

**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 SECTION 101 OF THE *COURTS OF JUSTICE ACT*,
R.S.O. 1990, C. C-43, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
VICTORIAN ORDER OF NURSES FOR CANADA, VICTORIAN ORDER OF
NURSES FOR CANADA – EASTERN REGION AND VICTORIAN ORDER OF
NURSES FOR CANADA – WESTERN REGION

Applicants

**MOTION RECORD
(Returnable December 9, 2015)**

December 2, 2015

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Lawyers for the Applicants

**ONTARIO
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Applicants

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Tab 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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NURSES FOR CANADA – WESTERN REGION

Applicants

**NOTICE OF MOTION
(returnable December 9, 2015)**

The Applicants will make a motion to a Judge presiding over the Commercial List on December 9, 2015 at 10:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

- (a) a First Amended and Restated Initial Order and a First Amended and Restated Order (Appointing Receiver), in each case in the form contained in the Applicants' Motion Record, which amended and restated orders will extend the Stay Period (as defined below) to February 26, 2016 and modify the ranking of the Directors' Charge, the Administration Charge and the Receiver's Charge (each as defined below); and
- (b) Such further and other relief as counsel may request and this Court deems just.

THE GROUNDS FOR THE MOTION ARE:

- (a) On November 25, 2015, the Court issued an Initial Order (the "**Initial Order**") in these proceedings pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") and an Order (the "**Receivership Order**") appointing Collins Barrow Toronto Limited as receiver of certain of the assets of the Applicants pursuant to Section 101 of the *Courts of Justice Act* (Ontario);

Charges and Receiver's Charge

- (b) The Initial Order and the Receivership Order provided for the creation of certain charges over the property of the Applicants:
- (i) An Administration Charge (as defined in the Initial Order) in the maximum amount of \$250,000;
 - (ii) A Directors' Charge (as defined in the Initial Order) in the maximum amount of \$750,000; and
 - (iii) A Receiver's Charge (as defined in the Receivership Order);
- (c) The Initial Order provided that each of the Directors' Charge and the Administration Charge would rank in priority to encumbrances in favour of The Bank of Nova Scotia and behind all other existing encumbrances affecting the Applicants' property in favour of parties that were not served with notice of the CCAA application;
- (d) The Initial Order further provided that the Applicants and the beneficiaries of the Administration Charge and the Directors' Charge shall be entitled to seek priority for the Administration Charge and the Directors' Charge ahead of all

encumbrances in favour of other parties on notice to those parties likely to be affected by such priority;

- (e) The Receivership Order provided that the Receiver's Charge would rank subordinate to the Administration Charge and the Directors' Charge and in priority to all encumbrances in favour of any party that rank subordinate to the Administration Charge and the Directors' Charge;
- (f) The Applicants previously advised that they would seek an order providing for the subordination of all other security interests to the Administration Charge, the Directors' Charge and the Receiver's Charge following notice to all potentially affected secured creditors;

Stay Extension

- (g) The Applicants seek an extension of the Stay Period (as defined in the Initial Order) to February 26, 2016;
- (h) Since the granting of the Initial Order, the Applicants have acted in good faith and with due diligence in pursuing their restructuring goals;
- (i) The Applicants' cash flow projection shows that the Applicants have sufficient resources during the proposed extension of the Stay Period to meet their post-filing obligations during that same period;

General

- (j) The provisions of the CCAA; and

- (k) Such further and other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- (a) The Affidavit of Jo-Anne Poirier, sworn December 2, 2015;
- (b) The First Report of Collins Barrow Toronto Limited, in its capacity as Monitor of the Applicants, to be filed; and
- (c) Such further and other material as counsel may advise and this Court may permit.

December 2, 2015

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AND **Ministry of Labour**
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AND **Department of Health and Wellness**
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Attention: Law Clerk/PPSA
Administrator

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AND **Wage Earner Protection Program**
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Labour Program - Department of
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and Skills Development Canada
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Gatineau QC K1A 0J2
CANADA

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
VICTORIAN ORDER OF NURSES FOR CANADA

Court File No. CV-15-11192-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**NOTICE OF MOTION
(Returnable December 9, 2015)**

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Lawyers for the Applicants

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Tab 2

**ONTARIO
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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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NURSES FOR CANADA – WESTERN REGION

Applicants

**AFFIDAVIT OF JO-ANNE POIRIER
(sworn December 2nd, 2015)**

I, Jo-Anne Poirier, of the City of Ottawa, in the Province of Ontario, MAKE OATH
AND SAY:

1. I am the President and Chief Executive Officer of Victorian Order Of Nurses
For Canada ("**VON Canada**") as well as its four separately incorporated regional operating
entities:

- (a) Victorian Order Of Nurses For Canada – Eastern Region ("**VON East**");
 - (b) Victorian Order Of Nurses For Canada – Western Region ("**VON West**");
 - (c) Victorian Order Of Nurses For Canada – Ontario Branch ("**VON Ontario**");
- and

- (d) Victorian Order Of Nurses For Canada Nova Scotia Branch ("**VON Nova Scotia**").

VON Canada, VON East, VON West, VON Ontario and VON Nova Scotia, are referred to herein, collectively, as the "**VON Group**" and VON Canada, VON East and VON West are referred to herein as the "**Applicants**".

2. I have held that position since January 2, 2014. As such, I have personal knowledge of the matters to which I hereinafter depose, except where otherwise stated. In preparing this affidavit I have also consulted, where necessary, with other members of VON Group's management team. Where I have relied upon other sources of information, I have stated the source of that information and believe such information to be true.

3. This affidavit is sworn in support of a motion to amend and restate the Initial Order (as defined below) and the Receivership Order (as defined below) to modify the ranking of the Charges (as defined in the Initial Order) and the Receiver's Charge (as defined in the Receivership Order) and to extend the Stay Period (as defined in the Initial Order) to February 26, 2016.

I. INTRODUCTION

4. On November 25, 2015, the Court issued an Initial Order (the "**Initial Order**") in these proceedings pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") and an Order (the "**Receivership Order**") appointing Collins Barrow Toronto Limited as receiver of certain of the assets of the Applicants pursuant to Section 101 of the *Courts of Justice Act* (Ontario). A copy of the Initial Order is attached hereto as Exhibit "A". A copy of the Receivership Order is attached hereto as Exhibit "B". A copy of the endorsement of The Honourable Mr. Justice Penny in connection with the Initial Order and the Receivership Order is attached hereto as Exhibit "C".

II. THE CHARGES

5. The Initial Order and the Receivership Order provided for the creation of certain charges over the property of the Applicants:

- (a) An Administration Charge (as defined in the Initial Order) in the maximum amount of \$250,000;
- (b) A Directors' Charge (as defined in the Initial Order) in the maximum amount of \$750,000; and
- (c) A Receiver's Charge (as defined in the Receivership Order).

6. The Initial Order provided that that each of the Directors' Charge and the Administration Charge would rank in priority to encumbrances in favour of The Bank of Nova Scotia and behind all other existing encumbrances affecting the Applicants' property in favour of parties that were not served with notice of the CCAA application.

7. The Initial Order further provided that the Applicants and the beneficiaries of the Administration Charge and the Directors' Charge shall be entitled to seek priority for the Administration Charge and the Directors' Charge ahead of all encumbrances in favour of other parties on notice to those parties likely to be affected by such priority.

8. The Receivership Order provided that the Receiver's Charge would rank subordinate to the Administration Charge and the Directors' Charge and in priority to all encumbrances in favour of any party that rank subordinate to the Administration Charge and the Directors' Charge.

9. I am advised by Evan Cobb of Norton Rose Fulbright Canada LLP ("Norton Rose"), counsel to the Applicants, that Norton Rose has conducted Personal Property Security Registration System searches in Ontario, Newfoundland, New Brunswick, Prince

Edward Island, British Columbia, Alberta, Saskatchewan and Manitoba being all jurisdictions in which the Applicants have assets with file currency dates between November 19, 2015 and November 24, 2015. Summaries of those searches are attached hereto as Exhibit "D". The Applicants will provide notice of this motion to all parties appearing in those searches.

10. Information regarding the Administration Charge, the Directors' Charge and the Receiver's Charge is contained in my affidavit sworn November 24, 2015 in support of the Initial Order and the Receivership Order (the "Initial Order Affidavit"). A copy of the Initial Order Affidavit, without exhibits, is attached hereto as Exhibit "E".

STAY EXTENSION

11. Since the granting of the Initial Order, the Applicants have acted in good faith and with due diligence in pursuing their restructuring goals.

12. Since the commencement of these proceedings, the Applicants have:

- (a) implemented necessary employee reductions;
- (b) issued notices of disclaimer in connection with not less than 31 contracts;
- (c) secured, where possible, the services and supplies for the orderly wind down of services of VON East and VON West;
- (d) commenced the orderly wind down of services of VON East and VON West;
- (e) held numerous meetings and discussions with stakeholders including employees, funders and creditors regarding these proceedings;
- (f) notified funders, material creditors and relevant unions regarding the commencement of these proceedings and the granting of the Initial Order and the Receivership Order.

13. The proposed restructuring efforts will continue to involve operational restructuring steps for VON Canada and a wind down of VON East and VON West, all of which will require


significant time and effort going forward. As such, the Applicants are requesting an extension of the Stay Period to and including February 26, 2016 (the "**Stay Extension**"). The Stay Extension is required in order to maintain stability for the Applicants' while they pursue their restructuring goals.

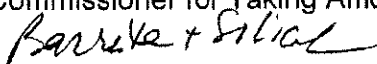
14. The Applicants' cash flow projections for the period between November 30, 2015 and February 27, 2016 (the "**Cash Flow Statement**") are attached hereto as Exhibit "F". The Cash Flow Statement corresponds to the proposed Stay Extension period. The Cash Flow Statement shows that the Applicants have sufficient resources during the proposed Stay Extension period to meet their post-filing obligations during that same period.

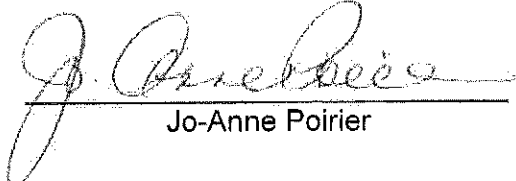
IX. PURPOSE OF AFFIDAVIT

15. This affidavit is sworn in support of VON Canada's motion for a Stay Extension and an Amended and Restated Initial Order and for no improper purpose.

SWORN BEFORE ME at the City of Ottawa, Province of Ontario, on December 2, 2015.



Commissioner for Taking Affidavits




Jo-Anne Poirier

Exhibit A

Court File No. CV-15-11192-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

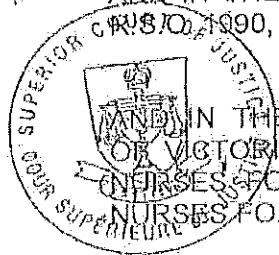
This is Exhibit A referred to in the
affidavit of Jo-Anne Poirier
sworn before me, this 2nd
day of December, 2015

THE HONOURABLE MR
JUSTICE PENNY

) WEDNESDAY, THE 25TH
)
) DAY OF NOVEMBER, 2015
Anne Macdonald
A COMMISSIONER IN CHIEF OF THE JUSTICE
Baruk J. J. J.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF SECTION 101 OF THE COURTS OF JUSTICE ACT,
R.S.O. 1990, c. C-43, AS AMENDED .



IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF VICTORIAN ORDER OF NURSES FOR CANADA, VICTORIAN ORDER OF
NURSES FOR CANADA - EASTERN REGION AND VICTORIAN ORDER OF
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Applicants

INITIAL ORDER

THIS APPLICATION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Jo-Anne Poirier sworn November 24, 2015 (the "Poirier Affidavit") and the Exhibits thereto and on hearing the submissions of counsel for the Applicants, Collins Barrow Toronto Limited (as the proposed Monitor), the Board of Directors of the Applicants and Bank of Nova Scotia, no one else appearing although duly served as appears from the affidavit of service of Evan Cobb sworn November 25, 2015 and on reading the consent of Collins Barrow Toronto Limited to act as the Monitor,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the Applicants are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan"). The Bank of Nova Scotia shall be treated as unaffected in any Plan.

POSSESSION OF PROPERTY AND OPERATIONS

4. THIS COURT ORDERS that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). Subject to further Order of this Court and subject to Paragraph 11 hereof, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "Business") and Property. The Applicants shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "Assistants") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. THIS COURT ORDERS that the Applicants shall be entitled to establish and utilize the Modified Cash Management System (as defined in the Poirier Affidavit and as described in the Poirier Affidavit) or replace it with another substantially similar central cash management system (the "Cash Management System") and that The Bank of Nova Scotia, or any other present or future bank, providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or

as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System. For greater certainty, and without limiting the generality of the foregoing, the Applicants and The Bank of Nova Scotia are authorized to terminate the Existing Mirror Netting Agreement (as defined in the Poirier Affidavit) and the existing cash management system as described in the Poirier Affidavit.

6. THIS COURT ORDERS that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses, and volunteer and director expense reimbursements, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges;
- (c) the fees and disbursements of the Monitor, counsel to the Monitor, the Chief Restructuring Officer, the Applicants' counsel and counsel to the boards of directors of the Applicants; and
- (d) liabilities for charges incurred on credit cards issued to the Applicants.

7. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and

- (b) payment for goods or services actually supplied to the Applicants following the date of this Order.

8. THIS COURT ORDERS that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

9. THIS COURT ORDERS that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, monthly in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. THIS COURT ORDERS that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business. Notwithstanding the foregoing, the termination of the Existing BNS Facility (as defined in the Poirier Affidavit) is hereby approved and Victorian Order Of Nurses For Canada is authorized to enter into the BNS Guarantee (as defined in the Poirier Affidavit), perform its obligations thereunder, and grant security over its Property as security for its obligations to The Bank of Nova Scotia.

RESTRUCTURING

11. THIS COURT ORDERS that the Applicants shall, subject to such requirements as are imposed by the CCAA have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of their business or operations, and to dispose of redundant or non-material assets not exceeding \$100,000 in any one transaction or \$250,000 in the aggregate;
- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate; and
- (c) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "Restructuring").

12. THIS COURT ORDERS that the Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes an Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If an Applicant disclaims the

lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to that Applicant's claim to the fixtures in dispute. For greater certainty, and without limiting any other provisions of this Order, nothing in this Order shall restrict the Applicants or their employees from retrieving and removing from any leased premises any medical records or personal property of employees and former employees.

13. THIS COURT ORDERS that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicants of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

14. THIS COURT ORDERS that until and including December 23, 2015, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the Applicants, the Chief Restructuring Officer or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants, the Chief Restructuring Officer and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

15. THIS COURT ORDERS that, notwithstanding paragraphs 14 and 17 herein, nothing herein will prevent The Bank of Nova Scotia from enforcing its rights against any cash

collateral or other security held by The Bank of Nova Scotia in connection with any letters of credit or credit cards issued by The Bank of Nova Scotia in connection with, or for the benefit of, any of the Applicants.

16. THIS COURT ORDERS that upon (i) the occurrence of an event that would permit demand and enforcement by The Bank of Nova Scotia under the BNS Guarantee and any related security and (ii) granting of an Order of this Court, granted on 2 business days' notice to the Applicants and the Monitor, approving the exercise of such rights and remedies, The Bank of Nova Scotia shall be entitled to exercise any and all of its rights and remedies against the Victorian Order Of Nurses For Canada or its Property under and pursuant to the BNS Guarantee and related security.

NO EXERCISE OF RIGHTS OR REMEDIES

17. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the Applicants, the Chief Restructuring Officer or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants, the Chief Restructuring Officer and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

18. THIS COURT ORDERS that during the Stay Period, 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 Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

19. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other

data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses, domain names, information technology support and data processing services, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

20. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

21. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of any of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of any of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

22. THIS COURT ORDERS that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to

any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

23. THIS COURT ORDERS that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property, which charge shall not exceed an aggregate amount of \$750,000, as security for the indemnity provided in paragraph 22 of this Order. The Directors' Charge shall have the priority set out in paragraphs 39 and 41 herein.

24. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 22 of this Order.

PROTECTIONS FOR NON-APPLICANT ENTITIES

25. THIS COURT ORDERS that, without limiting Paragraphs 14 through 19 hereof with respect to the Applicants, during the Stay Period, no Funder (as defined in the Poirier Affidavit) shall:

- (a) 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 Victorian Order Of Nurses For Canada Nova Scotia Branch or Victorian Order Of Nurses For Canada – Ontario Branch (collectively, the "Non-Applicant Entities"); or
- (b) have any rights to accelerate, amend, declare in default or enforce on any contract, agreement, instrument or other document,

in each case, due to the Applicants being parties to this proceeding, having made an Application to this Court pursuant to the CCAA and the *Courts of Justice Act* (Ontario) including any declarations of insolvency contained therein in respect of the Applicants or the Non-Applicant Entities, the appointment of a receiver in respect of the Applicants, or taking any steps in furtherance thereof, or complying with the terms of any Order granted in these

CCAA proceedings or under the *Courts of Justice Act* (Ontario), except with the written consent of the Applicants, Chief Restructuring Officer and the Monitor, or leave of this Court.

APPOINTMENT OF MONITOR

26. THIS COURT ORDERS that Collins Barrow Toronto Limited is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their members, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

27. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) advise the Applicants in their development of any Plan and any amendments to such Plan;
- (d) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or members' meetings for voting on any Plan;
- (e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;
- (f) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

(g) perform such other duties as are required by this Order or by this Court from time to time.

28. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

29. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

30. THIS COURT ORDERS that that the Monitor shall provide any creditor of the Applicants with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

31. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order,

save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

32. THIS COURT ORDERS that the Monitor, counsel to the Monitor, the Chief Restructuring Officer (as defined below), counsel to the Applicants and counsel to the boards of directors of the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, the Chief Restructuring Officer, counsel for the Applicants and counsel to the boards of directors of the Applicants on a weekly basis.

33. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

34. THIS COURT ORDERS that the Monitor, counsel to the Monitor, the Chief Restructuring Officer, the Applicants' counsel and counsel to the boards of directors of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$250,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 39 and 41 hereof.

APPOINTMENT OF CHIEF RESTRUCTURING OFFICER

35. THIS COURT ORDERS that Victorian Order Of Nurses For Canada is authorized to engage March Advisory Services Inc. as Chief Restructuring Officer (In such capacity, the "Chief Restructuring Officer") on the terms and conditions set out in the form of CRO Engagement Letter (as such term is defined in the Poirier Affidavit). The Chief Restructuring Officer shall not be engaged by, and shall not be deemed to have been engaged by, Victorian Order Of Nurses For Canada – Eastern Region or Victorian Order Of Nurses For Canada – Western Region.

36. THIS COURT ORDERS Victorian Order Of Nurses For Canada is authorized to enter into the CRO Engagement Letter and Victorian Order Of Nurses For Canada is authorized to perform its obligations thereunder.

37. THIS COURT ORDERS that any obligations of Victorian Order Of Nurses For Canada under the CRO Engagement Letter for payment of fees and expenses shall be entitled to the benefit of the Administration Charge and any obligations of Victorian Order Of Nurses For Canada under the CRO Engagement Letter for payment of indemnities shall be entitled to the benefit of the Directors' Charge.

38. THIS COURT ORDERS that any claims of the Chief Restructuring Officer under the CRO Engagement Letter shall be treated as unaffected in any Plan.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

39. THIS COURT ORDERS that the priorities of the Directors' Charge and the Administration Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$250,000); and

Second – Directors' Charge (to the maximum amount of \$750,000).

