

**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

SIXTH REPORT OF THE MONITOR

October 1, 2016

Table of Contents

I. INTRODUCTION 1
 i. Purpose of Report.....4
 ii. Terms of Reference.....4

II. BACKGROUND 5

III. VON WEST PROPOSED CLAIMS PROCEDURE 6

IV. VON WEST PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT 11

V. VON WEST PROPOSED MEETING ORDER 15

VI. VON WEST FINANCIAL STATEMENT AUDIT 16

VII. CONCLUSION 17

Appendices

Initial OrderA

First Amended Initial Order.....B

Second Amended Initial Order..... C

Pre-Filing Report D

First Report.....E

Second Report..... F

Stay Extension and Claims Procedure Order G

Third Report..... H

Second Stay Extension Order I

Proposed Plan of Compromise or Arrangement.....J

I. INTRODUCTION

1. This is the sixth report prepared by Collins Barrow Toronto Limited (the "**Monitor**"), in its capacity as the monitor of 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**") appointed pursuant to section 11.7 of the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") by Order of Mr. Justice Penny dated November 25, 2015 (the "**Initial Order**"). A copy of the Initial Order is attached hereto as Appendix "**A**".
2. On December 9, 2015, the Applicants sought and obtained from the Court a First Amended and Restated Initial Order (the "**First Amended Initial Order**") extending the stay period to February 26, 2016 (the "**Stay Period**") and modifying the ranking of the Directors' Charge, the Administration Charge and the Receiver's Charge. A copy of the First Amended Initial Order is attached hereto as Appendix "**B**".
3. On January 19, 2016, the First Amended Initial Order was further amended and restated in the Second Amended and Restated Initial Order ("the **Second Amended Initial Order**") in response to a motion made by the Ministry of Health and Long-term Care (Ontario) ("**Ministry**"), the Local Health Integration Networks and their respective affiliated and associated entities. A copy of the Second Amended Initial Order is attached hereto as Appendix "**C**".

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4. The pre-filing report of Collins Barrow Toronto Limited as proposed monitor of the Applicants dated November 24, 2015 (the "**Pre-Filing Report**") was filed in support of the Applicants' application on November 25, 2015 to seek the issuance of the Initial Order. A copy of the Pre-Filing Report, without appendices, is attached hereto as Appendix "**D**".
 5. The First Report of the Monitor dated December 7, 2015 (the "**First Report**") was filed in support of the Applicants' motion on December 9, 2015 to seek the issuance of the First Amended Initial Order. A copy of the First Report, without appendices, is attached hereto as Appendix "**E**".
 6. The Second Report of the Monitor dated February 18, 2016 (the "**Second Report**") was filed in support of the Applicants' motion on February 24, 2016 to seek an extension of the Stay Period and approval of a claims procedure for the identification and quantification of claims against VON Canada and any of the Directors and Officers of VON Canada (the "**Claims Procedure**"). A copy of the Second Report, without appendices, is attached hereto as Appendix "**F**".
 7. On February 24, 2016, the Applicants sought and obtained from the Court an Order extending the Stay Period to May 27, 2016 and approving the Claims Procedure (the "**Stay Extension and Claims Procedure Order**"). A copy of the Stay Extension and Claims Procedure Order, excluding the various forms referred to therein, is attached hereto as Appendix "**G**".
 8. The Third Report of the Monitor dated May 25, 2016 (the "**Third Report**") was filed in support of the Applicants' motion on May 27, 2016 to seek an extension

of the Stay Period to November 25, 2016. A copy of the Third Report, without appendices, is attached hereto as Appendix “H”.

9. On May 27, 2016, the Applicants sought and obtained from the Court an Order extending the Stay Period to November 25, 2016 and approving the activities and fees and disbursements of the Monitor and its counsel (the “**Second Stay Extension Order**”). A copy of the Second Stay Extension Order is attached hereto as Appendix “I”.
10. The Initial Order, subsequent orders, Monitor’s reports and other documents filed in these proceedings (the “**CCAA Proceedings**”) have been posted on the Monitor’s website 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.
11. By Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated November 25, 2015, (the “**Appointment Order**”), Collins Barrow Toronto Limited (“**CBTL**”) was also appointed receiver (the “**Receiver**”), without security, of all of the goodwill and intellectual property of VON Canada, VON East and VON West acquired for, or used in relation to businesses carried on by the Applicants, including all proceeds thereof. The primary purpose of the receiverships was to enable former employees of the Applicants to access the benefits of the Wage Earner Protection Program, which would otherwise not have been available to them.

12. By Order of the Court dated May 27, 2016, CBTL was discharged as Receiver of VON Canada, VON East and VON West.

i. Purpose of Report

13. The purposes of this sixth report (the "**Sixth Report**") are to:

- a) comment and provide a recommendation to the Court, on the process proposed by VON West for the identification and determination of claims against VON West and its present and former directors and officers;
- b) comment and provide a recommendation to the Court on VON West's request to file a plan of compromise or arrangement and hold a meeting to vote on the same; and
- c) provide information on an application proposed to be made by VON West that would result in VON West not being required to have an audit conducted of its financial statements for the period ending March 31, 2016.

ii. Terms of Reference

14. In preparing this Sixth 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 communications with the Chief Restructuring Officer of VON Canada (collectively, the "**Information**"). Certain of the information contained in this Sixth 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.

15. Unless otherwise indicated, capitalized terms not defined in this Sixth Report are as defined in the Second Amended Initial Order, the affidavits of Jo-Anne Poirier sworn November 24, 2015, May 30, 2016, and September 29, 2016 and the Stay Extension and Claims Procedure Order.
16. Unless otherwise stated, all dollar amounts contained in this Sixth Report are expressed in Canadian dollars.

II. BACKGROUND

17. The Applicants are part of a group of five affiliated and separately incorporated regional operating entities:
 - VON Canada;
 - VON East;
 - VON West;
 - Victorian Order Of Nurses For Canada - Ontario Branch (“**VON Ontario**”);and

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- Victorian Order Of Nurses For Canada Nova Scotia Branch (“**VON Nova Scotia**”).

18. Following the issuance of the Initial Order and the Appointment Order, the operations of VON East and VON West were wound down such that both those entities ceased providing the majority of their services on or shortly after November 25, 2015. The wind-down of VON East and VON West consisted of the termination of employees who were employed by VON East and VON West, the transition of the services that had been provided by those entities, and the disclaimer and resiliation of various leases and contracts that were in the name of VON East and/or VON West.
19. VON West's offices were vacated as of December 31, 2015. Subsequent to December 31, 2015, external contractors were retained to assist in the collection of outstanding accounts receivable. All collection activity has now ceased.
20. VON West has determined that it will proceed with the filing of a plan of compromise or arrangement under the CCAA and it is therefore now seeking a Claims Procedure Order for VON West (the “**West Claims Procedure Order**”).

III. VON WEST PROPOSED CLAIMS PROCEDURE

21. VON West has developed a claims procedure (the “**Claims Process**”) to identify and determine the validity and quantum of (i) as at the date of the Initial Order, claims against VON West, (ii) as at October 5, 2016, claims as against any of the directors and officers of VON West and (iii) restructuring claims after the date of the Initial Order (the “**Claims**”).

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22. As more fully described below and in the West Claims Procedure Order, in order to facilitate the claims process for certain creditors of VON West, namely VON West's former employees and trade creditors, the West Claims Procedure Order provides for the amounts of creditors' claims, as per the books and records of VON West, to be set out in Claim Notices to be mailed to those creditors (the "**Recorded Creditors**"). If the Recorded Creditors are in agreement with the amounts set out in the Claim Notices, the Recorded Creditors do not need to take any further steps for their claims to be admitted for both voting and distribution purposes. However, any Recorded Creditor that wishes to file a restructuring claim or a claim against a Director or Officer of VON West is required to complete and submit a Proof of Claim form in respect of that claim.
23. The significant steps under the Claims Process are set out below. Defined terms are those set out in the proposed West Claims Procedure Order:
- the Monitor will, as soon as practicable following the making of the West Claims Procedure Order, post a copy of the Proof of Claim Document Package on the Monitor's Website, and send a copy of the Proof of Claim Document Package to (i) each of the Known Creditors for which the Monitor has a mailing address and (ii) any claimant who requests the Proof of Claim Document Package provided that such request is received prior to the Pre-Filing Claims Bar Date;
 - the Monitor will cause to be published, on at least one (1) Business Day, the Notice for Publication in either the National Post (national edition) or the Globe and Mail (national edition);

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- any Person that wishes to assert a Pre-Filing Claim (who has not received a Claim Notice), any person who wishes to assert a Director/Officer Claim, and any person who wishes to assert a Restructuring Claim must deliver to the Monitor on or before the Pre-Filing Claims Bar Date or the Restructuring Claims Bar Date, as applicable, a completed Proof of Claim with all relevant supporting documentation;
 - the Proof of Claim Document Package to be sent to each Recorded Creditor shall contain a Claim Notice, setting out the accrued amounts, based on VON West's records, owing by VON West to the Recorded Creditor on account of a Pre-Filing Claim. If no Dispute Notice is delivered by a Recorded Creditor in respect of the Claim Notice so that it is received on or before 10:00 a.m. (Toronto time) on the day that is fifteen (15) Business Days after delivery or deemed delivery of the Claim Notice, the amounts and characterization of such amounts shall be deemed to be the amounts owing by VON West on account of all Pre-Filing Claims of such Creditor, unless otherwise agreed to in writing by VON West, the relevant Creditor and the Monitor;
 - Claims by the Government of Canada on account of WEPPA Subrogated Claims are to be submitted in accordance with the provisions of the West Claims Procedure Order;
 - Other than Recorded Creditors, any Creditor, including the Government of Canada, that does not file a Proof of Claim by the Pre-Filing Claims Bar Date or the Restructuring Claims Bar Date, as applicable, will: (a) be

barred from making or enforcing any Claim against VON West, the Directors or Officers and any such Claim will be extinguished; (b) not be entitled to vote at any Creditors' Meeting in respect of a plan of compromise or arrangement or to receive any distribution thereunder; and (c) not be entitled to any further notice or to participate as a creditor in the CCAA Proceedings;

- the Monitor, in consultation with VON West and where applicable any Affected Director or Officer, is to review all Proofs of Claim that are filed on or before the applicable Claims Bar Date and accept or disallow (in whole or in part) the amount and/or status of such Claims;
- the only claims that will be accepted as Proven Claims will be (i) those Claims in respect of which the Monitor has delivered a written acceptance and (ii) those Claims set out in Claim Notices that have not been disputed by the applicable Creditor;
- where a Claim is disallowed (in whole or in part) by the Monitor, the Monitor is to deliver to the Creditor a Notice of Revision or Disallowance ("**Disallowance**"), attaching the form of Dispute Notice. If the Disallowance relates to a claim against a Director or Officer, a copy of the Disallowance is also to be delivered by the Monitor to the Affected Director or Officer and to counsel for the directors;
- any Creditor who intends to dispute a Disallowance is to file a Dispute Notice with the Monitor as soon as reasonably possible but in any event such that such Dispute Notice is received by the Monitor on or before

10:00 a.m. (Toronto time) on the day that is seven (7) business days after the Creditor is deemed to have received the Disallowance;

- where a Creditor receives a Disallowance and fails to file a Dispute Notice which is received by the Monitor on or before 10:00 a.m. (Toronto time) on the day that is seven (7) business days after the Creditor is deemed to have received the Disallowance, the amount and status of such Creditor's Claim will be deemed to be as set out in the Disallowance;
- as soon as practicable after the delivery of the Dispute Notice to the Monitor, the Creditor and the Monitor, in consultation with VON West and, where applicable, any Affected Director or Officer, are to attempt to resolve and settle the Creditor's Claim. The Monitor may refer any dispute that is not settled to a Claims Officer for determination, or may bring the dispute before the Court for determination; and
- Excluded Claims, which are excluded from the Claims Process, consist of
 - (i) claims secured by any of the Charges (as defined in the Initial Order);
 - (ii) any claim enumerated in subsections 5.1(2) and 19(2) of the CCAA;and
- (iii) any claim by a Director or Officer for indemnification related to a Director/Officer Claim.

24. The Monitor considers the Claims Procedure to be reasonable and recommends that the Court approve the Claims Procedure.

IV. VON WEST PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT

25. On September 29, 2016, VON West filed a Notice of Motion for an order authorizing VON West to file a plan of compromise or arrangement under the CCAA (the “**Plan**”) and to hold a meeting of affected creditors (the “**Meeting**”) to consider and vote on the Plan. A copy of the draft Plan (in the form attached to the September 29, 2016 Poirier Affidavit) is attached hereto as Appendix “J”.
26. Capitalized terms utilized in this section of the Sixth Report not otherwise defined herein have the meaning given to them in the Plan. Readers are cautioned that the comments provided below are an overview only, and, as such, interested parties should review both the Poirier Affidavit and the Plan in its entirety and consider obtaining legal advice in connection therewith.
27. In summary, the Plan sets out, among other things, that:
- a) the purpose of the Plan is the distribution of the Distribution Pool to VON West’s creditors with Unsecured Proven Claims and the compromise and settlement of all Claims (which excludes Excluded Claims) against VON West;
 - b) on the Implementation Date, all Claims against VON West will be deemed to be compromised and settled and will be fully released and discharged except only the obligations to make distributions under the Plan;
 - c) for the purposes of voting, the Plan is presented to one class of Creditors (“**Affected Creditors Class**”) which includes Creditors with Unsecured Proven Claims and Disputed Claims. A Creditor who is part of the Affected Creditors Class (an “**Affected Creditor**”) will be permitted to vote on the Plan and is entitled to one vote per dollar value of its Unsecured

Proven Claim or Disputed Claim which has been accepted by the Monitor for the purpose of voting at the Creditors' Meeting ("**Voting Claim**");

- d) in order for the Plan to be approved by the Affected Creditors Class, a majority in number of the Creditors representing not less than 66 2/3% in value of the Voting Claims, present and voting in person or by proxy at the meeting of creditors called to consider the Plan (the "**Creditors' Meeting**") must vote in favour of the Plan (the "**Required Majority**");
- e) creditors of VON West holding a Secured Proven Claim will be paid in full and will not be affected by or entitled to vote on the Plan;
- f) in the case of a Claim by a landlord of VON West in connection with a restructuring, termination, repudiation, or disclaimer or breach of any lease, such Claim will be quantified as the Landlord Formula Amount applied to such lease, being an amount equal to the lesser of:
- the aggregate of: (1) the rent provided for in the lease for the first year of the lease following the date on which the disclaimer or resiliation of the lease became effective; and (2) fifteen percent of the rent for the remainder of the term of the lease after that year; and
 - three years' rent;
- g) the amount of a Creditor's Disputed Claim which has not been accepted by the Monitor as a Voting Claim may be voted at the Creditors' Meeting, but shall be recorded and tabulated by the Monitor separately at the amount of the Disputed Claim;
- h) payment is to be made to Creditors with Unsecured Proven Claims based on their pro rata share of their proven claim as a percentage of all Unsecured Proven Claims;

