

**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

FIRST REPORT OF THE MONITOR

December 7, 2015

Table of Contents

I.	INTRODUCTION	1
	i. Purpose of Report	2
	ii. Terms of Reference.....	2
II.	BACKGROUND	3
III.	ACTIVITIES RELATING TO THE APPLICANTS SINCE THE ISSUANCE OF THE INITIAL ORDER	5
	<i>Cash Flow Statements</i>	5
	<i>Wind down of VON East and VON West</i>	7
	<i>Restructuring of VON Canada</i>	8
IV.	ACTIVITIES OF THE MONITOR SINCE THE ISSUANCE OF THE INITIAL ORDER	8
V.	THE APPLICANTS' REQUEST TO AMEND AND RESTATE THE INITIAL ORDER AND THE RECEIVERSHIP ORDER	9
VI.	THE APPLICANTS' REQUEST FOR AN EXTENSION OF THE STAY OF PROCEEDINGS	10
VII.	CONCLUSION	11

Appendices

Initial Order	A
Pre-Filing Report	B
Notice to Creditors.....	C
Notice published in the Globe and Mail newspaper.....	D

I. INTRODUCTION

1. On November 25, 2015, Victorian Order Of Nurses For Canada ("**VON Canada**"), Victorian Order Of Nurses For Canada – Eastern Region ("**VON East**") and Victorian Order Of Nurses For Canada – Western Region ("**VON West**") ("**VON Canada**", "**VON East**" and "**VON West**" are collectively referred to as the "**Applicants**") commenced proceedings under the *Companies' Creditors Arrangement Act* (the "**CCAA**") and, on that date, Mr. Justice Penny granted an Initial CCAA Order (the "**Initial Order**"). A copy of the Initial Order is attached hereto as Appendix "**A**". The date of the comeback hearing was set for December 9, 2015.
2. Pursuant to the Initial Order, Collins Barrow Toronto Limited was appointed as monitor of the Applicants in the CCAA proceedings (the "**Monitor**").
3. This first report of the Monitor (the "**First Report**") is prepared pursuant to paragraph 27(b) of the Initial Order which directed the Monitor to report to the 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." This First Report should be read in conjunction with the pre-filing report of Collins Barrow Toronto Limited as proposed monitor of the Applicants dated November 24, 2015 (the "**Pre-Filing Report**"). A copy of the Pre-Filing Report is attached hereto as Appendix "**B**".

i. Purpose of Report

4. The purposes of this First Report are to:

- (a) provide information on activities relating to the Applicants since the issuance of the Initial Order;
- (b) provide information on the Monitor's activities since the issuance of the Initial Order; and
- (c) comment and provide a recommendation to the Court on the Applicants' motion to (i) amend and restate the Initial Order and the Receivership Order to modify the ranking of the Charges and the Receiver's Charge and to (ii) extend the stay of proceedings to February 26, 2016.

ii. Terms of Reference

5. In preparing this First Report and making the comments herein, the Monitor has relied upon unaudited financial information, books and records and financial information prepared by the Applicants, discussions with management, affidavits sworn in connection with these proceedings and discussions with the Chief Restructuring Officer of VON Canada (collectively, the "**Information**"). Certain of the information contained in this First Report may refer to, or is based on, the Information. Since the Information has been provided by other parties or was obtained from documents filed with the Court in this matter, the Monitor has relied on the Information and, to the extent possible, reviewed the Information for reasonableness. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the

Chartered Professional Accountants Canada Handbook (the “**CPA Handbook**”). Accordingly, the Monitor expresses no opinion or other form of assurance in respect of the Information. Some of the information referred to in this First Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.

6. Capitalized terms not defined in this First Report are as defined in the Initial Order and the Affidavit of Jo-Anne Poirier sworn December 2, 2015 (the “**Poirier Affidavit**”).
7. Unless otherwise stated, all dollar amounts contained in this First Report are expressed in Canadian dollars.
8. The Monitor has to date posted to its website documentation pertaining to the within proceedings including the Application Record dated November 24, 2015, the Initial Order, the Service List and the Motion Record returnable December 9, 2015. The Monitor’s website is found at <http://www.collinsbarrow.com/en/cbn/restructuring-and-recovery-engagements/v-o-n>. The Monitor will continue to post to its website documents in accordance with the E-service Protocol for the Commercial List in the Toronto region.

II. **BACKGROUND**

9. The Applicants are part of a group of five affiliated and separately incorporated regional operating entities:
 - (a) VON Canada;
 - (b) VON East;

(c) VON West;

(d) Victorian Order Of Nurses For Canada - Ontario Branch ("**VON Ontario**");

and

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

10. VON Canada, VON East, VON West, VON Ontario and VON Nova Scotia, are referred to herein, collectively, as the "**VON Group**". The VON Group provides home and community care services on a not-for-profit charitable basis. VON Canada is the administrative centre of the VON Group and is fully integrated with each of the regional operating entities. VON East, VON West, VON Ontario and VON Nova Scotia are the regional operating entities responsible for the actual delivery of programs.

11. Paragraph 25 of the Initial Order contains provisions staying the exercise of rights and remedies by certain parties as against VON Ontario and VON Nova Scotia (except with the written consent of the Applicants, the Chief Restructuring Officer and the Monitor, or leave of the Court) arising from *inter alia*, (i) the Applicants being parties to this proceeding or having made an application to the Court pursuant to the CCAA and the *Courts of Justice Act (Ontario)* including any declarations of insolvency contained therein in respect of the VON Group entities, (ii) the appointment of a receiver in respect of the Applicants, or (iii) complying with the terms of any Order granted in the CCAA proceedings or under the *Courts of Justice Act (Ontario)*.

