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DOCUMENT	**TWENTY-SECOND REPORT OF THE MONITOR** **IN THE MATTER OF THE COMPANIES CREDITORS' ARRANGEMENT ACT, R.S.C. 1985 c. C-36 AS AMENDED** **AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT, ENCHARIS COMMUNITY HOUSING AND SERVICES, ENCHARIS MANAGEMENT AND SUPPORT SERVICES AND LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT INVESTMENTS LTD.** **DATED JULY 12, 2016**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**Counsel** **Cassels Brock & Blackwell LLP** **Suite 1250, Millennium Tower** **440 – 2nd Avenue SW** **Calgary, Alberta T2P 5E9** **Attention: Jeffrey Oliver** **Telephone/ Facsimile: 403-351-2921/ 403-648-1151** **Email: joliver@casselsbrock.com** **Monitor** **Deloitte Restructuring Inc.** **700 Bankers Court, 850 – 2nd Street SW** **Calgary, AB T2P 0R8** **Attention: Jeff Keeble & Vanessa Allen** **Telephone/Facsimile: 403-298-5955/ 403-718-3681** **Email: jkeeble@deloitte.ca & vanallen@deloitte.ca**

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Introduction and Notice to Reader

Introduction

1. On January 23, 2015 (the "Filing Date"), Lutheran Church – Canada, the Alberta – British Columbia District (the "District"), Encharis Community Housing and Services ("ECHS"), Encharis Management and Support Services ("EMSS") and Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd. ("DIL", collectively the "Applicants" or the "District Group") obtained an Initial Order (the "Initial Order") from the Court of Queen's Bench of Alberta (the "Court") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"). Deloitte Restructuring Inc. ("Deloitte") was appointed as Monitor (the "Monitor") in the CCAA proceedings.

2. For clarity, the District includes the Church Extension Fund ("CEF"), which was originally created to allow District members to loan their money and earn interest in faith-based developments. CEF was operated under the purview of the District's Department of Stewardship and Financial Ministries and was not created as a separate legal entity. As such, depositors to CEF are creditors of the District (the "District Depositors"). Depositors to DIL will be referred to as the "DIL Depositors". The District Depositors and the DIL Depositors will collectively be referred to as the "Depositors".

3. The Initial Order provided for an initial stay of proceedings (the "Stay") until February 20, 2015. The Court has now granted eight extensions of the Stay. The most recent Order was granted at an application on June 21, 2016 and extended the Stay until September 30, 2016 (the "Extension").

4. Prior to the Initial Order being granted, Deloitte prepared a Pre-Filing Report of the Proposed Monitor dated January 22, 2015 (the "Pre-Filing Report"). The Monitor subsequently filed the following reports:

   4.1. the First Report of the Monitor dated February 17, 2015 the "First Report");

   4.2. the Second Report of the Monitor dated March 23, 2015 (the "Second Report");

   4.3. the Third Report of the Monitor dated June 16, 2015;

   4.4. the Fourth Report of the Monitor dated June 24, 2015 (the "Fourth Report");

   4.5. the Fifth Report of the Monitor dated August 24, 2015 (the "Fifth Report");

   4.6. the Sixth Report of the Monitor dated September 9, 2015;

   4.7. the Seventh Report of the Monitor dated October 20, 2015;

   4.8. the Eighth Report of the Monitor dated October 30, 2015;

   4.9. the Ninth Report of the Monitor dated November 26, 2015;

4.10. the Tenth Report of the Monitor dated December 22, 2015;

4.11. the Eleventh Report of the Monitor dated January 11, 2016;

4.12. the Twelfth Report of the Monitor dated January 27, 2016;

4.13. the Thirteenth Report of the Monitor dated February 4, 2016;

4.14. the Fourteenth Report of the Monitor dated February 18, 2016;

4.15. the Fifteenth Report of the Monitor dated February 25, 2016 (the "Fifteenth Report");

4.16. the Sixteenth Report of the Monitor dated March 14, 2016;

4.17. the Seventeenth Report of the Monitor dated March 18, 2016 (the "Seventeenth Report");

4.18. the Eighteenth Report of the Monitor dated April 25, 2016;

4.19. the Nineteenth Report of the Monitor dated May 27, 2016;

4.20. the Twentieth Report of the Monitor dated June 14, 2016; and

4.21. the Twenty-First Report of the Monitor dated July 7, 2016 (the "Twenty-First Report") , together with the Pre-Filing Report, the reports listed in 4.1 to 4.21 will collectively be referred to as the "Reports").

