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

As you are aware, Lutheran Church Canada, the Alberta – British Columbia District, Encharis Community Housing and Services, Encharis Management and Support Services and District Investments obtained an Initial order under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the “**CCAA**”) on January 23, 2015. Deloitte Restructuring Inc. acts as the Monitor in the CCAA proceedings (the “**Monitor**”). As previously reported, information on the CCAA proceedings can be accessed on the Monitor’s website at [www.insolvencies.deloitte.ca](http://www.insolvencies.deloitte.ca) under link entitled “Lutheran Church – Canada, the Alberta – British Columbia District et. al.” or can be requested from the undersigned via telephone at (403) 298-5955 or via email at [vanallen@deloitte.ca](mailto:vanallen@deloitte.ca).

The purpose of this correspondence is to provide depositors of DIL (the “**DIL Depositors**”) with additional information related to an upcoming distribution to DIL Depositors (the “**DIL Distribution**”).

**Recent Court Proceedings**

At a hearing on August 28, 2015, the Court of Queen’s Bench of Alberta (the “**Court**”) granted an Order approving the following relief:

- Authorizing the DIL Distribution for up to \$15.0 million from the registered retirement savings plans (the “**Registered Plans**”) currently held by DIL to new registered retirement savings plans (the “**New Registered Plans**”) held by Great-West Life Assurance Company (“**GWL**”). The New Registered Plans will include the same types of accounts as the Registered Plans, including Tax Free Savings Accounts (“**TFSA(s)**”), accounts in Registered Retirement Savings Plans (“**RRSP(s)**”) and accounts in Registered Retirement Income Funds (“**RRIF(s)**”, collectively the “**New Registered Accounts**”); and
- Authorizing DIL to release personal information respecting depositors of DIL to GWL and its agent, Yellow Raincoat Benefit Consultants (“**Yellow Raincoat**”).

**The DIL Distribution**

***General Information***

The DIL Distribution will be in the amount of \$15.0 million, which will be paid to DIL Depositors on a pro-rata basis taking into account all required statutory minimum payments for RRIF holders and any

emergency fund payments. Statements outlining the amount payable to each DIL Depositor pursuant to the DIL Distribution will follow.

The New Registered Accounts will be the same types of accounts as those held in the Registered Plans, including TFSAs, RRSPs and RRIFs. Funds transferred to DIL Depositors must be transferred into new accounts with GWL held in the same type of registered plan(s) as the one(s) they are currently invested in with DIL. For greater clarity, if your investment is currently held in a RRIF, it must be transferred into a RRIF.

Should you choose to do so, there are no restrictions on the ability of DIL Depositors to transfer funds held in the New Registered Accounts into other eligible registered investment vehicles following the DIL Distribution and the Account Set-up being completed.

### ***Statutory Minimum Annual Payments***

Pursuant to the Initial Order, statutory minimum annual payments due pursuant to RRIFs (the “**Minimum Payments**”) continue to be payable. The Monitor notes that it is possible that, depending on the timing of the go-forward CCAA Proceedings, DIL may still hold funds on behalf of DIL Depositors following December 31, 2015. As such, DIL Depositors may receive Minimum Payments from both DIL and GWL during 2016. Should that be the case, further correspondence will follow in that regard.

### ***Account Set-Up***

Payments into the New Registered Accounts will only occur once the account set-up has been done for the respective DIL Depositor, which process will be facilitated by Yellow Raincoat. In order to facilitate the account set-up, DIL has provided Yellow Raincoat with available personal information for DIL Depositors, including their name, address and other contact information, date of birth, social insurance number, marital status, language preference, gender and existing beneficiary information (the “**Personal Information**”);

In addition to the Personal Information, Yellow Raincoat has advised that new beneficiary designations will be required for all DIL Depositors as part of the account set-up.

Yellow Raincoat has advised that they may use multiple means to contact DIL Depositors. DIL Depositors can also reach out to Yellow Raincoat directly by telephone at 1-888-365-5681, via email at [info@yellowraincoat.ca](mailto:info@yellowraincoat.ca), or via mail at Suite 102, 718 – 12<sup>th</sup> Avenue SW, Calgary, AB T2R 0H7.

### **Tax Opinion**

As previously reported, the DIL Distribution was contingent on the Monitor receiving a tax opinion with respect to any impact that the DIL Distribution may have for DIL Depositors (the “**Tax Opinion**”). The Tax Opinion was prepared by the Monitor’s legal counsel, Gowlings Lafleur Henderson LLP (“Gowlings”). The Tax Opinion relied on specific facts, assumptions and qualifications set out therein. Based on their review, Gowlings opined that “none of an Old Deferred Plan, New Deferred Plan and annuitant or holder, as the case may be, thereof should be subject to any adverse tax consequences merely as a result of the transfer of funds from an Old RRSP to a New RRSP, of the same annuitant, from an Old RRIF to a New

RRIF, of the same annuitant, or from an Old TFSA to a New TFSA, of the same holder. In fact, the Tax Act explicitly provides for the tax-deferred transfers of property in this manner". The Monitor notes that the Tax Opinion should not be relied on for any subsequent transfers by DIL Depositors following the DIL Distribution.

Should you have additional questions, please contact the undersigned at 403-298-5955.

Yours truly,

**DELOITTE RESTRUCTURING INC.**

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



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Per: Vanessa Allen, B. Comm, CIRP  
Vice-President