III. ACTIVITIES RELATING TO THE APPLICANTS SINCE THE ISSUANCE OF THE INITIAL ORDER

Cash Flow Statements

12. The Applicants prepared a fourteen week cash flow projection for each of the Applicants (the "**Cash Flow Statements**") for the period from the week ending November 30, 2015 to February 27, 2016 (the "**Cash Flow Period**") for the purpose of projecting the estimated results of the Applicants' planned activities during the Cash Flow Period. Copies of the Cash Flow Statements and the Monitor's comments thereon are contained in the Pre-Filing Report.
13. The Monitor has reviewed the Applicants' actual cash receipts and cash disbursements for the week ending November 30, 2015. Set out below is a summary of the actual cash receipts and cash disbursements compared to forecasts:

(intentionally left blank)

Cash Flow Summary for the week ending November 30, 2015			
<i>Entity</i>	<i>Forecast</i>	<i>Actual</i>	<i>Variance</i>
VON Canada			
Receipts	\$ 1,880,000	\$ 2,610,885	\$ 730,885
Disbursements	(1,080,313)	(1,003,207)	77,106
Net cash surplus (deficit)	\$ 799,687	\$ 1,607,678	\$ 807,991
VON Western			
Receipts	\$ 20,000	\$ 73,184	\$ 53,184
Disbursements	(52,800)	(134,132)	(81,332)
Net cash surplus (deficit)	\$ (32,800)	\$ (60,948)	\$ (28,148)
VON Eastern			
Receipts	\$ 20,000	\$ 103,542	\$ 83,542
Disbursements	(53,000)	(92,587)	(39,587)
Net cash surplus (deficit)	\$ (33,000)	\$ 10,955	\$ 43,955
Combined			
Receipts	\$ 1,920,000	\$ 2,787,611	\$ 867,611
Disbursements	(1,186,113)	(1,229,926)	(43,813)
Net cash surplus (deficit)	\$ 733,887	\$ 1,557,685	\$ 823,798
Starting cash position	\$ -	\$ -	\$ -
Ending cash position	\$ 733,887	\$ 1,557,685	\$ 823,798

14. The Applicants have provided explanations satisfactory to the Monitor for the variances between the actual amounts reported and those forecast in the Cash Flow Statements. The Monitor notes that the positive variance in the cash receipts for VON Canada results primarily from there being approximately \$2.5 million instead of the forecast amount of approximately \$1.8 million in the bank accounts of the VON Group that were pooled to the VON Canada bank account in accordance with the Mirror Netting Agreement referred to in Paragraph 22 of the Pre-Filing Report and Paragraphs 59 to 67 of the Affidavit of Jo-Anne Poirier

sworn on November 24, 2015 that was filed in support of the Applicants' application for certain relief under the CCAA.

15. The Monitor will be reviewing on an ongoing basis the Applicants' actual results compared to the Cash Flow Statements and will advise the Court if the Monitor believes that any material adverse change has occurred that should be brought to the Court's attention.

Wind down of VON East and VON West

16. The Applicants have commenced the orderly wind down of operations of VON East and VON West. The employment of approximately 300 of the VON East and VON West employees was terminated by the Applicants on or shortly after November 25, 2015.
17. VON East and VON West have issued a number of Notice by Debtor Company to Disclaim or Resiliate an Agreement ("**Disclaimer Notices**") addressed to landlords in respect of agreements for leased premises formerly occupied by VON East and VON West.
18. In addition, the Applicants have issued a number of Disclaimer Notices addressed to various parties with which they had entered into other agreements for the provision of services.
19. In accordance with Section 32(1) of the CCAA, the Monitor reviewed the Disclaimer Notices that the Applicants proposed to issue. In considering whether to approve the proposed Disclaimer Notices, the Monitor requested from the Applicants reasons for the proposed Disclaimer Notices. To date, the Monitor has

returned to the Applicants for distribution to the appropriate counter-parties approximately 38 Disclaimer Notices which were approved by the Monitor.

20. Section 32(2) of the CCAA sets out that a party to an agreement being disclaimed may, on notice to the other parties to the agreement and to the monitor, apply to the Court for an order that the agreement is not to be disclaimed or resiliated. To date, no notices have been served on the Monitor from parties seeking to challenge the issuance to them of a Disclaimer Notice.

Restructuring of VON Canada

21. The employment of approximately 40 employees of VON Canada was terminated by the Applicants on or shortly after November 25, 2015.
22. VON Canada is engaging in discussions and meetings with stakeholders regarding the CCAA proceedings.

IV. ACTIVITIES OF THE MONITOR SINCE THE ISSUANCE OF THE INITIAL ORDER

23. Since the date of the Initial Order, the Monitor has, *inter alia*:
- (a) sent notices to all known creditors with claims greater than \$1,000 in the prescribed manner advising them that the Initial Order is publicly available. A copy of the notice sent to creditors is attached hereto as Appendix "C";
 - (b) published in The Globe and Mail newspaper on December 1, 2015 a notice ("**Notice**") in the prescribed manner. A copy of the Notice is attached hereto as Appendix "D". The Notice is scheduled to be published again on December 8, 2015 in The Globe and Mail newspaper;

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- (c) compiled lists of creditors with claims greater than \$1,000 for each of the Applicants from information provided by the Applicants including the names and addresses of all creditors and made that information publicly available in the prescribed manner. In accordance with Paragraph 47 of the Initial Order, the Monitor did not make the claims, names and addresses of individuals who are creditors publicly available;
 - (d) addressed creditor enquiries regarding the status of the CCAA proceedings;
 - (e) reviewed the Applicants' requests for the Monitor to approve the Disclaimer Notices; and
 - (f) engaged in discussions and correspondence with the Chief Restructuring Officer and representatives of the Applicants in connection with matters relating to these proceedings.