40. THIS COURT ORDERS that the filing, registration or perfection of the Directors' Charge or the Administration Charge (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

41. THIS COURT ORDERS that each of the Directors' Charge and the Administration Charge (each as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of The Bank of Nova Scotia and behind all other existing Encumbrances affecting the Property charged by such Encumbrances in favour of Persons that have not been served with notice of this Motion. The Applicants and the beneficiaries of the Charges shall be entitled to seek priority for the Charges ahead of the Encumbrances in favour of Persons other than The Bank of Nova Scotia on notice to those parties likely to be affected by such priority.

42. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge or the Administration Charge, unless the Applicants also obtain the prior written consent of the Monitor and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

43. THIS COURT ORDERS that the Directors' Charge and the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "BIA"), or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds any of the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Applicants of any Agreement to which any Applicant is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (c) the payments made by the Applicants pursuant to this Order and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

44. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

KEY EMPLOYEE RETENTION PLAN

45. THIS COURT ORDERS that the payments to be made pursuant to the Key Employee Retention Plan (as such terms are defined in the Poirier Affidavit), which is attached as a confidential exhibit to the Poirier Affidavit, are hereby approved and the Applicants are authorized and directed to make payments in accordance with the terms of such Key Employee Retention Plan.

SEALING

46. THIS COURT ORDERS that Confidential Exhibits "K" and "L" to the Poirier Affidavit be and are hereby sealed pending further Order of the Court and shall not form part of the public record.

SERVICE AND NOTICE

47. THIS COURT ORDERS that the Monitor shall (i) without delay, publish in either the National Post (national edition) or the Globe and Mail (national edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, by ordinary mail, a notice to every known creditor who has a claim against any of the Applicants of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the claims, names and addresses of individuals who are creditors publicly available.

48. THIS COURT ORDERS the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol

with the following URL: www.collinsbarrow.com/en/cbn/restructuring-and-recovery-engagements/v-o-n (the "**Website**").

49. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

50. THIS COURT ORDERS that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in this proceeding (the "**Service List**"). The Monitor shall post the Service List, as may be updated from time to time, on the Website as part of the public materials to be recorded thereon in relation to this proceeding. Notwithstanding the foregoing, the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

GENERAL

51. THIS COURT ORDERS that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

52. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants (or any of them), the Business or the Property.

53. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the

Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.


54. THIS COURT ORDERS that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

55. THIS COURT ORDERS that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

56. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.



ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

NOV 25 2015 

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C-43, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF VICTORIAN ORDER OF NURSES FOR CANADA, VICTORIAN ORDER OF NURSES FOR CANADA – EASTERN REGION AND VICTORIAN ORDER OF NURSES FOR CANADA – WESTERN REGION

Court File No:

CWS-1197-0066

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

INITIAL ORDER

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Lawyers for the Applicants

ES

Exhibit B

Court File No. 1511192 0000

ONTARIO

This is Exhibit B referred to in the

SUPERIOR COURT OF JUSTICE

affidavit of JO-ANNE POIRIER

COMMERCIAL LIST

sworn before me, this 2nd

day of DECEMBER, 2015

THE HONOURABLE MR.)

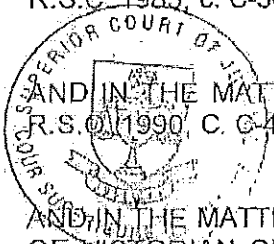
WEDNESDAY, THE 25TH DAY November 2015

A COMMISSIONER IN CHIEF TAKING AFFIDAVITS
Poirier

JUSTICE PENNY)

OF NOVEMBER, 2015

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED



AND IN THE MATTER OF SECTION 101 OF THE COURTS OF JUSTICE ACT,
R.S.O. 1990, C. C-43, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF VICTORIAN ORDER OF NURSES FOR CANADA, VICTORIAN ORDER OF
NURSES FOR CANADA – EASTERN REGION AND VICTORIAN ORDER OF
NURSES FOR CANADA – WESTERN REGION

Applicants

**ORDER
(Appointing Receiver)**

THIS MOTION made by the Applicants for an Order pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing Collins Barrow Toronto Limited as receiver (in such capacity, the "Receiver") without security, of all of the goodwill and intellectual property of Victorian Order Of Nurses For Canada, Victorian Order Of Nurses For Canada – Eastern Region and Victorian Order Of Nurses For Canada – Western Region (collectively, the "Applicants") acquired for, or used in relation to a business carried on by the Applicants, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Jo-Anne Poirier sworn November 24, 2015 and the Exhibits thereto and on hearing the submissions of counsel for the Applicants, Collins Barrow

Toronto Limited (as the proposed Receiver), the Board of Directors of the Applicants and The Bank of Nova Scotia, no one else appearing although duly served as appears from the affidavit of service of Evan Cobb sworn November 25, 2015 and on reading the consent of Collins Barrow Toronto Limited to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 101 of the CJA, Collins Barrow Toronto Limited is hereby appointed Receiver, without security, of all of the goodwill and intellectual property of the Applicants acquired for, or used in relation to a business carried on by the Applicants, including all proceeds thereof (the "Receivership Property"), and of no other property of the Applicants.

3. THIS COURT DECLARES that the Receiver is a receiver within the meaning of Section 243(2)(b) of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA").

RECEIVER'S POWERS

4. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Receivership Property and the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) subject to Paragraph 5 of this order, to exercise control over the Receivership Property;
- (b) to exercise its statutory obligations under the *Wage Earner Protection Program Act* (Canada);
- (c) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations; and

(d) to engage counsel to assist with the exercise of the Receiver's powers conferred by this Order.

5. THIS COURT ORDERS that the Receiver shall have no obligation or authority to take steps to take possession of, dispose of or realize upon any of the Receivership Property.

6. THIS COURT ORDERS that the Receiver be and is hereby relieved from compliance with the provision of Sections 245(1), 245(2) and 246 of the BIA; provided that the Receiver shall provide notice of its appointment in the prescribed form and manner to the Superintendent of Bankruptcy, accompanied by the prescribed fee.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

7. THIS COURT ORDERS that (i) the Applicants, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and members, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Receivership Property in such Person's possession or control and shall grant immediate and continued access to the Receivership Property to the Receiver.

8. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the Receivership Property, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 8 or in paragraph 9 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to applicable laws prohibiting such disclosure.

9. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver as the Receiver in its discretion deems expedient, and shall

not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

10. THIS COURT ORDERS that the stay of proceedings in effect in accordance with paragraphs 14 and 17 of the Initial Order under the *Companies' Creditors Arrangement Act* (Canada) granted in these proceedings on the date hereof, as may be amended from time to time (the "Initial Order") shall apply *mutatis mutandis* to any Proceedings (as defined in the Initial Order) or any right or remedy against or in respect of the Receiver and the Receivership Property and nothing herein shall derogate from the stay of proceedings in effect pursuant to the Initial Order, except to the extent necessary to give effect to the appointment of the Receiver.

EMPLOYEES

11. THIS COURT ORDERS that all employees of the Applicants shall remain the employees of the Applicants until such time as the Applicants may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities or obligations, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

LIMITATION ON ENVIRONMENTAL LIABILITIES

12. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Receivership Property or any of the Applicants' other assets, property or undertaking, including (without limitation) property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination

including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation.

POSSESSION OF RECEIVERSHIP PROPERTY

13. The Receiver shall take no part whatsoever in the management or the supervision of the management of the Business (as defined in the Initial Order) and the Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in possession of or be deemed to have taken any steps to dispose of any of the Receivership Property, or of any other assets, property or undertaking of the Applicants, including (without limitation) within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

14. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

15. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges and that the Applicants are hereby authorized to pay to the Receiver a retainer in the amount of \$15,000, to be held by the Receiver as security for the payment of the Receiver's and its counsel's fees and disbursements outstanding from time to time.

16. THIS COURT ORDERS the Receiver shall be entitled to and is hereby granted a charge (the "Receiver's Charge") on the Property (as such term is defined in the Initial Order), as security for its, and its counsel's, fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a charge

on the Property ranking: (i) subordinate to the Charges (as such term is defined in the Initial Order); and (ii) in priority to all Encumbrances (as defined in the Initial Order) in favour of any Person that rank subordinate to the Charges.

SERVICE AND NOTICE

17. THIS COURT ORDERS subject to further Order of the Court, service and notice with respect to this Order and the appointment of the Receiver shall be in accordance with Paragraphs 48 and 49 of the Initial Order.

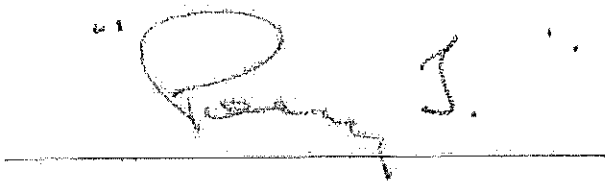
GENERAL

18. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

19. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Applicants (or any of them).

20. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

21. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 p.m. Eastern Standard/Daylight Time on November 27, 2015.



ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:
NOV 27 2015

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C-43, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF VICTORIAN ORDER OF NURSES FOR CANADA, VICTORIAN ORDER OF NURSES FOR CANADA – EASTERN REGION AND VICTORIAN ORDER OF NURSES FOR CANADA – WESTERN REGION

Court File No: *CJ-15-11192-0*

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**ORDER
(APPOINTING RECEIVER)**

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Lawyers for the Applicants

Exhibit C

CITATION: Victorian Order of Nurses for Canada (Re), 2015 ONSC 7371
COURT FILE NO.: CV-15-11192-00CL
DATE: 20151127

SUPERIOR COURT OF JUSTICE – ONTARIO

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985,
c. C-36 AS AMENDED

AND IN THE MATTER OF SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990
c. C-43 AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
VICTORIAN ORDER OF NURSES FOR CANADA, VICTORIAN ORDER OF NURSES FOR
CANADA - EASTERN REGION, AND VICTORIAN ORDER OF NURSES FOR CANADA -
WESTERN REGION

BEFORE: Penny J.

COUNSEL: *Evan Cobb and Matthew Halpin* for the Applicants

Joseph Bellissimo for the Bank of Nova Scotia

Mark Laugesen for Collins Barrow Toronto Limited (Proposed Monitor)

Kenneth Kraft for the Board of Directors of the Applicants

HEARD: November 25, 2015

This is Exhibit... referred to in the
affidavit of JO-ANNE POIRIER
sworn before me, this 2nd
day of DECEMBER, 2015

[Signature]
Notary Public for Ontario

ENDORSEMENT

Overview

[1] On November 25, 2015 I heard an application for an initial order under the *Companies' Creditors Arrangement Act* for court protection of certain Victorian Order of Nurses entities. I treated the application as essentially *ex parte*. In a brief handwritten endorsement, I granted the application and signed an initial order under the CCAA and an order appointing a receiver of certain of the VON group's assets, with written reasons to follow. These are those reasons.

Background

[2] The Victorian Order of Nurses for Canada and the other entities in the VON group have, for over 100 years, provided home and community care services which address the healthcare needs of Canadians in various locations across the country on a not-for-profit basis.

[3] The VON group delivers its programs through four regional entities:

- (1) VON – Eastern Region

- (2) VON – Western Region
- (3) VON – Ontario and
- (4) VON – Nova Scotia.

VON Canada does not itself provide direct patient service but functions as the “head office” infrastructure supporting the operations of the regional entities.

[4] The VON group has, for a number of years, suffered liquidity problems. Current liabilities have consistently exceeded current assets by a significant margin; current net losses from 2012 to 2015 total over \$13 million; and cash flows from operations from 2012 to 2015 were similarly negative in the amount of over \$8 million. The VON group faces a significant working capital shortfall. A number of less drastic restructuring efforts have been ongoing since 2006 but these efforts have not turned the tide. Current forecasts suggest that the VON group will face a liquidity crisis in the near future if restructuring steps are not taken.

[5] Financial analysis of the VON group reveals that VON Canada, VON East and VON West account for a disproportionately high share of the VON group’s overall losses and operating cash shortfalls relative to the revenues generated from these entities.

[6] As a result of these circumstances, VON Canada, VON East and VON West seek protection from their creditors under the *Companies’ Creditors Arrangement Act*. The applicants also seek certain limited protections for VON Ontario and VON Nova Scotia, which carry on a core aspect of the VON group’s business but are not applicants in these proceedings. The applicants also seek the appointment of a receiver of certain of the VON group’s assets.

[7] The goal of the contemplated restructuring is to modify the scope of the VON group’s operations and focus on its core business and regions. This will involve winding down the non-viable operations of VON East and VON West in an orderly fashion and restructuring and downsizing the management services provided by VON Canada in order to have a more efficient and cost-effective operating structure.

Jurisdiction

[8] The CCAA applies to a “debtor company” with total claims against it of more than \$5 million. A debtor company is “any company that is bankrupt or insolvent.” “Insolvent” is not defined in the CCAA but has been found to include a corporation that is reasonably expected to run out of liquidity within the period of time reasonably required to implement a restructuring.

[9] In any event, based on the affidavit evidence of the VON group’s CEO, Jo-Anne Poirier, the applicants are each unable to meet their obligations that have become due and the aggregate fair value of their property is not sufficient to enable them to pay all of their obligations.

[10] The corporate structure of the applicants does not conform to the parent/subsidiary structure that would be typically found in the business corporation context. I am satisfied, however, that VON East and VON West are under the control of VON Canada from a practical perspective. They are all affiliated companies with the same board of directors. Accordingly,

while VON East and VON West do not, on a standalone basis, face claims in excess of \$5 million, the applicants, as a group, clearly do. The applicants have complied with s. 10(2) of the CCAA. The application for an initial order is accompanied by a statement indicating on a weekly basis the projected cash flow of the applicants, a report containing the prescribed representations of the applicants regarding the preparation of the cash flow statement and copies of all financial statements prepared during the year before the application.

[11] I am therefore satisfied that I have the jurisdiction to make the order sought.

Notice

[12] The VON group is a large organization with over 4,000 employees operating from coast to coast. I accept that prior notice to all creditors, or potential creditors, is neither feasible nor practical in the circumstances. The application is made on notice to the VON group, the proposed monitor/receiver, the proposed chief restructuring officer and to the VON group's most significant secured creditor, the Bank of Nova Scotia.

[13] There shall be a comeback hearing within two weeks of my initial order which will enable any creditor which had no notice of the application to raise any issues of concern.

Stay

[14] Under s. 11.02 of the CCAA, the court may in its initial order make an order staying proceedings, restraining further proceedings or prohibiting the commencement of proceedings against the debtor provided that the stay is no longer than 30 days.

[15] The CCAA's broad remedial purpose is to allow a debtor the opportunity to emerge from financial difficulty with a view to allowing the business to continue, to maximize returns to creditors and other stakeholders and to preserve employment and economic activity. The remedy of a stay is usually essential to achieve this purpose. I am satisfied that the stay of proceedings against the applicants should be granted.

[16] Slightly more unusual is the request for a stay of proceedings against VON Ontario and VON Nova Scotia, neither of which are applicants in these proceedings. However, the evidence of Ms. Poirier establishes that VON Canada is a cost, not a revenue, center and that VON Canada is entirely reliant upon revenues generated by VON Ontario and VON Nova Scotia for its own day-to-day operations. There is a concern that VON Canada's filing of this application could trigger termination or other rights with respect to funding relationships VON Ontario and VON Nova Scotia have with various third party entities which purchase their services. Such actions would create material prejudice to VON Canada's potential restructuring by interrupting its most important revenue stream.

[17] In the circumstances, I am satisfied that the stay requested in respect of VON Ontario and VON Nova Scotia, which is limited only to those steps that third party entities might otherwise take against VON Ontario and VON Nova Scotia *due to the applicants being parties to this proceeding*, is appropriate.

Payment of Pre-filing and Other Obligations

[18] The initial order authorizes, but does not require, payment of outstanding and future wages as well as fees and disbursements for any restructuring assistance, fees and disbursements of the monitor, counsel to the monitor, the chief restructuring officer, the applicants' counsel and counsel to the boards of directors. These are all payments necessary to operate the business on an ongoing basis or to facilitate the restructuring.

[19] The initial order also contemplates payment of liabilities for pre-filing charges incurred on VON group credit cards issued by the Bank of Nova Scotia. The Bank is a secured creditor. It is funding the restructuring (there is no DIP financing or DIP charge). It has agreed to extend credit by continuing to make these cards available on a go forward basis, but conditioned on payment of the pre-filing credit card liabilities. I am satisfied that these measures are necessary for the conduct of the restructuring.

Modified Cash Management System

[20] Historically, net cash flows were not uniform across the VON group entities. This resulted in significant timing differences between inflows and outflows for any particular VON organization. To assist with this lack of uniformity, the VON group entered into an agreement with the Bank of Nova Scotia whereby funds could be effectively pooled among the VON group, outflows and inflows netted out and a net overall cash position for the VON group determined and maintained. At the date of the commencement of these proceedings, the cash balance in the VON Canada pooled account was approximately \$1.8 million. These funds will remain available to the applicants during the CCAA proceedings.

[21] Immediately upon the granting of the initial order, however, the cash management system will be replaced with a new, modified cash management arrangement. Under the new arrangement, the VON Ontario and VON Nova Scotia cash inflows and outflows will take place in a segregated pooling arrangement pursuant to which the consolidated cash position of only those two entities will be maintained.

[22] The applicants will establish their own arrangement under which a consolidated cash position of the applicants will be maintained. Thus, VON Canada, VON East and VON West will continue to utilize their own consolidated cash balance held by those entities collectively.

[23] The segregation of the VON Ontario and VON Nova Scotia cash management is necessary because they are not applicants.

[24] A consolidated cash management arrangement is, however, necessary for the applicants, *inter se*, in order to ensure that the applicants continue to have sufficient liquidity to cover their costs during these proceedings. Without this arrangement, during the proposed CCAA proceedings VON East and VON West would face periodic cash deficiencies to the detriment of the group as a whole and which would put the orderly wind down of the critical services offered by VON East and VON West at risk.

[25] I am satisfied that the introduction of the new cash management is both necessary and appropriate in order to:

- (a) segregate the cash operations of the VON group entities which are subject to the CCAA proceedings from the VON group entities which are not; and
- (b) allow the applicants in the CCAA proceedings to pool their cash inputs and outputs, which is necessary in order to avoid liquidity crises in respect of VON East and VON West operations during the wind down period.

Proposed Monitor

[26] Under s. 11.7 of the CCAA, the court is required to appoint a monitor. The applicants have proposed Collins Barrow Toronto Limited, which has consented to act as the court-appointed monitor. I accept Collins Barrow as the court appointed monitor.

Chief Restructuring Officer (CRO)

[27] Section 11 of the CCAA provides the court with authority to allow the applicants to enter into arrangements to facilitate restructuring. This includes the retention of expert advisors where necessary to help with the restructuring efforts. March Advisory Services Inc. has worked extensively with VON Canada to date with its pre-court endorsed restructuring efforts and has extensive background knowledge of the VON group's structure and business operations. The VON group lacks internal business transformation and restructuring expertise. VON Canada's "head office" personnel will be fully engaged simply running the business and implementing necessary changes. I am satisfied that March Advisory Services Inc.'s engagement is both appropriate and essential to a successful restructuring effort and that its appointment as CRO should be approved.