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- i) at or prior to implementation of the Plan, VON West will pay in full all Employee Priority Claims owed by VON West, if any. The Monitor notes that this is not strictly in accordance with S.6(5)(a) of the CCAA which requires that Employee Priority Claims be paid immediately after the Court's sanction of the Plan, but rather will be paid at or prior to implementation which is scheduled to occur by no later than January 13, 2017;
- j) certain Creditors of VON West will not be affected by the Plan and will not be permitted to vote on the Plan. Those creditors are creditors with claims that arose after November 25, 2015 (excluding creditors with Restructuring Claims) or creditors with Excluded Claims which are defined as: (i) claims secured by any of the Charges (as defined in the Initial Order); (ii) any claims enumerated in subsections 5.1(2) and 19(2) of the CCAA, (iii) any Employee Priority Claims or Crown Claims; and (iv) any claim by a Director or Officer for indemnification related to a Director and Officer Claim.
- k) within six (6) months after the date of the Sanction Order, VON West will pay in full all Crown Claims owed by VON West, if any;
- l) creditors holding Excluded Claims of VON West will not be affected by the Plan and will not be permitted to vote on the Plan;
- m) implementation of the Plan is subject to (i) the Plan being approved by the Required Majority; (ii) the Sanction Order being issued and entered by the Court; and (iii) unless waived, all applicable appeal periods having expired;
- n) on the Implementation Date, the following claims will be forever released:
- all Claims;
 - all Director and Officer Claims;

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- all Claims against VON West, the Monitor, the Chief Restructuring Officer of VON Canada arising on or prior to the Implementation Date relating to (i) the disclaimer, resiliation, etc. of any contract, lease, agreement or other arrangement, (ii) the Plan and (iii) the CCAA Proceedings, excluding any claim that is not permitted to be released pursuant to Section 19(2) or 5.1(2) of the CCAA; and
- o) the Implementation Date is December 30, 2016 or such other date as VON West may determine in consultation with the Monitor, but is not to be later than January 13, 2017.
28. The Distribution Pool will be comprised of all cash and cash equivalents legally and beneficially owned by VON West as of the Implementation Date after payment in full of:
- all Secured Proven Claims, Crown Claims and Employee Priority Claims; and
 - claims secured by the Charges (as defined in the Initial Order) and the delivery of a cash reserve of \$5,000 to be held by the Monitor in respect of such claims.
29. Based on information provided by VON West, the quantum of the Distribution Pool as of the Implementation Date is estimated to be between \$25,000 and \$50,000.
30. If the Court approves the Plan for filing, the Creditors' Meeting is scheduled to take place at 2:00 pm on November 16, 2016 at the office of Norton Rose Fulbright Canada LLP, with the Monitor acting as Chair of the Creditors' Meeting. Notices of the Creditors' Meeting are proposed to be sent by the Monitor to all Known Creditors with proven claims in advance of the Creditors' Meeting.
31. If the Court approves the filing of the Plan, the Monitor will examine the Plan in greater detail and prepare a report to be sent to Creditors with Unsecured Proven Claims as determined pursuant to the West Claims Procedure Order. The

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- x) if the plan is approved by the Unsecured Creditors, the Sanction Hearing shall be held on November 23, 2016; and
 - xii) service of the Notice of Meeting and the posting of the Meeting Order to the Monitor's website constitutes sufficient service of notice of the Sanction Hearing upon all Persons who may be entitled to receive such notice and no other form of service or notice need be served on such Persons unless they have served and filed a Notice of Appearance in these proceedings.

35. The Meeting Order does not provide for the Monitor to cause to be published in a national newspaper notice of the meeting of creditors to consider the Plan.

VI. VON WEST FINANCIAL STATEMENT AUDIT

36. VON West has informed the Monitor that it is in the process of applying to Corporations Canada, Innovation, Science and Economic Development Canada for a decision under Section 190 of the *Canada Not-for-Profit Corporations Act* to deem the Gross Annual Revenues of the corporation to be equal to or less than \$50,000 for the fiscal year ending March 31, 2016.
37. VON West has advised that if the application is successful, it will not be required to have its financial statements for the fiscal year ending March 31, 2016 audited thereby avoiding the costs of an audit. The costs of the audit would serve to reduce the amount of funds that will be available for distribution to VON West's creditors.
38. The Monitor proposes to advise VON West that the Monitor takes no position regarding the application.

VII. CONCLUSION

39. Based on the information set out in this report, the Monitor recommends that this

Court:

- a) grant the West Claims Procedure Order; and
- b) grant the Meeting Order.

All of which is respectfully submitted to this Court as of this 1st day of October, 2016.

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, LIT
Senior Vice President

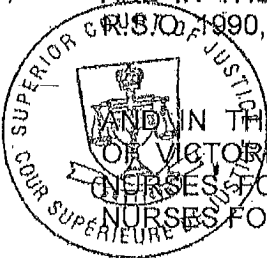
APPENDIX "A"

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.

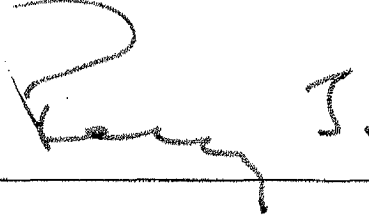
53. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this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

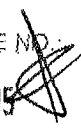
54. THIS COURT ORDERS that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and 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.



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ON / BOOK NO:
LE / DANS LE REGISTRE NO:

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

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

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

Court File No:

CJ-15-11192-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

INITIAL ORDER

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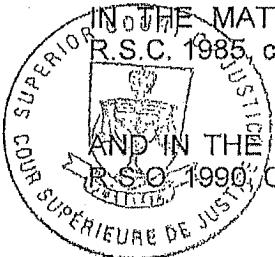
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Lawyers for the Applicants

APPENDIX “B”

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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



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

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

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

Applicants

FIRST AMENDED AND RESTATED INITIAL ORDER

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

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

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

SERVICE

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

APPLICATION

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

PLAN OF ARRANGEMENT

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

POSSESSION OF PROPERTY AND OPERATIONS

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

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

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

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

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

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

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

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

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

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

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

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

RESTRUCTURING

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

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

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

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

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

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

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

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

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

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

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH RIGHTS

18. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

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

NON-DEROGATION OF RIGHTS

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

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

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

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

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

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

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

PROTECTIONS FOR NON-APPLICANT ENTITIES

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

- (a) discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by Victorian Order Of Nurses For Canada Nova Scotia Branch or Victorian Order Of Nurses For Canada – Ontario Branch (collectively, the "Non-Applicant Entities"); or
- (b) have any rights to accelerate, amend, declare in default or enforce on any contract, agreement, instrument or other document,

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

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

APPOINTMENT OF MONITOR

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

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

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

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

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

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

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

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

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

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

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

APPOINTMENT OF CHIEF RESTRUCTURING OFFICER

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

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

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

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

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

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

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

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

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

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

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

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

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

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

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

KEY EMPLOYEE RETENTION PLAN

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

SEALING

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

SERVICE AND NOTICE

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

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

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

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

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

GENERAL

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

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

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

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

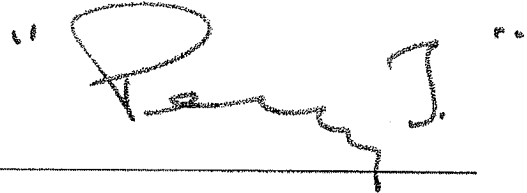
54. THIS COURT ORDERS that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and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

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

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

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

DEC 09 2015



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

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

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

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

FIRST AMENDED AND RESTATED INITIAL ORDER

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Lawyers for the Applicants

APPENDIX “C”

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

SECOND AMENDED AND RESTATED INITIAL ORDER

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

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

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

SERVICE

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

APPLICATION

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

PLAN OF ARRANGEMENT

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

POSSESSION OF PROPERTY AND OPERATIONS

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

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

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

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

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

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

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

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

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

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

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

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

RESTRUCTURING

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

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

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

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

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

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

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

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

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

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

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH RIGHTS

18. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

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

NON-DEROGATION OF RIGHTS

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

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

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

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

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

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

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

PROTECTIONS FOR NON-APPLICANT ENTITIES

25. THIS COURT ORDERS that, without limiting Paragraphs 14 through 19 hereof with respect to the Applicants, during the Stay Period, no Funder (as defined in the Poirier Affidavit), save and except the Ministry of Health and Long-Term Care, the Local Health Integration Networks and their respective affiliated and associated entities, shall:

- (a) discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by Victorian Order Of Nurses For Canada Nova Scotia Branch or Victorian Order Of Nurses For Canada – Ontario Branch (collectively, the "Non-Applicant Entities"); or
- (b) have any rights to accelerate, amend, declare in default or enforce on any contract, agreement, instrument or other document,

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

APPOINTMENT OF MONITOR

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

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

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

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

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

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

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

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

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

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

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

APPOINTMENT OF CHIEF RESTRUCTURING OFFICER

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

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

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

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

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

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

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

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

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

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

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

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

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

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

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

KEY EMPLOYEE RETENTION PLAN

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

SEALING

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

SERVICE AND NOTICE

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

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

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

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

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

GENERAL

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

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

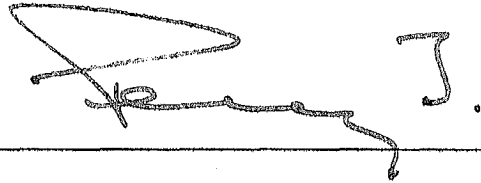
53. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this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

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

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

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

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



A handwritten signature in black ink, appearing to be "R. J.", written over a horizontal line.

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



A handwritten mark or signature in black ink, possibly a stylized "D" or similar symbol.

JAN 19 2016

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

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

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

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

SECOND AMENDED AND RESTATED ORDER

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APPENDIX “D”

**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.

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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)	\$757,103	\$(184,567)	\$(48,147)

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.

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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	\$1,880,000	\$580,000	\$475,000	\$475,000	\$485,000	\$30,000	\$475,000	\$475,000	\$485,000	\$505,000	\$475,000	\$475,000	\$485,000	\$505,000	\$7,805,000
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
	\$1,080,313	\$813,354	\$289,000	\$498,771	\$289,000	\$507,917	\$545,583	\$496,771	\$319,000	\$506,917	\$433,583	\$416,771	\$334,000	\$516,917	\$7,047,897
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	\$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	\$757,103	\$757,103

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 KERP 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	\$13,000	\$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 “E”

**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;

-
- (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.

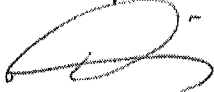
VII. CONCLUSION

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 “F”

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

**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

SECOND REPORT OF THE MONITOR

February 18, 2016

Table of Contents

I.	INTRODUCTION	1
	i. Purpose of Report.....	2
	ii. Terms of Reference.....	3
II.	BACKGROUND	5
III.	ACTIVITIES RELATING TO THE APPLICANTS SINCE THE ISSUANCE OF THE FIRST REPORT	6
	i. Cash Flow Statements	6
	ii. Disclaimers and Resiliations	9
	iii. Operations of VON Canada, VON East and VON West.....	10
	iv. VON Canada Pension Plan (the "Pension Plan")	10
	v. Liabilities of Applicants to Former Employees.....	12
IV.	ACTIVITIES OF THE MONITOR SINCE THE ISSUANCE OF THE FIRST REPORT	12
V.	EXTENDED CASH FLOW PROJECTION	13
VI.	THE APPLICANTS' REQUEST FOR AN EXTENSION OF THE STAY OF PROCEEDINGS	16
VII.	THE APPLICANTS' PROPOSED CLAIMS PROCEDURE	16
VIII.	MONITOR'S FEES AND DISBURSEMENTS	20
IX.	CONCLUSION	20

Appendices

Initial Order.....	A
First Amended Initial Order	B
Second Amended Initial Order.....	C
Pre-Filing Report	D
First Report.....	E
Extended Cash Flow Projection.....	F
Affidavit of Daniel Weisz	G
Affidavit of Annie Kwok.....	H

I. INTRODUCTION

1. This is the Second Report prepared by Collins Barrow Toronto Limited (the "**Monitor**"), in its capacity as the monitor of 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**") appointed pursuant to section 11.7 of the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") by an Order of Mr. Justice Penny dated November 25, 2015 (the "**Initial Order**"). A copy of the Initial Order is attached hereto as Appendix "**A**".
2. On December 9, 2015, the Applicants sought and obtained from the Court a First Amended and Restated Initial Order extending the stay period to February 26, 2016 and modifying the ranking of the Directors' Charge, the Administration Charge and the Receiver's Charge (the "**First Amended Initial Order**"). A copy of the First Amended Initial Order is attached hereto as Appendix "**B**".
3. On January 19, 2016, the First Amended Initial Order was further amended and restated in response to a motion made by the Ministry of Health and Long-term Care (Ontario) ("**Ministry**") to seek certain protection therein for the Ministry, the Local Health Integration Networks and their respective affiliated and associated entities. A copy of the Second Amended and Restated Initial Order (the "**Second Amended Initial Order**") is attached hereto as Appendix "**C**".

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4. The pre-filing report of Collins Barrow Toronto Limited as proposed monitor of the Applicants dated November 24, 2015 (the "**Pre-Filing Report**") was filed in support of the Applicants' motion on November 25, 2015 to seek the issuance of the Initial Order. A copy of the Pre-Filing Report, without appendices, is attached hereto as Appendix "D".
 5. The First Report of the Monitor dated December 7, 2015 (the "**First Report**") was filed in support of the Applicants' motion on December 9, 2015 to seek the issuance of the First Amended Initial Order. A copy of the First Report, without appendices, is attached hereto as Appendix "E".
 6. On November 25, 2015 (but effective as of 12:01p.m. Eastern Standard/Daylight Time on November 27, 2015), the Applicants sought and obtained from the Court an Order appointing Collins Barrow Toronto Limited as the receiver (the "**Receiver**"), without security, of all of the goodwill and intellectual property of the Applicants, acquired for, or used in relation to a business carried on by the Applicants, including all proceeds thereof and of no other property of the Applicants. On December 9, 2015, the Applicants sought and obtained from the Court a First Amended and Restated Order (Appointing Receiver) modifying the ranking of the Receiver's Charge.

i. Purpose of Report

7. The purposes of this Second Report (the "**Second Report**") are to:
 - (a) provide information on activities relating to the Applicants since the issuance of the First Report;

-
- (b) provide information on the Monitor's activities since the issuance of the First Report;
 - (c) provide information on the Extended Cash Flow Projection filed by the Applicants;
 - (d) comment and provide a recommendation to the Court on the Applicants' motion to extend the Stay Period to May 27, 2016;
 - (e) comment and provide a recommendation to the Court on the process proposed by the Applicants for the identification and determination of claims against VON Canada and its present and former directors and officers; and
 - (f) seek an Order approving the Monitor's activities and the accounts of the Monitor and Monitor's counsel, Bennett Jones LLP, for the period ending February 14, 2016 and February 13, 2016, respectively.

ii. Terms of Reference

8. In preparing this Second 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 communications with the Chief Restructuring Officer of VON Canada (collectively, the "**Information**"). Certain of the information contained in this Second 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 Second 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. Capitalized terms not defined in this Second Report are as defined in the Pre-Filing Report, Second Amended Initial Order, and in the affidavits of Jo-Anne Poirier sworn December 2, 2015 (the "**December Affidavit**") and February 18, 2016 (the "**February Affidavit**").
10. Unless otherwise stated, all dollar amounts contained in this Second Report are expressed in Canadian dollars.
11. 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 Records returnable December 9, 2015 and January 19, 2016. 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

12. 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**").
13. VON Canada, VON East, VON West, VON Ontario and VON Nova Scotia, are referred to herein, collectively, as the "**VON Group**". The VON Group (now except for VON East and VON West) provide 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 Ontario and VON Nova Scotia are the regional operating entities responsible for the actual delivery of programs.
14. Paragraph 25 of the Second Amended Initial Order contains provisions staying the exercise by all Funders, other than the Ministry, the Local Health Integration Networks and their respective affiliated and associated entities (the rights of which are separately dealt with in an Endorsement of the Court dated January 19, 2016), 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 FIRST REPORT

i. Cash Flow Statements

15. 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.
16. The Monitor has reviewed the Applicants' actual cash receipts and cash disbursements for the period November 30, 2015 to February 6, 2016. The Monitor has not as of the date of the Second Report completed its review of the actual receipts and disbursements for the week ending February 13, 2016 and, as a result, the information provided herein is as of February 6, 2016. Set out below is a summary of the actual cash receipts and cash disbursements for each of the Applicants compared to the Cash Flow Statements to February 6, 2016:

Cash Flow Summary for the week ending February 6, 2016			
<i>Entity</i>	<i>Forecast</i>	<i>Actual</i>	<i>Variance</i>
VON Canada			
Receipts	\$ 6,340,000	\$ 7,032,213	\$ 692,213
Disbursements	5,780,209	5,074,092	706,117
Net cash surplus (deficit)	\$ 559,791	\$ 1,958,121	\$ 1,398,330
VON Western			
Receipts	\$ 247,786	\$ 454,570	\$ 206,784
Disbursements	444,853	326,558	118,295
Net cash surplus (deficit)	\$ (197,067)	\$ 128,012	\$ 325,079
VON Eastern			
Receipts	\$ 378,603	\$ 836,945	\$ 458,342
Disbursements	461,750	491,073	(29,323)
Net cash surplus (deficit)	\$ (83,147)	\$ 345,872	\$ 429,019
Combined			
Receipts	\$ 6,966,389	\$ 8,323,728	\$ 1,357,339
Disbursements	6,686,812	5,891,723	795,089
Net cash surplus (deficit)	\$ 279,577	\$ 2,432,005	\$ 2,152,428
Starting cash position	\$ -	\$ -	\$ -
Ending cash position	\$ 279,577	\$ 2,432,005	\$ 2,152,428

17. As of the week ending February 6, 2016, the Applicants' cash balance was approximately \$2.4 million, which is approximately \$2.1 million higher than had been projected. A portion of that variance is due to receipts being approximately \$1.3 million higher than had been projected. Disbursements to date are almost \$800,000 lower than projected; however, this is in large part due to timing differences as certain expenses that had been included in the Cash Flow Statements have not yet been incurred or paid.
18. Overall cash collections have exceeded projected collections for each of the Applicants. VON Canada has received donation receipts of \$735,435, of which

approximately \$115,000 in December donations was transferred to Community Corporation partners in January consistent with prior practice whereby donors make donations to VON Canada that may be designated for Community Corporations or as may otherwise be directed by the donors. Collection of accounts receivable have exceeded projections by \$458,342 in VON East and by \$206,784 in VON West.

19. Management fee income for VON Canada was approximately \$197,500 lower than forecast. As VON Canada's cash position over the period was higher than projected, management elected to reduce the management fees on a short-term basis by \$25,000 per month.
20. Funding that had been provided by VON Canada to VON East and VON West in Weeks 1 to 3 of the Cash Flow Statement in order to allow VON East and VON West to meet their obligations was repaid in subsequent weeks and had been completely repaid by January 16, 2016.
21. Amounts of \$86,424 and \$36,386 were recovered by VON Canada from VON East and VON West, respectively, on account of pension contributions and benefit costs paid in November and December in respect of October and November 2015 payroll. These recoveries had not been included in the Cash Flow Statements as the Applicants had projected that VON East and VON West would be in a cash deficit position that would not allow them to reimburse VON Canada for those costs.
22. As set out above, the Monitor has completed its review of the Applicants' actual cash receipts and cash disbursements for the period November 30, 2015 to

February 6, 2016. 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 for that period.

23. The Monitor notes that the cash balances referred to by the Monitor in this Second Report are as at February 6, 2016, representing the date to which the Monitor has completed its review, and are therefore different from the cash balances included in the February Affidavit which may reference balances as at a different date.

ii. Disclaimers and Resiliations

24. VON East and VON West issued Notices by Debtor Company to Disclaim or Resiliate an Agreement ("**Disclaimer Notices**") during the month of December 2015 to (i) an additional 8 landlords in respect of agreements for leased premises formerly occupied by VON East and VON West and (ii) 31 other parties with which VON East and VON West had entered into other agreements for the provision of services. A total of 70 Disclaimer Notices have been issued to date.
25. 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.
26. 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.

iii. Operations of VON Canada, VON East and VON West

27. The February Affidavit sets out the actions and steps taken by the Applicants since December 9, 2015, including:

- (a) preserving the stability of the remaining work force of VON Canada following the implementation of necessary employee reductions;
- (b) processing terminated employee final wages, continuing communication with terminated employees of the Applicants, as discussed below;
- (c) stabilizing key supplier relationships with VON Canada;
- (d) implementing cost saving and optimization measures in the area of IT, details of which are set out in the February Affidavit. The Applicants state that the steps taken are forecasted to result in cost savings of more than \$2 million annually for the benefit of the VON Group;
- (e) resolving issues raised by the Ministry of Health and Long-term Care (Ontario) and the Local Health Integration Networks (Ontario);
- (f) completing the orderly wind down of VON East and VON West and securing patient records that were at the sites that were shut down; and
- (g) beginning to resolve pension plan matters affecting the Applicants.

iv. VON Canada Pension Plan (the “Pension Plan”)

28. The February Affidavit states that a significant matter yet to be resolved is the treatment and restructuring of the Pension Plan. VON Canada is the sponsor and administrator of the Pension Plan.

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29. The employees of the VON Group, including employees of VON Ontario, VON Nova Scotia and other affiliated entities are members of the Pension Plan.
 30. The Pension Plan, which is a defined benefit pension plan, is in a solvency deficit position. As stated in the February Affidavit, based on actuarial estimates, the wind-up deficiency is estimated at approximately \$31 million by November 25, 2015, or approximately 8% of the total assets of the Pension Plan.
 31. As a result of the shutdown of operations of VON East and VON West, neither VON East nor VON West will be in a position to make any contributions to the Pension Plan going forward and since those entities no longer have employees, no employees of VON East and VON West are contributing to the Pension Plan.
 32. VON Canada has determined that the appropriate approach in the circumstances would be to implement a partial wind up of the VON East and VON West portions of the Pension Plan in order to segregate the VON East and VON West portions of the Pension Plan and ensure that the continuing VON Group entities do not subsidize pension plan costs that are properly payable by VON East or VON West. The Pension Plan would then continue on a going concern basis in respect of those portions of the Pension Plan attributable to employees of VON Canada, VON Ontario and VON Nova Scotia.
 33. As set out in the February Affidavit, the pension restructuring process will require extensive dealings with applicable regulatory bodies including the Financial Services Commission of Ontario (“FSCO”). The Applicants will provide to the Court full details on the pension restructuring process once they have received input from FSCO and any other applicable regulators.

34. The Monitor will provide its comments to the Court after it has been provided with, and has reviewed and considered, the details of the proposed partial wind up of the VON East and VON West portions of the Pension Plan.

v. Liabilities of Applicants to Former Employees

35. In December 2015, the Applicants arranged for payment of the final payroll to the employees whose employment had been terminated effective November 25, 2015 following the issuance of the Initial Order.

36. In early January 2016, the Applicants provided to the Receiver details of the amounts owed to former employees by the Applicants so the Receiver could prepare and send to former employees the information they required to submit a claim under the Wage Earner Protection Program.

IV. ACTIVITIES OF THE MONITOR SINCE THE ISSUANCE OF THE FIRST REPORT

37. Since the date of the First Report, the Monitor has, *inter alia*:

(a) addressed creditor enquiries regarding the status of the CCAA proceedings;

(b) reviewed the Applicants' requests for the Monitor to approve the Disclaimer Notices;

(c) reviewed the actual cash results to February 6, 2016 provided by the Applicants and compared those results to the Cash Flow Statements and sought clarifications and explanations of the information presented as the Monitor considered appropriate; and

(d) engaged in discussions and correspondence with the Chief Restructuring Officer and representatives of the Applicants in connection with matters relating to these proceedings.

V. EXTENDED CASH FLOW PROJECTION

38. Attached hereto as Appendix "F" is the Applicants' cash flow projection for the period February 29, 2016 to June 4, 2016 (the "**Extended Cash Flow Projection**") that was filed by the Applicants with its motion for an extension to the stay of proceedings to May 27, 2016. The Monitor has reviewed the Extended Cash Flow Projection and the assumptions therein.
39. A summary of the Applicants' estimated cash position and total receipts and disbursements over the fourteen week period of the Extended Cash Flow Projection (the "**Period**") is set out below:

	<u>VON Canada</u>	<u>VON West</u>	<u>VON East</u>
Projected opening cash at February 29, 2016	\$ 1,790,983	\$ 40,512	\$ 280,872
Add: Estimated total receipts	\$ 5,968,000	\$ 137,500	\$ 140,000
Less: Estimated total disbursements	<u>(6,341,743)</u>	<u>(26,000)</u>	<u>(54,000)</u>
Net cash surplus (deficit)	<u>\$ (373,743)</u>	<u>\$ 111,500</u>	<u>\$ 86,000</u>
Projected closing cash at June 4, 2016	<u><u>\$ 1,417,240</u></u>	<u><u>\$ 152,012</u></u>	<u><u>\$ 366,872</u></u>

40. VON Canada's disbursements will exceed its receipts by approximately \$370,000 for the Period. The projected cash shortfall is to be covered by projected cash on hand.
41. The Extended Cash Flow Projection indicates that the Applicants will have sufficient cash to meet their obligations during the Period and will end the Period

with closing cash balances of approximately \$1.4 million, \$150,000 and \$360,000 for VON Canada, VON West and VON East, respectively.

42. The Extended Cash Flow Projection reflects the wind down of VON East and VON West. No future labour or program costs are included in the Extended Cash Flow Projection for those entities. Each of VON East and VON West is projected to collect additional accounts receivable of approximately \$140,000.
43. The estimated total receipts for VON Canada referred to in the table in paragraph 39 above consist mainly of management fees projected to be received from VON Ontario and VON Nova Scotia in respect of administrative/functional support in areas such as financial services, information technology, human resources administration and payroll. The calculation of the management fees in the Extended Cash Flow Projection is consistent with the calculation of management fees included in the Cash Flow Statements.
44. The Monitor has reviewed the Extended Cash Flow Projection as to its reasonableness as required by Section 23(1)(b) of the CCAA. Pursuant to this standard, the Monitor's review of the Extended Cash Flow Projection consisted of inquiries, analytical procedures and discussions related to information supplied to it by the Applicants. Since the Assumptions need not be supported, the Monitor's procedures with respect to the Assumptions were limited to evaluating whether they were consistent with the purpose of the Extended Cash Flow Projection. The Monitor also reviewed the support provided by the Applicants for the Assumptions and the preparation of the Extended Cash Flow Projection.

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45. Based on the Monitor's review, and provided the management fees continue to be paid to VON Canada as set out in the Extended Cash Flow Projection, 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 Extended Cash Flow Projection;
 - (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 Extended Cash Flow Projection, given the Assumptions; or
 - (c) the Extended Cash Flow Projection do not reflect the Assumptions.
46. As noted above, since the Extended Cash Flow Projections for each of the Applicants 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, the Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in the Second Report, or relied upon by the Monitor in preparing the Second Report.
47. The Extended Cash Flow Projections for each of the Applicants have been prepared solely for the purpose described in the notes accompanying the Extended Cash Flow Projections and readers are cautioned that the Extended Cash Flow Projections may not be appropriate for other purposes.

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

48. The stay of proceedings pursuant to the Initial Order expires on February 26, 2016. The Applicants wish to pursue the next steps in the restructuring process including:

- i) implementing the proposed Pension Plan restructuring process described in the February Affidavit;
- ii) determining whether VON East and VON West will be the subject of a Plan of Compromise or Arrangement or, alternatively, assigned into bankruptcy;
- iii) establishing a claims process for VON Canada and possibly, VON East and VON West; and
- iv) negotiating and preparing a Plan of Compromise or Arrangement for VON Canada and possibly VON East and VON West.

49. As such, the Applicants are seeking to extend the Stay Period to May 27, 2016, which is approximately one week prior to the last day of the Cash Flow Period.

50. Based on the information set out herein and in the February Affidavit, the Monitor is of the view that the Applicants have been and are proceeding in good faith and with due diligence in these proceedings, and that the Applicants' request for an extension of the Stay Period to May 27, 2016 is appropriate and reasonable in the circumstances.

VII. THE APPLICANTS' PROPOSED CLAIMS PROCEDURE

51. VON Canada believes that it is now appropriate to seek a Claims Procedure Order for VON Canada based on the material progress that VON Canada has

made to date in its operational restructuring process. No claims process is being proposed for either of VON East or VON West at this time.

52. The Applicants have developed a claims procedure (the “**Claims Process**”) to identify and determine the validity and quantum of claims against VON Canada and its present and former directors and officers as at the date of the Initial Order (the “**Claims**”).

53. The significant steps under the Claims Process are set out below. Defined terms are those set out in the proposed Claims Procedure Order:

(a) the Monitor will as soon as practicable following the making of the Claims Procedure Order, post a copy of the Proof of Claim Document Package on the Monitor’s Website, and send a copy of the Proof of Claim Document Package to each of the Known Creditors for which the Monitor has a mailing address and to any claimant who requests the same provided that such request is received prior to the Pre-Filing Claims Bar Date, which is proposed to be April 29, 2016;

(b) the Monitor will cause to be published, on at least one (1) Business Day, the Notice to Creditors in either the National Post (national edition) or the Globe and Mail (national edition);

(c) any Person that wishes to assert a Pre-Filing Claim or a Restructuring Claim must deliver to the Monitor on or before the Pre-Filing Claims Bar Date or the Restructuring Claims Bar Date, respectively, a completed Proof of Claim with all relevant supporting documentation;

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- (d) any person that wishes to assert a Directors/Officers Claim must deliver to the Monitor on or before the Pre-Filing Claims Bar Date a completed Proof of Claim with all relevant supporting documentation;
- (e) the Monitor, in consultation with VON Canada and where applicable any Affected Director or Officer, is to review all Proofs of Claims that are filed on or before the applicable Claims Bar Date and accept or disallow (in whole or in part) the amount and/or status of such Claims;
- (f) any Creditor that does not file a Proof of Claim by the Pre-Filing Claims Bar Date or the Restructuring Claims Bar Date, as applicable, will: (a) be barred from making or enforcing any Claim against VON Canada, the Directors or Officers and any such Claim will be extinguished; (b) not be entitled to vote at any Creditors' Meeting or to receive any distribution; and (c) not be entitled to any further notice or to participate as a creditor in the CCAA Proceedings;
- (g) the only claims that will be accepted as Proven Claims will be those Claims in respect of which the Monitor has delivered written acceptance;
- (h) where a Claim is disallowed (in whole or in part) by the Monitor, the Monitor is to deliver to the Creditor a Notice of Revision or Disallowance ("**Disallowance**"), attaching the form of Dispute Notice and, if the Disallowance relates to a claim against a Director or Officer, a copy of the Disallowance is also to be delivered by the Monitor to the Affected Director or Officer and to counsel for the directors;

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- (i) any Creditor who intends to dispute a Disallowance is to file a Dispute Notice with the Monitor as soon as reasonably possible but in any event such that such Dispute Notice is received by the Monitor on or before 4:00 p.m. (Toronto time) on the day that is fourteen (14) days after the Creditor is deemed to have received the Disallowance;
 - (j) where a Creditor receives a Disallowance and fails to file a Dispute Notice with the Monitor within the period provided, the amount and status of such Creditor's Claim will be deemed to be as set out in the Disallowance;
 - (k) as soon as practicable after the delivery of the Dispute Notice to the Monitor, the Creditor and the Monitor, in consultation with VON Canada and, where applicable, any Affected Director or Officer, are to attempt to resolve and settle the Creditor's Claim. The Monitor may refer any dispute that is not settled to a Claims Officer for determination, or in the alternative may bring the dispute before the Court for determination;
 - (l) any failure by the Government of Canada to file a proof of claim in respect of any claim that it may have as subrogee of a Claim of a terminated employee of VON Canada pursuant to the WEPPA, will not result in the barring or extinguishment of such subrogated claim. The procedures for filing and determination of such claims will be established by further order of the Court; and
 - (m) Excluded Claims, consist of (i) claims secured by any of the Charges (as defined in the Initial Order); (ii) any claim by a Director or Officer for indemnification related to a Director/Officer Claim, (iii) any claim

enumerated in subsections 5.1(2) and 19(2) of the CCAA, and (iv) any claim of The Bank of Nova Scotia.