V. THE APPLICANTS' REQUEST TO AMEND AND RESTATE THE INITIAL ORDER AND THE RECEIVERSHIP ORDER

24. The Initial Order provides that each of the Administration Charge and the Directors' Charge ranks in priority to encumbrances in favour of The Bank of Nova Scotia and behind all existing Encumbrances affecting the Applicants' property in favour of parties that were not served with notice of the CCAA application. The Receivership Order provides that the Receiver's Charge ranks 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. The Initial Order also provides

that the Applicants and the beneficiaries of the Administration Charge and the Directors' Charge would be entitled to seek priority for these charges ahead of all Encumbrances in favour of other parties on notice to those parties likely to be affected by such priority.

25. The Applicants are now seeking the issuance of an Amended and Restated Initial Order that provides for each of the Directors' Charge and the Administration Charge to rank in priority to all Encumbrances.
26. The Monitor points out that the issuance of the Amended and Restated Initial Order will also impact on the priority of the Receiver's Charge in the Receivership Order since the Receivership Order provides that the Receiver's Charge ranks in priority to all Encumbrances in favour of any party that ranks subordinate to the Administration Charge and the Directors' Charge.
27. As set out in the Pre-Filing Report, the proposed monitor was of the view, and the Monitor is of the view, that the proposed ranking of both the Administration Charge and the Directors' Charge, once creditors with security interests are served, is reasonable.

VI. THE APPLICANTS' REQUEST FOR AN EXTENSION OF THE STAY OF PROCEEDINGS

28. The stay of proceedings pursuant to the Initial Order expires on December 23, 2015. The Applicants wish to extend the Stay Period to February 26, 2016, which is on or about the last day of the Cash Flow Period.
29. Based on the information set out herein and in the Poirier Affidavit, the Monitor is of the view that the Applicants have been and are proceeding in good faith and diligently in these proceedings, and that the Applicants' request for an extension

of the Stay Period to February 26, 2016 is appropriate and reasonable in the circumstances.

VII. CONCLUSION

30. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court grant the Applicants' request to amend and restate the Initial Order and the Receivership Order to modify the ranking of the Administration Charge, the Directors' Charge, and the Receiver's Charge, respectively and to extend the Stay Period to February 26, 2016.

All of which is respectfully submitted to this Court as of this 7th day of December, 2015.

COLLINS BARROW TORONTO LIMITED

In its capacity as the Monitor appointed in the CCAA proceedings of
Victorian Order Of Nurses For Canada,
Victorian Order Of Nurses For Canada – Eastern Region, and
Victorian Order Of Nurses For Canada – Western Region
and not in its personal capacity



Per: Daniel Weisz, CPA, CA, CIRP
Senior Vice President

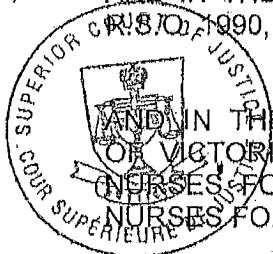
APPENDIX "A"

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

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 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.

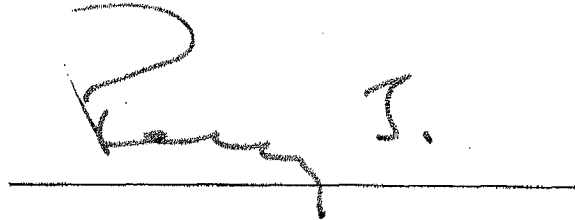
53. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this 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:

C-15-11192-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

INITIAL ORDER

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APPENDIX "B"

**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

**PRE-FILING REPORT OF COLLINS BARROW TORONTO LIMITED,
IN ITS CAPACITY AS PROPOSED MONITOR OF THE APPLICANTS**

November 24, 2015

I. INTRODUCTION

1. Collins Barrow Toronto Limited ("**CBTL**") understands that Victorian Order of Nurses for Canada ("**VON Canada**"), Victorian Order of Nurses for Canada – Eastern Region ("**VON East**") and Victorian Order of Nurses for Canada – Western Region ("**VON West**") ("**VON Canada**", "**VON East**" and "**VON West**" are collectively referred to as the "**Applicants**") intend to bring an application before this Honourable Court seeking certain relief under the *Companies' Creditors Arrangement Act* (the "**CCAA**") in which the appointment of CBTL as the Monitor is proposed.
2. CBTL has consented to act as Monitor if appointed by this Honourable Court.
3. CBTL is filing this report (the "**Report**") in its capacity as proposed Monitor (the "**Proposed Monitor**").
4. The affidavit of Jo-Anne Poirier sworn on November 24, 2015 and filed in support of the Applicants' application for certain relief under the CCAA provides, *inter alia*, the Applicants' background, including the reasons for the commencement of these proceedings (the "**Affidavit**").
5. As set out in the Affidavit, the principal purposes of these restructuring proceedings are to (i) restructure the overhead costs that are currently incurred at VON Canada which the Affidavit indicates are at an unsustainable level; (ii) wind down VON East and VON West, which the Affidavit indicates are not financially viable; and (iii) position two affiliated entities, Victorian Order of Nurses for Canada – Ontario Branch ("**VON Ontario**") and Victorian Order of Nurses for

Canada Nova Scotia Branch ("**VON Nova Scotia**") to achieve long term sustainability.

6. The restructuring proceeding will provide the Applicants with a stable environment in which to undertake their restructuring efforts. Without the relief sought in the Initial Order, the Applicants would be exposed to claims that would impact the proposed restructuring.