[28] Both the VON group and the monitor believe that the quantum and nature of the remuneration to be paid to the CRO is fair and reasonable. I am therefore satisfied that the court should approve the CRO's engagement letter. I am also satisfied that the CRO's engagement letter should be sealed. This sealing order meets the test under the SCC decision in *Sierra Club*. The information is commercially sensitive, in that it could impair the CRO's ability to obtain market rates in other engagements, and the salutary effects of granting the sealing order (enabling March Advisory Services Inc. to accept this assignment) outweigh the minimal impact on the principle of open courts.

Administration Charge

[29] Section 11.52 of the CCAA enables the court to grant an administration charge. In order to grant this charge, the court must be satisfied that notice has been given to the secured creditors likely to be affected by the charge, the amount is appropriate, and the charge extends to all of the proposed beneficiaries.

[30] Due to the confidential nature of this application and the operational issues that would have arisen had prior disclosure of these proceedings been given to all secured creditors, all known secured creditors were not been provided with notice of the initial application. The only secured creditor of the applicants provided with notice is the Bank of Nova Scotia.

- Page 6 -

[31] For this reason, the proposed initial order provides that the administration charge shall initially rank subordinate to the security interests of all other secured creditors of the applicants with the exception of the Bank of Nova Scotia. The applicants will seek an order providing for the subordination of all other security interests to the administration charge in the near future following notice to all potentially affected secured creditors.

[32] The amount of the administration charge is \$250,000. In the scheme of things, this is a relatively modest amount. The proposed monitor has reviewed the administration charge and has found it reasonable. The beneficiaries of the administrative charge are the monitor and its counsel, counsel to the applicants, the CRO, and counsel to the boards of directors.

[33] The evidence is that the applicants and the proposed monitor believe that the above noted professionals have played and will continue to play a necessary and integral role in the restructuring activities of the applicants.

[34] I am satisfied that the administration charge is required and reasonable in the circumstances to allow the debtor to have access to necessary professional advice to carry out the proposed restructuring.

Directors' Charge

[35] In order to secure indemnities granted by the applicants to their directors and officers and to the CRO for obligations that may be incurred in connection with the restructuring efforts after the commencement of the CCAA proceedings, the applicants seek a directors' charge in favor of the directors and officers and the CRO in the amount of \$750,000.

[36] Section 11.51 of the CCAA allows the court to approve a directors' charge on a priority basis. In order to grant a directors' charge the court must be satisfied that notice has been given to the secured creditors, the amount is appropriate, the applicant could not obtain adequate indemnification for the directors or officers otherwise and the charge does not apply in respect of any obligation incurred by a director or officer as a result of gross negligence or willful misconduct.

[37] As noted above, all known secured creditors have not been provided with notice. For this reason, the applicants propose that the priority of the directors' charge be handled in the same manner as the administration charge.

[38] The evidence of Ms. Poirier shows that there is already a considerable level of directors' and officers' insurance. There is no evidence that this insurance is likely to be discontinued or that the VON group can not or will not be able to continue to pay the premiums. However, given the size of the VON group's operations, the number of employees, the diverse geographic scope in which the group operates, the potential for coverage disputes which always attends on insurance arrangements and the important fact that this board is composed entirely of volunteers, additional protection for the directors to remain involved post-filing is warranted, *Prism Income Fund (Re)*, 2011 ONSC 2061 at para. 45.

[39] The amount of the charge was estimated by taking into consideration the existing directors' and officers' insurance and potential liabilities which may attach including employee

related obligations such as outstanding payroll obligations, outstanding vacation pay and liability for remittances to government authorities. This charge only relates to matters arising after the commencement of these proceeding. It also covers the CRO.

[40] The proposed monitor has reviewed and has raised no concerns about the proposed directors' charge.

[41] The director' charge contemplated by the initial order expressly excludes claims that arise as a result of gross negligence or willful misconduct.

[42] For these reasons, I am satisfied that the directors' charge is appropriate in all the circumstances.

Key Employee Retention Plan

[43] The applicants seek approval of a key employee retention plan in the amount of up to \$240,000, payable to key employees during 2016.

[44] This is a specialized business. The experience and knowledge of critical employees is highly valuable to the applicants. These employees have extensive knowledge of and experience with the applicants. The applicants are unlikely to be able to replace critical employees post-filing. Under the contemplated restructuring, the employee ranks of the applicants will be significantly downsized. As a result, there is a strong possibility that certain critical employees will consider other employment options in the absence of retention compensation.

[45] The KERP was approved by the board of directors of the applicants. Provided the arrangements are reasonable, decisions of this kind fall within the business judgment rule as a result of which they are not second-guessed by the courts.

[46] The amount is relatively modest given the size of the operation and the number of employees. I am satisfied that the KERP is reasonable in all the circumstances. I am also satisfied that the specific allocation of the KERP is reasonably left to the business judgment of the board.

[47] Because the KERP involves sensitive personal compensation information about identifiable individuals, disclosure of this information could be harmful to the beneficiaries of the KERP. I am satisfied that the *Sierra Club* test is met in connection with the sealing of this limited information.

Receivership Order

[48] The *Wage Earner Protection Program Act* was established to make payments to individuals in respect of wages owed to them by employers who are bankrupt or subject to a receivership. The amounts that may be paid under WEPPA to an individual include severance and termination pay as well as vacation pay accrued.

[49] In aggregate, over 300 employees are expected to be terminated at the commencement of these proceedings. These employees will be paid their ordinary course salary and wages up to

the date of their terminations. However, the applicants do not have sufficient liquidity to pay these employees' termination or severance pay or accrued vacation pay.

[50] The terminated employees would not be able to enjoy the benefit of the WEPPA in the current circumstances. This is because the WEPPA does not specifically contemplate the effect of proceedings under the CCAA.

[51] A receiver under the WEPPA includes a receiver within the meaning of s. 243(2) of the *Bankruptcy and Insolvency Act*. A receiver under the BIA includes a receiver appointed under the *Courts of Justice Act* if appointed to take control over the debtor's property. Under the WEPPA, an employer is subject to receivership if any property of the employer is in the possession or control of the receiver.

[52] In this case, the applicants seek the appointment of a receiver under s. 101 of the *Courts of Justice Act* to enable the receiver to take possession and control of the applicants' goodwill and intellectual property (i.e., substantially all of the debtor's property *other than* accounts receivable and inventory, which must necessarily remain with the debtors during restructuring).

[53] In *Cinram (Re)* (October 19, 2012), Toronto CV-12-9767-00CL, Morawetz R.S.J. found it was just and convenient to appoint a receiver under s. 101 over certain property of a CCAA debtor within a concurrent CCAA proceeding where the purpose of the receivership was to clarify the position of employees with respect to the WEPPA.

[54] In this case, the evidence is that no stakeholder will be prejudiced by the proposed receivership order. To the contrary, there could be significant prejudice to the terminated employees if there is no receivership and former employees are not able to avail themselves of benefits under the WEPPA.

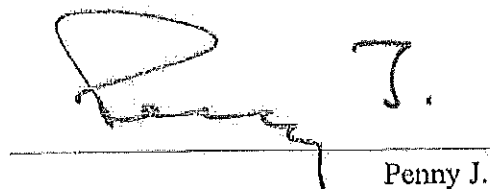
[55] In the circumstances, I find it is just and convenient to appoint a receiver under s. 101 over the goodwill and intellectual property of the applicants.

Further Notice

[56] I am satisfied that the proposed notice procedure is reasonable and appropriate in the circumstances and it is approved.

Comeback Hearing

[57] In summary, I am satisfied that it is necessary and appropriate to grant CCAA protection to VON Canada, VON East and VON West. There shall be a comeback hearing at 10 a.m. before me on Wednesday, December 9, 2015.


Penny J.

Date: November 27, 2015

Exhibit D

SUMMARY OF SEARCHES

This is to certify that I have searched the records of the Registrar of Companies and the Registrar of Motor Vehicles in the Province of British Columbia and the Province of Alberta and the Province of Saskatchewan and the Province of Manitoba and the Province of Ontario and the Province of Quebec and the Province of New Brunswick and the Province of Nova Scotia and the Province of Prince Edward Island and the Province of Newfoundland and Labrador and the Province of Yukon and the Province of Northwest Territories and the Province of Nunavut and I have not found any records in respect of the above named person or company.

Jo-Anne Parker
and
Deborah Zaleski

Anne Keenan
 A COMMISSIONER OF THE REGISTRY OF COMPANIES AND MOTOR VEHICLES

VICTORIAN ORDER OF NURSES FOR CANADA
LES INFIRMIÈRES DE L'ORDRE DE VICTORIA DU CANADA

1. BRITISH COLUMBIA
 - A. *Personal Property Security Act (British Columbia)* (File Current to November 24, 2015):
 Nil
2. ALBERTA
 - A. *Personal Property Security Act (Alberta)* (File Current to November 24, 2015):

Secured Party(ies)	Debtor(s)	Registration No. & Expiry Date	Comments
1 The Bank of Nova Scotia	Victorian Order of Nurses for Canada – Western Region	08082024617 August 20, 2018 as amended by: 13072207979	

3. SASKATCHEWAN
 - A. *Personal Property Security Act (Saskatchewan)* (File Current to November 24, 2015):
 Nil

Secured Party(ies)	Debtor(s)	Collateral Classification	Reference File No. & Registration Number(s)	Comments
			as amended by: 20130719 1036 1529 5632	
			as amended by: 20140115 1040 1529 8735	
2 The Bank of Nova Scotia	Victorian Order of Nurses for Canada – Ontario Branch Les Infirmières de L'Ordre de Victoria du Canada Victorian Order of Nurses for Canada/Les Infirmières de L'Ordre de Victoria du Canada	I, E, A, O	647859888 20080819 1954 1531 5310 (5 years)	
			as amended by: 20100120 0836 1862 4335	

	Secured Party(ies)	Debtor(s)	Collateral Classification	Reference File No. & Registration Number(s)	Comments
				as amended by: 20130719 1036 1529 5633	
3	IBM Canada Limited – Law Clerk/PPSA Administrator	Victorian Order of Nurses for Canada	E, A, O	652427586 20090331 1946 1531 4292 (4 years)	
				as amended by: 20130204 1947 1531 2661	
4	CBSC Capital Inc.	Victorian Order of Nurses for Canada	E, O	665163729 20101014 1449 1530 4893 (6 years)	
5	GE VFS Canada Limited Partnership	Victorian Order of Nurses for Canada Les Infirmieres de L'Ordre de Victoria du Canada	E, O	666708507 20101221 1613 5064 4452 (5 years)	
6	CBSC Capital Inc.	Victorian Order of Nurses for Canada	E, A, O	683684937 20121219 1949 1531 1724 (5 years)	
7	CBSC Capital Inc.	Victorian Order of Nurses for Canada	E, A, O	688893714 20130724 1938 1531 4720 (5 years)	

Secured Party(ies)	Debtor(s)	Collateral Classification	Reference File No. & Registration Number(s)	Comments
			as amended by: 20130730 1936 1531 8945	
8 Jim Peplinski Leasing Inc.	Victorian Order of Nurses for Canada – Ontario Branch	CG, E, O, MV	699864768 20140916 1534 5064 3758 (5 years)	
9 Jim Peplinski Leasing Inc.	Victorian Order of Nurses for Canada – Ontario Branch	CG, E, O, MV	699897663 20140917 1415 5064 3850 (5 years)	

6. NOVA SCOTIA

A. *Personal Property Security Act (Nova Scotia)* (File Current to November 24, 2015):

Secured Party(ies)	Debtor(s)	General Collateral Description	Reference File No. & Expiry Date	Comments
1 GE VFS Canada Limited Partnership	Victorian Order of Nurses for Canada - Les Infirmieres de L'Ordre de Victoria du Canada	All goods which are telephony equipment together with all replacements and substitutions thereof and all parts, accessories, accessions and attachments thereto and all proceeds thereof, including all proceeds which are accounts, goods, chattel paper, securities, documents	18535518 Expiry: 2016-09-01	

Secured Party(ies)	Debtor(s)	General Collateral Description	Reference File No. & Expiry Date	Comments
		of title, instruments, money, intangibles, crops or insurance proceeds (Reference Lease No. 4396093-010)		

7. PRINCE EDWARD ISLAND

A. *Personal Property Security Act (Prince Edward Island) (File Current to November 24, 2015):*

NIL

8. NEW BRUNSWICK

A. *Personal Property Security Act (New Brunswick) (File Current to November 24, 2015):*

NIL

9. NEWFOUNDLAND AND LABRADOR

A. *Personal Property Security Act (Newfoundland and Labrador) (File Current to November 24, 2015):*

NIL

SUMMARY OF SEARCHES

**VICTORIAN ORDER OF NURSES FOR CANADA – WESTERN REGION
LES INFIRMIÈRES DE L'ORDRE DE VICTORIA DU CANADA – WESTERN REGION**

1. BRITISH COLUMBIA

A. *Personal Property Security Act* (British Columbia) (File Current to November 24, 2015):

Nil

2. ALBERTA

A. *Personal Property Security Act* (Alberta) (File Current to November 24, 2015):

	Secured Party(ies)	Debtor(s)	Registration No. & Expiry Date	Comments
1	The Bank of Nova Scotia	Victorian Order of Nurses for Canada – Western Region	08082024617 as amended by: 13072207979 August 20, 2018	

3. SASKATCHEWAN

A. *Personal Property Security Act* (Saskatchewan) (File Current to November 24, 2015):

Nil

Secured Party(ies)	Debtor(s)	Collateral Classification	Reference File No. & Registration Number(s)	Comments
			as amended by: 20130719 1036 1529 5632	
			as amended by: 20140115 1040 1529 8735	
2 The Bank of Nova Scotia	Victorian Order of Nurses for Canada -- Ontario Branch Les Infirmieres de L'Ordre de Victoria du Canada Victorian Order of Nurses for Canada/Les Infirmieres de L'Ordre de Victoria du Canada	I, E, A, O	647859888 20080819 1954 1531 5310 (5 years)	
			as amended by: 20100120 0836 1862 4335	

	Secured Party(ies)	Debtor(s)	Collateral Classification	Reference File No. & Registration Number(s)	Comments
				as amended by: 20130719 1036 1529 5633	
3	IBM Canada Limited – Law Clerk/PPSA Administrator	Victorian Order of Nurses for Canada	E, A, O	652427586 20090331 1946 1531 4292 (4 years)	
				as amended by: 20130204 1947 1531 2661	
4	CBSC Capital Inc.	Victorian Order of Nurses for Canada	E, O	665163729 20101014 1449 1530 4893 (6 years)	
5	GE VFS Canada Limited Partnership	Victorian Order of Nurses for Canada Les Infirmieres de L'Ordre de Victoria du Canada	E, O	666708507 20101221 1613 5064 4452 (5 years)	
6	CBSC Capital Inc.	Victorian Order of Nurses for Canada	E, A, O	683684937 20121219 1949 1531 1724 (5 years)	
7	CBSC Capital Inc.	Victorian Order of Nurses for Canada	E, A, O	688893714 20130724 1938 1531 4720 (5 years)	

Secured Party(ies)	Debtor(s)	Collateral Classification	Reference File No. & Registration Number(s)	Comments
			as amended by: 20130730 1936 1531 8945	T
8 Jim Peplinski Leasing Inc.	Victorian Order of Nurses for Canada – Ontario Branch	CG, E, O, MV	699864768 20140916 1534 5064 3758 (5 years)	
9 Jim Peplinski Leasing Inc.	Victorian Order of Nurses for Canada – Ontario Branch	CG, E, O, MV	699897663 20140917 1415 5064 3850 (5 years)	

6. NOVA SCOTIA

A. *Personal Property Security Act* (Nova Scotia) (File Current to November 24, 2015):

Nil

7. PRINCE EDWARD ISLAND

A. *Personal Property Security Act* (Prince Edward Island) (File Current to November 24, 2015):

NIL

8. NEW BRUNSWICK

A. *Personal Property Security Act* (New Brunswick) (File Current to November 24, 2015):

NIL

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9. NEWFOUNDLAND AND LABRADOR

A. *Personal Property Security Act (Newfoundland and Labrador) (File Current to November 24, 2015):*

NIL

SUMMARY OF SEARCHES

VICTORIAN ORDER OF NURSES FOR CANADA – EASTERN REGION
LES INFIRMIÈRES DE L'ORDRE DE VICTORIA DU CANADA – EASTERN REGION

1. BRITISH COLUMBIA

A. *Personal Property Security Act* (British Columbia) (File Current to November 24, 2015):

Nil

2. ALBERTA

A. *Personal Property Security Act* (Alberta) (File Current to November 24, 2015):

	Secured Party(ies)	Debtor(s)	Registration No. & Expiry Date	Comments
1	The Bank of Nova Scotia	Victorian Order of Nurses for Canada – Western Region	08082024617 as amended by: 13072207979 August 20, 2018	

3. SASKATCHEWAN

A. *Personal Property Security Act* (Saskatchewan) (File Current to November 24, 2015):

Nil

	Secured Party(ies)	Debtor(s)	Collateral Classification	Reference File No. & Registration Number(s)	Comments
				as amended by: 20130719 1036 1529 5632	
				as amended by: 20140115 1040 1529 8735	
2	The Bank of Nova Scotia	Victorian Order of Nurses for Canada – Ontario Branch Les Infirmières de L'Ordre de Victoria du Canada Victorian Order of Nurses for Canada/Les Infirmières de L'Ordre de Victoria du Canada	I, E, A, O	647859888 20080819 1954 1531 5310 (5 years)	
				as amended by: 20100120 0836 1862 4335	

	Secured Party(ies)	Debtor(s)	Collateral Classification	Reference File No. & Registration Number(s)	Comments
				as amended by: 20130719 1036 1529 5633	
3	IBM Canada Limited – Law Clerk/PPSA Administrator	Victorian Order of Nurses for Canada	E, A, O	652427586 20090331 1946 1531 4292 (4 years)	
				as amended by: 20130204 1947 1531 2661	
4	CBSC Capital Inc.	Victorian Order of Nurses for Canada	E, O	665163729 20101014 1449 1530 4893 (6 years)	
5	GE VFS Canada Limited Partnership	Victorian Order of Nurses for Canada Les Infirmieres de L'Ordre de Victoria du Canada	E, O	666708507 20101221 1613 5064 4452 (5 years)	
6	CBSC Capital Inc.	Victorian Order of Nurses for Canada	E, A, O	683684937 20121219 1949 1531 1724 (5 years)	
7	CBSC Capital Inc.	Victorian Order of Nurses for Canada	E, A, O	688893714 20130724 1938 1531 4720 (5 years)	

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Secured Party(ies)	Debtor(s)	Collateral Classification	Reference File No. & Registration Number(s)	Comments
			as amended by: 20130730 1936 1531 8945	
8 Jim Peplinski Leasing Inc.	Victorian Order of Nurses for Canada – Ontario Branch	CG, E, O, MV	699864768 20140916 1534 5064 3758 (5 years)	
9 Jim Peplinski Leasing Inc.	Victorian Order of Nurses for Canada – Ontario Branch	CG, E, O, MV	699897663 20140917 1415 5064 3850 (5 years)	

6. **NOVA SCOTIA**

A. *Personal Property Security Act (Nova Scotia) (File Current to November 24, 2015):*

Secured Party(ies)	Debtor(s)	Reference File No. & Expiry Date	Comments
1 The Bank of Nova Scotia	Victorian Order of Nurses for Canada – Eastern Region	14323216 as amended by: 21547765 August 20, 2018	To renew the registration

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7. PRINCE EDWARD ISLAND

A. *Personal Property Security Act (Prince Edward Island) (File Current to November 24, 2015):*

NIL

8. NEW BRUNSWICK

A. *Personal Property Security Act (New Brunswick) (File Current to November 24, 2015):*

NIL

9. NEWFOUNDLAND AND LABRADOR

A. *Personal Property Security Act (Newfoundland and Labrador) (File Current to November 24, 2015):*

NIL

Exhibit E

This is Exhibit E referred to in the affidavit of JO-ANNE POIRIER sworn before me, this 2nd day of DECEMBER, 2015

Court File No. _____

[Signature]
A COMMISSIONER IN CHIEF & JUSTICE

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 SECTION 101 OF THE COURTS OF JUSTICE ACT,
R.S.O. 1990, C. C-43, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF VICTORIAN ORDER OF NURSES FOR CANADA, VICTORIAN ORDER OF
NURSES FOR CANADA – EASTERN REGION AND VICTORIAN ORDER OF
NURSES FOR CANADA – WESTERN REGION

Applicants

AFFIDAVIT OF JO-ANNE POIRIER
(sworn November 24, 2015)

I, Jo-Anne Poirier, of the City of Ottawa, in the Province of Ontario, MAKE OATH
AND SAY:

1. I am the President and Chief Executive Officer of Victorian Order Of Nurses for
Canada ("**VON Canada**") as well as its four separately incorporated regional operating
entities:

- (a) Victorian Order Of Nurses For Canada – Eastern Region ("**VON East**");
 - (b) Victorian Order Of Nurses For Canada – Western Region ("**VON West**");
 - (c) Victorian Order Of Nurses For Canada – Ontario Branch ("**VON Ontario**");
- and

- (d) Victorian Order Of Nurses For Canada Nova Scotia Branch ("**VON Nova Scotia**").

