
Shelley W. Obal	0.50	890	445.00
Mary J. Paterson	28.30	620	17,546.00
<u>ASSOCIATE</u>			
Christine Waldner	0.90	510	459.00
<u>PARAPROFESSIONAL</u>			
Kevin MacEachern	0.50	165	82.50
<b>TOTAL FEES (CAD):</b>	<b>36.30</b>		<b>23,476.50</b>

**FEE DETAIL**

DATE	NAME	DESCRIPTION	HRS
Jul-02-14	Mary J. Paterson	Reviewing additional comments on report from Fasken and corresponding with client regarding same.	0.20
Jul-03-14	Mary J. Paterson	Corresponding with client regarding Advance Tax Ruling; reviewing, finalizing and serving Monitor's pre-filing report.	1.70
Jul-04-14	Sandra Abitan	Reviewing correspondence.	0.50
Jul-04-14	Kevin MacEachern	Attending at Commercial Court; filing report.	0.50
Jul-04-14	Mary J. Paterson	Corresponding related to Monitor's first report.	0.40
Jul-07-14	Mary J. Paterson	Preparing for Court; reviewing late filed material; correspondence with counsel relating to same.	3.70
Jul-08-14	Mary J. Paterson	Preparing for and attending Court hearing.	3.60
Jul-09-14	Mary J. Paterson	Speaking with I. Wizman regarding Website; reviewing Website.	0.70
Jul-10-14	Sandra Abitan	Reviewing email correspondence and proceedings.	0.50
Jul-10-14	Mary J. Paterson	Corresponding with client and A. Kauffman regarding next steps.	0.10
Jul-14-14	Sandra Abitan	Discussions with M. Paterson; drafting and reviewing email correspondence.	0.40

Jul-14-14	Mary J. Paterson	Speaking with A. Kauffman and D. Chochlya; speaking to I. Wizman; speaking to A. Kauffman.	0.50
Jul-15-14	Sandra Abitan	Working on file concerning stay matters.	0.30
Jul-15-14	Mary J. Paterson	Corresponding with Fasken and Monitor regarding stay extension motion materials.	0.80
Jul-16-14	Mary J. Paterson	Corresponding related to period of time between Advance Tax Ruling and First Interest Distribution; speaking with I. Wizman regarding funds; corresponding with client and applicant's counsel regarding stay extension motion.	0.90
Jul-17-14	Mary J. Paterson	Reviewing and responding to correspondence related to [REDACTED] reviewing and suggesting revisions to Monitor's draft second report; reviewing motion record prepared by Applicant seeking stay extension.	1.40
Jul-18-14	Sandra Abitan	Reviewing emails.	0.40
Jul-18-14	Mary J. Paterson	Speaking with A. Kauffman regarding [REDACTED] and Monitor's Second Report; speaking with I. Wizman regarding same.	1.30
Jul-19-14	Mary J. Paterson	Corresponding in respect of the Second Monitor's Report and the revised Plan.	0.20
Jul-20-14	Mary J. Paterson	Reviewing, commenting on, and serving Monitor's Second Report.	0.80
Jul-21-14	Mary J. Paterson	Reviewing correspondence related to [REDACTED] preparing for hearing.	0.90
Jul-22-14	Mary J. Paterson	Preparing for and attending stay extension hearing; speaking with X. Martis regarding National Bank issue.	1.30
Jul-23-14	Sandra Abitan	Reviewing NBC letter; holding telephone conversation with M. Paterson; attending conference call with Fasken and Deloitte.	1.30
Jul-23-14	Mary J. Paterson	Preparing for and attending call with Fasken and Deloitte regarding National Bank letter; speaking with B. Scott regarding proof of claim; conducting related correspondence; speaking with I. Wizman.	1.40
Jul-24-14	Mary J. Paterson	Corresponding with client regarding Barclays and National Bank matter.	0.50
Jul-25-14	Mary J. Paterson	Corresponding related to posting revised plan; corresponding related to Barclays draft VIF and speaking with I. Wizman and B. Scott regarding same.	0.30
Jul-28-14	Sandra Abitan	Reviewing email correspondence.	0.40

Jul-29-14	Sandra Abitan	Holding discussion with M. Paterson; drafting and reviewing email correspondence.	0.80
Jul-29-14	Michael De Lellis	Multiple meetings with M. Paterson to discuss various issues in connection with a CCAA Plan, Creditors Meeting and Sanction Hearing.	1.00
Jul-29-14	Shelley W. Obal	Discussion with M. Paterson regarding [REDACTED]	0.50
Jul-29-14	Mary J. Paterson	Corresponding with counsel related to status of National Bank issue; reviewing script for meeting of noteholders; considering law related to [REDACTED] speaking with A. Kauffman, about same.	5.10
Jul-30-14	Mary J. Paterson	Corresponding related to voter information forms; reviewing Barclays' voter information form; meeting with C. Waldner regarding [REDACTED], speaking with I. Wizman regarding strategy.	1.00
Jul-30-14	Christine Waldner	Considering [REDACTED] for M. Paterson.	0.90
Jul-31-14	Sandra Abitan	Drafting and reviewing email correspondence regarding National Bank issue.	0.50
Jul-31-14	Mary J. Paterson	Speaking with I. Wizman regarding voter identification forms received; discussing National Bank Barclays issue.	1.50
<b>TOTAL HOURS:</b>			<b>36.30</b>

**EXPENSE SUMMARY**

DESCRIPTION	AMOUNT
<u>EXPENSES - TAXABLE</u>	
Printing Costs	172.05
Telecommunications - External	4.36
Telecommunications Charges	6.18
<b>TOTAL (CAD):</b>	<b>182.59</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 AND ARRANGEMENT INVOLVING METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS VII CORP. IN ITS CAPACITY AS ISSUER TRUSTEE OF DEVONSHIRE TRUST*

Court File No. CV-14-10609-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)**

Proceedings commenced at  
Toronto

**AFFIDAVIT OF LINDA SHERWOOD**

**OSLER, HOSKIN & HARCOURT LLP**  
P. O. Box 50, 1 First Canadian Place  
Toronto ON M5X 1B8

Mary Paterson (LSUC#51572P)  
Tel: (416) 862-4924  
Fax: (416) 862-6666

*Counsel to Deloitte Restructuring Inc., in its capacity as  
Monitor of Metcalfe & Mansfield Alternative Investments VII  
Corp.*

*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 AND ARRANGEMENT INVOLVING METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS VII CORP. IN ITS CAPACITY AS ISSUER TRUSTEE OF THE DEVONSHIRE TRUST*

Court File No. CV-14-10609-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)**

Proceedings commenced at  
Toronto

**THIRD REPORT TO THE COURT  
SUBMITTED BY DELOITTE RESTRUCTURING INC.  
IN ITS CAPACITY AS MONITOR**

**OSLER, HOSKIN & HARCOURT LLP**  
P. O. Box 50  
1 First Canadian Place  
Toronto ON M5X 1B8

Mary Paterson (LSUC#51572P)  
Tel: (416) 862-4924  
Fax: (416) 862-6666

*Counsel to Deloitte Restructuring Inc., in its capacity as  
Monitor of Metcalfe & Mansfield Alternative Investments VII  
Corp.*