5. The Monitor also filed a confidential supplement to the Second Report dated March 25, 2015, a confidential supplement to the Fourth Report dated June 25, 2015, a confidential supplement to the Fifth Report dated August 26, 2015, a confidential supplement to the Fifteenth Report dated February 26, 2016 and a Confidential Supplement to the Seventeenth Report dated March 18, 2016 (collectively the "Supplements"). The Supplements have been sealed by the Court.

6. In addition to the Reports and the Supplements, the Monitor prepared a First Report to the Creditors of ECHS and EMSS dated November 10, 2015 (the "Encharis Report"), a First Report to the Creditors of DIL dated December 8, 2015 (the "DIL Report") and a First Report to the Creditors of the District dated March 28, 2016 (the "District Report"). All of the Encharis Report, the DIL Report and the District Report were prepared for the purpose of providing creditors of the corresponding entities with specific information related to the respective plans of compromise and arrangement for ECHS, EMSS, DIL and the District (respectively the "ECHS Plan", the "EMSS Plan", the "DIL Plan" and the "District Plan", collectively the "Applicant Plans"), all as subsequently amended.

7. Capitalized terms not otherwise defined herein shall have the meanings given to them in the Reports and in the Supplements.

8. Information on the CCAA proceedings can be accessed on Deloitte's website at www.insolvencies.deloitte.ca under the link entitled "Lutheran Church – Canada, the Alberta – British Columbia District et. al.".

Notice to Reader

9. In preparing this report, the Monitor has relied on unaudited financial information, the books and records of the Applicants and discussions with the Applicants' employees, the Applicants' Chief Restructuring Officer, interested parties and stakeholders. The Monitor has not performed an independent review or audit of the information provided.

10. The Monitor assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction, or use of this report.

11. All amounts included herein are in Canadian dollars unless otherwise stated.

Court Applications

12. As previously reported, at a hearing scheduled for July 15, 2016 (the "July 15 Hearing"), the District Group will be making an application (the "District Sanction Application") for an Order sanctioning the District Plan, declaring that the District Plan is fair and reasonable and declaring that the District Plan and all associated steps, compromises, transactions, arrangements, assignments, releases and reorganizations effected by the District Plan are approved, binding and effective upon those creditors affected by the District Plan. In conjunction with the District Sanction Application, the District will also be making the following additional applications:

    12.1. Confirming the settlement of all claims of creditors with proven claims or disputed claims that have not been settled or adjudicated (the "Eligible Affected Creditors"), who are minors (the "Minor Affected Creditors") and directing how distributions will be paid to Minor Affected Creditors pursuant to the District Plan; and

    12.2. Granting an Approval and Vesting Order (Prince of Peace Development) transferring the Core Assets (as such term is defined in the ECHS Plan) to a new company to be formed pursuant to the District Plan ("NewCo").

13. Also at the July 15 Hearing and prior to the District Sanction Application, Errin Poyner of Sugden, McFee and Roos LLP ("Sugden") on behalf of her clients Randall Kellen and Elvira Kroeger (the "Sugden Plaintiffs") and supported by Allan Garber of Allan Garber Professional Corporation ("Garber") on behalf of his clients Sharon Sherman and Marilyn Huber (the "Garber Plaintiffs") will be making an application seeking the following relief (the "Sugden – Garber Application"):

    13.1. Removing Deloitte as Monitor and replacing it with Ernst & Young LLP ("E&Y"); or

    13.2. Appointing E&Y as a limited purpose monitor for the purpose of reviewing the provisions of the District Plan related to future legal action(s) that may be undertaken on behalf of District Depositors by way of class proceedings or otherwise (the "Representative Action") and rendering its opinion to the Court on the District Sanction Application and with respect to whether the District Plan is fair and reasonable to the Eligible Affected Creditors;

    13.3. Authorizing E&Y to retain legal counsel to assist it in rendering its opinion to the Court if it considers it reasonable and necessary to do so; and

    13.4. Authorizing the professional fees of E&Y and its legal counsel, to a maximum amount of $150,000 plus applicable taxes, to be paid by the Applicants and secured under the Administration Charge (as such term is defined in the Initial Order) that was granted as part of

the Initial Order or under a second administration charge to rank *pari passu* with the current Administration Charge.