VON Canada, VON East, VON West, VON Ontario and VON Nova Scotia, are referred to herein, collectively, as the "**VON Group**" and VON Canada, VON East and VON West are referred to herein as the "**Applicants**"

2. I have held that position since January 2, 2014. As such, I have personal knowledge of the matters to which I hereinafter depose, except where otherwise stated. In preparing this affidavit I have also consulted, where necessary, with other members of VON Group's management team. Where I have relied upon other sources of information, I have stated the source of that information and believe such information to be true.

3. This affidavit is sworn in support of:

- (a) an application by the Applicants for an order (the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"); and
- (b) an application by VON Canada for the appointment of a Receiver under Section 101 of the *Courts of Justice Act* (Ontario) over certain of the assets, properties and undertaking of VON Canada, VON East and VON West (the "**Receivership Order**").

I. INTRODUCTION

4. The VON Group provides home and community care services that address the health care needs of Canadians in various locations across the country on a not-for-profit charitable basis. For over 100 years, the VON Group has been a part of Canada's health care system.

5. VON Canada is the administrative centre of the VON Group.

6. The VON Group delivers its programs through its four regional VON Group entities (VON East, VON West, VON Ontario and VON Nova Scotia). The services delivered in each region are subject to separate regional contractual arrangements and the services offered are not identical across all regions.

7. The VON Group has experienced sustained financial challenges over the past several years, has incurred significant losses, and without an extensive restructuring of its operations and finances it could entirely exhaust its available liquidity in the very near future.

8. The VON Group has considered and, where possible, implemented a variety of options to remedy these challenges by: (i) exiting loss producing lines of business; (ii) reducing and deferring capital expenditures; (iii) implementing hiring freezes for non-front line personnel; (iv) capital raising efforts; and (v) cost control efforts, including with respect to wages. However, the foregoing options were either not executable or, if executable, did not achieve the VON Group's goals of long term sustainability.

9. The Applicants have determined that a formal process is necessary so that fundamental operational and financial restructuring steps can be undertaken in an orderly and controlled manner and stability can be maintained for the VON Group's core health and community care programs.

10. The focus of the Applicants' efforts in its CCAA proceedings will be: (i) restructuring of overhead costs that are currently incurred at VON Canada and that are at an unsustainable level; (ii) winding down VON East and VON West, which are not financially viable; and (iii) positioning VON Ontario and VON Nova Scotia to achieve long term sustainability.

11. A successful restructuring will allow the VON Group to continue providing much needed health and community care services in its core regions to a population that is increasingly in need of the flexible health and community-based care services that the VON Group provides.

II. VON GROUP

A. Corporate Structure

12. The VON Group does not operate under a traditional vertical corporate structure. The current corporate structure is as follows:

- (a) VON Canada: VON Canada is a not-for-profit charitable corporation that was incorporated by Royal Charter dated the 28th day of December, 1897. It was continued under Part II of the Canada Corporations Act by Letters Patent dated the 31st day of December, 1974. It was continued again under the Canada Not-for-profit Corporations Act ("CNCA") by Certificate of Continuance dated the 8th day of July, 2014. VON Canada's registered head office is located at 2315 St. Laurent Boulevard, Suite 100, Ottawa, Ontario K1G 4J8. As a not-for-profit corporation, the affairs of VON Canada are governed by a board of directors (the "**VON Canada Board**") elected by the members of VON Canada. The members of VON Canada (analogous to shareholders of a business corporation) are the VON Canada board of directors and Community Corporations described below.

- (b) Regional Entities: VON East, VON West, VON Ontario and VON Nova Scotia (collectively, the "**Regional Entities**") are the regional operating corporations of the VON Group.

- (i) VON Ontario is a not-for-profit charitable corporation incorporated under the *Corporations Act* (Ontario). VON Ontario's registered head office is located at 2315 St. Laurent Boulevard, Suite 100, Ottawa, Ontario K1G 4J8.

- (ii) VON East is a not-for-profit charitable corporation incorporated under Part II of the Canada Corporations Act in 2004 and continued under the CNCA in 2014. VON East's registered head office is located at 2315 St. Laurent Boulevard, Suite 100, Ottawa, Ontario K1G 4J8.

- (iii) VON West is a not-for-profit charitable corporation incorporated under Part II of the Canada Corporations Act in 2004 and continued under the CNCA in 2014. VON West's registered head office is located at 2315 St. Laurent Boulevard, Suite 100, Ottawa, Ontario K1G 4J8.

- (iv) VON Nova Scotia was established in 2000 under the Victorian Order of Nurses Act of Nova Scotia. VON Nova Scotia's registered head office is located at 900-1959 Upper Water Street, Halifax, Nova Scotia, B3J 3N2.

VON Canada and the Regional Entities operate as an affiliated corporate group. Operationally, VON Canada is fully integrated with each of the Regional Entities. Each Regional Entity has a board of directors composed of the same individuals who comprise the VON Canada board. The members of each Regional Entity are VON Canada itself as well as the individual VON Canada directors. VON Canada's senior management team is also the senior management team of each of the Regional Entities.

(c) Community Corporations: Over 30 separate community corporations (the "**Community Corporations**") are the members of VON Canada (together with the VON Canada board of directors). The role of the Community Corporations at this time is fund-raising as well as advocacy and community development to support the activities of the VON Group, primarily in their local communities. The Community Corporations do not provide health or community care services. The Community Corporations elect the board of directors of VON Canada, which also serves as the board of directors of the various Regional Entities. The Community Corporations are separately incorporated and therefore not subject to the direction or control of VON Canada. While the Community Corporations do provide some funding to the VON Group, the VON Group has many other material sources of funding that account for the majority of the VON Group's overall funding.

13. This structure is the product of a prior corporate reorganization commenced in 2000 and completed in 2006 outside of a court process (the "**2006 Reorganization**"). Prior to the commencement of the 2006 Reorganization, the individual Community Corporations each provided health and community care services directly to clients in their communities. However, in 2006 these operating activities were transferred to the VON Group and consolidated under the Regional Entities.

14. In 2007, Association Agreements were entered into between VON Canada and the Community Corporations. The Association Agreements outline the responsibilities as between VON Canada and each Community Corporation. A copy of the template Association Agreement is attached hereto as Exhibit "A".

B. Operational Structure

15. The operational structure of the VON Group is as follows:

- (a) VON Canada: The administrative and overhead related functions of the VON Group are performed by VON Canada. VON Canada also owns the intellectual property of the VON Group, which is licensed to the Regional Entities and the Community Corporations through trademark licensing agreements. VON Canada provides necessary back office support and senior management oversight for the operations undertaken by the Regional Entities.
- (b) Regional Entities: The Regional Entities enter into and perform the VON Group's service agreements within specific provinces or regions. The majority of services are provided at the cost and direction of governments, government agencies, health authorities and charitable organizations across Canada. These service arrangements are the primary source of the VON Group's cash flow.

16. VON Canada, the Regional Entities and each Community Corporation have also entered into trademark license agreements pursuant to which it is agreed that all applications for trademark registrations, registered trademarks and other names, logos and slogans listed therein are owned by VON Canada and that any use of such trademarks, names, logos or slogans is under license from VON Canada.

C. Business Overview

17. The VON Group maintains and provides a network of services that support the health and wellbeing of Canadians outside of a formal institutional setting, allowing

Canadians to maintain their health and independence and providing family caregivers with much needed support.

18. A core program of VON Ontario and VON Nova Scotia is Home Care (consisting of visiting nursing and home support). Home Care is not a material part of the service offering of VON East or VON West.

19. Community Support Services are provided by all Regional Entities. These services are deployed from over 50 sites across Canada and include: (i) adult day/respite care; (ii) foot care; (iii) active lifestyle programs for seniors; (iv) independent living skill programs for seniors; and (v) elder abuse prevention.

VON Ontario

20. VON Ontario provides Home Care and Community Support Services through arrangements with Ontario's Community Care Access Centre ("CCACs"), Local Health Integration Networks ("LHINs") and other funders. The CCACs and LHINs are funded and mandated by the Ministry of Health and Long-Term Care (Ontario).

VON Nova Scotia

21. VON Nova Scotia provides Home Care through arrangements with the District Health Authority, which is funded and mandated by the Nova Scotia Department of Health and Wellness. It also has various contracts for Community Support Services.

VON East

22. VON East provides targeted services including: pre-travel clinics, flu clinics, fetal alcohol syndrome disorder programs, education and support to youth who are either

expecting a child or parenting an infant, adult day programs, foot care and certain limited services to Veterans Affairs Canada.

VON West

23. VON West provides a range of Community Care Services through arrangements with Alberta Health Services and other funders. VON West provides adult day programs, foot care and other services.

24. VON East and VON West operate at a significantly smaller scale than both VON Ontario and VON Nova Scotia.

D. Employees

25. The VON Group's services are delivered by unionized and non-unionized employees.

26. In aggregate, VON Canada and the Regional Entities have over 4200 full time equivalent employees. Because service arrangements must often be flexible, most employees are casual or part time employees of the VON Group. In total, VON Canada and the Regional Entities have over 6000 full time, casual and part time employees.

27. Most employees are employed by the Regional Entities as follows:

- (a) VON East: approximately 160 employees;
- (b) VON West: approximately 147 employees;
- (c) VON Ontario: approximately 3915 employees; and
- (d) VON Nova Scotia: approximately 1947 employees.

28. The employees of the Regional Entities do not receive, and have not received, any remuneration from VON Canada.

29. VON Canada has approximately 200 employees, primarily providing internal administrative support for the Regional Entities, such as financial services, information technology, human resources administration and payroll.

30. The VON Group is party to over 60 collective agreements with 14 unions and 67 bargaining units.¹ The Applicants have collective agreements with six unions.

31. The VON Group is also supported by approximately 7000 volunteers.

E. Pensions

32. The VON Canada Pension Plan (the "Pension Plan") was established on January 1, 1958. It is a defined benefit pension plan, registered in Ontario.

33. VON Canada is the sponsor and administrator of the Pension Plan. VON Canada has retained the services of various agents including: (i) Morneau Shepell, Ltd. pursuant to an Administrative Services Agreement effective as of June 1, 2015 in respect of certain administrative pension services; and (ii) Mercer (Canada) Limited pursuant to a letter of engagement dated July 29, 2009 with VON Canada in respect of certain actuarial, consulting, and administrative services.

34. The employees of VON Canada and the Regional Entities are members of the Pension Plan.

¹ The applicable unions include: Ontario Public Service Employees Union; Ontario Nurses Association; Service Employees International Union; Canadian Union of Public Employees; Ontario Federation of Health Care Workers; Unifor; Newfoundland and Labrador Association of Public and Private Employees; Registered Nurses' Union Newfoundland & Labrador; Nova Scotia Nurses Union; and certain affiliates of the Christian Labour Association of Canada.

35. Each entity in the VON Group is required to match its employee pension cash contributions on a 1:1 basis under the Pension Plan. All required monthly normal cost payments under the Pension Plan have been made to date. The Cash Flow Forecast (as defined below) contemplates that all normal cost payments and special payments will be made during the period of the Cash Flow Forecast.

36. Currently, the Pension Plan is in a solvency deficit position. Based upon a valuation as at June 1, 2015, the estimated wind-up deficiency for the Pension Plan was \$17 million.

F. Key Customer and Supplier Arrangements

37. Set out below is a summary of key contractual arrangements entered into by the entities in the VON Group.

Collective Bargaining Agreements

38. As mentioned above, the VON Group is party to over 60 collective agreements with 14 unions and 67 bargaining units.

IBM Agreements

(a) IBM MSA

39. IBM Canada Limited ("IBM") entered into a Master Services Agreement dated January 1, 2009, as amended on June 1, 2013 with VON Canada (as amended, the "IBM MSA"). Under the IBM MSA, IBM agreed to provide, either directly or through TELUS Communications Company, certain specified technology services in connection with certain business transformation initiatives undertaken by VON Canada.

40. The services to be provided under the IBM MSA were to be reflected in statements of work issued under the IBM MSA.

41. In connection with the IBM MSA, VON Canada and IBM entered into a loan agreement (as amended, the "**IBM Loan Agreement**"). Each statement of work set out amounts payable by VON Canada to IBM with respect to the goods and services provided under that statement of work. Upon receipt of invoices that complied with the terms of the IBM MSA, VON Canada would issue borrowing notices to IBM in accordance with the terms of the IBM Loan Agreement. The amounts set out in such borrowing notices would be added to the obligations under, and become payable in accordance with, the IBM Loan Agreement. At this time, material amounts remain payable by VON Canada under the IBM Loan Agreement, which has been amended as described below.

42. The obligations owing under the IBM Loan Agreement are unsecured obligations of VON Canada. A copy of the IBM Loan Agreement is attached hereto as Exhibit "B".

43. The obligations under the IBM Loan Agreement were the subject of a Restructuring Agreement dated March 25, 2013, a copy of which is attached hereto as Exhibit "C" (the "**Loan Restructuring Agreement**").

44. At this time, obligations under the IBM MSA, including those under the IBM Loan Agreement, as amended by the Loan Restructuring Agreement, are \$8,956,061.68. These amounts have not been repaid in accordance with the terms of the Loan Restructuring Agreement.

45. The IBM MSA was the subject of a Novation Agreement dated May 29, 2015, pursuant to which IBM's rights under its arrangements with TELUS Communications

Company were novated to VON Canada and subsequently the provisions of the IBM MSA with respect to the managed services were terminated.

(b) IBM Extended Payment Solution Agreement

46. IBM and VON Canada entered into an Extended Payment Solution Agreement on November 30, 2011 (the "IBM EPSA").

47. On March 25, 2013, IBM and VON Canada entered into a Restructuring Agreement (the "EPSA Restructuring Agreement") in respect of the IBM EPSA pursuant to which VON Canada acknowledged that it was in default of the IBM EPSA and that the amount due under the IBM EPSA was \$3,981,933.42. This amount remains outstanding at the current time.

48. A copy of the EPSA Restructuring Agreement is attached hereto as Exhibit "D".

(c) IBM Leases

49. IBM Canada and VON Canada entered into a Standing Order for Leased or Financed Items dated as of November 2, 2010 and various standing orders thereunder in connection with the lease of certain equipment (the "IBM Leases").

50. On March 25, 2013, IBM and VON Canada entered into a Restructuring Agreement (the "Lease Restructuring Agreement") in respect of the IBM Leases pursuant to which VON Canada acknowledged that it was in default of the IBM Leases and that the amount due under the IBM Leases was \$165,115.74. This amount remains outstanding at the current time.

51. A copy of the Lease Restructuring Agreement is attached hereto as Exhibit "E".

Additional Supplier Agreements

52. VON Canada entered into a Software End-User License Agreement on June 9, 2009 with SAP Canada Inc. for certain ERP and payroll software licensing and support services.

53. VON Canada entered into a Service Agreement effective October 8, 2013 with Celltrak Technologies, Inc. Pursuant to this Services Agreement, Celltrak Technologies, Inc. provides certain web-based administrative applications, mobile device applications and software designed for healthcare professionals. These IT services are utilized by a substantial portion of the VON Group's workforce on a day-to-day basis.

54. As previously noted VON Canada entered into a Novation Agreement with TELUS Communications Company which provides for TELUS Communications Company (directly, rather than through IBM) to deliver site support, service desk support, data centre facilities, server management and storage management services. In addition, TELUS Corporation and VON Canada have entered into a Master Services Agreement, dated May 1, 2013 (the "TELUS MSA"). Under the TELUS MSA, TELUS Corporation provides telecommunications services to ensure mobile connectivity for a high volume of VON Group users, web conferencing, long distance, call centre technology, and data communication linking VON sites.

55. VON Canada entered into a Master Services and Software Agreement dated June 22, 2010 with Blackbaud, Inc. Pursuant to this agreement, Blackbaud, Inc. provides software and services including email services and internet domain name and hosting services to VON Canada.

Funder Contracts

56. The VON Group has contractual arrangements for the provision of services with various government and non-government parties (such parties being "Funders").

57. VON East has material Funder contracts in connection with Fetal Alcohol Spectrum Disorder programs, the "Healthy Baby and Me" program, the Canada Prenatal Nutrition Program and various flu related service with the Province of New Brunswick, the Government of Canada, and certain non-government organizations.

58. VON West has material Funder arrangements through a Master Services Arrangement with Alberta Health Services pursuant to which VON West provides adult day programs, foot care and other services.

G. Cash Management

59. Net cash flows are not uniform across the VON Group entities:

- (a) VON Canada is a cost centre that has significant net negative cash flows attributable primarily to overhead expenditures that benefit the rest of the VON Group. These costs are offset partially by payments from the Regional Entities to allow VON Canada to recover a portion of its costs.
- (b) The Regional Entities generate revenue from community care and health care service contracts with Funders and incur costs associated with generating that revenue.

60. Cash inflows and outflows are also not uniform from day to day or week to week. Cash inflows and outflows generally occur in large lump sums, resulting in often

significant timing differences between inflows and outflows in any particular VON Group entity.

61. To assist in dealing with the lack of uniformity of cash flows across the VON Group entities and the timing issues faced by those entities, a mirror account arrangement was agreed to with The Bank of Nova Scotia whereby funds could be effectively pooled among the VON Group entities, outflows and inflows could be netted out and a net overall cash position for the VON Group would be determined and maintained (the "**Existing Mirror Netting Agreement**"). A copy of the Existing Mirror Netting Agreement between the VON Group and The Bank of Nova Scotia dated June 22, 2004, is attached hereto as Exhibit "F".

62. Under the Existing Mirror Netting Agreement all cash in the VON Group currently flows from each member of the VON Group into a consolidated account held by VON Canada. Bank balances for each of the Regional Entities are recorded, but this is a notional balance indicating what the status of each Regional Entity's bank account would be if the Existing Mirror Netting Agreement did not exist.