54. The Monitor considers the Claims Procedure to be reasonable and recommends that the Court approve the Claims Procedure.

VIII. MONITOR'S FEES AND DISBURSEMENTS

55. The Monitor has maintained detailed records of its professional fees and disbursements during the course of these proceedings.

56. For the period November 25, 2015 to February 14, 2016, the Monitor's accounts total \$72,018.86 consisting of \$63,202.50 in fees, \$531.00 in disbursements plus HST of \$8,285.36 (the "**Monitor's Accounts**"). Copies of the Monitor's Accounts, together with a summary of the accounts, the total billable hours charged per the accounts, and the average hourly rate charged per the accounts, is set out in the Affidavit of Daniel Weisz sworn February 18, 2016 that is attached hereto as Appendix "**G**".

57. The accounts of the Monitor's counsel, Bennett Jones LLP, for the period ended February 13, 2016 total \$89,218.44, consisting of \$77,712.00 in fees, \$1,244.18 in disbursements and \$10,262.26 in HST (the "**Bennett Accounts**"). A copy of the Bennett Accounts, together with a summary of the personnel, hours and hourly rates described in the Bennett Accounts, supported by the Affidavit of Annie Kwok sworn February 18, 2016, is attached hereto as Appendix "**H**".

IX. CONCLUSION

58. Based on the foregoing, the Monitor respectfully recommends that:

(a) the Stay Period be extended to May 27, 2016; and

(b) the Court approve the Claims Procedure.

59. The Monitor requests that the Court grant an Order:

(a) approving the Pre-Filing Report, the First Report and the Second Report and the Monitor's activities described therein;

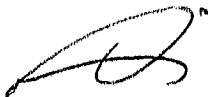
(b) approving the fees and disbursements of the Monitor to February 14, 2016; and

(c) approving the fees and disbursements of Bennett Jones LLP to February 13, 2016.

All of which is respectfully submitted to this Court as of this 18th day of February, 2016.

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, LIT
Senior Vice President

APPENDIX “G”

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) WEDNESDAY, THE 24th
JUSTICE PENNY) DAY OF FEBRUARY, 2016

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

STAY EXTENSION AND CLAIMS PROCEDURE ORDER

THIS MOTION, made by Victorian Order Of Nurses For Canada (the "**VON Canada**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order approving a claims procedure for the identification and quantification of Claims (as defined below) against (i) VON Canada, and (ii) any of the Directors and Officers (in each case as defined below) of VON Canada was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING VON Canada's Notice of Motion, the Affidavit of Jo-Anne Poirier, sworn February 18, 2016, the second report of Collins Barrow Toronto Limited (the "**Monitor**") dated February 18, 2016 (the "**Second Report**"), and on hearing the submissions of counsel for VON

Canada, the Monitor, the Board of Directors of VON Canada and those other parties present, no one appearing for the other parties served with VON Canada's Motion Record, although duly served as appears from the affidavit of service of Lillian Symchych sworn February 18, 2016, filed:

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record filed by VON Canada, and the Second Report, be and it is hereby abridged and validated such that the Motion is properly returnable today.

DEFINITIONS

2. THIS COURT ORDERS that, for the purposes of this Claims Procedure Order, the following terms shall have the following meanings:
 - (a) "**Affected Directors and Officers**" means those Directors and Officers against whom a Claim has been asserted in a Proof of Claim, and an "**Affected Director or Officer**" means any one of such Persons;
 - (b) "**Business Day**" means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Toronto, Ontario;
 - (c) "**CCAA**" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;
 - (d) "**Chief Restructuring Officer**" means March Advisory Services Inc., in its capacity as Chief Restructuring Officer of VON Canada;

(e) **"Claim"** means each of:

- a) any right of claim of any Person against VON Canada, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of VON Canada, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, or unknown, by guarantee, surety or otherwise and whether or not such right is executory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing on or prior to the Filing Date (each a **"Pre-Filing Claim"**, and collectively the **"Pre-Filing Claims"**);
- b) any right of claim of any Person against VON Canada in connection with any indebtedness, liability or obligation of any kind whatsoever owed by VON Canada to such Person arising out of the restructuring, termination, repudiation, or disclaimer or breach of any lease, contract, employment agreement or other agreement or obligation after the Filing Date (each a **"Restructuring Claim"**, and collectively the **"Restructuring Claims"**);
and
- c) any right of any Person against the Directors or Officers of VON Canada for which the Directors or Officers of VON Canada are by law liable to pay in their capacity as Directors or Officers or in any other capacity, in each case based in whole or in part on facts existing on or prior to the Filing

Date (each a "**Director/Officer Claim**", and collectively the "**Directors/Officers Claims**"),

provided however, that "Claim" shall not include an Excluded Claim;

- (f) "**Claims Bar Date**" means the Pre-Filing Claims Bar Date or the Restructuring Claims Bar Date, as applicable;
- (g) "**Claims Officer**" means the person or persons so designated by the Monitor and approved by the Court, or designated by the Court, as the case may be;
- (h) "**Court**" means the Ontario Superior Court of Justice (Commercial List);
- (i) "**Creditor**" means any Person having a Claim;
- (j) "**Creditors' Meeting**" means any meeting or meetings of Creditors scheduled pursuant to further Order of this Court;
- (k) "**Directors**" means the directors and former directors of VON Canada or any Person deemed to be a director or former director of VON Canada by any law, and "**Director**" means any one of them;
- (l) "**Dispute Notice**" means a written notice to the Monitor, in substantially the form attached as Schedule "E" hereto, delivered to the Monitor by a Creditor who has received a Notice of Revision or Disallowance, of its intention to dispute such Notice of Revision or Disallowance;
- (m) "**Excluded Claim**" means (i) claims secured by any of the Charges (as defined in the Initial Order); (ii) any claim by a Director or Officer for indemnification related

to a Director/Officer Claim, (iii) any claim enumerated in subsections 5.1(2) and 19(2) of the CCAA, and (iv) any claim of The Bank of Nova Scotia.

- (n) "**Filing Date**" means November 25, 2015;
- (o) "**Initial Order**" means the Second Amended and Restated Initial Order of this Court dated November 25, 2015, as such Order may be supplemented, amended, restated or varied from time to time;
- (p) "**Instruction Letter**" means the instruction letter to Creditors, in substantially the form attached as Schedule "C" hereto;
- (q) "**Known Creditors**" means:
 - a) those Creditors which are recorded in the records of VON Canada as being owed monies by VON Canada as of the Filing Date and which monies remain unpaid in whole or in part;
 - b) any Person who commenced a legal proceeding against VON Canada which legal proceeding was commenced and served upon VON Canada prior to the Filing Date, and which proceeding is known to the Monitor;
and
 - c) any Person who is party to a lease, contract, employment agreement, or other agreement or obligation of VON Canada which was (to the knowledge of the Monitor) restructured, terminated, repudiated, resiliated or disclaimed by VON Canada after the Filing Date but prior to the date of this Order.

- (r) **"Monitor"** means Collins Barrow Toronto Limited in its capacity as monitor of VON Canada pursuant to the Initial Order;
- (s) **"Monitor's Website"** means: <http://www.collinsbarrow.com/en/cbn/restructuring-and-recovery-engagements/v-o-n>.
- (t) **"Notice of Revision or Disallowance"** means a notice, in substantially the form attached as Schedule "D" hereto, advising a Creditor that the Monitor has revised or disallowed all or part of the Claim set out in the Creditor's Proof of Claim;
- (u) **"Notice for Publication"** means the notice to Creditors for publication in substantially the form attached as Schedule "A" hereto;
- (v) **"Officers"** means the officers and former officers of VON Canada or any Person deemed to be an officer or former officer of VON Canada by any law and, solely for the purposes of this Claims Procedure Order, shall include the Chief Restructuring Officer, and **"Officer"** means any one of them;
- (w) **"Person"** includes any individual, partnership, joint venture, trust, corporation, unlimited liability company, unincorporated organization, government body or agency or instrumentality thereof, or any other juridical entity howsoever designated or constituted;
- (x) **"Plan"** means any plan of compromise and arrangement by VON Canada, if and when filed and approved by this Court, as revised, amended, modified or supplemented from time to time in accordance with its terms;
- (y) **"Pre-Filing Claims Bar Date"** means 4:00 p.m. (Toronto time), on April 29, 2016 or such later date as may be ordered by the Court;

- (z) "**Proof of Claim**" means the form of Proof of Claim in substantially the form attached as Schedule "B" hereto;
- (aa) "**Proof of Claim Document Package**" means a document package that includes a copy of the Instruction Letter, a Proof of Claim, and such other materials as the Monitor may consider appropriate or desirable;
- (bb) "**Proven Claim**" has the meaning ascribed to that term in paragraph 7 of this Order;
- (cc) "**Restructuring Claims Bar Date**" means:
- a) in the case of Restructuring Claims arising before the date of this Order, the Pre-Filing Claims Bar Date; and
 - b) in the case of Restructuring Claims arising on or after the date of this Order, the later of:
 - (1) the Pre-Filing Claims Bar Date; and
 - (2) 4:00 p.m. (Toronto Time) on the date that is 20 Business Days after the Monitor sends a Proof of Claim Document Package with respect to a Restructuring Claim in accordance with paragraph 9 hereof;
- (dd) "**Secured Claim**" means any Claim or portion thereof that is secured by a security interest, pledge, mortgage, lien, hypothec or charge on any property of VON Canada, or any Claim of a "secured creditor" as defined in the CCAA, but only to the extent of the value of the security in respect of the Claim.

3. THIS COURT ORDERS that all references as to time herein shall mean local time in Toronto, Ontario, Canada, and any references to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day, unless otherwise indicated herein.
4. THIS COURT ORDERS that VON Canada and the Monitor are hereby authorized to request such further documentation from any Person asserting a Claim that may reasonably be required in order to determine the validity of a Claim.

STAY EXTENSION

5. THIS COURT ORDERS that the Stay Period, as defined in the Initial Order be and is hereby extended up to and including May 27, 2016.

MONITOR'S ROLE

6. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations pursuant to the CCAA and under the Initial Order, is hereby directed and empowered to take such other actions and fulfill such other roles as are authorized by this Order, and that in taking such other actions and in fulfilling such other roles, the Monitor shall have the protections given to it in the Initial Order and this Order, including without limitation the protections provided in paragraph 28 of this Order.

DETERMINATION OF PROVEN CLAIM

7. THIS COURT ORDERS that the amount and status of every Claim of a Creditor as finally determined in accordance with the forms and procedures authorized in this Order, including any determination as to the nature, amount, value, priority or validity of any Claim, including any Secured Claim (each such Claim, when finally determined, a "**Proven Claim**"), shall be final and binding for all purposes, including without limitation

for any voting on and any distribution made to Creditors of VON Canada pursuant to a Plan.

NOTICE TO CREDITORS

8. THIS COURT ORDERS that:

- (a) the Monitor shall as soon as practicable following the making of this Order, post a copy of the Proof of Claim Document Package on the Monitor's Website, and send on behalf of VON Canada to each of the Known Creditors for which the Monitor has a mailing address a copy of the Proof of Claim Document Package;
- (b) the Monitor shall cause to be published without delay, on at least one (1) Business Day, the Notice for Publication in either the National Post (national edition) or the Globe and Mail (national edition); and
- (c) the Monitor shall, provided such request is received by the Monitor prior to the Claims Bar Date, deliver as soon as reasonably possible following receipt of a request therefore a copy of the Proof of Claim Document Package to any Person claiming to be a Creditor and requesting such material or direct such Person to the documents posted on the Monitor's Website.

9. THIS COURT ORDERS that with respect to Restructuring Claims arising from the restructuring, termination, repudiation, or disclaimer or breach of any lease, contract, employment agreement or other agreement or obligation on or after the date of this Order, the Monitor shall send to the counterparties to such lease, contract, or other agreement or obligation a Proof of Claim Document Package no later than five (5) Business Days following the date of the restructuring, termination, repudiation,

disclaimer or breach of any lease, contract, employment agreement or other agreement or obligation.

10. THIS COURT ORDERS that neither VON Canada nor the Monitor is under any obligation to give notice to or deal with any Person other than the Creditor holding a Claim, and without limitation shall have no obligation to give notice to or deal with any Person having a security interest in such Claim (including the holder of a security interest created by way of a pledge or a security interest created by way of an assignment of such Claim), and such Persons shall be bound by the Claims Bar Date and any notices given to the Creditor and any steps taken in respect of such Claim in accordance with this Order, regardless of whether such Persons received notice of same.

11. THIS COURT ORDERS that the form and substance of each of the documents in the Proof of Claim Document Package as well as the Dispute Notice, the Notice of Revision or Disallowance and the Notice for Publication, substantially in the forms attached as schedules hereto, are hereby approved. Despite the foregoing, the Monitor may from time to time make such minor changes to such forms as the Monitor deems necessary.

CREDITORS' CLAIMS

12. THIS COURT ORDERS that:

- (a) Any Person that wishes to assert a Pre-filing Claim must deliver to the Monitor on or before the Pre-Filing Claims Bar Date a completed Proof of Claim in respect of such Claim, including all relevant supporting documentation in respect of such Claim, in the manner set out in this Claims Procedure Order

- (b) Any Person that wishes to file a Restructuring Claim must deliver to the Monitor on or before the Restructuring Claims Bar Date a completed Proof of Claim in respect of such Claim, together with all relevant supporting documentation in respect of such Claim, in the manner set out in this Claims Procedure Order; and
- (c) Any person that wishes to assert a Directors/Officers Claim must deliver to the Monitor on or before the Pre-Filing Claims Bar Date a completed Proof of Claim in respect of such Claim, together with all relevant supporting documentation in respect of such Claim, in the manner set out in this Claims Procedure Order

and that any Creditor that does not file a Proof of Claim as provided for herein such that such Proof of Claim is received by the Monitor on or before the Pre-Filing Claims Bar Date or the Restructuring Claims Bar Date, as applicable, (a) shall be and is hereby forever barred from making or enforcing any Claim against VON Canada, the Directors or Officers, or any of them and any such Claim shall be extinguished without any further act or notification by the Monitor, VON Canada or the Directors or Officers; (b) shall not be entitled to vote at any Creditors' Meeting in respect of a Plan or to receive any distribution thereunder; and (c) shall not be entitled to any further notice in, and shall not be entitled to participate as a creditor in, these proceedings.

