

COURT FILE NUMBER 1501-00955
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, as amended

APPLICANTS LUTHERAN CHURCH — CANADA, THE ALBERTA —
BRITISH COLUMBIA DISTRICT, ENCHARIS COMMUNITY
HOUSING AND SERVICES, ENCHARIS MANAGEMENT
AND SUPPORT SERVICES, AND LUTHERAN CHURCH —
CANADA, THE ALBERTA — BRITISH COLUMBIA
DISTRICT INVESTMENTS LTD.

DOCUMENT **WRITTEN SUBMISSION OF DELOITTE
RESTRUCTURING INC. IN SUR-REPLY TO THE
RESPONDENTS ELVIRA KROEGER AND RANDALL
KELLEN REGARDING THE APPLICATION FOR AN
ORDER SANCTIONING THE DISTRICT PLAN OF
COMPROMISE AND ARRANGEMENT**

ADDRESS FOR SERVICE AND CONTACT
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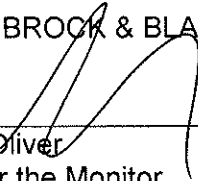
**PURSUANT TO THE RULING OF THE HONOURABLE MADAM JUSTICE
ROMAINE DATED JULY 20, 2016 GRANTING LEAVE TO MAKE ADDITIONAL WRITTEN
SUBMISSIONS IN SUR-REPLY**

1. Deloitte Restructuring Inc. (the "**Monitor**") makes these submissions in response to the written submissions in sur-reply of counsel to Elvira Kroeger and Randall Kellen dated July 21, 2016. The Monitor's standing to make these submissions was granted pursuant to a telephone communication from the office of the Honourable Madam Justice Romaine on July 26, 2016.
2. Ms. Kroeger and Mr. Kellen argue that the Plan does not permit a creditor to pursue an individual claim within the context of the Representative Action through the independent retention and payment of legal fees to Representative Counsel. They argue that an individual claim advanced by a creditor is a "Representative Action Claim" under the Plan, and only the Subcommittee (and not an individual creditor) is authorized to retain and instruct counsel to commence a Representative Action.
3. With respect, Ms. Kroeger and Mr. Kellen have misapprehended the Monitor's submissions.
4. The Monitor's submissions were made in response to a submission made by counsel to Mr. Kellen and Ms. Kroeger, in which a hypothetical scenario was posed wherein Mr. Kellen had a meritorious claim he wished to advance and fund, but the Subcommittee refused to advance such a claim due to a lack of funding. In response, the Monitor's counsel noted that the Plan did not prevent Mr. Kellen from funding the pursuit of such an action by Representative Counsel.
5. There is no provision of the Plan that prevents Mr. Kellen from funding the Subcommittee to pursue such a hypothetical action on his behalf. It is also true, and the Monitor never suggested otherwise, that such an action would be advanced by the Subcommittee using Representative Counsel, and the hypothetical action would be treated like any other "Representative Action Claim" under the Plan. The Subcommittee would have carriage and control of such litigation, subject to their fiduciary obligations.
6. The Monitor stands by its previous submission that the within-referenced hypothetical claim remains capable of being advanced, and is not compromised or barred.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 27th day of July 2016.

CASSELS BROCK & BLACKWELL LLP

Per



Jeffrey L. Oliver
Counsel for the Monitor,
Deloitte Restructuring Inc.