14. Sugden and Garber are objecting to the District Sanction Application.

15. The Twenty-First Report was prepared to provide the Court with information related to the Sugden – Garber Application. Following the Twenty-First Report being filed, the following additional material was filed by Sugden and Garber and has now been reviewed by the Monitor:

    15.1. The brief of District creditors' Elvira Kroeger and Randall Kellen regarding the District Sanction Application (the "Second Kellen Brief");

    15.2. The brief of the District creditors' Marilyn Huber and Sharon Sherman regarding the District Sanction Application (the "Huber Brief");

    15.3. The affidavit of Keith Odegard, sworn on June 22, 2016;

    15.4. The affidavit of Larry Giese, sworn on July 5, 2016;

    15.5. The affidavit of Aleana Sorenson, sworn on July 6, 2016; and

    15.6. The affidavit of Georg Beinert, sworn on July 3, 2016 (the "Beinert Affidavit").

    The information referenced in 15.1 to 15.6 above will be referred to as the "Secondary Material". The information referenced in 15.1 to 15.5 was received on July 7, 2016. An unfiled copy of the Beinert Affidavit (without Exhibits) was received on July 11, 2016. As at the date of this report, the Monitor has not yet received a filed copy of the Beinert Affidavit, including the exhibits.

16. This report represents the Twenty-Second Report of the Monitor (the "Twenty-Second Report"). The Twenty Second Report has been prepared to provide the Monitor's comments on certain matters raised by Sugden and Garber in the Secondary Material.

The Secondary Material

17. Following its review of the Secondary Material, the Monitor wishes to comment on the following matters that were raised therein:

    17.1. The inclusion of "Convenience Payments" in the District Plan, which are defined as payments made to Eligible Affected Creditors upon the date that the District Plan takes effect for the lesser of $5,000 or the total amount of their claim;

    17.2. The potential future restructuring of Lutheran Church – Canada ("LCC");

    17.3. The valuation of the shares (the "NewCo Shares") in a new company ("NewCo") to be formed pursuant to the District Plan; and

    17.4. The Representative Action.

Convenience Payments

18. Sugden and Garber have suggested that the Convenience Payments have the effect of unfairly skewing the voting results on the basis that, of the total 2,600 Eligible Affected Creditors, approximately 1,616 Eligible Affected Creditors with claims totalling approximately $1.3 million are anticipated to be paid in full by the Convenience Payments (the "Convenience Creditors"). In response to the allegations raised by Sugden and Garber with respect to the Convenience Payments, the Monitor notes the following:

    18.1. Of the 1,616 Convenience Creditors 500, or 31% in number of the Convenience Creditors, voted on the District Plan. The Convenience Creditors who voted on the District Plan had claims totalling approximately $707,800 or 54% of the total claims of the Convenience Creditors.

    18.2. Of the 500 Convenience Creditors who voted on the District Plan, 450 (90% of voting Convenience Creditors) voted in favour of the District Plan and 50 (10% of voting Convenience Creditors) voted against the District Plan. The Convenience Creditors who voted in favour of the District Plan had claims of approximately $641,300 (91% of the total claims of voting Convenience Creditors) and the Convenience Creditors who voted against the District Plan had claims of approximately $66,500 (9% of the total claims of voting Convenience Creditors).

    18.3. As previously reported, approximately 1,294 Eligible Affected Creditors with total claims of approximately $85.1 million voted on the District Plan. The Convenience Creditors, therefore, represented approximately 39% in number and approximately 1% in dollar value of the total

voting Eligible Affected Creditors. In order for the District Plan to be approved, both a majority in number and two-thirds in dollar value of voting creditors must have voted in favour of the District Plan. As such, while the Convenience Payments increased the likelihood that a majority in number of Eligible Affected Creditors would vote in favour of the District Plan, they had little impact on the likelihood that two-thirds in dollar value of voting creditors would vote in favour of the District plan.