II. Purpose of Report

7. The purposes of this Report are to:
- (a) provide background information about the Applicants and these proceedings;
 - (b) provide CBTL's qualifications to act as Monitor;
 - (c) provide the Proposed Monitor's conclusions on the Applicants' cash flow projection; and
 - (d) Provide the Proposed Monitor's comments on certain of the relief sought by the Applicants, including the:
 - i. Administration Charge; and
 - ii. Directors' Charge.

III. Terms of Reference

8. In preparing this Report and making the comments herein, the Proposed Monitor has relied upon unaudited financial information, books and records and financial information prepared by the Applicants, discussions with management and discussions with the proposed Chief Restructuring Officer of VON Canada (collectively, the "**Information**"). Certain of the Information contained in this

Report may refer to, or is based on, the Information. Since the Information has been provided by other parties or was obtained from documents filed with the Court in this matter, the Monitor has relied on the Information and, to the extent possible, reviewed the Information for reasonableness. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the *Chartered Professional Accountants Canada Handbook* (the "**CPA Handbook**"). Accordingly, the Monitor expresses no opinion or other form of assurance in respect of the Information. Some of the information referred in this Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.

9. Future oriented financial information referred to in this Report was prepared based on the Applicants' estimates and assumptions about future events. Readers are cautioned that, since projections are based on future events and conditions that are not ascertainable, the actual results achieved will or may vary from the projections, even if the assumptions materialize, and these variations may be significant.
10. Capitalized terms not defined in this Report are as defined in the Affidavit.
11. Unless otherwise stated, all dollar amounts contained in the Report are expressed in Canadian dollars.

IV. CBTL's Qualifications to Act as Monitor

12. CBTL is qualified to act as Monitor of the Applicants. CBTL's qualifications include the following:

(a) CBTL has, since on or about October 28, 2015, reviewed with the Applicants and their advisors the business and financial aspects of various operational, financial and strategic alternatives being considered. In addition, CBTL has been working with the Applicants to prepare for the CCAA application, including reviewing the cash flow projections of the Applicants for the fourteen weeks ending February 27, 2016.

(b) CBTL is a trustee within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act* (Canada). CBTL is not subject to any of the restrictions to act as Monitor set out in Section 11.7(2) of the CCAA.

(c) The senior CBTL professional personnel with carriage of this matter, and who will have carriage of this matter for CBTL as the Monitor (if appointed by this Honourable Court) has (i) acquired knowledge of the Applicants and their business as set out in (a) above, and (ii) is an experienced insolvency and restructuring practitioner who is a Chartered Professional Accountant, a Chartered Insolvency and Restructuring Professional and a licensed Trustee in Bankruptcy who has acted as Monitor in CCAA proceedings in Canada. CBTL is therefore in a position to immediately assist the Applicants in their restructuring process.

13. CBTL has consented to act as Monitor should this Honourable Court grant the relief sought by the Applicants in these CCAA proceedings.

-
14. The Proposed Monitor, if appointed as Monitor by this Honourable Court, intends to retain Bennett Jones LLP to act as its independent legal counsel.

V. BACKGROUND

15. This Report should be read in conjunction with the Affidavit. Certain of the information provided in the Affidavit has not been included herein in order to avoid unnecessary duplication.
16. The Applicants are part of a group of five affiliated and separately incorporated regional operating entities:
- (a) VON Canada;
 - (b) VON East;
 - (c) VON West;
 - (d) VON Ontario Branch; and
 - (e) VON Nova Scotia.
17. VON Canada, VON East, VON West, VON Ontario and VON Nova Scotia, are referred to herein, collectively, as the "**VON Group**". The VON Group provides home and community care services on a not-for-profit charitable basis. VON Canada is the administrative centre of the VON Group and is fully integrated with each of the regional operating entities. VON East, VON West, VON Ontario and VON Nova Scotia are the regional operating entities responsible for the actual delivery of programs.
18. Other than the Applicants' request that the Initial Order contain provisions staying the exercise of rights and remedies by certain parties as 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, including any declarations of insolvency contained therein in respect of the VON Group entities), as set out in paragraph 114 of the Affidavit, it is not intended 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.

VI. CASH FLOW

19. The Applicants have prepared a fourteen week cash flow projection for each of the filing entities (the "**Cash Flow Statements**") for the period from the week ending November 30, 2015 to February 27, 2016 (the "**Cash Flow Period**") for the purpose of projecting the estimated results of the Applicants' planned activities during the Cash Flow Period. Copies of the cash flow statements for each of the Applicants are attached as Exhibit "**A**" to this Report. The Proposed Monitor notes that the projections for the week ending February 27, 2016 also include the projections for February 28 and 29, 2016.
20. The Cash Flow Statements are presented on a weekly basis and represent estimates by management of the Applicants of the projected cash flows during the Cash Flow Period. The Cash Flow Statements have been prepared by management of the Applicants using probable and hypothetical assumptions as set out in the notes to the Cash Flow Statements (the "**Assumptions**").
21. A summary of the Applicants' cash position at the commencement of proceedings and estimated total receipts and disbursements over the Cash Flow Period is set out below:

	<u>VON Canada</u>	<u>VON West</u>	<u>VON East</u>
Cash at November 25, 2015	-	-	-
Transfer in of cash on closing of current banking facility	\$1,850,000	-	-
Add: Estimated total receipts	5,955,000	\$285,286	\$438,603
Less: Estimated total disbursements	(7,047,897)	(469,853)	(486,750)
Net cash surplus (deficit)	<u>\$757,103</u>	<u>\$(184,567)</u>	<u>\$(48,147)</u>

22. Immediately prior to the effective date of the Initial Order, all cash in the VON Group would be pooled to the VON Canada bank account in accordance with the Existing Mirror Netting Agreement, which is described in detail in Paragraphs 59 to 67 of the Affidavit.
23. The estimated total receipts referred to in the table above consist mainly of management fees projected to be received by VON Canada from VON Ontario and VON Nova Scotia. VON Canada is to continue to provide administrative/functional support to VON Ontario and VON Nova Scotia since VON Ontario and VON Nova Scotia have historically depended upon and will necessarily have to continue to depend upon VON Canada for support in areas such as financial services, information technology, human resources administration and payroll. The majority of VON Canada's revenue is derived from monthly management fees charged to VON Ontario and VON Nova Scotia in the monthly amounts of \$1,150,000 and \$750,000, respectively; in respect of these services. The Cash Flow Statements project a reduction in VON Canada's payroll, occupancy and operating costs as steps are taken to restructure its overhead costs.