63. Under the Existing Mirror Netting Agreement, the revenues of VON Ontario and VON Nova Scotia would fund the liquidity needs of other entities in the VON Group.

64. At the date of commencement of these CCAA proceedings, the cash balance in the VON Canada pooled account is forecasted to be approximately \$1.8 million.

65. The Applicants propose that following the granting of the proposed Initial Order, the cash management system would be replaced by a new modified cash management arrangement (the "**Modified Cash Management System**"). Under the Modified Cash Management System:

- (a) Immediately prior to the effective date of the Initial Order, all cash in the VON Group would be pooled in the VON Canada bank account in accordance with usual practice under the Existing Mirror Netting Agreement.
- (b) VON Ontario and VON Nova Scotia would then establish a segregated mirror netting arrangement pursuant to which the consolidated cash position of VON Ontario and VON Nova Scotia would be maintained.
- (c) The Applicants would also establish an arrangement pursuant to which a consolidated cash position of the Applicants can be easily maintained and VON Canada, VON East and VON West could continue to utilize the consolidated cash balance held by those entities, collectively.

66. The VON Group has requested and The Bank of Nova Scotia has agreed to facilitate the Modified Cash Management System.

67. This cash management system must remain in place in respect of VON Canada, VON East and VON West in order to ensure that all such entities continue to have sufficient liquidity to cover their costs during these proceedings. This may result in funds that would otherwise be held by VON Canada being transferred to VON East and VON West to allow VON East and VON West offset negative cash flows. Without this arrangement, at various times during the proposed CCAA proceeding VON East and VON West would face periodic cash deficiencies, to the detriment of the VON Group as a whole and putting the orderly wind down of critical services at VON East and VON West at risk. The arrangements going forward provide a mechanism that maintains the notional individual balances of each of the VON Canada, VON East and VON West accounts.

H. Assets and Liabilities

68. Copies of the Applicants' non-consolidated financial statements prepared during the last year are attached hereto as Exhibit "G".

69. As at March 31, 2015, the assets of the Applicants were as follows:

	VON Consolidated ²	VON Canada	VON East	VON West
Current Assets				
Cash and Equivalents	4,759,388	2,401,441	0	2,510
Accounts Receivable	13,744,628	466,020	687,198	573,019
Prepaid Expenses and Other	848,679	3,878,662	129,081	43,244
Total Current Assets	19,352,695	6,746,123	816,279	618,773
Non-Current Assets				
Property, Equipment, Leasehold Improvements	11,342,726	5,289,624	73,949	112,167
Total Non-Current Assets	11,342,726	5,289,624	73,949	112,167
Total Assets	30,695,421	12,035,747	890,228	730,940

² VON Consolidated represents consolidated financial information from VON East, VON West, VON Canada as well as non-Applicant entities VON Ontario, VON Nova Scotia, VON Nurse Practitioner-Led Clinic, VON 360 Degree Nurse Practitioner-Led Clinic.

70. As at March 31, 2015, the consolidated liabilities of the VON Group were as follows:

	VON Consolidated ³	VON Canada	VON East	VON West
Accounts payable and accrued liabilities	42,763,058	5,707,527	889,272	409,791
Deferred revenue	1,643,867	436,037	201,798	4,500
Loan Payable	1,089,360	1,089,360	978,852	4,407,878
Other	3,220,360	2,365,520	129,640	46,167
Total Current Liabilities	48,716,645	9,598,444	2,199,562	4,868,336
Long term debt	16,403,080	16,403,080	0	0
Other	4,250,799	1,170,879	5,551	35,333
Total Non-Current Liabilities	20,653,879	17,573,959	5,551	35,333
Total Liabilities	69,370,524	27,172,403	2,205,113	4,903,669

Assets

71. As a service provider, the VON Group's most significant assets are its accounts receivable. The largest components of the VON Group's revenue and accounts receivable are derived from Ontario CCACs and LHINs and the Department of Health and Wellness (Nova Scotia), which account for over 90% of total revenues and almost 90% of total accounts receivable.

72. Cash and Cash Equivalents at all VON Group entities other than VON Canada are minimal. This is the result of the cost recovery arrangements in favour of VON Canada and the arrangements under the Existing Mirror Netting Agreement that the VON Group maintains with The Bank of Nova Scotia, pursuant to which the VON Group's cash on hand is consolidated on an ongoing basis in a pooled account held by VON Canada.

³ VON Consolidated represents consolidated financial information from VON East, VON West, VON Canada as well as non-Applicant entities VON Ontario, VON Nova Scotia, VON Nurse Practitioner-Led Clinic, VON 360 Degree Nurse Practitioner-Led Clinic.

73. VON Ontario owns one condominium unit in London, Ontario.

74. The Applicants also own certain intangible assets, including brand-related intellectual property and contractual arrangements with customers. These assets are not recorded for financial statement purposes in accordance with generally accepted accounting principles in Canada. However, these assets do have material value to the Applicants. The Applicants' brand-related intellectual property is owned by VON Canada and licensed to the other members of the VON Group.

75. The Applicants hold certain endowment funds that are excluded from the above asset description. Those endowment funds totalled approximately \$605,000 as at March 31, 2015. These funds are not available to the Applicants for general operating purposes.

Loans Payable and Long Term Debt

The Bank of Nova Scotia

76. VON Canada currently has an operating facility with The Bank of Nova Scotia pursuant to an agreement dated September 9, 2015, as amended (the "**Existing BNS Facility**"). The Existing BNS Facility is limited to \$4,000,000. As at the date of this affidavit, the Existing BNS Facility is undrawn. The Existing BNS Facility is guaranteed by all entities in the VON Group and the obligations under the facility and those guarantees are secured by general security agreements on the assets of all entities in the VON Group.

77. A copy of the agreement governing the Existing BNS Facility is attached hereto as Exhibit "H".

78. In connection with these proposed proceedings under the CCAA, the VON Group has requested that The Bank of Nova Scotia enter into a new demand operating

facility and credit card facilities to replace the Existing BNS Facility (the "**New BNS Facility**").

The New BNS Facility would have the following elements:

- (a) VON Ontario and VON Nova Scotia would be the sole borrowers under the New BNS Facility;
- (b) The availability under the New BNS Facility would be substantially similar to the Existing BNS Facility and the total commitments under the New BNS Facility would be up to a maximum of \$4 million, subject to the availability criteria in the New BNS Facility;
- (c) VON Canada would provide a guarantee of the obligations under the New BNS Facility (the "**BNS Guarantee**");
- (d) The obligations of VON Ontario, VON Nova Scotia and VON Canada under the New BNS Facility would be secured by a general security interest over substantially all of the assets of the foregoing entities as well as a mortgage over certain real property owned by VON Ontario. The collateral securing the New BNS Facility would be substantially similar to the collateral securing the Existing BNS Facility; and
- (e) Each of VON Ontario, VON Canada and VON Nova Scotia will have credit card facilities that will be cross-guaranteed by each of the other.

79. In the circumstances, the Applicants believe it is appropriate for VON Canada to guarantee the New BNS Facility. VON Canada will benefit from the liquidity that the New BNS Facility provides to VON Ontario and VON Nova Scotia as that liquidity will permit VON Ontario and VON Nova Scotia to continue to operate in the ordinary course and generate revenues that will ensure that VON Ontario and VON Nova Scotia can continue to pay their

agreed upon share of the costs incurred by VON Canada for the benefit of the entire VON Group. The Bank of Nova Scotia currently has no outstanding debt under the Existing BNS Facility. Therefore, the new security granted in connection with the New BNS Facility would secure only new advances.

80. The New BNS Facility will become effective upon granting of the Initial Order sought in this Application.

81. Copies of the BNS Guarantee and the general security agreement pursuant to which VON Canada would grant security to The Bank of Nova Scotia for VON Canada's obligations under the BNS Guarantee are attached hereto as Exhibit "I".

82. VON West has also obtained a letter of credit issued by The Bank of Nova Scotia in the amount of \$40,000 for the purposes of providing security for certain licensing obligations of VON West. This letter of credit is secured by cash collateral held by The Bank of Nova Scotia (the "LC Cash Collateral"). The proposed form of Initial Order does not propose a stay of any enforcement rights of The Bank of Nova Scotia against the LC Cash Collateral.

83. The proposed form of Initial Order provides that The Bank of Nova Scotia will be treated as unaffected in any proposed CCAA Plan by the Applicants.

IBM

84. A material portion of the outstanding long term debt also relates to the IBM Loan Agreement, the IBM EPSA and the IBM Leases (each as amended), discussed in greater detail above.

III. FINANCIAL DIFFICULTIES AND THE NEED FOR CCAA PROTECTION

A. Financial Results

85. The financial results of the VON Group on a consolidated basis since 2012, indicate consistent liquidity issues:

- (a) Current liabilities have consistently exceeded current assets by a ratio of at least 1.78:1 and as high as 2.51:1;
- (b) Cumulative net losses from 2012 to 2015 total \$13,624,897; and
- (c) Cash flows from operations from 2012 to 2015 were similarly negative in the amount of \$8,203,266.

86. While the VON Group ultimately seeks to achieve neutral financial results on an annual basis and certain temporary limited deficits can be bridged either by short term financing or by third party funding, the consistent operating deficits and liquidity shortfalls which the VON Group has faced in recent years are not sustainable.

87. The VON Group's non-core operations (VON East and VON West) account for a disproportionately high share of the VON Group's overall losses and operating cash shortfalls relative to the revenues generated from these entities:

- (a) At VON West, cumulative net losses for 2012 to 2015 have been \$2,656,078 and cash from operating activities during that same period has been negative \$2,768,244. Revenues at VON West have averaged \$5,349,141.50 annually over this period; and
- (b) At VON East, cumulative net losses for 2012 to 2015 have been \$856,544 and cash from operating activities during that same period has been negative

\$3,074,752. Revenues at VON East have averaged \$6,179,643 annually over this period.

88. The financial difficulties faced by the VON Group are clear. It faces a significant working capital shortfall and has been accumulating significant operating losses over the past number of years. Current forecasts suggest that the VON Group will face a liquidity crisis in the near future if restructuring steps are not taken.

89. The key causes of these difficulties have been:

- (a) Significant investments and long-term operating arrangements were made in the 2006 Restructuring to achieve efficiencies and higher service levels, particularly in IT infrastructure. The VON Group sought to generate a substantial return on these investments that would more than offset the costs. However these returns did not materialize. As a result, the VON Group now bears significant ongoing legacy costs of the expansive platform developed in 2006, without the revenues necessary to make this sustainable. Most of these legacy costs are incurred at VON Canada.

- (b) The areas of the health care sector in which the VON Group operates have also changed significantly over the last several years. One primary change that has negatively impacted the VON Group's viability, particularly in regions where the VON Group's existing business is smaller, has been competition from private sector service providers. This resulted in many of the VON Group's material customers soliciting proposals from other private service providers, which has both placed price pressure on the VON Group and resulted in the loss of certain material revenue streams. Significant business development investment will be needed to preserve the VON Group's

remaining business in view of this pressure. That significant investment must be targeted at the core regions of Ontario and Nova Scotia.

- (c) The size of the VON East and VON West businesses are not sufficient to justify the fixed costs attributable to those businesses. VON East operates in regions where the population is not sufficient to support a larger VON East business. VON West does not face these population issues but there is insufficient funding to allow appropriate business development spending to grow this business to a sufficient size to make its operations economically viable.

B. Responses to Financial Difficulties

90. The VON Group has taken many steps to attempt to address its financial issues prior to resorting to a formal restructuring proceeding:

- (a) During 2013, the VON Group monetized material assets, including real property in Ottawa owned by VON Canada, utilizing proceeds to pay down its outstanding bank debt;
- (b) In 2013, the VON Group sought to obtain funding from the Community Corporations;
- (c) IT service contracts that were previously outsourced have been brought back in-house at VON Canada, which has reduced overhead costs and increased service levels. Cost savings from this change are estimated to be \$1,000,000 per year;
- (d) Wage freezes were implemented and staff levels were reduced this year; and

- (e) The size of the senior management team has been reduced under the guidance of a new Chief Executive Officer, resulting in further annual cost savings of over \$500,000 annually.

91. The above initiatives have had a material positive effect on the financial circumstances of the VON Group but, as its financial results and projections indicate, none have been sufficient to resolve the financial issues faced by the VON Group.

C. Current Restructuring Goals

92. Currently, the VON Group operations suffer as a result of excessive overhead cost and efforts to maintain a national network. The VON Group can have a sustainable future only if it modifies the scope of its operations and focuses efforts on its core businesses and regions. The Applicants' restructuring process will seek to achieve this.

VON East and VON West

93. The financial results of VON West and VON East have led the VON Group to conclude that these operations are not viable at their current limited scale and, further, the scale of these operations cannot reasonably be increased to a sufficient degree to make them viable. In the case of VON East, unfavourable regional market conditions and demographics make a larger operation impracticable. In the case of VON West, the amount of capital that would be required for a business development budget to achieve the growth necessary to make this business viable is not accessible.

94. As a result of the above factors, the VON Group has concluded that VON East and VON West cannot be a part of the VON Group's business strategy going forward.

95. Portions of the VON East and VON West businesses have been marketed but no resulting executable sale transactions have been identified. Consequently, non-essential programs will cease immediately if the proposed Initial Order is granted and essential programs will be wound down in an orderly manner.

96. This wind down will result in the immediate termination of employment of approximately 300 of the VON East and VON West employees.

97. Certain former employees will be re-engaged as independent contractors by VON East and VON West in the post-filing period to ensure the orderly wind down or transfer of certain essential health care programs.

VON Ontario and VON Nova Scotia

98. VON Ontario and VON Nova Scotia are the core operating entities of the VON Group. During the 2012 to 2015 period, revenues at VON Ontario and VON Nova Scotia have averaged \$100,397,549 and \$92,089,613, respectively. If overhead costs are properly managed and operations are restructured, it is believed that VON Ontario and VON Nova Scotia should be sustainable and the recent losses faced by these entities can be reduced or eliminated in the future.

99. Business will operate as usual at VON Ontario and VON Nova Scotia during the Applicants' CCAA proceedings.

VON Canada

100. VON Canada is the administrative cost centre for the VON Group and, as such, its earnings and cash flow from operations on a non-consolidated basis have been consistently negative. The functions performed by VON Canada are essential to the

continuing operation and service delivery of VON Ontario and VON Nova Scotia. VON Canada will seek to restructure its management services delivery model in order to have a more efficient and cost effective operating structure.

101. The restructuring is expected to result in the immediate termination of employment for certain non-unionized VON Canada employees.

IV. OVERVIEW OF THE CASH FLOW FORECAST

102. As set out in the 13 week cash flow projections (the "**Cash Flow Forecast**") that was prepared by the VON Group and reviewed by the Proposed Monitor (as defined below) for the period from November 25, 2015 to February 27, 2016, the VON Group's principal uses of cash during the next 13 weeks will consist of the payment of ongoing day-to-day operational expenses and professional fees and disbursements in connection with these CCAA proceedings. A copy of the Cash Flow Forecast is attached hereto as Exhibit "J".

103. As at the time of the commencement of these CCAA proceedings, the Applicants are forecasted to have approximately \$1.8 million in available cash on hand. The Cash Flow Forecast projects that, subject to obtaining the relief outlined herein, the Applicants, collectively, will have sufficient cash to fund their projected operating costs until the end of the stay period on the assumption that VON Canada funds are made available to offset negative cash flows at VON East and VON West.

V. PROPOSED INITIAL ORDER

A. The Applicants

104. The Applicants in this proceeding are VON Canada, VON East and VON West.

105. VON East and VON West are not, individually, subject to claims of over \$5,000,000. However, VON Canada and the Applicants collectively are subject to claims well in excess of \$5 million.

106. As a result of the unique corporate structure of the VON Group, which does not match the traditional vertical corporate structure that would exist in a for-profit setting, VON East, VON West and VON Canada are not controlled by a common shareholder or member.

107. The members of VON East and VON West are (i) VON Canada; and (ii) the directors of VON Canada. The directors of VON East and VON West are the same as the directors of VON Canada. For all practical purposes, VON East and VON West are under common control with VON Canada.

108. The restructuring of VON Canada cannot proceed if its arrangements with VON East and VON West are not resolved and VON East and VON West are not wound down in an orderly manner. As a result, I believe it is necessary to include VON East and VON West as applicants in this CCAA proceeding.

B. Stay of Proceedings Re. VON Ontario and VON Nova Scotia

109. A substantial majority of the operating activities of the VON Group are undertaken by VON Ontario and VON Nova Scotia.

110. Similar to the Applicants, the operations of VON Ontario and VON Nova Scotia are fully integrated with the overall business of the VON Group. VON Canada depends upon VON Ontario and VON Nova Scotia for cash flow through cost recovery amounts charged to these entities for costs incurred by VON Canada on their behalf. VON Ontario and VON Nova Scotia depend upon VON Canada for critical administrative support and access to intellectual property.

111. It is not intended at this time that VON Ontario or VON Nova Scotia will undertake any financial or operational restructuring in this proceeding and will continue operating in the ordinary course.

112. The commencement of CCAA proceedings by the Applicants may expose VON Ontario and VON Nova Scotia to risks that as a result of, among other things, these proceedings and the declarations of insolvency made, remedies or other detrimental steps may be taken by the material customers and Funders of VON Ontario and VON Nova Scotia.

113. Any such proceedings or remedies against VON Ontario or VON Nova Scotia would be detrimental to the Applicants' restructuring efforts and would undermine a process that would otherwise benefit the VON Group's stakeholders as a whole. As noted above, VON Canada depends upon cash flows from cost recovery charges payable by VON Ontario and VON Nova Scotia in the ordinary course and VON Ontario and VON Nova Scotia are by far the largest revenue generating branches of the VON Group.

114. The proposed Initial Order contains provisions staying the exercise of rights and remedies by Funders against VON Ontario and VON Nova Scotia to the extent that those rights or remedies arise due to the Applicants being parties to this proceeding or having made an Application to the Court pursuant to the CCAA or the *Courts of Justice Act* (Ontario), including any declarations of insolvency contained therein in respect of the VON Group entities or the appointment of a receiver in respect of the Applicants.

115. This limited and targeted stay is intended only to ensure that VON Ontario and VON Nova Scotia can continue operating as usual during the Applicants' CCAA proceedings. The VON Group is unaware of any party that may be prejudiced by this targeted stay of proceedings.

C. Payment of pre-filing amounts

116. The proposed Initial Order authorizes payment of the following amounts, whether incurred in the pre-filing or post-filing period:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses, and volunteer and director expense reimbursements, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges;
- (c) the fees and disbursements of the monitor, counsel to the monitor, the CRO (as defined below), the Applicants' counsel and counsel to the boards of directors of the Applicants; and
- (d) liabilities for charges incurred on credit cards issued to the Applicants.

D. Administration Charge

117. The Applicants seek a charge on their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**") in the maximum amount of \$250,000 to secure the fees and disbursements incurred in connection with services rendered to the Applicants both before and after the commencement of the CCAA proceedings by counsel to the Applicants, the Proposed Monitor and the Proposed Monitor's counsel, the Chief Restructuring Officer (as defined below) and counsel to the board of directors (the "**Administration Charge**").

118. The Proposed Monitor has reviewed the proposed quantum of the Administration Charge and believes it to be reasonable and appropriate in view of these CCAA proceedings and the services provided and to be provided by the beneficiaries of the Administration Charge.