PROOFS OF CLAIM

13. THIS COURT ORDERS that:

- (a) the Monitor may use reasonable discretion as to the adequacy of compliance with respect to the manner in which forms delivered hereunder are completed and executed and the Monitor may, where it is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Order as to completion and execution of Proofs of Claim; and

(b) if any Claim arose in a currency other than Canadian dollars, then the Creditor making the Claim shall complete its Proof of Claim indicating the amount of the Claim in such currency, rather than in Canadian dollars or any other currency. The Monitor shall subsequently calculate the amount of such Claim in Canadian dollars, using the Bank of Canada noon spot rate on the Filing Date, without prejudice to the ability of VON Canada to utilize a different exchange rate in any Plan.

14. THIS COURT ORDERS that each Creditor shall include any and all Claims it asserts against VON Canada or the Directors or Officers in a single Proof of Claim, provided however that where a Creditor has taken an assignment or transfer of a Claim after the Filing Date, that Creditor shall file a separate Proof of Claim for each such assigned or transferred Claim.

REVIEW OF PROOFS OF CLAIM

15. THIS COURT ORDERS that the Monitor, in consultation with VON Canada and where applicable any Affected Director or Officer, shall review all Proofs of Claims that are filed on or before the applicable Claims Bar Date and shall accept or disallow (in whole or in part) the amount and/or status of such Claims. At any time, the Monitor may (i) request additional information from a Creditor with respect to a Claim, (ii) request that the Creditor file a revised Proof of Claim, or (iii) attempt to resolve and settle any issue arising in respect of a Claim; *provided, however*, that a Claim that has been asserted against an Affected Director or Officer cannot be settled or accepted by the Monitor in whole or in part except (i) with the consent of the Affected Director or Officer, or on further Order of this Court, or (ii) if such Claim has been asserted against VON Canada and an Affected Director or Officer, on a basis that is expressly without prejudice to the Affected Director or Officer.

16. THIS COURT ORDERS that where a Claim has been accepted in writing by the Monitor, such Claim shall constitute such Creditor's Proven Claim for all purposes, including for the purposes of voting and distribution under the Plan. For greater certainty, the only Claims that shall be Proven Claims are those Claims in respect of which the Monitor has delivered a written acceptance.
17. THIS COURT ORDERS that where a Claim is disallowed (in whole or in part) by the Monitor, the Monitor shall deliver to the Creditor a Notice of Revision or Disallowance, attaching the form of Dispute Notice. Where a Notice of Revision or Disallowance relates to a Claim that has been made against a Director or Officer, a copy of the Notice of Revision or Disallowance shall also be delivered by the Monitor to the Affected Director or Officer and to counsel for the directors.
18. THIS COURT ORDERS that where a Claim has been disallowed (in whole or in part), the disallowed Claim (or disallowed portion thereof) shall not be a Proven Claim unless the Creditor has disputed the disallowance and proven the disallowed Claim (or disallowed portion thereof) in accordance with paragraphs 19 to 23 of this Order.

DISPUTE NOTICE

19. THIS COURT ORDERS that any Creditor who intends to dispute a Notice of Revision or Disallowance shall file a Dispute Notice with the Monitor as soon as reasonably possible but in any event such that such Dispute Notice shall be received by the Monitor on or before 4:00 p.m. (Toronto time) on the day that is fourteen (14) days after the Creditor is deemed to have received the Notice of Revision or Disallowance in accordance with paragraph 30 of this Order. The filing of a Dispute Notice with the Monitor within the fourteen (14) day period specified in this paragraph shall constitute an application to have the amount or status of such Claim determined as set out in paragraphs 21-23

hereof. Where a Dispute Notice relates to a Claim that has been made against a Director or Officer, a copy of the Dispute Notice shall be delivered by the Monitor, promptly after receipt by the Monitor, to the Affected Director or Officer and to counsel for the directors.

20. THIS COURT ORDERS that where a Creditor that receives a Notice of Revision or Disallowance fails to file a Dispute Notice with the Monitor within the period provided therefore in paragraph 19 above, the amount and status of such Creditor's Claim shall be deemed to be as set out in the Notice of Revision or Disallowance and such amount and status, if any, shall constitute such Creditor's Proven Claim, and the balance shall be deemed forever barred and extinguished.

RESOLUTION OF CLAIMS

21. THIS COURT ORDERS that as soon as practicable after the delivery of the Dispute Notice to the Monitor, the Creditor and the Monitor, in consultation with VON Canada and, where applicable, any Affected Director or Officer, shall attempt to resolve and settle the Creditor's Claim.
22. THIS COURT ORDERS that in the event that a dispute raised in the Creditor's Dispute Notice is not settled within a time period or in a manner satisfactory to the Monitor, the Monitor may refer the dispute to a Claims Officer for determination, or in the alternative may bring the dispute before the Court for determination. If the Monitor refers the dispute to a Claims Officer for determination, then the Claims Officer shall determine the manner, if any, in which evidence may be brought before the Claims Officer by the parties as well as any other matters, procedural or substantive, which may arise in respect of the Claim Officer's determination of a Creditor's Claim. For greater certainty,

the Claims Officer may require written submissions, and may limit submissions to written submissions, at the Claims Officer's discretion.

23. THIS COURT ORDERS that the Claims Officer's determination of any Creditor's Proven Claim shall be final and binding, unless within ten (10) days of the date on which the Claims Officer's determination is deemed received by the Creditor, VON Canada, the Monitor, the Creditor or the Affected Director or Officer, if applicable, has filed with this Court an appeal, by way of Notice of Motion, of the Claims Officer's determination.

NOTICE OF TRANSFEREES

24. THIS COURT ORDERS that neither VON Canada nor the Monitor shall be obligated to give notice to or to otherwise deal with a transferee or assignee of a Claim as the Creditor in respect thereof unless and until (i) actual written notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received by the Monitor, and (ii) the Monitor shall have acknowledged in writing such transfer or assignment, and thereafter such transferee or assignee shall for the purposes hereof constitute the "Creditor" in respect of such Claim. Any such transferee or assignee of a Claim, and such Claim, shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Order prior to the written acknowledgment by the Monitor of such transfer or assignment.
25. THIS COURT ORDERS that if the holder of a Claim has transferred or assigned the whole of such Claim to more than one Person or part of such Claim to another Person or Persons, such transfer or assignment shall not create a separate Claim or Claims and such Claim shall continue to constitute and be dealt with as a single Claim notwithstanding such transfer or assignment, and VON Canada and the Monitor shall in each such case not be bound to acknowledge or recognize any such transfer or

assignment and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and then only to and with the Person last holding such Claim in whole as the Creditor in respect of such Claim. Provided that a transfer or assignment of the Claim has taken place in accordance with paragraph 24 of this Order and the Monitor has acknowledged in writing such transfer or assignment, the Person last holding such Claim in whole as the Creditor in respect of such Claim may by notice in writing to the Monitor direct that subsequent dealings in respect of such Claim, but only as a whole, shall be with a specified Person and in such event, such Creditor, such transferee or assignee of the Claim and the whole of such Claim shall be bound by any notices given or steps taken in respect of such Claim by or with respect to such Person in accordance with this Order.

26. THIS COURT ORDERS that the transferee or assignee of any Claim (i) shall take the Claim subject to the rights and obligations of the transferor/assignor of the Claim, and subject to the rights of VON Canada or the Affected Director or Officer, as applicable, against any such transferor or assignor, including any rights of set-off against such transferor or assignor, and (ii) cannot use any transferred or assigned Claim to reduce any amount owing by the transferee or assignee to VON Canada, whether by way of set off, application, merger, consolidation or otherwise.
27. THIS COURT ORDERS that nothing in this Order is intended to or shall be deemed to permit, enable or authorize the transfer or assignment of a Claim or to in any way affect the validity or invalidity of any such transfer or assignment.

PROTECTIONS FOR MONITOR

28. THIS COURT ORDERS that (i) in carrying out the terms of this Order, the Monitor shall have all of the protections given to it by the CCAA and the Initial Order or as an officer of

this Court, including without limitation the stay of proceedings in its favour, (ii) the Monitor shall incur no liability or obligation as a result of the carrying out of the provisions of this Order, except for its own wilful misconduct or gross negligence, (iii) the Monitor shall be entitled to rely on the books and records of VON Canada, and any information provided by VON Canada, all without independent investigation, and (iv) the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records and information.

SERVICE AND NOTICE

29. THIS COURT ORDERS that the forms of notice to be provided in accordance with this Claims Procedure Order shall constitute good and sufficient service and delivery of notice of this Claims Procedure Order, the Pre-Filing Claims Bar Date and the Restructuring Claims Bar Date on all Persons who may be entitled to receive notice and who may assert a Claim and no other notice or service need be given or made and no other documents or material need be sent to or served upon any Person in respect of this Claims Procedure Order.
30. THIS COURT ORDERS that any notice or other communication to be given under this Order by the Monitor or VON Canada to a Creditor or other Interested Persons, shall be in writing and may be given by sending true copies thereof by prepaid ordinary mail, registered mail, courier, personal delivery or electronic or digital transmission to such Persons (i) at the address shown on the Proof of Claim filed by that Person, or (ii) if a Proof of Claim has not been filed by that Person or does not contain a valid address, then at the address as last shown on the records of VON Canada, and that any such service or notice by courier, personal delivery or electronic or digital transmission shall be deemed to be received on the next Business Day following the date of forwarding thereof, or if sent by prepaid ordinary mail or by registered mail, on the fourth Business

Day after mailing. Notwithstanding anything to the contrary in this paragraph 30, Notices of Disallowance shall be sent only by (i) facsimile to a number that has been provided in writing by the Creditor, (ii) email to an address that has been provided in writing by the Creditor; (iii) registered mail, or (iv) courier.

31. THIS COURT ORDERS that any notice or other communication to be given under this Order by a Creditor to the Monitor shall be in writing and will be sufficiently given only if sent by prepaid ordinary mail, registered mail, courier, personal delivery or electronic or digital transmission addressed to:

Collins Barrow Toronto Limited
Court-appointed Monitor of Victorian Order Of Nurses For Canada
11 King Street West, Suite 700
Toronto, Ontario M5H 4C7

Attention: Jeffrey Berger
Telephone: (647) 726-0496
Facsimile: (416) 480-2646
E-mail: cbtnmonitor@collinsbarrow.com

Any such notice or other communication by a Creditor shall be deemed received only upon actual receipt thereof during normal business hours on a Business Day. Where the communication is to be by way of a form attached as a Schedule to this Order, such communication shall be in substantially the form of the attached Schedule.

32. THIS COURT ORDERS that where, pursuant to this Order, consultation is to occur with any Affected Director or Officer, notice is to be given to any such Affected Director or Officer, or the consent of any such Affected Director or Officer is to be obtained, and such Affected Director or Officer is represented by counsel, then such consultation, notice or consent may be with, to, or obtained from, such counsel.

WEPPA SUBROGATED CLAIMS

33. THIS COURT ORDERS that, notwithstanding any other provision of this Order, any failure by the Government of Canada to deliver, on or prior to the Claims Bar Date, a Proof of Claim in respect of any Claim it may have as subrogee of a Claim of a terminated employee of VON Canada pursuant to Section 36 of the *Wage Earner Protection Program Act* (Canada) (a "**WEPPA Subrogated Claim**") shall not result in the barring or extinguishment of such WEPPA Subrogated Claim. The procedures for filing and determination of WEPPA Subrogated Claims will be established by further order of this Court on notice to the Government of Canada.

MISCELLANEOUS

34. THIS COURT HEREBY REQUESTS the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada and any court or any judicial, regulatory or administrative body of the United States and the states or other subdivisions of the United States and of any other nation or state, to act in aid of and to be complementary to this Court in carrying out the terms of this Order.

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



FEB 24 2016

SCHEDULE A:

NOTICE FOR PUBLICATION

RE: NOTICE OF CLAIMS PROCESS FOR VICTORIAN ORDER OF NURSES FOR CANADA ("VON CANADA") PURSUANT TO THE COMPANIES' CREDITORS ARRANGEMENT ACT (THE "CCAA")

By Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated November 25, 2015 (as amended, the "**Initial Order**"), VON Canada, among others, filed for and obtained relief from its creditors under the *Companies' Creditors Arrangement Act* (the "**CCAA**"). Pursuant to the Initial Order, Collins Barrow Toronto Limited was appointed by the Court as monitor in VON Canada's CCAA proceeding (the "**Monitor**").

PLEASE TAKE NOTICE that on February 24, 2016, the Court issued an order (the "**Claims Procedure Order**"), a copy of which can be found on the Monitor's Website: <http://www.collinsbarrow.com/en/cbn/restructuring-and-recovery-engagements/v-o-n>, requiring that all Persons who assert:

- a Pre-Filing Claim and/or a Director/Officer Claim (capitalized terms used in this notice and not otherwise defined have the meaning given to them in the Claims Procedure Order) against VON Canada and/or the Directors and/or the Officers of VON Canada **must file a Proof of Claim with the Monitor on or before 4:00 p.m. (Toronto time) on April 29, 2016 (the "Pre-Filing Claims Bar Date");** or
- a Restructuring Claim against VON Canada **must file a Proof of Claim with the Monitor by the later of:**
 - a) **in the case of Restructuring Claims arising before the date of the Claims Procedure Order, the Pre-Filing Claims Bar Date; and**
 - b) **in the case of Restructuring Claims arising on or after the date of the Claims Procedure Order, the later of:**
 - (1) **the Pre-Filing Claims Bar Date; and**
 - (2) **4:00 p.m. (Toronto Time) on the date that is 20 Business Days after the Monitor sends a Proof of Claim Document Package with respect to a Restructuring Claim in accordance with paragraph 9 of the Claims Procedure Order;**

(the "Restructuring Claims Bar Date")

by sending the Proof of Claim to the Monitor by prepaid ordinary mail, registered mail, courier, personal delivery facsimile or other electronic transmission at the address of the Monitor listed below.

Proof of Claim Document Packages including the Proof of Claim may be obtained from the Monitor's website or by contacting the Monitor by prepaid ordinary mail, registered mail, courier or by telephone or email at the address of the Monitor listed below.

IF YOUR PROOF OF CLAIM IS NOT RECEIVED BY THE MONITOR BY THE PRE-FILING CLAIMS BAR DATE OR THE RESTRUCTURING CLAIMS BAR DATE, AS APPLICABLE, YOUR CLAIM AGAINST VON CANADA AND/OR THE OFFICERS AND/OR THE DIRECTORS WILL BE BARRED AND EXTINGUISHED FOREVER.

Address of the Monitor:

Collins Barrow Toronto Limited
Court-appointed Monitor of Victorian Order Of Nurses For Canada
11 King Street West, Suite 700
Toronto, Ontario M5H 4C7

Attention: Jeffrey Berger
Telephone: (647) 726-0496
Facsimile: (416) 480-2646
E-mail: cbtlmonitor@collinsbarrow.com

Dated at _____ this _____ day of _____, 2016.

SCHEDULE B
PROOF OF CLAIM

1. Particulars of Creditor:

- (1) Full Legal Name of Creditor:
- (2) Full Mailing Address of Creditor:
- (3) Telephone Number of Creditor:
- (4) Facsimile Number of Creditor:
- (5) E-mail Address of Creditor:
- (6) Attention (Contact Person):

2. Particulars of Original Creditor from Whom You Acquired Claim, if Applicable:

- (1) Have you acquired this Claim by assignment?

Yes [] No []

(if yes, attach documents evidencing assignment)

- (2) Full Legal Name of original creditor(s):

3. Claim:

I,, [*name of Creditor or authorized representative of the Creditor*], do hereby certify that I am the Creditor/hold the position of of the Creditor and have knowledge of all the circumstances connected with the Claim described herein; and

The Creditor makes the following Claim against Victorian Order Of Nurses For Canada and/or the Directors/Officers of Victorian Order Of Nurses For Canada:

Nature of Claim	Claim Amount	Claim as at
Pre-Filing Claim		November 25, 2015
Restructuring Claim		
Priority Claim		November 25, 2015
Secured Claim		November 25, 2015
Director/Officer Claim		November 25, 2015

4. Particulars of Claim:

The particulars of the undersigned's total Claim are attached.