-
24. The Cash Flow Statements reflect the winding down of operations of VON West and VON East. VON West and VON East are not projected to generate sufficient revenues to cover their respective projected disbursements during the Cash Flow Period. Based on the anticipated receipts, VON Canada is projected to have sufficient cash to meet its own obligations and to cover the cash shortfalls of VON West and VON East throughout every week of the Cash Flow Period.
25. During the Cash Flow Period, it is intended that a modified cash management system described in the Affidavit will remain in place in respect of VON Canada, VON East and VON West in order to ensure that these 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 their projected negative cash flows. Absent this arrangement, during the proposed CCAA proceeding, VON East and VON West would face cash deficiencies during the Cash Flow Period, thereby putting the orderly wind down of critical services provided through VON East and VON West at risk.
26. With reference to VON Canada providing funding to meet the projected cash shortfalls of VON East and VON West during the Cash Flow Period, the Monitor supports the Applicants' position set out in the Affidavit that although there may be limited prejudice to VON Canada as a result of this funding, the funding is justifiable since it (i) represents the continuation of an ordinary course arrangement between VON East and VON West and (ii) is in the public interest

that VON East and VON West be wound down in an orderly manner and that critical programs are not abruptly cut off at this time.

27. After taking into account the \$48,147 and \$184,567 that VON Canada is projected to provide to VON East and West, respectively, during the Cash Flow Period, VON Canada is projected to have a net cash surplus of \$524,389 at the end of the Cash Flow Period. As a result, no DIP financing is required by the Applicants.

28. The Proposed Monitor has reviewed the Cash Flow Statements as to its reasonableness as required by Section 23(1)(b) of the CCAA. Pursuant to this standard, the Proposed Monitor's review of the Cash Flow Statements consisted of inquiries, analytical procedures and discussions related to information supplied to it by management. Since the Assumptions need not be supported, the Proposed Monitor's procedures with respect to the Assumptions were limited to evaluating whether they were consistent with the purpose of the Cash Flow Statements. The Proposed Monitor also reviewed the support provided by management for the Assumptions and the preparation of the Cash Flow Statements.

29. Based on the Proposed Monitor's review, and provided the management fees continue to be paid to VON Canada as set out in the Projected Cash Flow, nothing has come to the Monitor's attention that causes the Monitor to believe, in all material respects, that:

(a) the Assumptions are not consistent with the purpose of the Cash Flow Statements;

(b) as at the date of this Report, the Assumptions are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Cash Flow Statements, given the Assumptions;
or

(c) the Cash Flow Statements do not reflect the Assumptions.

30. As noted above, since the Cash Flow Statements are based on estimates and assumptions regarding future events, actual results achieved will or may vary from the information presented even if the hypothetical assumptions materialize, and the variations may be significant. Accordingly, we express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Report, or relied upon by the Proposed Monitor in preparing this Report.

31. The Cash Flow Statements have been prepared solely for the purpose described in the notes accompanying the Cash Flow Statements and readers are cautioned that the Cash Flow Statements may not be appropriate for other purposes.

VII. COURT ORDERED CHARGES

Administration Charge

32. The Proposed Initial Order provides for a shared charge 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, counsel to the Proposed Monitor, the Chief Restructuring Officer and counsel to

the Board of Directors (the "**Administration Charge**"). An administration charge is a customary provision in an Initial Order in a CCAA proceeding, required by the professionals engaged to assist a debtor entity.

33. The Administration Charge is intended to rank ahead of the Directors' Charge and all other security interests against the Applicants, once creditors with security interests are served.
34. The Proposed Monitor is of the view that the Administration Charge and its proposed ranking are reasonable and appropriate in the circumstances.

Directors' Charge

35. The proposed Initial Order provides for 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. In addition, the proposed Chief Restructuring Officer would have the benefit of the Directors' Charge to secure any indemnity obligations the Applicants may have to the proposed Chief Restructuring Officer in connection with that role.
36. The Directors' Charge is proposed to rank behind the Administration Charge, but ahead of all other security interests against the Property once creditors with security interests are served.
37. The Proposed Monitor has reviewed the basis of the calculation of the Directors' Charge and is of the view that the Directors' Charge and its proposed ranking are reasonable and appropriate in the circumstances.

VIII. CREDITOR NOTIFICATION

38. As set out in Paragraph 47 of the proposed Initial Order, the Monitor is to:

- (a) publish a notice in a newspaper containing the information prescribed under the CCAA;
- (b) mail a notice to every known creditor who has a claim against any of the Applicants of more than \$1,000 (“**Creditors**”);
- (c) prepare a list showing the names and addresses of the Creditors and the estimated amounts of their claims, and make that information 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 is not to make the claims, names and addresses of individuals who are creditors publicly available; and
- (d) post the Initial Order on its website at <http://www.collinsbarrow.com/en/cbn/restructuring-and-recovery-engagements/v-o-n>

IX. CONCLUSION

39. Based on the foregoing, the Proposed Monitor respectfully recommends that this Honourable Court make the Order granting the relief requested by the Applicants.