E. Directors' Charge

119. To ensure the ongoing stability of the Applicants during the CCAA period, the Applicants require the continued participation of their directors and officers. These directors and officers have valuable experience and, in the case of VON East and VON West, the directors are all members of these entities as well.

120. The directors and officers of the Applicants have indicated that due to the potential for personal liability, they cannot continue their service in this restructuring unless the Initial Order grants the Directors' Charge (as defined below) to secure the Applicants' indemnity obligations to the directors and officers that arise post-filing.

121. I am advised by Evan Cobb of Norton Rose Fulbright Canada LLP, counsel to the Applicants, and do verily believe, that in certain circumstances directors can be held liable for certain obligations of a company owing to employees and government entities. As at the date of this affidavit, the Applicants have over 500 employees. Wages and statutory employee deductions are accruing in the ordinary course with no arrears due and unpaid as at the date hereof.

122. The VON Group maintains directors' and officers' liability insurance (the "D&O Insurance") for the directors and officers of the VON Group entities. The current D&O Insurance policies provide a total of \$30 million in coverage plus \$10 million in excess coverage.

123. The proposed Initial Order contemplates the establishment of a charge on the Property in the amount of \$750,000 (the "Directors' Charge") to protect the directors and officers against obligations and liabilities they may incur as directors and officers of the Applicants after the commencement of the CCAA proceedings, except to the extent that the obligation or liability is incurred as a result of the director's or officer's gross negligence or wilful misconduct. The Directors' Charge was calculated by reference to (a) the monthly payroll and withholding obligations of the Applicants; and (b) vacation pay.

124. The benefit of the Directors' Charge will only be available to the extent that a liability is not covered by the D&O Insurance.

125. While the D&O Insurance is available, the directors and officers of the Applicants cannot be certain that the insurance providers will not seek to deny coverage on the basis that the D&O Insurance does not cover a particular claim or that coverage limits have been exhausted.

126. The Applicants do not currently have sufficient funds available to satisfy any contractual indemnities to the directors or officers should the directors or officers need to call upon those Indemnities.

127. It is proposed that the CRO, as defined below, would have the benefit of the Directors' Charge to secure any indemnity obligations the Applicants may have to the CRO in connection with that role.

128. The Proposed Monitor has reviewed the proposed quantum of the Directors' Charge and believe the Directors' Charge is reasonable in the circumstances.

F. Key Employee Retention Plan

129. The Applicants depend upon the continued employment of certain highly skilled and experienced employees who: (i) perform roles that are critical to accomplishing the Applicants' restructuring goals; and (ii) likely cannot be suitably replaced at a reasonable cost (the "Key Employees").

130. The Key Employees will be essential to the Applicants' restructuring. However, those Key Employees are also incentivized to seek alternative employment given the financial circumstances of the VON Group. Therefore, the Applicants have developed a retention plan for these Key Employees (the "Key Employee Retention Plan"), the details of which are described in a summary attached hereto as Confidential Exhibit "K". In order to prevent private and confidential information about individual employees from being publicly disclosed, the Applicants will request an order sealing this confidential exhibit. The aggregate maximum amount that could become payable under the Key Employee Retention Plan to all eligible employees during the 2016 year is approximately \$240,000.

131. In designing the terms of the Key Employee Retention Plan, the VON Group considered a variety of factors including: (i) the maximum cost of the Key Employee Retention Plan; and (ii) market competitiveness of resulting total compensation levels for employees.

G. Proposed Ranking of the Court-Ordered Charges

132. The proposed ranking of the Court-ordered charges (the "Charges") is as follows:

- (a) First, Administration Charge; and

(b) Second, the Directors' Charge.

133. The proposed Initial Order provides that the Charges shall, at this time, rank subordinate the security interests of all other secured creditors of the Applicants with the exception of The Bank of Nova Scotia. The Applicants will seek an order providing for the subordination of all other security interests to the Charges and the charge in favour of the Receiver, as described below, in the near future following notice to all potentially affected secured creditors.

H. Approval of the CRO Engagement

134. In order to assist in the implementation of this CCAA process, the Applicants seek the approval and confirmation of the Court of the retention by VON Canada of March Advisory Services Inc. as the Chief Restructuring Officer of VON Canada (in such capacity, the "CRO"), and approval of the terms of the CRO's engagement letter (the "CRO Engagement Letter"). A copy of the CRO Engagement Letter is attached hereto as Confidential Exhibit "L".

135. The approval of the engagement of the CRO is appropriate in the circumstances as the CRO has worked extensively with VON Canada to date in its pre-CCAA restructuring efforts and has extensive knowledge of the options reviewed and available to VON Canada. The CRO's background knowledge is particularly helpful in the ongoing review of strategic alternatives for VON Canada and the entire VON Group. The CRO will not take on any role in respect of, and is not engaged by, VON East and VON West.

136. The Applicants will be seeking an Order sealing the Confidential Exhibit to this Affidavit which contains the CRO's engagement letter. The CRO's engagement letter is

commercially sensitive. The disclosure of the commercial terms of the CRO's engagement letter would have a detrimental impact on the CRO's ability to negotiate compensation on any future engagements. Further, the sealing of this Confidential Exhibit would not appear to materially prejudice any third parties.

I. MONITOR

137. Collins Barrow Toronto Limited (the "**Proposed Monitor**") has consented to act as the Court-appointed Monitor of the Applicants, subject to Court approval.

138. Collins Barrow Toronto Limited is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and is not subject to any of the restrictions on who may be appointed as monitor set out in section 11.7(2) of the CCAA.

139. Collins Barrow Toronto Limited has consented to act as Monitor. A copy of the consent of Collins Barrow Toronto Limited is attached hereto as Exhibit "M".

VIII. PROPOSED RECEIVERSHIP ORDER

140. The Applicants seek, in conjunction with the Initial Order, an Order appointing Collins Barrow Toronto Limited as Receiver of certain of the assets, properties and undertakings of VON Canada, VON East and VON West pursuant to Section 101 of the *Courts of Justice Act* (Ontario) (the "**Receivership Order**").

141. The Receivership Order is requested in respect of the following assets:

- (a) VON Canada's right, title and interest in its goodwill and intellectual property;
- (b) VON East's right, title and interest in its goodwill and intellectual property; and

(c) VON West's right, title and interest in its goodwill and intellectual property, (collectively, the "**Receivership Assets**").

142. As discussed above, VON East and VON West will be the subject of an orderly wind-down following the granting of the Initial Order. The Receivership Assets of VON East and VON West represent substantially all of the other assets (excluding inventory and receivables) of VON East and VON West.

143. As also discussed above, VON Canada will be the subject of substantial restructuring and downsizing. Again, the Receivership Assets represent substantially all of the other assets (excluding inventory and receivables) of VON Canada.

144. In aggregate, over 300 employees are expected to be terminated by the Applicants as part of this process. These employees will be paid their wages up to the date of their termination. However, the Applicants do not have sufficient liquidity to pay these employees amounts in respect of termination or severance pay at this time.

145. I am advised by Evan Cobb of Norton Rose Fulbright Canada LLP, counsel to the Applicants, that individuals whose employment is terminated may be eligible to receive certain payments under the Wage Earner Protection Program on account of unpaid vacation pay and severance and termination pay that remain unpaid to them after their employer commences a bankruptcy or a receivership.

146. The Applicants have considered whether a bankruptcy of any of the Applicants would be possible at this time and have concluded that a bankruptcy of the Applicants would not be a practical option. VON East and VON West must remain under the control of existing management as certain critical health care and non-health care functions must continue to be provided during the period following commencement of insolvency proceedings in order to

ensure the orderly wind down of the VON East and VON West operations. VON Canada must remain under the control of existing management as it continues to provide administrative functions to the entire VON Group in the post-insolvency period. Therefore, a bankruptcy could not be engaged to trigger access to the Wage Earner Protection Program for terminated employees of the Applicants.

147. The appointment of a receiver over the Receivership Assets would allow the orderly wind down of VON East and VON West to continue, would not interfere with the administrative functions that VON Canada must continue to perform, and would allow terminated employees to seek access to the Wage Earner Protection Program.

148. The Applicants are of the view that it would be just and convenient to appoint the Receiver in this case. This relief would permit the over 300 terminated employees to seek to access the Wage Earner Protection Program and receive funds from that program on account of unpaid termination and severance pay up to the maximum amount permitted by statute. This is particularly important in the current case given the number of employees that will be terminated and whose termination and severance pay cannot be fully satisfied by the Applicants. The Applicants are unaware of any stakeholders that would be prejudiced by the Receivership Order.

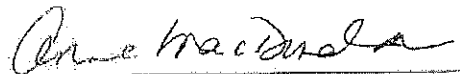
149. The Receiver would have the benefit of a charge over the assets of the Applicants, ranking behind the Administration Charge and the Directors' Charge, to secure amounts incurred in connection with its role as Receiver. The Receiver would also hold a cash retainer of \$15,000 as security for such amounts.

150. Collins Barrow Toronto Limited has consented to act as Receiver pursuant to the Receivership Order. A copy of the consent of Collins Barrow Toronto Limited is attached hereto as Exhibit "N".

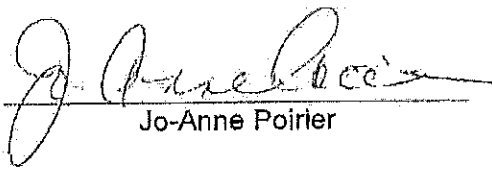
IX. PURPOSE OF AFFIDAVIT

151. This affidavit is sworn in support of VON Canada's application for protection pursuant to the CCAA and for the Receivership Order and for no improper purpose.

SWORN BEFORE ME at the City of Ottawa, Province of Ontario, on November 27, 2015.



Commissioner for Taking Affidavits
Barrie & Solicitor



Jo-Anne Poirier

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 VICTORIAN
ORDER OF NURSES FOR CANADA

Court File No. _____

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

Proceeding commenced at Toronto

**AFFIDAVIT OF JO-ANNE POIRIER
(Sworn November 24, 2015)**

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Lawyers for the Applicants

Exhibit F

YON Canada
Cash Flow Forecast
Director meeting Held November 24

Type of transaction / Week	30-Nov	5-Dec	12-Dec	19-Dec	25-Dec	1-Jan	9-Jan	16-Jan	23-Jan	30-Jan	6-Feb	13-Feb	20-Feb	27-Feb	Total
Summary receipts															
Management fee income (note 2)	\$0	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000	\$1,700,000
Charging on current banking facility (note 1)	\$1,850,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,850,000
Other receipts	\$75,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$75,000
Total receipts	\$1,925,000	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000	\$3,850,000
Summary disbursements															
Net Payroll (note 3)	\$0	\$296,000	\$0	\$270,000	\$15,000	\$3,840,000	\$0	\$2,640,000	\$0	\$2,640,000	\$0	\$2,640,000	\$0	\$2,640,000	\$1,901,000
Payroll deductions (note 3)	\$172,367	\$2,771	\$139,000	\$33,771	\$124,000	\$27,971	\$112,000	\$42,771	\$119,000	\$27,971	\$119,000	\$2,771	\$119,000	\$57,971	\$1,112,364
Pension and Benefits (note 4)	\$114,000	\$0	\$0	\$0	\$0	\$14,000	\$0	\$40,000	\$0	\$14,000	\$0	\$0	\$0	\$14,000	\$57,000
Occupancy costs (note 5)	\$0	\$14,585	\$0	\$0	\$0	\$14,585	\$0	\$0	\$0	\$0	\$14,585	\$0	\$0	\$0	\$43,749
Insurance HIFOC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating costs (note 6)	\$500,000	\$500,000	\$180,000	\$75,000	\$75,000	\$76,000	\$350,000	\$1,000,000	\$1,135,000	\$75,000	\$360,000	\$150,000	\$106,000	\$75,000	\$62,000
Funds to East & West (note 7)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acquisition of Capital Assets (note 8)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Payments (note 9)	\$252,916	\$0	\$0	\$0	\$0	\$25,546	\$0	\$0	\$0	\$25,546	\$0	\$0	\$0	\$0	\$25,546
Total disbursements	\$1,029,283	\$873,516	\$299,000	\$478,771	\$295,000	\$4,267,517	\$549,585	\$3,762,771	\$3,984,971	\$3,984,971	\$433,585	\$212,771	\$272,000	\$272,000	\$7,047,807
Change in cash at week	\$895,717	(\$398,516)	\$176,000	(\$22,771)	\$180,000	(\$477,517)	(\$70,585)	(\$311,771)	(\$166,000)	(\$51,971)	\$41,417	(\$86,279)	(\$151,000)	(\$151,000)	(\$737,103)
Opening cash	\$0	\$799,687	\$583,533	\$752,333	\$728,562	\$446,643	\$376,062	\$334,291	\$530,291	\$518,314	\$559,791	\$418,029	\$267,029	\$135,926	\$0
Closing cash	\$799,687	\$401,171	\$728,562	\$705,791	\$528,562	\$67,057	\$6,477	(\$28,709)	(\$248,709)	(\$290,638)	(\$249,221)	(\$335,240)	(\$486,240)	(\$637,240)	(\$1,373,103)

This is Exhibit F returned to in the affidavit of JO ANNE FOULIER sworn before me, this 2nd day of DECEMBER 2015

Joanne Foulier
Notary Public
Saskatchewan

General Note: Management of YON Canada et al have prepared this forecasted cash flow statement based on probable and hypothetical assumptions detailed in notes 1-9 (note 7)

The forecast has been prepared solely for the Company's CCAA filing in accordance with the requirements. Since the projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Note 1: Immediately prior to the effective date of the Initial Order, all cash in the YON Group would be pooled in the YON Canada bank account to secure the Existing Minor Meeting Agreement.

Note 2: Management fee payments cost recovery of funds for services provided to the operating entities. The amount is based on allocation of costs and paid weekly.

Note 3: The payroll and source deductions payments represent the amounts due for the continuing employees of the company and will pay all amounts of pay and source deductions due at the date of filing. Approximately 20 employees will terminate with the Company.

Note 4: The payments under pension and benefits represent the proportionate allocation of the monthly benefit cheques paid on the 15th and the pension cheque issued on the 30th of each month. There are no planned changes to the benefits or pension plan in the forecast other than as represented by a reduction in headcount.

Note 5: Occupancy costs cover the monthly rental space for the Corporate office only in Ottawa only.

Note 6: Operating costs have been measured given changes to the activities and represent costs such as general, administrative, computer, telephones and administrative costs. The first tranche of retention bonus under the KERP is scheduled to be paid to a maximum of \$100,000 depending on cash flow at this date. Not included in this cash flow.

Note 7: Funds to East and West represent the potential cash transfers to support the continued costs for YON Western and YON Eastern after filing. Management has asked our banking partner to bear all filing entities as one bank entity or a zero balance bank, whereby if all 5 entities have a and positive balances, transfers between accounts are not required. If this request is denied then YON Canada will need to find the wind down costs for YON Western and YON Eastern.

Note 8: Acquisition of capital assets will be spent to support the transition of services from TELUS to an in-house service.

Note 9: Other payments include a cash transfer of \$248,000 to support the Directors change and Administrative change which will be substantially a cash collateral bank account. The other regular change of \$25,946 represents a monthly administrative fee for the Alberta pension plan, which is deemed but needs to be maintained until wind up into YON Canada Plan. Request is with PSCO for the wind up.

Western
Cash Flow Forecast
Direct method (ended November 24, 2015)

Type of transaction / Week	30-Nov	5-Dec	12-Dec	19-Dec	26-Dec	2-Jan	9-Jan	16-Jan	23-Jan	30-Jan	6-Feb	13-Feb	20-Feb	27-Feb	Total
Subsidiary receipts															
Proceeds on sale of Goodwill IP and contracts (note 1)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Funds from and to VON Canada (note 7)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other receipts collections (note 2)	\$50,000	\$72,750	\$56,250	\$37,500	\$17,500	\$14,000	\$12,000	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$285,286
Total receipts	\$50,000	\$72,750	\$56,250	\$37,500	\$17,500	\$14,000	\$12,000	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$285,286

Subsidiary disbursements

Net Payroll (note 1)	\$32,800	\$50,773	\$5,500	\$5,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$88,573
Payroll deductions (note 3)	\$0	\$11,509	\$17,771	\$2,200	\$1,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$32,880
Pension and Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Occupancy costs (note 4)	\$0	\$44,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$44,000
Supplies (note 5)	\$0	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000
Sub-Contractor (note 2)	\$0	\$38,200	\$38,200	\$4,000	\$4,000	\$0	\$7,500	\$0	\$0	\$0	\$7,500	\$0	\$0	\$15,000	\$115,400
Operating costs (note 6)	\$20,000	\$47,000	\$14,000	\$15,000	\$5,000	\$15,000	\$10,000	\$10,000	\$10,000	\$0	\$10,000	\$5,000	\$5,000	\$0	\$170,000
Other Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$52,800	\$201,452	\$83,471	\$28,200	\$10,400	\$15,000	\$17,500	\$15,000	\$10,000	\$10,000	\$17,500	\$5,000	\$5,000	\$15,000	\$469,833
Change in cash in week	(\$2,800)	(\$128,683)	(\$47,471)	(\$1,292)	\$7,100	(\$4,000)	(\$5,000)	\$2,500	\$2,500	\$12,500	(\$5,000)	\$7,500	\$7,500	(\$2,500)	(\$184,567)

Opening cash	\$0	\$52,800	151,914,588	(\$208,959)	(\$207,667)	(\$204,567)	(\$204,567)	(\$204,567)	(\$204,567)	(\$204,567)	(\$182,067)	(\$197,567)	(\$189,567)	(\$182,067)	\$0
Closing cash	(\$2,800)	(\$271,483)	(\$208,959)	(\$207,667)	(\$204,567)	(\$204,567)	(\$204,567)	(\$204,567)	(\$204,567)	(\$182,067)	(\$197,567)	(\$189,567)	(\$182,067)	(\$182,067)	(\$184,567)

General Note: Management of VON Canada et al have prepared this forecast based on probable and hypothetical assumptions detailed in notes 1-7

The forecast has been prepared solely for the Company's CCAA filing to determine liquidity requirements. Since the projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Note 1 - Management has been pursuing opportunities to sell certain business contracts, Goodwill and/or Intellectual property may be sold after filing by the Receiver.

Note 2 - Other Receipts Collections, this inflow represents the collection of trade receivables after the completion of substantially all of November billings. Expectation is that collections will be less than historic collection patterns due to the timing of collections are based on services delivered with substantially all collections coming from Government sources.

Note 3 - Payroll and deductions represent payment for all 147 staff for hours worked to date of filing, including all deductions. The time required to pay these salaries depends on timing of submission of time sheets.

Note 4 - AD leases for real estate will be disallowed and requires the payment of full rental payment for December.

Note 5 - Sub-contractor costs remain the staff that will be billed back for a period of 7, 14 or 28 days to wind down programs where clients are devoted to the higher risk. Management has profiled all existing services and identified programs where clients will need time to find alternative providers. The workers will be paid a 20% premium above current salaries. Limited other management and administrative staff will be retained for limited periods. Supplies are estimated based on past experience required to operate the program.

Note 6 - Management has estimated costs for the period of wind down of all operations, including cost of securing the premises, packing and shipping clients records and professional fees for the period of wind down. Supplies of a dangerous nature (syringes etc) will be removed from sites. Included in these costs are the professional fees for the assignment and wind down period.