18.4. Excluding the Convenience Creditors, there was a total of 794 Eligible Affected Creditors who voted on the District Plan, of which 626, or approximately 79%, voted in favour of the District Plan and 168 voted against the District Plan. As such, the District Plan still would have passed by a majority in number of voting Eligible Affected Creditors had no Convenience Creditors voted.

18.5. The Monitor notes that a major consideration for the inclusion of the Convenience Payments in the District Plan was that only those Eligible Affected Creditors with claims over $5,000 would receive NewCo Shares. Limiting the number of shareholders in NewCo (the "NewCo Shareholders") will create a more manageable corporate governance structure for NewCo than would otherwise be possible and will help to ensure that only Eligible Affected Creditors who have a vested interest in NewCo become NewCo Shareholders.

The Potential Restructuring of Lutheran Church - Canada

19. By way of background, The Lutheran Church – Canada ("LCC") was founded in 1988 and has approximately 325 member congregations. Congregations belonging to LCC also belong to the District or to one of two additional districts in Central and Eastern Canada (the "LCC Districts"). The LCC Districts are not subsidiaries of LCC nor are they controlled by LCC and each District is independently incorporated and elects its own leadership. The Monitor has been advised that LCC is currently undergoing a process to evaluate the need for a potential restructuring of how LCC and the LCC Districts contribute to the spiritual needs of their member congregations (the "LCC Restructuring"). Paragraph 44 of the Second Kellen Brief suggests that, as a result of the LCC Restructuring, the LCC Districts may be dissolved and, as such, the CCAA proceedings were not undertaken with a view to restructuring the District. The Monitor notes as follows with respect to the LCC Restructuring:

19.1. LCC initiated the LCC Restructuring based on multiple factors, including the following:

19.1.1. LCC's commission on constitutional matters and structure is mandated by LCC's bylaws to conduct a continuing review of LCC's structure and propose improvements;

19.1.2. Requests from various segments within the church for a restructuring; and

19.1.3. Motions were passed by each of the LCC Districts in 2015 requesting that LCC bring restructuring proposals to LCC's next convention, which is scheduled for October 2017 (the "LCC Convention").

19.2. The Monitor has been advised that LCC is in the early stages of the LCC Restructuring and is still formulating any restructuring proposals that may be put forward at the LCC Convention. Should a restructuring proposal be presented and accepted at the LCC Convention, it would still need to be ratified by local congregations. As such, a definitive decision on the LCC Restructuring is not anticipated to be made until mid-2018. In addition, as the LCC Districts are separate legal entities, LCC cannot impose the LCC Restructuring on the Districts. The Monitor understands that, should the LCC Restructuring result in a decision by the LCC Districts to dissolve, this process could take a further two to four years to implement.

20. In conclusion, although LCC is contemplating a potential restructuring, the nature and timing of the LCC Restructuring is unknown. The District Plan allows for the District to continue to operate and these operations are currently anticipated to be limited to providing ministry services. The Monitor is of the view that the District Plan appears to be in the best interest of all parties and the successful implementation of the District Plan will allow the future of the District and the scope of the District's operations to ultimately be determined by the District and its members. In addition, the Monitor notes that, if the District Plan is sanctioned, NewCo will operate independently from the District and will not be impacted by any further restructuring of either LCC or the District.

The Valuation of NewCo Shares

21. Paragraph 59 of the Second Kellen Brief suggests that the value attributable to the NewCo Shares will be the same as the amount that could be recovered by Eligible Affected Creditors in a forced sale liquidation pursuant to a further insolvency proceeding, such as a receivership. The Monitor notes the following with respect to this suggestion:

    21.1. As set out in paragraph 20 of the District Report, the value of the NewCo shares is intended to be based on the following:

        21.1.1. The forced sale value of the Harbour and Manor seniors' care facilities, which will be based on an appraisal of the Harbour and Manor seniors' care facilities prepared by CWPC Seniors' Housing Group as at November 30, 2015 (the "CWPC Appraisal");