All of which is respectfully submitted to this Court as of this 24th day of November, 2015.

COLLINS BARROW TORONTO LIMITED

In its capacity as Proposed CCAA Monitor
of Victorian Order of Nurses for Canada,
Victorian Order of Nurses for Canada – Eastern Region and
Victorian Order of Nurses for Canada – Western Region
and not in its personal capacity



Per: Daniel Weisz, CPA, CA, CIRP
Senior Vice President

EXHIBIT A

VON Canada
Cash Flow Forecast
Direct method : Dated 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	\$0	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000	\$475,000	\$5,700,000
Closing 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	\$30,000	\$105,000	\$0	\$0	\$10,000	\$30,000	\$0	\$0	\$10,000	\$30,000	\$0	\$0	\$10,000	\$30,000	\$255,000
Total receipts	<u>\$1,880,000</u>	<u>\$580,000</u>	<u>\$475,000</u>	<u>\$475,000</u>	<u>\$485,000</u>	<u>\$30,000</u>	<u>\$475,000</u>	<u>\$475,000</u>	<u>\$485,000</u>	<u>\$505,000</u>	<u>\$475,000</u>	<u>\$475,000</u>	<u>\$485,000</u>	<u>\$505,000</u>	<u>\$7,805,000</u>
Summary disbursements															
Net Payroll (note 3)	\$0	\$296,000	\$0	\$270,000	\$15,000	\$264,000	\$0	\$264,000	\$0	\$264,000	\$0	\$264,000	\$0	\$264,000	\$1,901,000
Payroll deductions (note 3)	\$192,367	\$2,771	\$139,000	\$38,771	\$124,000	\$27,971	\$119,000	\$42,771	\$119,000	\$27,971	\$119,000	\$2,771	\$119,000	\$37,971	\$1,112,364
Pension and Benefits (note 4)	\$114,000	\$0	\$0	\$40,000	\$0	\$114,000	\$0	\$40,000	\$0	\$114,000	\$0	\$0	\$40,000	\$114,000	\$576,000
Occupancy costs (note 5)	\$0	\$14,583	\$0	\$0	\$0	\$0	\$14,583	\$0	\$0	\$0	\$14,583	\$0	\$0	\$0	\$43,749
Insurance HIROC	\$0	\$0	\$0	\$0	\$0	\$0	\$62,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$62,000
Operating costs (note 6)	\$200,000	\$500,000	\$150,000	\$150,000	\$75,000	\$76,000	\$350,000	\$150,000	\$125,000	\$75,000	\$300,000	\$150,000	\$100,000	\$75,000	\$2,476,000
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	\$75,000	\$0	\$0	\$0	\$75,000	\$0	\$0	\$0	\$75,000	\$0	\$225,000
Other Payments (note 9)	\$573,946	\$0	\$0	\$0	\$0	\$25,946	\$0	\$0	\$0	\$25,946	\$0	\$0	\$0	\$25,946	\$651,784
	<u>\$1,080,313</u>	<u>\$813,354</u>	<u>\$289,000</u>	<u>\$498,771</u>	<u>\$289,000</u>	<u>\$507,917</u>	<u>\$545,583</u>	<u>\$496,771</u>	<u>\$319,000</u>	<u>\$506,917</u>	<u>\$433,583</u>	<u>\$416,771</u>	<u>\$334,000</u>	<u>\$516,917</u>	<u>\$7,047,897</u>
Change in cash in week	\$799,687	(\$233,354)	\$186,000	(\$23,771)	\$196,000	(\$477,917)	(\$70,583)	(\$21,771)	\$166,000	(\$1,917)	\$41,417	\$58,229	\$151,000	(\$11,917)	\$757,103
Opening cash	\$0	\$799,687	\$566,333	\$752,333	\$728,562	\$924,562	\$446,645	\$376,062	\$354,291	\$520,291	\$518,374	\$559,791	\$618,020	\$769,020	\$0
Closing cash	<u>\$799,687</u>	<u>\$566,333</u>	<u>\$752,333</u>	<u>\$728,562</u>	<u>\$924,562</u>	<u>\$446,645</u>	<u>\$376,062</u>	<u>\$354,291</u>	<u>\$520,291</u>	<u>\$518,374</u>	<u>\$559,791</u>	<u>\$618,020</u>	<u>\$769,020</u>	<u>\$757,103</u>	<u>\$757,103</u>

General Note: Management of VON 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 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. 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.

Note 2. Management fee represents 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 arrears of pay and source deductions due at the date of filing. Approximately 36 employees will be terminated and 150 employees will continue with the Company.

Note 4. The payments under pension and benefits represent the proportionate allocation of the monthly benefit cheque 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 reassessed given changes to the activities and represent costs such as general, administrative, computer, telephone and administrative costs. The first tranche of retention bonus under the KERF are 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 that 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 then VON Canada will need to fund the wind down costs for VON Western and VON 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 \$548,000 to support the Directors charge and Administrative charge which will be substantially a cash collateral bank account. The other regular charge of \$25,946 represents a monthly administrative fee for the Aberdeen pension plan which is dormant but needs to be maintained until wind up into VON Canada Plan. Request is with FSCO for the wind up.