Note 7 - Funds to East and West represent the potential cash transfers to support the continued costs for VON Western and VON Eastern after filing. Management has asked our banking partner to treat all 3 filing entities as one bank balance on a "zero balance basis", whereby if all 3 entities have a net positive balance, transfers between accounts are not required. If this request is denied from VON Canada will need to fund the wind-down costs for VON Western and VON Eastern.

Exam
Cash Flow Forecast
Direct Number (Dated November 24, 2012)

Type of Transaction / Week	30-Nov	5-Dec	12-Dec	19-Dec	25-Dec	2-Jan	9-Jan	16-Jan	23-Jan	30-Jan	6-Feb	13-Feb	20-Feb	27-Feb	Total
Supplementary receipts															
Proceeds on sale of Goodwill, IP and contracts (note 1)	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
Funds from and to VON Canada (note 2)	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
Other receipts collections	\$10,000	\$50,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Total receipts	\$10,000	\$50,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Supplementary disbursements															
Net Payroll (note 3)	\$35,000	\$30,000	\$15,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$145,000
Payroll deductions (note 3)	\$0	\$16,000	\$10,000	\$0,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$55,000
Pension and Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Occupancy costs (note 4)	\$0	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25,000
Supplies (note 5)	\$0	\$7,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,500
Sub-Contractor (note 5)	\$0	\$19,250	\$1,825	\$8,925	\$8,925	\$0	\$7,500	\$0	\$0	\$0	\$7,500	\$0	\$0	\$0	\$59,000
Operating costs (note 6)	\$20,000	\$20,000	\$15,000	\$25,000	\$25,000	\$2,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$175,000
Other Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total disbursements	\$35,000	\$72,500	\$30,825	\$33,925	\$33,925	\$2,000	\$17,500	\$10,000	\$10,000	\$10,000	\$17,500	\$10,000	\$10,000	\$10,000	\$486,250
Change in cash in week	(\$25,000)	(\$22,500)	(\$2,825)	(\$3,925)	(\$3,925)	(\$2,000)	(\$12,500)	(\$20,000)	(\$20,000)	(\$20,000)	(\$12,500)	(\$20,000)	(\$20,000)	(\$20,000)	(\$48,250)
Opening cash	\$0	(\$22,500)	(\$25,325)	(\$29,250)	(\$33,175)	(\$35,175)	(\$47,675)	(\$67,675)	(\$87,675)	(\$107,675)	(\$120,175)	(\$140,175)	(\$160,175)	(\$180,175)	(\$228,425)
Closing cash	(\$25,000)	(\$45,000)	(\$28,150)	(\$33,075)	(\$37,000)	(\$39,175)	(\$51,675)	(\$71,675)	(\$91,675)	(\$111,675)	(\$124,175)	(\$144,175)	(\$164,175)	(\$184,175)	(\$276,675)

General Note: Management of VON Canada et al have prepared this forecast based on probable and hypothetical assumptions described in notes 1-7

Note 1 - Management has been pursuing opportunities to sell certain business contracts, Goodwill and/or Intellectual property may be sold after filing by the Receiver.

Note 2 - Other Receipts Collections, this inflow represents the collection of trade receivables after the completion of substantially all of November billings. Expectation is that collections will be less than historic collections patterns due to the filing. All collections are based on services delivered with substantially all collections coming from Government sources

Note 3 - Payroll and deductions represent payment for all 160 staff for hours worked to date of filing, including all deductions. The time required to pay these salaries depends on timing of submission of time sheets

Note 4 - All leases for real estate will be discontinued but requires the payment of full rental payment for December.

Note 5 - Sub contractor costs represent the staff that will be hired back for a period of 7, 14 or 28 days to wind down programs where clients are deemed to be higher risk. Management have provided all existing services and identified programs where clients will need time to find alternative providers. The vendors will be paid a 20% premium above current salaries. Limited other management and administrative staff will be retained for limited periods. Supplies are estimated based on past experience required to operate the programs

Note 6 - Management has estimated costs for the period of wind down of all operations, including cost of securing the premises, packing and shipping clients records and professional fees for the period of wind down. Supplies of a dangerous nature (syringes etc) will be removed from sites. Included in these costs are the professional fees for the assignment and wind down period.

Note 7 - Funds to East and West represent potential cash transfers to support the continued costs for VON Western and VON Eastern after filing. Management has asked our banking partner to treat all 3 filing entities as one bank balance on a "zero balance basis", whereby if all 3 entities have a net positive balance, transfers between accounts are not required. If this request is refused then VON Western and VON Eastern.

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 VICTORIAN
ORDER OF NURSES FOR CANADA

Court File No: CV-15-1192-0001

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

Proceeding commenced at Toronto

**AFFIDAVIT OF JO-ANNE POIRIER
(Sworn December 2nd, 2015)**

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Lawyers for the Applicants

Tab 3

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR)	WEDNESDAY, THE 25TH
)	
JUSTICE PENNY)	DAY OF NOVEMBER, 2015

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*,
R.S.O. 1990, C. C-43, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF VICTORIAN ORDER OF NURSES FOR CANADA, VICTORIAN ORDER OF
NURSES FOR CANADA – EASTERN REGION AND VICTORIAN ORDER OF
NURSES FOR CANADA – WESTERN REGION

Applicants

FIRST AMENDED AND RESTATED INITIAL ORDER

THIS APPLICATION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Jo-Anne Poirier sworn November 24, 2015 (the "Poirier Affidavit") and the Exhibits thereto and on hearing the submissions of counsel for the Applicants, Collins Barrow Toronto Limited (as the proposed Monitor), the Board of Directors of the Applicants and Bank of Nova Scotia, no one else appearing although duly served as appears from the affidavit of service of Evan Cobb sworn November 25, 2015 and on reading the

consent of Collins Barrow Toronto Limited to act as the Monitor,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the Applicants are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan"). The Bank of Nova Scotia shall be treated as unaffected in any Plan.

POSSESSION OF PROPERTY AND OPERATIONS

4. THIS COURT ORDERS that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). Subject to further Order of this Court and subject to Paragraph 11 hereof, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "Business") and Property. The Applicants shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "Assistants") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. THIS COURT ORDERS that the Applicants shall be entitled to establish and utilize the Modified Cash Management System (as defined in the Poirier Affidavit and as described in the Poirier Affidavit) or replace it with another substantially similar central cash management system (the "Cash Management System") and that The Bank of Nova Scotia, or any other present or future bank, providing the Cash Management System shall not be

under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System. For greater certainty, and without limiting the generality of the foregoing, the Applicants and The Bank of Nova Scotia are authorized to terminate the Existing Mirror Netting Agreement (as defined in the Poirier Affidavit) and the existing cash management system as described in the Poirier Affidavit.

6. THIS COURT ORDERS that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses, and volunteer and director expense reimbursements, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges;
- (c) the fees and disbursements of the Monitor, counsel to the Monitor, the Chief Restructuring Officer, the Applicants' counsel and counsel to the boards of directors of the Applicants; and
- (d) liabilities for charges incurred on credit cards issued to the Applicants.

7. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicants following the date of this Order.

8. THIS COURT ORDERS that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

9. THIS COURT ORDERS that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order,

monthly in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. THIS COURT ORDERS that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business. Notwithstanding the foregoing, the termination of the Existing BNS Facility (as defined in the Poirier Affidavit) is hereby approved and Victorian Order Of Nurses For Canada is authorized to enter into the BNS Guarantee (as defined in the Poirier Affidavit), perform its obligations thereunder, and grant security over its Property as security for its obligations to The Bank of Nova Scotia.

RESTRUCTURING

11. THIS COURT ORDERS that the Applicants shall, subject to such requirements as are imposed by the CCAA have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of their business or operations, and to dispose of redundant or non-material assets not exceeding \$100,000 in any one transaction or \$250,000 in the aggregate;
- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate; and
- (c) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "Restructuring").

12. THIS COURT ORDERS that the Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes an Applicant's entitlement to remove any such

fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If an Applicant disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to that Applicant's claim to the fixtures in dispute. For greater certainty, and without limiting any other provisions of this Order, nothing in this Order shall restrict the Applicants or their employees from retrieving and removing from any leased premises any medical records or personal property of employees and former employees.

13. THIS COURT ORDERS that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicants of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

14. THIS COURT ORDERS that until and including February 26, 2016, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the Applicants, the Chief Restructuring Officer or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants, the Chief Restructuring Officer and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the

Business or the Property are hereby stayed and suspended pending further Order of this Court.

15. THIS COURT ORDERS that, notwithstanding paragraphs 14 and 17 herein, nothing herein will prevent The Bank of Nova Scotia from enforcing its rights against any cash collateral or other security held by The Bank of Nova Scotia in connection with any letters of credit or credit cards issued by The Bank of Nova Scotia in connection with, or for the benefit of, any of the Applicants.

16. THIS COURT ORDERS that upon (i) the occurrence of an event that would permit demand and enforcement by The Bank of Nova Scotia under the BNS Guarantee and any related security and (ii) granting of an Order of this Court, granted on 2 business days' notice to the Applicants and the Monitor, approving the exercise of such rights and remedies, The Bank of Nova Scotia shall be entitled to exercise any and all of its rights and remedies against the Victorian Order Of Nurses For Canada or its Property under and pursuant to the BNS Guarantee and related security.

NO EXERCISE OF RIGHTS OR REMEDIES

17. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the Applicants, the Chief Restructuring Officer or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants, the Chief Restructuring Officer and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

18. THIS COURT ORDERS that during the Stay Period, 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 Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

19. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses, domain names, information technology support and data processing services, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

20. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

21. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of any of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of any of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

22. THIS COURT ORDERS that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

23. THIS COURT ORDERS that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property, which charge shall not exceed an aggregate amount of \$750,000, as security for the indemnity provided in paragraph 22 of this Order. The Directors' Charge shall have the priority set out in paragraphs 39 and 41 herein.

24. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 22 of this Order.

PROTECTIONS FOR NON-APPLICANT ENTITIES

25. THIS COURT ORDERS that, without limiting Paragraphs 14 through 19 hereof with respect to the Applicants, during the Stay Period, no Funder (as defined in the Poirier Affidavit) shall:

- (a) 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 Victorian Order Of Nurses For Canada Nova Scotia Branch or Victorian Order Of Nurses For Canada – Ontario Branch (collectively, the "Non-Applicant Entities"); or
- (b) have any rights to accelerate, amend, declare in default or enforce on any contract, agreement, instrument or other document,

in each case, due to the Applicants being parties to this proceeding, having made an Application to this Court pursuant to the CCAA and the *Courts of Justice Act* (Ontario)

including any declarations of insolvency contained therein in respect of the Applicants or the Non-Applicant Entities, the appointment of a receiver in respect of the Applicants, or taking any steps in furtherance thereof, or complying with the terms of any Order granted in these CCAA proceedings or under the *Courts of Justice Act* (Ontario), except with the written consent of the Applicants, Chief Restructuring Officer and the Monitor, or leave of this Court.

APPOINTMENT OF MONITOR

26. THIS COURT ORDERS that Collins Barrow Toronto Limited is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their members, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

27. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) advise the Applicants in their development of any Plan and any amendments to such Plan;
- (d) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or members' meetings for voting on any Plan;
- (e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;

- (f) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (g) perform such other duties as are required by this Order or by this Court from time to time.

28. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

29. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

30. THIS COURT ORDERS that that the Monitor shall provide any creditor of the Applicants with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

31. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

32. THIS COURT ORDERS that the Monitor, counsel to the Monitor, the Chief Restructuring Officer (as defined below), counsel to the Applicants and counsel to the boards of directors of the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, the Chief Restructuring Officer, counsel for the Applicants and counsel to the boards of directors of the Applicants on a weekly basis.

33. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

34. THIS COURT ORDERS that the Monitor, counsel to the Monitor, the Chief Restructuring Officer, the Applicants' counsel and counsel to the boards of directors of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$250,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 39 and 41 hereof.

APPOINTMENT OF CHIEF RESTRUCTURING OFFICER

35. THIS COURT ORDERS that Victorian Order Of Nurses For Canada is authorized to engage March Advisory Services Inc. as Chief Restructuring Officer (in such capacity, the "**Chief Restructuring Officer**") on the terms and conditions set out in the form of CRO Engagement Letter (as such term is defined in the Poirier Affidavit). The Chief Restructuring Officer shall not be engaged by, and shall not be deemed to have been engaged by,

Victorian Order Of Nurses For Canada – Eastern Region or Victorian Order Of Nurses For Canada – Western Region.

36. THIS COURT ORDERS Victorian Order Of Nurses For Canada is authorized to enter into the CRO Engagement Letter and Victorian Order Of Nurses For Canada is authorized to perform its obligations thereunder.

37. THIS COURT ORDERS that any obligations of Victorian Order Of Nurses For Canada under the CRO Engagement Letter for payment of fees and expenses shall be entitled to the benefit of the Administration Charge and any obligations of Victorian Order Of Nurses For Canada under the CRO Engagement Letter for payment of indemnities shall be entitled to the benefit of the Directors' Charge.

38. THIS COURT ORDERS that any claims of the Chief Restructuring Officer under the CRO Engagement Letter shall be treated as unaffected in any Plan.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

39. THIS COURT ORDERS that the priorities of the Directors' Charge and the Administration Charge, as among them, shall be as follows:

- First – Administration Charge (to the maximum amount of \$250,000); and
- Second – Directors' Charge (to the maximum amount of \$750,000).

40. THIS COURT ORDERS that the filing, registration or perfection of the Directors' Charge or the Administration Charge (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

41. THIS COURT ORDERS that each of the Directors' Charge and the Administration Charge (each as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person.

42. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge or the Administration Charge, unless the Applicants also obtain the prior written consent of the Monitor and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

43. THIS COURT ORDERS that the Directors' Charge and the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "BIA"), or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds any of the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Applicants of any Agreement to which any Applicant is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (c) the payments made by the Applicants pursuant to this Order and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

44. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

KEY EMPLOYEE RETENTION PLAN

45. THIS COURT ORDERS that the payments to be made pursuant to the Key Employee Retention Plan (as such terms are defined in the Poirier Affidavit), which is attached as a confidential exhibit to the Poirier Affidavit, are hereby approved and the Applicants are authorized and directed to make payments in accordance with the terms of such Key Employee Retention Plan.

SEALING

46. THIS COURT ORDERS that Confidential Exhibits "K" and "L" to the Poirier Affidavit be and are hereby sealed pending further Order of the Court and shall not form part of the public record.

SERVICE AND NOTICE

47. THIS COURT ORDERS that the Monitor shall (i) without delay, publish in either the National Post (national edition) or the Globe and Mail (national edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, by ordinary mail, a notice to every known creditor who has a claim against any of the Applicants of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the claims, names and addresses of individuals who are creditors publicly available.

48. THIS COURT ORDERS the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol

with the following URL: www.collinsbarrow.com/en/cbn/restructuring-and-recovery-engagements/v-o-n (the "**Website**").

49. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

50. THIS COURT ORDERS that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in this proceeding (the "**Service List**"). The Monitor shall post the Service List, as may be updated from time to time, on the Website as part of the public materials to be recorded thereon in relation to this proceeding. Notwithstanding the foregoing, the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

GENERAL

51. THIS COURT ORDERS that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

52. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants (or any of them), the Business or the Property.

53. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the

Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

54. THIS COURT ORDERS that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

55. THIS COURT ORDERS that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

56. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

Court File No: CV-15-11152-00CL

AND IN THE MATTER OF SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C-43, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF VICTORIAN ORDER OF NURSES FOR CANADA, VICTORIAN ORDER OF NURSES FOR CANADA – EASTERN REGION AND VICTORIAN ORDER OF NURSES FOR CANADA – WESTERN REGION

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

FIRST AMENDED AND RESTATED INITIAL ORDER

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Lawyers for the Applicants

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Tab 4

Court File No. CV-15-11192-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR) WEDNESDAY, THE 25TH
JUSTICE PENNY) DAY OF NOVEMBER, 2015

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*,
R.S.O. 1990, C. C-43, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF VICTORIAN ORDER OF NURSES FOR CANADA, VICTORIAN ORDER OF
NURSES FOR CANADA – EASTERN REGION AND VICTORIAN ORDER OF
NURSES FOR CANADA – WESTERN REGION

Applicants

FIRST AMENDED AND RESTATED INITIAL ORDER

THIS APPLICATION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Jo-Anne Poirier sworn November 24, 2015 (the "Poirier Affidavit") and the Exhibits thereto and on hearing the submissions of counsel for the Applicants, Collins Barrow Toronto Limited (as the proposed Monitor), the Board of Directors of the Applicants and Bank of Nova Scotia, no one else appearing although duly served as appears from the affidavit of service of Evan Cobb sworn November 25, 2015 and on reading the consent of Collins Barrow Toronto Limited to act as the Monitor,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the Applicants are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan"). The Bank of Nova Scotia shall be treated as unaffected in any Plan.

POSSESSION OF PROPERTY AND OPERATIONS

4. THIS COURT ORDERS that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). Subject to further Order of this Court and subject to Paragraph 11 hereof, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "Business") and Property. The Applicants shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "Assistants") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. THIS COURT ORDERS that the Applicants shall be entitled to establish and utilize the Modified Cash Management System (as defined in the Poirier Affidavit and as described in the Poirier Affidavit) or replace it with another substantially similar central cash management system (the "Cash Management System") and that The Bank of Nova Scotia, or any other present or future bank, providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or

as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System. For greater certainty, and without limiting the generality of the foregoing, the Applicants and The Bank of Nova Scotia are authorized to terminate the Existing Mirror Netting Agreement (as defined in the Poirier Affidavit) and the existing cash management system as described in the Poirier Affidavit.

6. THIS COURT ORDERS that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses, and volunteer and director expense reimbursements, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges;
- (c) the fees and disbursements of the Monitor, counsel to the Monitor, the Chief Restructuring Officer, the Applicants' counsel and counsel to the boards of directors of the Applicants; and
- (d) liabilities for charges incurred on credit cards issued to the Applicants.

7. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of

insurance (including directors and officers insurance), maintenance and security services; and

- (b) payment for goods or services actually supplied to the Applicants following the date of this Order.

8. THIS COURT ORDERS that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

9. THIS COURT ORDERS that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, monthly in advance (but not in arrears). On the date of the first of such payments, any Rent

relating to the period commencing from and including the date of this Order shall also be paid.

10. THIS COURT ORDERS that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business. Notwithstanding the foregoing, the termination of the Existing BNS Facility (as defined in the Poirier Affidavit) is hereby approved and Victorian Order Of Nurses For Canada is authorized to enter into the BNS Guarantee (as defined in the Poirier Affidavit), perform its obligations thereunder, and grant security over its Property as security for its obligations to The Bank of Nova Scotia.

RESTRUCTURING

11. THIS COURT ORDERS that the Applicants shall, subject to such requirements as are imposed by the CCAA have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of their business or operations, and to dispose of redundant or non-material assets not exceeding \$100,000 in any one transaction or \$250,000 in the aggregate;
- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate; and
- (c) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "Restructuring").

12. THIS COURT ORDERS that the Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes an Applicant's entitlement to remove any such

fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If an Applicant disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to that Applicant's claim to the fixtures in dispute. For greater certainty, and without limiting any other provisions of this Order, nothing in this Order shall restrict the Applicants or their employees from retrieving and removing from any leased premises any medical records or personal property of employees and former employees.