(Attach a schedule setting forth full particulars of the Claim(s) against VON Canada and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim(s), name of any guarantor(s) which has guaranteed the Claim(s), and amount of Claim(s) allocated thereto, date and number of all invoices, particulars of all credits, discounts, etc. claimed, description of the security, if any, granted by VON Canada to the Creditor or title retention arrangement with VON Canada and estimated value of such security or title retention arrangement).

THIS PROOF OF CLAIM MUST BE RETURNED TO AND RECEIVED BY THE MONITOR BY 4:00 P.M. (TORONTO TIME) ON THE CLAIMS BAR DATE (FOR PRE-FILING CLAIMS, APRIL 29, 2016) AT THE FOLLOWING ADDRESS:

COLLINS BARROW TORONTO LIMITED
11 King Street West, Suite 700
PO Box 27
Toronto, Ontario M5H 4C7

Attention: Jeffrey Berger
Telephone: (647) 726-0496
Facsimile: (416) 480-2646
E-mail: cbtlmonitor@collinsbarrow.com

DATED at this day of, 2016.

Witnessed by:

[If Creditor is individual]

(sign)

Print Name

[If Creditor is corporation]

[Print name of Creditor]

Per: *(sign)*

Authorized Signing Officer

SCHEDULE C

INSTRUCTION LETTER

Pursuant to an Order of the Ontario Superior Court of Justice dated February 24, 2016, (the "**Claims Procedure Order**"), Victorian Order Of Nurses For Canada ("**VON Canada**") has been authorized to conduct a claims procedure. A copy of the Claims Procedure Order is available on the Monitor's website at <http://www.collinsbarrow.com/en/cbn/restructuring-and-recovery-engagements/v-o-n>.

This Guide has been prepared to assist Persons asserting a Claim in filling out the Proof of Claim form with respect to VON Canada. If you have any additional questions regarding completion of the Proof of Claim form, please consult the Monitor's website or contact the Monitor at the coordinates shown below.

In the event of any inconsistency between the terms of this guide and the terms of the Claims Procedure Order, the terms of the Claims Procedure Order will govern. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Claims Procedure Order.

Additional copies of the Proof of Claim form may be found at the Monitor's website address noted above.

Section 1 – Particulars of Creditor

- A separate Proof of Claim form must be filed by each legal entity or person asserting a Claim.
- A Person asserting a Claim shall include any and all Claims it asserts in a single Proof of Claim.
- The full legal name of the Person asserting the Claim must be provided.
- If the Person asserting the Claim operates under a different name, or names, please indicate this in a separate schedule in the supporting documentation.
- If the Claim has been assigned or transferred to another party, the steps in Section 2 must also be completed.
- Unless the Claim is assigned or transferred, all future correspondence, notices, etc. regarding the Claim will be directed to the address and contact indicated in the Proof of Claim.

Section 2 – Particulars of Original Creditor in case of Assignment

- If the holder of a Claim is the assignee of its Claim, then the steps in this Section 2 must be completed.
- The full legal name of the original creditor must be provided.
- If the assignor operates under a different name, or names, please indicate this in a separate schedule in the supporting documentation.

- Please provide particulars of assignment in a separate schedule.
- If the Monitor is satisfied that an assignment or transfer has occurred, all future correspondence, notices, etc. regarding the Claim will be directed to the assignee at the address and contact indicated in the Proof of Claim.

Section 3 – Amount of Claim

- Indicate the amount VON Canada or the Officer(s) or Director(s) was and still is indebted to the Person asserting the Claim.

Currency, Original Currency Amount

- The amount of the Claim must be provided in the currency in which it arose.
- Indicate the appropriate currency in the Currency column.
- If the Claim is denominated in multiple currencies, use a separate line to indicate the Claim amount in each such currency. If there are insufficient lines to record these amounts, attach a separate schedule indicating the required information.
- Claims denominated in a currency other than Canadian dollars will be converted into Canadian dollars by the Monitor using the Bank of Canada noon spot exchange rate on the Filing Date.

Secured

- Complete this section ONLY if the Claim recorded on that line is secured. Do not complete this section if your Claim is unsecured.
- If the value of the collateral securing your Claim is less than the amount of your Claim, enter the shortfall portion on a separate line as an unsecured claim.
- Evidence supporting the security you hold must be submitted with the Proof of Claim form. Provide full particulars of the nature of the security, including the date on which the security was given and the value you attribute to the collateral securing your Claim. Attach a copy of all related security documents.

Priority

- Complete this section ONLY if the amount of your Claim has a right to priority pursuant to Section 136 of the Bankruptcy and Insolvency Act (Canada) (the "BIA") or would be entitled to claim such a priority if this Proof of Claim were being filed in accordance the provisions of the BIA.
- If a priority claim is being asserted, please provide details as to the nature of the claim being asserted, and the basis for priority on which you rely.

Restructuring

- Complete this section ONLY if the amount of the Claim against VON Canada arose out of the restructuring, termination, repudiation, or disclaimer or breach of any lease, contract, employment agreement or other agreement or obligation after the Filing Date .

Officers and Directors

- Complete this section only if the Claim you are making is being asserted against an Officer or Director of VON Canada.
- You must identify the Individual Officer(s) or Director(s) against whom you are asserting the Claim.

Section 4 – Particulars of Claim

- Attach to the Proof of Claim form all particulars of the Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) giving

rise to the Claim, name of any guarantor which has guaranteed the Claim and amount of invoices, particulars of all credits, discounts, etc. claimed, description of the security, if any, granted by VON Canada or any Officer or Director to the holder of the Claim and estimated value of such security and particulars of any restructuring claim.

Certification

- The person signing the Proof of Claim form should
 - be the holder of the Claim, or authorized Representative of the holder of the Claim.
 - have knowledge of all the circumstances connected with this Claim.
- By signing and submitting the Proof of Claim, the Creditor is asserting the Claim against VON Canada and / or the Indicated Officer(s) or Director(s)

Filing of Claim

- For Persons wishing to assert a Pre-Filing Claim and/or a Director/Officer Claim, this Proof of Claim **must be received** by the Monitor by no later than 4:00 p.m. (Toronto time) on April 29, 2016 (the "**Pre-Filing Claims Bar Date**"). For Persons wishing to assert a Restructuring Claim, this Proof of Claim **must be received** by the Monitor by the later of:
 - a) in the case of Restructuring Claims arising before the date of the Claims Procedure Order, the Pre-Filing Claims Bar Date; and
 - b) in the case of Restructuring Claims arising on or after the date of the Claims Procedure Order, the later of:
 - (1) the Pre-Filing Claims Bar Date; and
 - (2) 4:00 p.m. (Toronto Time) on the date that is 20 Business Days after the Monitor sends a Proof of Claim Document Package with respect to a Restructuring Claim in accordance with paragraph 9 of the Claims Procedure Order;
- Proofs of Claim should be send by prepaid ordinary mail, registered mail, courier, personal delivery or facsimile or other electronic transmission to the following address:

Collins Barrow Toronto Limited
Court-appointed Monitor of Victorian Order Of Nurses For Canada
11 King Street West, Suite 700
Toronto, Ontario M5H 4C7

Attention: Jeffrey Berger
Telephone: (647) 726-0496
Facsimile: (416) 480-2646
E-mail: cbtnmonitor@collinsbarrow.com

Failure to file your Proof of Claim so that it is received by the Monitor by 4:00 p.m. Toronto time on the applicable claims bar date will result in your claim being barred and you will be prevented from making or enforcing a Claim against VON Canada or any current or former Officer or Director of VON Canada. In addition, you shall not be entitled to further notice in and shall not be entitled to participate as a Creditor in these proceedings.

SCHEDULE D

NOTICE OF REVISION OR DISALLOWANCE

NOTICE OF REVISION OR DISALLOWANCE

**IN RESPECT OF CLAIMS AGAINST
VICTORIAN ORDER OF NURSES FOR CANADA ("VON CANADA")**

Claims Reference Number: _____

To: _____

Pursuant to the Claims Procedure Order, the Monitor hereby gives you notice that the Monitor has reviewed your Proof of Claim, in consultation with VON Canada and where applicable any Affected Director or Officer, and has revised or disallowed all or part of your purported Claim. Subject to further dispute by you in accordance with the Claims Procedure Order, your Proven Claim will be as follows:

	Currency	Amount as Submitted	Amount Allowed
Pre-Filing Claim		\$	\$
Restructuring Claim			
Priority Claim			
Secured Claim		\$	\$
Director/Officer Claim		\$	\$
Total Claim		\$	\$

Reasons for Revision or Disallowance:

SERVICE OF DISPUTE NOTICES

If you intend to dispute this Notice of Revision or Disallowance, you must, no later than ● p.m. (prevailing time in Toronto) on the day that is ● Business Days after this Notice of Revision or Disallowance is deemed to have been received by you (in accordance with paragraph ● of the Claims Procedure Order), deliver a Notice of Dispute to the Monitor by prepaid ordinary mail, registered mail, courier, personal delivery or facsimile or other electronic transmission to the following address.

Collins Barrow Toronto Limited
Court-appointed Monitor of Victorian Order Of Nurses For Canada
11 King Street West, Suite 700
Toronto, Ontario M5H 4C7

Attention: Jeffrey Berger

Telephone: (647) 726-0496
Facsimile: (416) 480-2646
E-mail: cbtlmonitor@collinsbarrow.com

In accordance with the Claims Procedure Order, notices shall be deemed to be received by the Monitor upon actual receipt thereof by the Monitor during normal business hours on a Business Day, or if delivered outside of normal business hours, on the next Business Day. The form of Notice of Dispute is enclosed and can also be accessed on the Monitor's website at: <http://www.collinsbarrow.com/en/cbn/restructuring-and-recovery-engagements/v-o-n>.

IF YOU FAIL TO FILE A NOTICE OF DISPUTE WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU.

DATED this ● day of ●, ●.

Collins Barrow Toronto Limited, solely in its capacity as Court-appointed Monitor of VON Canada, and not in its personal or corporate capacity

Per: _____

SCHEDULE E
NOTICE OF DISPUTE

NOTICE OF DISPUTE
IN RESPECT OF CLAIMS AGAINST
VICTORIAN ORDER OF NURSES FOR CANADA ("VON CANADA")

Claims Reference Number: _____

1. Particulars of Claimant:

Full Legal Name of Claimant (include trade name, if different) (the " Claimant ")	
Full Mailing Address of the Claimant	
Telephone Number of the Claimant	
Email Address of the Claimant	
Facsimile Number of the Claimant	
Attention (Contact Person)	

2. Particulars of original Claimant from whom the Claim was acquired, if applicable:

Full Legal Name of original Claimant (include trade name, if different) (the " Claimant ")	
Full Mailing Address of the original Claimant	
Telephone Number of the original Claimant	
Email Address of the original Claimant	
Facsimile Number of the original Claimant	
Attention (Contact Person)	

Have you acquired this purported Claim by assignment?

Yes:

No:

If yes and if not already provided, attach documents evidencing assignment.

3. Dispute of Disallowance of Claim:

The Claimant hereby disagrees with the value of its Claim as set out in the Notice of Revision or Disallowance and asserts a Claim as follows:

	Currency	Amount Allowed	Amount Claimed by the Claimant
Pre-Filing Claim			
Restructuring Claim			
Priority Claims			
Secured Claim			
Director/Officer Claim			
Total Claim			

Reason for Dispute of Notice of Revision or Disallowance

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

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

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

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

CLAIMS PROCEDURE ORDER

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Lawyers for the Applicants

APPENDIX “H”

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

**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

THIRD REPORT OF THE MONITOR

May 25, 2016

Table of Contents

I. INTRODUCTION	1
i. Purpose of Report	3
ii. Terms of Reference	3
II. BACKGROUND	4
III. ACTIVITIES RELATING TO THE APPLICANTS SINCE THE ISSUANCE OF THE SECOND REPORT	6
i. Cash Flow Statements	6
ii. Operations of VON Canada, VON East and VON West	10
iii. VON Canada Pension Plan (the "Pension Plan")	11
IV. ACTIVITIES OF THE MONITOR SINCE THE ISSUANCE OF THE SECOND REPORT	12
V. VON CANADA CLAIMS PROCESS	13
VI. PERIOD 3 CASH FLOW	15
VII. THE APPLICANTS' REQUEST FOR AN EXTENSION OF THE STAY OF PROCEEDINGS	20
VIII. MONITOR'S FEES AND DISBURSEMENTS	21
IX. CONCLUSION	22

Appendices

Initial Order.....A

First Amended Initial Order.....B

Second Amended Initial Order.....C

Pre-Filing ReportD

First Report.....E

Second Report.....F

Stay Extension and Claims Procedure OrderG

March 7 MailingH

Globe NoticeI

April 7 MailingJ

Second Extended Cash Flow ProjectionK

Affidavit of Daniel WeiszL

Affidavit of Annie Kwok.....M

I. INTRODUCTION

1. This is the Third Report prepared by Collins Barrow Toronto Limited (the "**Monitor**"), in its capacity as the monitor of 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**") appointed pursuant to section 11.7 of the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") by Order of Mr. Justice Penny dated November 25, 2015 (the "**Initial Order**"). A copy of the Initial Order is attached hereto as Appendix "**A**".
2. On December 9, 2015, the Applicants sought and obtained from the Court a First Amended and Restated Initial Order (the "**First Amended Initial Order**") extending the stay period to February 26, 2016 (the "**Stay Period**") and modifying the ranking of the Directors' Charge, the Administration Charge and the Receiver's Charge. A copy of the First Amended Initial Order is attached hereto as Appendix "**B**".
3. On January 19, 2016, the First Amended Initial Order was further amended and restated in the Second Amended and Restated Initial Order ("the **Second Amended Initial Order**") in response to a motion made by the Ministry of Health and Long-term Care (Ontario) ("**Ministry**"), the Local Health Integration Networks and their respective affiliated and associated entities. A copy of the Second Amended Initial Order is attached hereto as Appendix "**C**".

-
4. The pre-filing report of Collins Barrow Toronto Limited as proposed monitor of the Applicants dated November 24, 2015 (the "**Pre-Filing Report**") was filed in support of the Applicants' motion on November 25, 2015 to seek the issuance of the Initial Order. A copy of the Pre-Filing Report, without appendices, is attached hereto as Appendix "**D**".
 5. The First Report of the Monitor dated December 7, 2015 (the "**First Report**") was filed in support of the Applicants' motion on December 9, 2015 to seek the issuance of the First Amended Initial Order. A copy of the First Report, without appendices, is attached hereto as Appendix "**E**".
 6. The Second Report of the Monitor dated February 18, 2016 (the "**Second Report**") was filed in support of the Applicants' motion on February 24, 2016 to seek an extension of the Stay Period and approval of a claims procedure for the identification and quantification of claims against VON Canada and any of the Directors and Officers of VON Canada (the "**Claims Procedure**"). A copy of the Second Report, without appendices, is attached hereto as Appendix "**F**".
 7. On February 24, 2016, the Applicants sought and obtained from the Court an Order extending the Stay Period to May 27, 2016 and approving the Claims Procedure (the "**Stay Extension and Claims Procedure Order**"). A copy of the Stay Extension and Claims Procedure Order, excluding the various forms referred to therein, is attached hereto as Appendix "**G**".
 8. The Initial Order, First Amended Initial Order, Second Amended Initial Order, Stay Extension and Claims Procedure Order, Monitor's reports and other documents filed in these proceedings (the "**CCAA Proceedings**") have been

posted on the Monitor's website 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.

i. Purpose of Report

9. The purposes of this Third Report (the "**Third Report**") are to:

- (a) provide information on activities relating to the Applicants since the issuance of the Second Report;
- (b) provide information on the Applicants' actual cash results for the period March 5, 2016 to May 14, 2016 compared to amounts projected;
- (c) provide information on the Monitor's activities since the issuance of the Second Report;
- (d) provide information on the Period 3 Cash Flow (defined below) filed by the Applicants;
- (e) comment and provide a recommendation to the Court on the Applicants' motion to extend the Stay Period to November 25, 2016; and
- (f) seek an Order approving the Monitor's activities and the accounts of the Monitor and Monitor's counsel, Bennett Jones LLP, for the periods ending May 22, 2016 and May 16, 2016, respectively.

ii. Terms of Reference

10. In preparing this Third 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 communications with the Chief Restructuring Officer of VON Canada (collectively, the “**Information**”). Certain of the information contained in this Third 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 Third 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.