        21.1.2. The forced sale value of the remaining properties within the Prince of Peace development, which will be based on an appraisal prepared by Colliers International as at October 15, 2015 (the "Colliers Appraisal"). The properties described in 21.1.1. and 21.1.2 will collectively be referred to as the "Prince of Peace Properties"; and

        21.1.3. The estimated value of the assets held by ECHS and EMSS, which would be transferred to NewCo pursuant to the ECHS and EMSS Plans, which include working capital, computer hardware and equipment, furniture and fixtures, a water treatment plant, medical equipment and a vehicle (the "ECHS and EMSS Assets"). This will be based on the actual value of cash held by ECHS and EMSS at the date of transfer and discounted book values for the remaining ECHS and EMSS Assets;

21.2. As further described in paragraph 22 of the District Report, legal counsel for the District creditors' committee (the "District Committee") will retain a qualified third party firm to review and report on the proposed valuation of the NewCo Shares suggested by the Monitor;

21.3. The Monitor notes that each of the CWPC Appraisal and the Colliers Appraisal reflect a range of forced sale values. The Monitor has consulted with Deloitte's Valuations Group, who has indicated that in valuing shares such as those of NewCo, it would be more common to value assets such as the Prince of Peace Properties based on appraised market values as opposed to forced sale values. The Monitor has attempted to balance this consideration against other practical considerations such as the fact that, depending on the mandate that is chosen for NewCo, the Prince of Peace Properties may still be liquidated in the near-term and the need to accurately reflect the shortfall to Eligible Affected Creditors which will represent the amount they will ultimately be able to pursue in the Representative Action. Having said that, it is unlikely that the values attributed to the Prince of Peace Properties in calculating the value of the NewCo Shares will reflect the lowest forced sale values reflected in the CWPC Appraisal and the Colliers Appraisal. They will also not reflect costs associated with the marketing and sale of the Prince of Peace Properties such as realtor commissions;

21.4. Realizing on the Prince of Peace Properties through a further insolvency proceeding would likely result in reduced realizations to Eligible Affected Creditors outside of what is reflected in the forced sale appraisal values due to the following:

21.4.1. Increased professional fees that would be required to undertake further insolvency proceedings; and

21.4.2. Any costs required to undertake foreclosure proceedings for the Prince of Peace Properties which, if the District Plan fails, will continue to be held by ECHS.

21.5. Neither the ECHS nor the EMSS Assets will be available to Eligible Affected Creditors in the event that the District Plan fails; and

21.6. As noted in paragraph 42 of the District Report, all investments are subject to various risk factors, which may affect NewCo's business, operating results, financial condition or asset values. Having said that, the District Plan provides Eligible Affected Creditors the ability to benefit from potential upside opportunities that may be available depending on the mandate that is chosen for NewCo. In a forced sale liquidation scenario, Eligible Affected Creditors would likely forego these opportunities.

The Representative Action

22. The Monitor notes as follows with respect to allegations contained in the Secondary Material related to the Representative Action:

22.1. The Second Kellen Brief suggests that, should the subcommittee chosen to lead the Representative Action (the "Subcommittee") determine that a holdback is required to fund the Representative Action (the "Representative Action Holdback"), it would increase costs to Eligible Affected Creditors as compared to the costs that they may incur in a class action proceeding, undertaken outside of the Representative Action. The Monitor notes as follows with respect to this suggestion:

22.1.1. All litigation has an associated cost. The question is simply how that cost will be paid. Legal counsel may consider various types of fee arrangements with their clients, including billings based on hourly rates, lump sum billings or contingency billings (where fees will only be charged in the event that litigation is successful). In all of these scenarios, fees are payable. It is just a matter of the quantum and timing of when those fees would be paid. Contingency fee arrangements are generally based on a percentage of the proceeds of litigation. Where litigation is successful, legal counsel who act on a contingency basis may recover fees in excess of what they would have pursuant to an alternate billing arrangement. This reflects the fact that they take on a higher degree of risk as they only receive payment in the event that litigation is successful. Although contingency fees may vary based on a variety of factors, the Monitor's legal counsel has advised that, in Alberta, they would anticipate contingency fees to vary between approximately 15% and 25% of litigation proceeds;

22.1.2. Paragraph 31(g) of the Huber Brief suggests that the Representative Action Holdback will result in fees being payable by Eligible Affected Creditors, which would not otherwise be payable. The Monitor notes that, in the event that litigation was undertaken on a contingency basis and was successful, the associated costs would simply be paid upon receipt of the litigation proceeds, as opposed to upon the commencement of or throughout the litigation; and

22.1.3. As previously reported, the fee arrangement to be entered into related to the Representative Action is to be negotiated between the Subcommittee and the legal counsel chosen to act in the Representative Action and may very well include a contingency based fee arrangement.