13. THIS COURT ORDERS that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicants of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

14. THIS COURT ORDERS that until and including ~~December~~February 23~~6~~6, 2015~~6~~, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the Applicants, the Chief Restructuring Officer or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants, the Chief Restructuring Officer and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the

Business or the Property are hereby stayed and suspended pending further Order of this Court.

15. THIS COURT ORDERS that, notwithstanding paragraphs 14 and 17 herein, nothing herein will prevent The Bank of Nova Scotia from enforcing its rights against any cash collateral or other security held by The Bank of Nova Scotia in connection with any letters of credit or credit cards issued by The Bank of Nova Scotia in connection with, or for the benefit of, any of the Applicants.

16. THIS COURT ORDERS that upon (i) the occurrence of an event that would permit demand and enforcement by The Bank of Nova Scotia under the BNS Guarantee and any related security and (ii) granting of an Order of this Court, granted on 2 business days' notice to the Applicants and the Monitor, approving the exercise of such rights and remedies, The Bank of Nova Scotia shall be entitled to exercise any and all of its rights and remedies against the Victorian Order Of Nurses For Canada or its Property under and pursuant to the BNS Guarantee and related security.

NO EXERCISE OF RIGHTS OR REMEDIES

17. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the Applicants, the Chief Restructuring Officer or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants, the Chief Restructuring Officer and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

18. THIS COURT ORDERS that during the Stay Period, 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 Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

19. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses, domain names, information technology support and data processing services, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

20. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

21. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of any of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of any of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

22. THIS COURT ORDERS that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

23. THIS COURT ORDERS that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property, which charge shall not exceed an aggregate amount of \$750,000, as security for the indemnity provided in paragraph 22 of this Order. The Directors' Charge shall have the priority set out in paragraphs 39 and 41 herein.

24. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 22 of this Order.

PROTECTIONS FOR NON-APPLICANT ENTITIES

25. THIS COURT ORDERS that, without limiting Paragraphs 14 through 19 hereof with respect to the Applicants, during the Stay Period, no Funder (as defined in the Poirier Affidavit) shall:

- (a) 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 Victorian Order Of Nurses For Canada Nova Scotia Branch or Victorian Order Of Nurses For Canada – Ontario Branch (collectively, the "Non-Applicant Entities"); or
- (b) have any rights to accelerate, amend, declare in default or enforce on any contract, agreement, instrument or other document,

in each case, due to the Applicants being parties to this proceeding, having made an Application to this Court pursuant to the CCAA and the *Courts of Justice Act* (Ontario) including any declarations of insolvency contained therein in respect of the Applicants or the Non-Applicant Entities, the appointment of a receiver in respect of the Applicants, or taking any steps in furtherance thereof, or complying with the terms of any Order granted in these CCAA proceedings or under the *Courts of Justice Act* (Ontario), except with the written consent of the Applicants, Chief Restructuring Officer and the Monitor, or leave of this Court.

APPOINTMENT OF MONITOR

26. THIS COURT ORDERS that Collins Barrow Toronto Limited is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their members, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

27. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) advise the Applicants in their development of any Plan and any amendments to such Plan;
- (d) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or members' meetings for voting on any Plan;
- (e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the

Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;

- (f) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (g) perform such other duties as are required by this Order or by this Court from time to time.

28. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

29. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

30. THIS COURT ORDERS that that the Monitor shall provide any creditor of the Applicants with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors

unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

31. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

32. THIS COURT ORDERS that the Monitor, counsel to the Monitor, the Chief Restructuring Officer (as defined below), counsel to the Applicants and counsel to the boards of directors of the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, the Chief Restructuring Officer, counsel for the Applicants and counsel to the boards of directors of the Applicants on a weekly basis.

33. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

34. THIS COURT ORDERS that the Monitor, counsel to the Monitor, the Chief Restructuring Officer, the Applicants' counsel and counsel to the boards of directors of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$250,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 39 and 41 hereof.

APPOINTMENT OF CHIEF RESTRUCTURING OFFICER

35. THIS COURT ORDERS that Victorian Order Of Nurses For Canada is authorized to engage March Advisory Services Inc. as Chief Restructuring Officer (in such capacity, the "Chief Restructuring Officer") on the terms and conditions set out in the form of CRO

Engagement Letter (as such term is defined in the Poirier Affidavit). The Chief Restructuring Officer shall not be engaged by, and shall not be deemed to have been engaged by, Victorian Order Of Nurses For Canada – Eastern Region or Victorian Order Of Nurses For Canada – Western Region.

36. THIS COURT ORDERS Victorian Order Of Nurses For Canada is authorized to enter into the CRO Engagement Letter and Victorian Order Of Nurses For Canada is authorized to perform its obligations thereunder.

37. THIS COURT ORDERS that any obligations of Victorian Order Of Nurses For Canada under the CRO Engagement Letter for payment of fees and expenses shall be entitled to the benefit of the Administration Charge and any obligations of Victorian Order Of Nurses For Canada under the CRO Engagement Letter for payment of indemnities shall be entitled to the benefit of the Directors' Charge.

38. THIS COURT ORDERS that any claims of the Chief Restructuring Officer under the CRO Engagement Letter shall be treated as unaffected in any Plan.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

39. THIS COURT ORDERS that the priorities of the Directors' Charge and the Administration Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$250,000); and

Second – Directors' Charge (to the maximum amount of \$750,000).

40. THIS COURT ORDERS that the filing, registration or perfection of the Directors' Charge or the Administration Charge (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

41. THIS COURT ORDERS that each of the Directors' Charge and the Administration Charge (each as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of ~~The Bank of Nova Scotia and behind all other existing~~

~~Encumbrances affecting the Property charged by such Encumbrances in favour of Persons that have not been served with notice of this Motion. The Applicants and the beneficiaries of the Charges shall be entitled to seek priority for the Charges ahead of the Encumbrances in favour of Persons other than The Bank of Nova Scotia on notice to those parties likely to be affected by such priority any Person.~~

42. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge or the Administration Charge, unless the Applicants also obtain the prior written consent of the Monitor and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

43. THIS COURT ORDERS that the Directors' Charge and the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "BIA"), or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds any of the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Applicants of any Agreement to which any Applicant is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (c) the payments made by the Applicants pursuant to this Order and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances,

transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

44. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

KEY EMPLOYEE RETENTION PLAN

45. THIS COURT ORDERS that the payments to be made pursuant to the Key Employee Retention Plan (as such terms are defined in the Poirier Affidavit), which is attached as a confidential exhibit to the Poirier Affidavit, are hereby approved and the Applicants are authorized and directed to make payments in accordance with the terms of such Key Employee Retention Plan.

SEALING

46. THIS COURT ORDERS that Confidential Exhibits "K" and "L" to the Poirier Affidavit be and are hereby sealed pending further Order of the Court and shall not form part of the public record.

SERVICE AND NOTICE

47. THIS COURT ORDERS that the Monitor shall (i) without delay, publish in either the National Post (national edition) or the Globe and Mail (national edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, by ordinary mail, a notice to every known creditor who has a claim against any of the Applicants of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the claims, names and addresses of individuals who are creditors publicly available.

48. THIS COURT ORDERS the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at

<http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-serviceprotocol/> shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: www.collinsbarrow.com/en/cbn/restructuring-and-recovery-engagements/v-o-n (the "**Website**").

49. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

50. THIS COURT ORDERS that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in this proceeding (the "**Service List**"). The Monitor shall post the Service List, as may be updated from time to time, on the Website as part of the public materials to be recorded thereon in relation to this proceeding. Notwithstanding the foregoing, the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

GENERAL

51. THIS COURT ORDERS that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

52. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants (or any of them), the Business or the Property.

53. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

54. THIS COURT ORDERS that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

55. THIS COURT ORDERS that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

56. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C-43, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF VICTORIAN ORDER OF NURSES FOR CANADA, VICTORIAN ORDER OF NURSES FOR CANADA – EASTERN REGION AND VICTORIAN ORDER OF NURSES FOR CANADA – WESTERN REGION

Court File No: CV-15-11152-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

FIRST AMENDED AND RESTATED INITIAL ORDER

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Lawyers for the Applicants

Tab 5

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.) WEDNESDAY, THE 25TH
)
JUSTICE PENNY) DAY OF NOVEMBER, 2015

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*,
R.S.O. 1990, C. C-43, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF VICTORIAN ORDER OF NURSES FOR CANADA, VICTORIAN ORDER OF
NURSES FOR CANADA – EASTERN REGION AND VICTORIAN ORDER OF
NURSES FOR CANADA – WESTERN REGION

Applicants

FIRST AMENDED AND RESTATED ORDER
(Appointing Receiver)

THIS MOTION made by the Applicants for an Order pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing Collins Barrow Toronto Limited as receiver (in such capacity, the "Receiver") without security, of all of the goodwill and intellectual property of Victorian Order Of Nurses For Canada, Victorian Order Of Nurses For Canada – Eastern Region and Victorian Order Of Nurses For Canada – Western Region (collectively, the "Applicants") acquired for, or used in relation to a business carried on by the Applicants, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Jo-Anne Poirier sworn November 24, 2015 and the Exhibits thereto and on hearing the submissions of counsel for the Applicants, Collins Barrow

Toronto Limited (as the proposed Receiver), the Board of Directors of the Applicants and The Bank of Nova Scotia, no one else appearing although duly served as appears from the affidavit of service of Evan Cobb sworn November 25, 2015 and on reading the consent of Collins Barrow Toronto Limited to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 101 of the CJA, Collins Barrow Toronto Limited is hereby appointed Receiver, without security, of all of the goodwill and intellectual property of the Applicants acquired for, or used in relation to a business carried on by the Applicants, including all proceeds thereof (the "Receivership Property"), and of no other property of the Applicants.

3. THIS COURT DECLARES that the Receiver is a receiver within the meaning of Section 243(2)(b) of the *Bankruptcy and Insolvency Act (Canada)* (the "BIA").

RECEIVER'S POWERS

4. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Receivership Property and the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) subject to Paragraph 5 of this order, to exercise control over the Receivership Property;
- (b) to exercise its statutory obligations under the *Wage Earner Protection Program Act (Canada)*;
- (c) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations; and

(d) to engage counsel to assist with the exercise of the Receiver's powers conferred by this Order.

5. THIS COURT ORDERS that the Receiver shall have no obligation or authority to take steps to take possession of, dispose of or realize upon any of the Receivership Property.

6. THIS COURT ORDERS that the Receiver be and is hereby relieved from compliance with the provision of Sections 245(1), 245(2) and 246 of the BIA; provided that the Receiver shall provide notice of its appointment in the prescribed form and manner to the Superintendent of Bankruptcy, accompanied by the prescribed fee.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

7. THIS COURT ORDERS that (i) the Applicants, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and members, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Receivership Property in such Person's possession or control and shall grant immediate and continued access to the Receivership Property to the Receiver.

8. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the Receivership Property, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 8 or in paragraph 9 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to applicable laws prohibiting such disclosure.

9. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver as the Receiver in its discretion deems expedient, and shall

not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

10. THIS COURT ORDERS that the stay of proceedings in effect in accordance with paragraphs 14 and 17 of the Amended and Restated Initial Order under the *Companies' Creditors Arrangement Act* (Canada) granted in these proceedings, as may be amended from time to time (the "A&R Initial Order") shall apply *mutatis mutandis* to any Proceedings (as defined in the A&R Initial Order) or any right or remedy against or in respect of the Receiver and the Receivership Property and nothing herein shall derogate from the stay of proceedings in effect pursuant to the A&R Initial Order, except to the extent necessary to give effect to the appointment of the Receiver.

EMPLOYEES

11. THIS COURT ORDERS that all employees of the Applicants shall remain the employees of the Applicants until such time as the Applicants may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities or obligations, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

LIMITATION ON ENVIRONMENTAL LIABILITIES

12. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Receivership Property or any of the Applicants' other assets, property or undertaking, including (without limitation) property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or

rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation.

POSSESSION OF RECEIVERSHIP PROPERTY

13. The Receiver shall take no part whatsoever in the management or the supervision of the management of the Business (as defined in the A&R Initial Order) and the Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in possession of or be deemed to have taken any steps to dispose of any of the Receivership Property, or of any other assets, property or undertaking of the Applicants, including (without limitation) within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

14. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

15. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges and that the Applicants are hereby authorized to pay to the Receiver a retainer in the amount of \$15,000, to be held by the Receiver as security for the payment of the Receiver's and its counsel's fees and disbursements outstanding from time to time.

16. THIS COURT ORDERS the Receiver shall be entitled to and is hereby granted a charge (the "Receiver's Charge") on the Property (as such term is defined in the A&R Initial Order), as security for its, and its counsel's, fees and disbursements, both before and after the making of

this Order in respect of these proceedings, and that the Receiver's Charge shall form a charge on the Property ranking: (i) subordinate to the Charges (as such term is defined in the A&R Initial Order); and (ii) in priority to all other Encumbrances (as defined in the A&R Initial Order) in favour of any Person.

SERVICE AND NOTICE

17. THIS COURT ORDERS subject to further Order of the Court, service and notice with respect to this Order and the appointment of the Receiver shall be in accordance with Paragraphs 48 and 49 of the A&R Initial Order.

GENERAL

18. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

19. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Applicants (or any of them).

20. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

21. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 p.m. Eastern Standard/Daylight Time on November 27, 2015.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C-43, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF VICTORIAN ORDER OF NURSES FOR CANADA, VICTORIAN ORDER OF NURSES FOR CANADA – EASTERN REGION AND VICTORIAN ORDER OF NURSES FOR CANADA – WESTERN REGION

Court File No: CV-15-11192-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**FIRST AMENDED AND RESTATED ORDER
(APPOINTING RECEIVER)**

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Lawyers for the Applicants

Tab 6

Court File No. CV-15-11192-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE MR.)	WEDNESDAY, THE 25TH DAY
)	
JUSTICE PENNY)	<u>DAY</u> OF NOVEMBER, 2015

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*,
R.S.O. 1990, C. C-43, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF VICTORIAN ORDER OF NURSES FOR CANADA, VICTORIAN ORDER OF
NURSES FOR CANADA – EASTERN REGION AND VICTORIAN ORDER OF
NURSES FOR CANADA – WESTERN REGION

Applicants

FIRST AMENDED AND RESTATED ORDER
(Appointing Receiver)

THIS MOTION made by the Applicants for an Order pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing Collins Barrow Toronto Limited as receiver (in such capacity, the "Receiver") without security, of all of the goodwill and intellectual property of Victorian Order Of Nurses For Canada, Victorian Order Of Nurses For Canada – Eastern Region and Victorian Order Of Nurses For Canada – Western Region (collectively, the "Applicants") acquired for, or used in relation to a business carried on by the Applicants, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Jo-Anne Poirier sworn November 24, 2015 and the Exhibits thereto and on hearing the submissions of counsel for the Applicants, Collins Barrow

DOCSTOR: 5356169

Toronto Limited (as the proposed Receiver), the Board of Directors of the Applicants and The Bank of Nova Scotia, no one else appearing although duly served as appears from the affidavit of service of Evan Cobb sworn November 25, 2015 and on reading the consent of Collins Barrow Toronto Limited to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 101 of the CJA, Collins Barrow Toronto Limited is hereby appointed Receiver, without security, of all of the goodwill and intellectual property of the Applicants acquired for, or used in relation to a business carried on by the Applicants, including all proceeds thereof (the "Receivership Property"), and of no other property of the Applicants.

3. THIS COURT DECLARES that the Receiver is a receiver within the meaning of Section 243(2)(b) of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA").

RECEIVER'S POWERS

4. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Receivership Property and the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) subject to Paragraph 5 of this order, to exercise control over the Receivership Property;
- (b) to exercise its statutory obligations under the *Wage Earner Protection Program Act* (Canada);
- (c) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations; and

(d) to engage counsel to assist with the exercise of the Receiver's powers conferred by this Order.

5. THIS COURT ORDERS that the Receiver shall have no obligation or authority to take steps to take possession of, dispose of or realize upon any of the Receivership Property.

6. THIS COURT ORDERS that the Receiver be and is hereby relieved from compliance with the provision of Sections 245(1), 245(2) and 246 of the BIA; provided that the Receiver shall provide notice of its appointment in the prescribed form and manner to the Superintendent of Bankruptcy, accompanied by the prescribed fee.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

7. THIS COURT ORDERS that (i) the Applicants, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and members, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Receivership Property in such Person's possession or control and shall grant immediate and continued access to the Receivership Property to the Receiver.

8. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the Receivership Property, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 8 or in paragraph 9 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to applicable laws prohibiting such disclosure.

9. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver as the Receiver in its discretion deems expedient, and shall

not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

10. THIS COURT ORDERS that the stay of proceedings in effect in accordance with paragraphs 14 and 17 of the Amended and Restated Initial Order under the *Companies' Creditors Arrangement Act* (Canada) granted in these proceedings ~~on the date hereof~~, as may be amended from time to time (the "A&R Initial Order") shall apply *mutatis mutandis* to any Proceedings (as defined in the A&R Initial Order) or any right or remedy against or in respect of the Receiver and the Receivership Property and nothing herein shall derogate from the stay of proceedings in effect pursuant to the A&R Initial Order, except to the extent necessary to give effect to the appointment of the Receiver.

EMPLOYEES

11. THIS COURT ORDERS that all employees of the Applicants shall remain the employees of the Applicants until such time as the Applicants may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities or obligations, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

LIMITATION ON ENVIRONMENTAL LIABILITIES

12. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Receivership Property or any of the Applicants' other assets, property or undertaking, including (without limitation) property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or

rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation.

POSSESSION OF RECEIVERSHIP PROPERTY

13. The Receiver shall take no part whatsoever in the management or the supervision of the management of the Business (as defined in the A&R Initial Order) and the Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in possession of or be deemed to have taken any steps to dispose of any of the Receivership Property, or of any other assets, property or undertaking of the Applicants, including (without limitation) within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

14. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

15. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges and that the Applicants are hereby authorized to pay to the Receiver a retainer in the amount of \$15,000, to be held by the Receiver as security for the payment of the Receiver's and its counsel's fees and disbursements outstanding from time to time.

16. THIS COURT ORDERS the Receiver shall be entitled to and is hereby granted a charge (the "Receiver's Charge") on the Property (as such term is defined in the A&R Initial Order), as security for its, and its counsel's, fees and disbursements, both before and after the making of

this Order in respect of these proceedings, and that the Receiver's Charge shall form a charge on the Property ranking: (i) subordinate to the Charges (as such term is defined in the A&R Initial Order); and (ii) in priority to all other Encumbrances (as defined in the A&R Initial Order) in favour of any Person that rank subordinate to the Charges.

SERVICE AND NOTICE

17. THIS COURT ORDERS subject to further Order of the Court, service and notice with respect to this Order and the appointment of the Receiver shall be in accordance with Paragraphs 48 and 49 of the A&R Initial Order.

GENERAL

18. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

19. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Applicants (or any of them).

20. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

21. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 p.m. Eastern Standard/Daylight Time on November 27, 2015.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C-43, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF VICTORIAN ORDER OF NURSES FOR CANADA, VICTORIAN ORDER OF NURSES FOR CANADA – EASTERN REGION AND VICTORIAN ORDER OF NURSES FOR CANADA – WESTERN REGION

Court File No: CV-15-11192-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**FIRST AMENDED AND RESTATED ORDER
(APPOINTING RECEIVER)**

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Lawyers for the Applicants

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
VICTORIAN ORDER OF NURSES FOR CANADA

Court File No. CV-15-11192-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**MOTION RECORD
(returnable December 9, 2015)**

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