11. Capitalized terms not defined in this Third Report are as defined in the Second Amended Initial Order, the affidavit of Jo-Anne Poirier sworn November 24, 2015 and the Stay Extension and Claims Procedure Order.
12. Unless otherwise stated, all dollar amounts contained in this Third Report are expressed in Canadian dollars.

II. BACKGROUND

13. 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**").

14. VON Canada, VON East, VON West, VON Ontario and VON Nova Scotia are referred to herein, collectively, as the "**VON Group**". The VON Group (now except for VON East and VON West) provide 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 VON Ontario and VON Nova Scotia and was, until the cessation of the operations of VON East and VON West, fully integrated with those regional operating entities as well. VON Ontario and VON Nova Scotia are presently the only regional operating entities responsible for the actual delivery of programs.
15. Paragraph 25 of the Second Amended Initial Order contains provisions staying the exercise by all Funders, other than the Ministry, the Local Health Integration Networks and their respective affiliated and associated entities (the rights of which are separately dealt with in an Endorsement of the Court dated January 19, 2016), 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 SECOND REPORT

i. Cash Flow Statements

16. The Applicants prepared a fourteen week cash flow projection for each of the Applicants (the "**Period 2 Cash Flow**") for the period from the week ending March 5, 2016 to June 4, 2016 ("**Period 2**") for the purpose of projecting the estimated results of the Applicants' planned activities during Period 2. Copies of the Period 2 Cash Flow and the Monitor's comments thereon were previously filed as part of the Second Report.
17. The Monitor has reviewed the Applicants' actual cash receipts and cash disbursements for the period March 5, 2016 to May 14, 2016 (the "**Results Period**"). The Monitor has not as of the date of the Third Report completed its review of the actual receipts and disbursements for the week ending May 21, 2016 and, as a result, the information provided herein is as of May 14, 2016.
18. As of the week ending May 14, 2016, the Applicants' combined cash balance was approximately \$2.3 million, which is approximately \$233,000 higher than had been projected in the Period 2 Cash Flow. This favourable variance was in part

due to (i) a higher starting cash position at the beginning of Period 2 than had been projected and (ii) a net cash surplus as of May 14, 2016 of \$22,644 instead of the net cash deficit of \$67,686 that had been projected as at that date.

19. The positive variance of approximately \$233,000 in the Applicants' ending cash position referred to by the Monitor in this Third Report is as at May 14, 2016, representing the date to which the Monitor has completed its review. The Monitor points out that paragraph 26 of the May 24, 2016 affidavit sworn by Jo-Anne Poirier (the "**May Affidavit**") references a positive variance of approximately \$190,000, but notes that the \$190,000 references a different amount, being the Applicants' projected cash balances as at June 4, 2016 taking into account actual results to May 14, 2016.
20. Set out below is a summary of the actual cash receipts and cash disbursements for the Results Period:

Cash Flow Summary for the period ending May 14, 2016			
<i>Entity</i>	<i>Forecast</i>	<i>Actual</i>	<i>Variance</i>
VON Canada			
Receipts	\$ 4,582,000	\$ 4,361,963	\$ (220,037)
Disbursements	4,847,186	4,425,304	421,882
Net cash surplus (deficit)	\$ (265,186)	\$ (63,341)	\$ 201,845
VON Western			
Receipts	\$ 137,500	\$ 21,856	\$ (115,644)
Disbursements	26,000	24,980	1,020
Net cash surplus (deficit)	\$ 111,500	\$ (3,124)	\$ (114,624)
VON Eastern			
Receipts	\$ 140,000	\$ 107,115	\$ (32,885)
Disbursements	54,000	18,006	35,994
Net cash surplus (deficit)	\$ 86,000	\$ 89,109	\$ 3,109
Combined			
Receipts	\$ 4,859,500	\$ 4,490,934	\$ (368,566)
Disbursements	4,927,186	4,468,290	458,896
Net cash surplus (deficit)	\$ (67,686)	\$ 22,644	\$ 90,330
Starting cash position	\$ 2,112,367	\$ 2,255,680	\$ 143,313
Ending cash position	\$ 2,044,681	\$ 2,278,324	\$ 233,643

21. The Applicants' actual cash receipts during the Results Period were \$368,566 lower than projected, resulting primarily from:

- i) management fee income for VON Canada being \$365,000 lower than forecast to May 14, 2016. Commencing the week ending April 9, 2016, the weekly management fees paid by VON Nova Scotia and VON Ontario to VON Canada were reduced from \$450,000 to \$385,000 per week. Management advised that this change reflects the current cost structure resulting in reduced overhead cost recovery from VON Ontario and VON Nova Scotia

for the new fiscal year (April 1, 2016 to March 31, 2017). Offsetting the management fee reduction for VON Canada are other receipts including donations and accounts receivable that exceeded forecast by approximately \$145,000; at least \$16,000 of the \$145,000 is comprised of donations that will be transferred to the community corporations;

- ii) included in the projections for VON West was an account receivable of \$125,000 that was projected to be collected but was not received during the Results Period. Management has advised that this amount was expected from three community corporations in Alberta and were owed for the community corporations' share of (a) the cost of programs that were operated during the fiscal year; and (b) wind-down costs incurred by VON West after the CCAA filing date. Management stated that it is considering its next steps with respect to collection of these amounts.

22. The Applicants' actual cash disbursements during the Results Period were \$458,896 lower than projected. This is in part due to:

- (i) timing differences as certain expenses that had been included in the Period 2 Cash Flow have not yet been incurred or paid; and
- (ii) operating cost savings in VON Canada of approximately \$425,000 including approximately \$200,000 in IT expenses and \$75,000 in travel and accommodation costs. The Monitor

understands from VON that these savings are not due to timing differences and should represent “permanent” savings.

23. As set out above, the Monitor has completed its review of the Applicants' actual cash receipts and cash disbursements for the Results Period. The Applicants have provided explanations to the Monitor for the variances between the actual amounts reported and those forecast in the Period 2 Cash Flow.

ii. Operations of VON Canada, VON East and VON West

24. The May Affidavit sets out the actions and steps taken by the Applicants since the date of the Stay Extension and Claims Procedure Order, including:

- (a) preserving the stability of the remaining work force of VON Canada;
- (b) updating key creditors on the progress of the CCAA Proceedings;
- (c) working with funders of VON Ontario and VON Nova Scotia to focus on long term stability of the relationships between those funders and the VON Group;
- (d) taking significant steps to continue to implement VON Canada's information technology restructuring plan, which has involved the transition of many information technology / information systems functions away from third party providers such that these functions can now be undertaken by VON Canada itself; and
- (e) VON Canada continuing to refine its corporate services model and workforce to better serve VON Ontario and VON Nova Scotia following the shutdown of VON East and VON West.

iii. VON Canada Pension Plan (the “Pension Plan”)

25. The February Affidavit states that a significant matter yet to be resolved is the treatment and restructuring of the Pension Plan. VON Canada is the sponsor and administrator of the Pension Plan.
26. The employees of the VON Group, including employees of VON Ontario, VON Nova Scotia and other affiliated entities are members of the Pension Plan.
27. The Pension Plan, which is a defined benefit pension plan, is in a solvency deficit position. As stated in the May Affidavit, based on actuarial estimates, the wind-up deficiency as of January 1, 2016 is estimated at approximately \$20 million or approximately 6% of total assets of the Pension Plan.
28. As a result of the shutdown of operations of VON East and VON West, neither VON East nor VON West will be in a position to make any contributions to the Pension Plan.
29. VON Canada has determined that the appropriate approach in the circumstances would be to implement a partial wind up of the VON East and VON West portions of the Pension Plan (or an analogous process in jurisdictions where a partial wind-up is not specifically provided for in the legislation) in order to segregate the VON East and VON West portions of the Pension Plan and ensure that the continuing VON Group entities do not subsidize pension plan costs that are properly payable by VON East or VON West.
30. As set out in the May Affidavit, on February 18, 2016, VON Canada delivered a letter to the Financial Services Commission of Ontario (“FSCO”) outlining the proposed partial wind up of the Pension Plan. In addition VON Canada has held

numerous discussions with FSCO and with various stakeholders including counsel for the Ontario Nurses Association, the United Nurses of Alberta and the Nova Scotia Department of Health and Wellness regarding the proposed partial wind up.

31. On April 27, 2016, the VON Group was advised that FSCO will not take a position at this time on the VON Group's proposed approach to the Pension Plan.
32. As set out in the May Affidavit, VON Canada intends to proceed with a motion in the near future to seek the Court's directions and approval with respect to the proposed partial wind up of the Pension Plan, on notice to interested parties. VON Canada intends to serve materials in support of this motion in the near future.
33. The Monitor will provide its comments to the Court after it has been provided with, and has reviewed and considered, the details of the proposed partial wind-up of the Pension Plan. The Applicants state in the May Affidavit that if any claims arise as a result of the Pension Plan restructuring process, the Applicants intend on treating those claims as Restructuring Claims (as defined in the Claims Procedure Order).

IV. ACTIVITIES OF THE MONITOR SINCE THE ISSUANCE OF THE SECOND REPORT

34. Since the date of the Second Report, the Monitor has, inter alia:
 - (a) addressed creditor enquiries regarding the status of the CCAA Proceedings;
 - (b) reviewed on a weekly basis during the Results Period the actual cash results provided by the Applicants and compared those results to the

-
- Period 2 Cash Flow and sought clarifications and explanations of the information presented as the Monitor considered appropriate;
- (c) engaged in discussions and correspondence with the Chief Restructuring Officer and representatives of the Applicants in connection with matters relating to these CCAA Proceedings; and
 - (d) conducted the VON Canada Claims Procedure in accordance with the Stay Extension and Claims Procedure Order.

V. VON CANADA CLAIMS PROCESS

35. Pursuant to the Stay Extension and Claims Procedure Order, the Monitor commenced a claims process to identify and determine the validity and quantum of claims against VON Canada and its present and former directors and officers as at the date of the Initial Order.
36. The significant steps taken by the Monitor to date include:
- (a) a copy of the Proof of Claim Document Package was posted on the Monitor's Website on or about February 24, 2016;
 - (b) on March 7, 2016, a letter notifying creditors of the claims process with a copy of the Proof of Claim Document Package was sent to approximately 240 known VON Canada creditors ("**VON Canada Creditors**"), the names and addresses for which were provided to the Monitor by VON Canada (the "**March 7 Mailing**");
 - (c) the Monitor delivered a copy of the Proof of Claim Document Package to any person requesting a copy or directed such person to the documents posted on the Monitor's website;

-
- (d) a Notice to Creditors was published in the Globe and Mail newspaper (national edition) on March 1, 2016 (the "**Globe Notice**"); and
 - (e) on April 7, 2016, a second letter was sent to VON Canada Creditors, totaling approximately 175 in number, that had not yet filed a proof of claim to remind them of the claims bar date (the "**April 7 Mailing**").

Copies of the March 7 Mailing, the Globe Notice and the April 7 Mailing are attached as Appendices "**H**", "**I**" and "**J**", respectively, to the Third Report.

- 37. As of the Pre-Filing Claims Bar Date of April 29, 2016, the Monitor had received proofs of claim from 132 creditors totaling, in aggregate, \$24,686,527.11. No claims were filed against any Director or Officer of VON Canada.
- 38. The Monitor, in consultation with VON Canada, is in the process of reviewing all claims filed and determining the status of such claims.
- 39. While the Pre-Filing Claims Bar Date of April 29, 2016 has now passed, the Stay Extension and Claims Procedure Order provided that Restructuring Claims, representing claims arising out of the restructuring, termination, repudiation, or disclaimer or breach of any lease, contract, employment agreement or other agreement or obligation after the Filing Date, could be filed on the date that is 20 Business Days after the Monitor sends a Proof of Claim Document Package with respect to a Restructuring Claim in accordance with Paragraph 9 of the Stay Extension and Claims Procedure Order.
- 40. Depending on the terms of the proposed partial wind-up of the Pension Plan, the Monitor notes that additional Restructuring Claims may be filed with the Monitor,

which will impact on the amount of the total claims as at the Filing Date filed against VON Canada.

VI. PERIOD 3 CASH FLOW

41. Attached hereto as Appendix "K" are the cash flow projections for each of the Applicants for the period June 5, 2016 to December 3, 2016 (the "Period 3 Cash Flow") that were filed by the Applicants with its motion for an extension of the stay of proceedings to November 25, 2016.
42. The Period 3 Cash Flow is presented on a weekly basis and represents estimates by each of the Applicants of the projected cash flows during the twenty-six week period to December 3, 2016 ("Period 3"). The Period 3 Cash Flow has been prepared by management of the Applicants using probable and hypothetical assumptions (the "Assumptions") as set out in the notes to the Period 3 Cash Flow. The Monitor has reviewed the Period 3 Cash Flow and the Assumptions referred to therein.
43. A summary of each of the Applicants' estimated cash position and total receipts and disbursements over the twenty-six week period to December 3, 2016 ("Period 3") is set out below:

	<u>VON Canada</u>	<u>VON West</u>	<u>VON East</u>
Projected opening cash at June 5, 2016	<u>\$ 1,717,340</u>	<u>\$ 44,066</u>	<u>\$ 367,360</u>
Add: Estimated total receipts	\$ 10,272,000	\$ -	\$ -
Less: Estimated total disbursements	<u>(11,016,219)</u>	<u>(32,500)</u>	<u>(65,000)</u>
Net cash surplus (deficit)	<u>\$ (744,219)</u>	<u>\$ (32,500)</u>	<u>\$ (65,000)</u>
Projected closing cash at December 3, 2016	<u>\$ 973,121</u>	<u>\$ 11,566</u>	<u>\$ 302,360</u>

-
44. The cash flows of all of the Applicants are forecasted to be negative for Period 3. Disbursements will exceed receipts by approximately \$744,000, \$32,000 and \$65,000 for VON Canada, VON West and VON East, respectively.
45. The projected cash shortfall during the course of Period 3 is to be covered by projected cash on hand at the commencement of Period 3. The Period 3 Cash Flow indicates that the projected cash position of the Applicants will decrease from \$1,717,340 to \$973,121 for VON Canada, from \$44,066 to \$11,566 for VON West and from \$367,360 to \$302,360 for VON East over the course of Period 3. As noted in the May Affidavit, the reduced overall cash balance of VON Canada reflects use of cash to fund the costs of the restructuring and takes into account the new forecasted level of funding from VON Ontario and VON Nova Scotia (in both cases, discussed further below).
46. Management fees totaling \$9,240,000 are projected to be received by VON Canada from VON Ontario and VON Nova Scotia in respect of administrative/functional support in areas such as financial services, information technology, human resources administration and payroll. These management fees represent the cost recovery of funds for services provided to the operating entities and account for approximately 90% of the estimated total receipts for VON Canada in Period 3. The management fees are projected to be at \$1,540,000 monthly (paid primarily on a weekly basis).
47. HST refunds totaling \$804,000 account for 8% of the estimated total receipts for VON Canada in Period 3. The refunds are for the two filing periods October 1, 2015 to March 31, 2016 and April 1 to September 30, 2016 and are expected to

be received in July 2016 and November 2016, respectively. The Monitor notes that VON Canada received an HST refund in November 2015, in respect of HST filed for the period April 1, 2015 to September 30, 2015.