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

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
Summary 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)	\$20,000	\$72,794	\$36,000	\$27,992	\$17,500	\$11,000	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$285,286
Total receipts	\$20,000	\$72,794	\$36,000	\$27,992	\$17,500	\$11,000	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$285,286
Summary disbursements															
Net Payroll (note 3)	\$32,800	\$50,773	\$9,500	\$5,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$98,573
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	\$9,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,000
Sub-Contractor (note 5)	\$0	\$39,200	\$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	\$18,000	\$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	\$201,482	\$83,471	\$26,700	\$10,400	\$15,000	\$17,500	\$10,000	\$10,000	\$0	\$17,500	\$5,000	\$5,000	\$15,000	\$469,853
Change in cash in week	(\$32,800)	(\$128,688)	(\$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	(\$32,800)	(\$161,488)	(\$208,959)	(\$207,667)	(\$200,567)	(\$204,567)	(\$209,567)	(\$207,067)	(\$204,567)	(\$192,067)	(\$197,067)	(\$189,567)	(\$182,067)	\$0
Closing cash	(\$32,800)	(\$161,488)	(\$208,959)	(\$207,667)	(\$200,567)	(\$204,567)	(\$209,567)	(\$207,067)	(\$204,567)	(\$192,067)	(\$197,067)	(\$189,567)	(\$182,067)	(\$184,567)	(\$184,567)

General Note: Management of VON Canada et al have prepared this forecasted cash flow statement 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 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 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 - All leases for real estate will be disclaimed 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 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 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 that 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 then VON Canada will need to fund the wind- down costs for VON Western and VON Eastern.

Eastern
Cash Flow Forecast
Direct method (Dated November 24, 2015)

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
Summary 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	\$20,000	\$66,824	\$86,704	\$50,118	\$36,756	\$18,201	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$438,603
Total receipts	\$20,000	\$66,824	\$86,704	\$50,118	\$36,756	\$18,201	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$438,603
Summary disbursements															
Net Payroll (note 3)	\$33,000	\$80,000	\$15,000	\$15,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$143,000
Payroll deductions (note 3)	\$0	\$16,000	\$10,000	\$9,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$35,000
Pension and Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Occupancy costs (note 4)	\$0	\$29,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$29,000
Supplies (note 5)	\$0	\$7,750	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,750
Sub-Contractor (note 5)	\$0	\$19,325	\$31,825	\$8,925	\$8,925	\$0	\$7,500	\$0	\$0	\$0	\$7,500	\$0	\$0	\$15,000	\$99,000
Operating costs (note 6)	\$20,000	\$20,000	\$25,000	\$25,000	\$25,000	\$8,000	\$10,000	\$10,000	\$10,000	\$0	\$10,000	\$0	\$10,000	\$0	\$173,000
Other Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$53,000	\$172,075	\$81,825	\$57,925	\$33,925	\$8,000	\$17,500	\$10,000	\$10,000	\$0	\$17,500	\$0	\$10,000	\$15,000	\$486,750
Change in cash in week	(\$33,000)	(\$105,251)	\$4,879	(\$7,807)	\$2,831	\$10,201	\$2,500	\$10,000	\$10,000	\$20,000	\$2,500	\$20,000	\$10,000	\$5,000	(\$48,147)
Opening cash	\$0	(\$33,000)	(\$138,251)	(\$133,372)	(\$141,179)	(\$138,348)	(\$128,147)	(\$125,647)	(\$115,647)	(\$105,647)	(\$85,647)	(\$83,147)	(\$63,147)	(\$53,147)	\$0
Closing cash	(\$33,000)	(\$138,251)	(\$133,372)	(\$141,179)	(\$138,348)	(\$128,147)	(\$125,647)	(\$115,647)	(\$105,647)	(\$85,647)	(\$83,147)	(\$63,147)	(\$53,147)	(\$48,147)	(\$48,147)

General Note: Management of VON Canada et al have prepared this forecasted cash flow statement 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 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 disclaimed 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 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 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 Canada will need to fund the wind-down costs for VON Western and VON Eastern.

APPENDIX "C"

December 2, 2015

To: The Creditors of**Victorian Order Of Nurses For Canada
Victorian Order Of Nurses For Canada – Eastern Region
Victorian Order Of Nurses For Canada – Western Region
(Collectively referred to as the “Applicants”)**

Please be advised that on November 25, 2015, the Applicants sought and obtained from the Ontario Superior Court of Justice (the “**Court**”) an initial order (the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act* (“**CCAA**”). Pursuant to the Initial Order, Collins Barrow Toronto Limited was appointed as the monitor, an officer of the Court (the “**Monitor**”), to monitor the business and financial affairs of the Applicants. A copy of the Initial Order, Application Record as well as other publicly available documents can be found at the Monitor’s website at:

<http://www.collinsbarrow.com/en/cbn/restructuring-and-recovery-engagements/v-o-n>

At present, creditors are not required to file proofs of claim. The Monitor will provide you with further information in due course on any claims procedure that may be approved by the Court. However, creditors are encouraged to forward to the Applicants any outstanding invoices and current statements of account which will assist in expediting any claims procedure.

Should you have any questions or require further information, please do not hesitate to contact Mr. Talib Contractor of our office at 647-727-3581 or cbtlmonitor@collinsbarrow.com, or the undersigned.