22.2. Paragraph 31(h) of the Huber Brief further suggests that the Subcommittee may not act exclusively in the best interest of the District Depositors. The basis of this allegation is not clear to the Monitor. The Monitor notes that, as previously reported, the Subcommittee acts independent of both the District and the Monitor and will be made up of District Depositors, who have also opted to participate in the Representative Action. The Subcommittee will be appointed by the District Committee.

22.3. Paragraph 31 of the Huber Brief also suggests that the Representative Action removes protections from District Depositors, which would ordinarily be available under provincial class

proceedings legislation. Should the Representative Action include class proceedings, as it is likely to do, the Representative Action does not limit the rights of District Depositors with respect to any protections afforded to them under provincial class proceedings legislation other than to the extent that such legislation conflicts with the District Plan. As previously reported, the only difference between the Representative Action and other provincial class proceedings relates to the streamlined process that has been established (including the formation of the Subcommittee and the pursuit of all legal actions by a single group, led by the Subcommittee) and the requirement that all claims be advanced through the Representative Action provisions of the District Plan. In any scenario where class proceedings are commenced, including as part of the Representative Action, a representative plaintiff would have to be appointed, who would be the beneficiary of any and all legal rights and protections available to them under any class proceedings legislation, including protection from costs awards in British Columbia.

Communications regarding the District Plan

23. The Secondary Material alleges that undue influence may have been exerted by the Applicants and the Monitor on Eligible Affected Creditors in order to obtain support for the District Plan. Paragraph 52 of the Huber Brief contains specific allegations in this regard, which have been addressed by the Monitor in the Twenty – First Report and in this report. Paragraph 52(c) of the Huber Brief alleges that the Applicants and the Monitor used religious leaders to exert undue influence in order to obtain the support of the District's congregations and silence dissent. The Monitor notes as follows with respect to this allegation:

    23.1. The Monitor has had ongoing interactions with Eligible Affected Creditors, including at five information meetings held in Alberta and British Columbia to review the contents of the District Plan and respond to any inquiries by Eligible Affected Creditors related to the District Plan (the "Information Meetings") and at the meeting of Eligible Affected Creditors to consider the District Plan (the "District Meeting"). The Monitor has heard divergent viewpoints expressed by Eligible Affected Creditors throughout the CCAA proceedings. Eligible Affected Creditors have advised the Monitor that the financial losses that they have suffered have given rise to a range of negative emotions including fear, anxiety, anger and depression. Unlike in a typical corporate insolvency, these feelings are amplified in that they extend to varying degrees to Eligible Affected Creditors' community and religious beliefs. Given the number of Eligible Affected Creditors, however, it is usual and expected that divergent viewpoints would exist. It is also usual and expected that those Eligible Affected Creditors, who share a common viewpoint, may take steps to communicate their viewpoint to the Eligible Affected Creditors as a whole.

    23.2. At both the Information Meetings and the District Meeting, the Monitor found that Eligible Affected Creditors were generally empathetic towards each other and respectful of the expression of differing viewpoints. Both Eligible Affected Creditors who supported the District Plan, and those who did not, had the opportunity to ask questions of relevance to them and

express their views on the District Plan. In particular, as further detailed in paragraph 39.2 of the Twenty-First Report, the Monitor is of the view that Sugden and Garber, the Sugden and Garber Plaintiffs and their representatives (the "Sugden and Garber Representatives") actively participated in the process and had numerous opportunities to communicate their views to other Eligible Affected Creditors.

23.3. The Monitor has prepared a significant volume of information, which has been made available to Eligible Affected Creditors online and via regular mail, as well as being emailed to Eligible Affected Creditors who are congregations. The Monitor is of the view that they have provided sufficient information for Eligible Affected Creditors' to consider their decision on the District Plan. In addition, Eligible Affected Creditors always have the ability to consider additional information such as may be found online (through the website known as the CEF Forum, the Court documents posted on the Monitor's website or through other websites) or that may be circulated by third parties, such as the Sugden – Garber Representatives.

23.4. The Monitor agrees that, as suggested in the Secondary Material, many of the Eligible Affected Creditors are elderly, which makes them more vulnerable than the creditors that may exist in a typical corporate insolvency. The CCAA proceedings have been structured accordingly with many processes being implemented with a view to ensuring that Eligible Affected Creditors were able to understand and participate in the CCAA proceedings. These processes include the implementation of a reverse claims process, the establishment of the District Committee and the creditors' committee for DIL (collectively, the "Committees"), the volume and nature of information that has been produced by the Monitor, the method by which information has been delivered to Eligible Affected Creditors by the Monitor and the timelines established during the CCAA proceedings. However, the Monitor notes that the fact that Eligible Affected Creditors are elderly in no way suggests that they are incapable of considering the information provided to them, seeking out additional information or formulating independent viewpoints.

24. In conclusion, the Monitor is of the view that Eligible Affected Creditors have been provided with sufficient information to consider and formulate independent viewpoints regarding the District Plan and that opposing viewpoints regarding the District Plan have been widely communicated to Eligible Affected Creditors. As previously reported, the Monitor is not the author of the District Plan, which was formulated by the District, subject to input from the District Committee, the CRO, other stakeholders and the Monitor. The Monitor is an officer of the Court and has consistently made it clear that Eligible Affected Creditors needed to make their own decisions with respect to the District Plan in accordance with their own particular circumstances and views.

The Beinert Affidavit

25. The Monitor notes as follows with respect to selected allegations contained in the Beinert Affidavit (as noted above, the Monitor has not yet been provided with a filed copy of the Beinert Affidavit):

25.1. In paragraphs 56 to 59 of the Beinert Affidavit, Mr. Beinert indicates that he provided the Monitor with copies of marketing material provided to him by the District (the "Marketing Material"). The Marketing Material was reviewed by both the Monitor and the Monitor's legal counsel in order to evaluate the existence of potential claims (the "D&O Claims") by Depositors against the current and former directors and officers of the Applicants (the "D&Os"). The D&O Claims were identified in the First Report and have been reported on throughout the CCAA proceedings. Upon each of the Committees retaining legal counsel, the Monitor's legal counsel provided copies of the Marketing Material to each Committee's legal counsel. As previously reported, any D&O Claims are to be pursued in the Representative Action, or should the District Plan fail, a further class action. The D&O Claims will not be addressed further through the CCAA proceedings.

25.2. In paragraph 88 of the Beinert Affidavit, Mr. Beinert indicates that the Monitor was unable or unwilling to provide details surrounding the specifics of the District Plan at the Information Meeting held in Sherwood Park, Alberta (the "Sherwood Park Meeting"). The Monitor notes as follows with respect to this allegation:

25.2.1. As previously reported, each of the Information Meetings was between approximately two and a half and four hours long and the Monitor did not leave the Information Meetings until attendees had left or had indicated that they had no further questions;

25.2.2. Mr. Beinert asked a series of questions during the Sherwood Park Meeting. Due to the number of Eligible Affected Creditors in attendance, it was requested that Mr. Beinert limit his questions so that other Eligible Affected Creditors could have the chance to participate in the Sherwood Park Meeting. The Monitor requested that Mr. Beinert stay to talk to the Monitor at the end of the Sherwood Park Meeting or contact the Monitor at a later time to address any questions that were still unanswered at the end of the Sherwood Park Meeting. Mr. Beinert declined to do so; and

25.2.3. In early May 2016, the Monitor phoned Mr. Beinert and left a message with someone at his home requesting that he phone the Monitor if he had further inquiries regarding the District Plan. To the Monitor's knowledge, the Monitor did not receive a return telephone call from Mr. Beinert.

Conclusion

26. The Twenty-Second Report has been prepared to provide the Monitor's comments on certain matters raised by Sugden and Garber in the Secondary Material.

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

Jeff Keeble CA, CIRP, CBV
Senior Vice-President