Yours truly,

COLLINS BARROW TORONTO LIMITED

In its capacity as Court-Appointed Monitor of
Victorian Order Of Nurses For Canada,
Victorian Order Of Nurses For Canada – Eastern Region, and
Victorian Order Of Nurses For Canada – Western Region
and not in its personal capacity



Per: Daniel Weisz, CPA, CA, CIRP
Senior Vice-President

APPENDIX "D"

around 1 per cent of GDP.
 For Greece, the cost of the tax breaks granted to shipowners runs into hundreds of millions of euros. Though that is small compared with the country's debt, plenty of other citizens have had to tighten their belts. The country has cut jobless benefits by one-fifth, and health spending by a

European Union and International Monetary Fund. The country's farmers have seen their tax breaks axed and Greece has raised taxes on high earners. Shipping magnates, on the other hand, have their exemptions written into the constitution.
 The shipowners "are powerful in that they ... get the media to

ter George Papaconstantinou.
 "And immediately when you start touching them you start to hear: 'We are 7 per cent of the economy, we bring 17 billion every year, 200,000 jobs.' ... That's not the case."
 Syriza, the governing party of Prime Minister Alexis Tsipras, initially promised to end the indus-

and analysis by respected bodies, it said. "The Greek shipping community stands on its stellar track record as the global success story of Greece."
 The industry says government tax revenues from Greek shipping have increased more than eight-fold since the outbreak of the economic crisis. It said this was due

only about a third of the shipping money remained in the country.
 Today, Bank of Greece statistics show, shipping receipts are worth some \$15-billion a year. That is equivalent to almost 7 per cent of GDP, and just behind the \$18-billion brought in by tourism.
 Reuters

AUTO MAKERS

Ford's hourly workers in U.S. to get raises

DEE-ANN DURBIN
 TOM KRISHER DETROIT

Ford Motor Co. will book a \$600-million (U.S.) charge in the fourth quarter for signing bonuses paid to union workers under a new four-year contract. But the company said Monday that the deal with the United Auto Workers limits labour-cost increases to 1.5 per cent a year and is consistent with its full-year financial guidance. Ford is forecasting a pretax profit of between \$8.5-billion and \$9.5-billion this year.

The new contract gives raises to all of Ford's 59,000 U.S. hourly workers and eliminates a two-tier wage system at its plants over eight years.

Ford also agreed to \$9-billion in U.S. factory investments and said the deal would add or secure 8,500 U.S. factory jobs. Most workers will get an \$8,500 signing bonus and \$1,500 in early profit sharing.

But the agreement will save the company money by allowing more flexible work schedules and lifting a cap on the number of employees making entry-level wages. Ford also will be allowed to use "significantly more" temporary workers during summer vacations and busy times, according to Bill Dirksen, Ford's vice-president of labour relations.

LEGALIS

Ontario Superior Court of Justice (Commercial List) Court No. CV-15-11192-00CL

Notice To Creditors Of Victorian Order Of Nurses For Canada, Victorian Order Of Nurses For Canada - Eastern Region, and Victorian Order Of Nurses For Canada - Western Region

Notice of CCAA Filing

NOTICE IS HEREBY GIVEN that on November 25 2015, Victorian Order Of Nurses For Canada, Victorian Order Of Nurses For Canada - Eastern Region, and Victorian Order Of Nurses For Canada - Western Region (collectively referred to as the "Applicants") sought and obtained from the Ontario Superior Court of Justice (the "Court") in Toronto an initial order (the "Initial Order") under the Companies' Creditors Arrangement Act (the "CCAA"). Pursuant to the Initial Order and the CCAA, Collins Barrow Toronto Limited ("CBTL") was appointed as the monitor, an officer of the Court (the "Monitor"), to monitor the business and financial affairs of the Applicants.

A copy of the Initial Order and Application Record as well as other publicly available documents can be found at the Monitor's website at: <http://www.collinsbarrow.com/en/cbn/restructuring-and-recovery-engagements/v-o-n>

Please note that while Victorian Order Of Nurses For Canada - Ontario Branch and Victorian Order Of Nurses For Canada Nova Scotia Branch are not subject to these proceedings, they do benefit from certain protections in the Initial Order.

For further information, please contact:
Collins Barrow Toronto Limited
 11 King Street West, Suite 700, PO Box 27
 Toronto, ON M5H 4C7
 Attn: Mr. Talib Contractor, CPA, CA
 E-mail: cbtlmonitor@collinsbarrow.com
 Telephone: (647) 727-3551
 Facsimile: (416) 480-2646



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BUSINESS OPPORTUNITIES
 Well-established Ontario based manufacturing company for sale specializing in providing application equipment to a unique market for over 20 years. This asset sale will include,

NOTICE TO CREDITORS IN THE MATTER OF THE BANKRUPTCY OF SKYGREECE AIRLINES, S.A.

Notice is hereby given that the bankruptcy of SkyGreece Airlines, S.A. occurred on the 19th day of November, 2015 and that the First Meeting of Creditors will be held on the 8th day of December, 2015 at the hour of 10:00 AM at the Ernst & Young Tower, 222 Bay Street, 30th Floor, Toronto, ON.

Dated at Toronto, Ontario this 1st day of December 2015.

Ernst & Young Tower
 Toronto-Dominion Centre
 P.O. Box 251, 222 Bay Street
 Toronto, Ontario, M5K 1J7
 Contact: Franca Mazzulla
 Telephone: 416 941 7787
 Facsimile: 416 943 3300
 E mail: skygreece@ca.ey.com



TENDERS

INVITATION FOR OFFERS

Harris Receivers & Consultants Corp., in its capacity as Receiver for Pro-Hung Door Products Inc., is inviting Offers for the purchase of its right, title and interest in the assets of Pro-Hung Door Products Inc.

The assets include:
 Wood Working Machinery
 Wood Door Slabs, Door Jams, Hardware
 Fork Lifts, Racking, Band Strappers
 Various hand tools and Office equipment

Premises at 479 Cranston Cr, Midland, ON to be open for inspection of assets on December 8, 2015 from 9:30 am until 1:30pm. All offers must be made on an "as is where is" basis. Offers are to be submitted no later than 10:00 a.m. on Thursday December 17, 2015. The highest or any offer will not necessarily be accepted. For further information contact Kyle Harris, BA, LL.B, Estate Manager.

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

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

Proceeding commenced at Toronto

FIRST REPORT OF THE MONITOR

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Lawyers for the monitor