48. The costs of payroll, pension and benefits account for approximately \$6.7 million or 61% of VON Canada's disbursements over Period 3. Operating and restructuring costs comprise \$2.8 million or 26% and \$1.1 million or 10%, respectively, of total disbursements for VON Canada in Period 3.
49. The Period 3 Cash Flow reflects that VON East and VON West have ceased operations. No future receipts are projected. Future costs of \$32,500 and \$65,000 for VON West and VON East, respectively, are forecasted to be paid to ongoing service providers and professionals in connection with the restructuring process.
50. As set out above, the cash balances of the Applicants are forecasted to decrease in total by approximately \$841,000 during Period 3. The May Affidavit sets out that the Applicants' continued participation in the CCAA process is essential to the overall restructuring of the VON Group and that the benefit to stakeholders of continuing the CCAA proceedings for VON East and VON West and of the continued operation of VON Canada under CCAA protection at this time outweigh the net negative cash flows to be incurred during the proposed stay extension period. In particular, the May Affidavit sets out that:
 - (a) the continuation of the CCAA proceedings is essential to the orderly restructuring of the VON East and VON West portions of the Pension Plan and the resolution of any claims that may arise therefrom;

-
- (b) a VON Canada shutdown at this time would result in the immediate termination of over 150 employees of VON Canada and, in addition to the hardship this would impose upon those employees, the amount of creditor claims would increase significantly;
 - (c) a liquidation of the assets of the Applicants would provide minimal recoveries to creditors of those entities in view of the quantum of claims against those entities relative to the cash on hand;
 - (d) an immediate shutdown of VON Canada (the administrator of the Pension Plan) would most likely lead to a full wind-up of the Pension Plan, adding increased cost and complication to the restructuring process; and
 - (e) an immediate shutdown of VON Canada at this time would destabilize VON Ontario and VON Nova Scotia, each of which are intended to continue to operate in the ordinary course and preserve stable employment for their over 5,800 employees.

51. The Monitor has reviewed the Period 3 Cash Flow as to its reasonableness as required by Section 23(1)(b) of the CCAA. Pursuant to this standard, the Monitor's review of the Period 3 Cash Flow consisted of inquiries, analytical procedures and discussions related to information supplied to it by the Applicants. Since the Assumptions need not be supported, the Monitor's procedures with respect to the Assumptions were limited to evaluating whether they were consistent with the purpose of the Period 3 Cash Flow. The Monitor also reviewed the support provided by the Applicants for the Assumptions and the preparation of the Period 3 Cash Flow.

52. Based on the Monitor's review, and provided the management fees continue to be paid to VON Canada as set out in the Period 3 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 Period 3 Cash Flow;
- (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 Period 3 Cash Flow, given the Assumptions; or
- (c) the Period 3 Cash Flow does not reflect the Assumptions.

53. As noted above, since the Period 3 Cash Flow is 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, the Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in the Third Report, or relied upon by the Monitor in preparing the Third Report.

54. The Period 3 Cash Flow for each of the Applicants has been prepared solely for the purpose described in the notes accompanying the Period 3 Cash Flow and readers are cautioned that the Period 3 Cash Flow may not be appropriate for other purposes.

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

55. The stay of proceedings pursuant to the Stay Extension and Claims Procedure Order expires on May 27, 2016.
56. The Applicants wish to pursue the next steps in the restructuring process including:
- (a) completing the claims process for VON Canada;
 - (b) continuing to implement the Pension Plan restructuring process described in the May Affidavit;
 - (c) developing the terms of a Plan of Compromise or Arrangement for VON Canada and possibly VON East and VON West; and
 - (d) if determined to be necessary, establishing a claims process for VON East and VON West.
57. The May Affidavit sets out that matters in respect of the Pension Plan restructuring will take a substantial amount of time to complete and that VON Canada cannot move to complete an overall restructuring plan until the Pension Plan restructuring process has been completed and any claims associated with that process have been determined and can be resolved. As such, the Applicants are seeking to extend the Stay Period to November 25, 2016, which is approximately one week prior to the last day of the Period 3 Cash Flow.
58. Based on the information set out herein and in the May Affidavit, the Monitor is of the view that (i) the Applicants have been and are proceeding in good faith and with due diligence in these proceedings, (ii) the Applicants have sufficient funds to continue to November 25, 2016, and (iii) the Applicants' request for an

extension of the Stay Period to November 25, 2016 is appropriate and reasonable in the circumstances.

VIII. MONITOR'S FEES AND DISBURSEMENTS

59. The Monitor has maintained detailed records of its professional fees and disbursements during the course of these proceedings.
60. For the period February 15, 2016 to May 22, 2016, the Monitor's accounts total \$107,287.34 consisting of \$86,893.00 in fees, \$8,051.55 in disbursements plus HST of \$12,342.79 (the "**Monitor's Accounts**"). Copies of the Monitor's Accounts, together with a summary of the accounts, the total billable hours charged per the accounts, and the average hourly rate charged per the accounts, is set out in the Affidavit of Daniel Weisz sworn May 25, 2016 that is attached hereto as Appendix "L".
61. The accounts of the Monitor's counsel, Bennett Jones LLP, for the period February 16, 2016 to May 16, 2016 total \$23,988.78, consisting of \$20,797.95 in fees, \$445.65 in disbursements and \$2,745.18 in HST (the "**Bennett Accounts**"). A copy of the Bennett Accounts, together with a summary of the personnel, hours and hourly rates described in the Bennett Accounts, supported by the Affidavit of Annie Kwok sworn May 25, 2016, is attached hereto as Appendix "M".

IX. CONCLUSION

62. Based on the foregoing, the Monitor respectfully:

- i) recommends that the Stay Period be extended to November 25, 2016; and
- ii) requests that the Court grant an Order approving:
 - (a) the Third Report and the Monitor's activities described herein;
 - (b) the fees and disbursements of the Monitor to May 22, 2016; and
 - (c) the fees and disbursements of Bennett Jones LLP to May 16, 2016.

All of which is respectfully submitted to this Court as of this 25th day of May, 2016.

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, LIT
Senior Vice President

APPENDIX "I"

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

JAP

THE HONOURABLE *Mr.*

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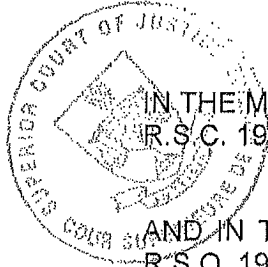
FRIDAY, THE 27th

JUSTICE PENNY

)

DAY OF MAY, 2016

)



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

STAY EXTENSION ORDER

THIS MOTION, made by Victorian Order Of Nurses For Canada, Victorian Order Of Nurses For Canada – Eastern Region and Victorian Order Of Nurses For Canada – Western Region (collectively, the "Applicants"), for an order:

1. extending the Stay Period (as defined in the Second Amended and Restated Initial Order dated November 25, 2015 in this proceeding);
2. approving the Third Report, dated May 25, 2016, (the "Third Report") of Collins Barrow Toronto Limited, in its capacity as Court-appointed Monitor of the Applicants (in such capacity, the "Monitor") and the actions, conduct and activities of the Monitor as described in the Third Report; and

3. approving the fees and disbursements of the Monitor and its counsel as described in the Third Report,

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Jo-Anne Poirier, sworn May 24, 2016, the Affidavits of the Monitor and its counsel as to fees (the "**Fee Affidavits**"), and the Third Report and on hearing the submissions of counsel for the Applicants and the Monitor, and such other counsel present, no one else appearing although served as evidenced by the Affidavits of Evan Cobb sworn May 25, 2016 and Annie Kwok, sworn May 26, 2016, filed;

SERVICE

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

STAY EXTENSION

2. THIS COURT ORDERS that the Stay Period be and is hereby extended up to and including November 25, 2016.

FEE AND ACTIVITY APPROVAL

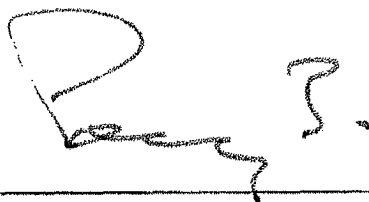
3. THIS COURT ORDERS that, subject to paragraphs 5 and 6 hereof, the fees and disbursements of the Monitor and its counsel for the periods set out in the Fee Affidavits be and are hereby approved.

4. THIS COURT ORDERS that, subject to paragraphs 5 and 6 hereof, the Third Report and the actions, conduct and activities of the Monitor described in the Third Report be and they are hereby approved.

5. THIS COURT ORDERS that in the event any person objects to the approvals provided in paragraphs 3 and 4 hereof, that person must send a written notice of objection and the grounds therefor to the Monitor at the address set out on the Service List such that the objection is received by the Monitor within ten days of the date of this Order (the "**Objection Deadline**"). If no objection is received by the Monitor prior to the Objection Deadline, the approvals provided

in paragraphs 3 and 4 hereof shall be automatically deemed effective without further Order of the Court.

6. THIS COURT ORDERS that if an objection to the approvals provided in paragraphs 3 and 4 hereof is received by the Monitor in accordance with paragraph 5 hereof, the approvals provided in paragraphs 3 and 4 hereof shall only become effective if the objection is revoked in writing by the objecting party or upon further Order of the Court.



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

MAY 27 2016

PER / PAR 

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

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF VICTORIAN ORDER OF NURSES FOR CANADA ET AL.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

STAY EXTENSION ORDER

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Lawyers for the Applicants

APPENDIX "J"

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

**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 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

**PLAN OF COMPROMISE OR ARRANGEMENT
PURSUANT TO THE *COMPANIES' CREDITORS ARRANGEMENT ACT*
OF VICTORIAN ORDER OF NURSES FOR CANADA – WESTERN REGION**

OCTOBER 5 , 2016

WHEREAS Victorian Order Of Nurses For Canada – Western Region ("**VON West**") is insolvent and obtained protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), pursuant to an order of the Honourable Justice Penny dated November 25, 2015, as amended (the "**Initial Order**"). The Initial Order appointed Collins Barrow Toronto Limited as the Monitor of, among others, VON West;

AND WHEREAS the other Applicants in these proceedings under the CCAA are Victorian Order Of Nurses For Canada ("**VON Canada**") and Victorian Order Of Nurses For Canada – Eastern Region ("**VON East**");

AND WHEREAS the operations of VON West are now entirely shut down;

AND WHEREAS pursuant to the order of the Honourable Justice Penny dated October 5, 2016, VON West was authorized to file this plan of compromise or arrangement;

AND WHEREAS VON West hereby proposes and presents this plan of compromise or arrangement for the purpose of distributing the cash on hand to VON West's creditors under and pursuant to the CCAA.

ARTICLE 1
INTERPRETATION

Section 1.1 Definitions

In this Plan, unless otherwise stated or unless the subject matter or context otherwise requires, the following terms shall have the following meanings:

“Administration Charge” has the meaning given to it in the Initial Order;

“Business Day” means a day, other than Saturday, Sunday, on which banks are generally open for business in Toronto, Canada;

“BIA” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3;

“CCAA Proceedings” means the proceedings under the CCAA commenced by VON Canada, VON East and VON West on November 25, 2015;

“Claim” means:

- a) any right of claim of any Person against VON West, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of VON West, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, or unknown, by guarantee, surety or otherwise and whether or not such right is executory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing on or prior to the Filing Date; and
- b) any right of claim of any Person against VON West in connection with any indebtedness, liability or obligation of any kind whatsoever owed by VON West to such Person arising out of the restructuring, termination, repudiation, or disclaimer or breach of any lease, contract, employment agreement or other agreement or obligation after the Filing Date,

in each case, other than an Excluded Claim.

In the case of a Claim by a landlord of VON West in connection with a restructuring, termination, repudiation, or disclaimer or breach of any lease, such Claim shall be quantified as the Landlord Formula Amount applicable to such lease.

“Claims Procedure Order” means the Claims Procedure Order of the Honourable Mr. Justice Penny, dated October 5, 2016 in these proceedings;

“Court” means the Ontario Superior Court of Justice, Commercial List;

“Creditor” means any Person holding a Claim;

“Creditors’ Meeting” means the meeting of Creditors holding Voting Claims called for the purpose of considering and voting in respect of this Plan pursuant to the CCAA and the terms of the Meeting Order on the Creditors’ Meeting Date;

“Creditors’ Meeting Date” means November 16, 2016, subject to any adjournment or postponement of the Creditors’ Meeting in accordance with this Plan, the Meeting Order or further order of the Court;

“Crown Claims” means any Claim of the Crown, for all amounts that were outstanding at the Filing Date and are of a kind that could be subject to a demand under:

- a) subsection 224(1.2) of the ITA;
- b) any provision of the Canada Pension Plan or of the Employment Insurance Act that refers to subsection 224(1.2) of the ITA and provides for the collection of a contribution, as defined in the Canada Pension Plan, or an employee’s premium, or employer’s premium, as defined in the Employment Insurance Act, or a premium under Part VII.1 of that Act, and of any related interest, penalties or other amounts;
- c) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the ITA, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:
 - i. has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the ITA; or
 - ii. is of the same nature as a contribution under the Canada Pension Plan if the province is a “province providing a comprehensive pension plan” as defined in subsection 3(1) of the Canada Pension Plan and the provincial legislation establishes a “provincial pension plan” as defined in that subsection.

“Director and Officer Claim” means any right of any Person against the Directors or Officers of VON West for which the Directors or Officers of VON West are by law liable to pay in their capacity as Directors or Officers or in any other capacity, in each case based in whole or in part on facts existing on or prior to the date of the Claims Procedure Order;

“Directors” means the directors and former directors of VON West or any Person deemed to be a director or former director of VON West by any law, and “Director” means any one of them;

“Disputed Claim” means any unsecured Claim of a Creditor which has not been finally determined in accordance with the Claims Procedure Order by the Creditors’ Meeting Date;

“Distribution Date” means a date after the Implementation Date to be determined by VON West, which shall in any event be not more than 45 days after the Implementation Date;

“Distribution Pool” means all cash and cash equivalents legally and beneficially owned by VON West as of the Implementation Date after payment in full of all Secured Proven Claims, claims secured by the Charges (as defined in the Initial Order) (or the delivery of a cash reserve to be held by the Monitor in respect of such claims), and Crown Claims and Employee Priority Claims;

“Employee Priority Claims” means the following claims of VON West’s employees and former employees:

- a) claims equal to the amounts that such employees and former employees would have been qualified to receive under paragraph 136(l)(d) of the BIA if VON West had become bankrupt on the Filing Date; and
- b) claims for wages, salaries, commissions or compensation for services rendered by VON West’s employees and former employees after the Filing Date and on or before the date of the Sanction

Order, together with, in the case of travelling salespersons, disbursements properly incurred by them in and about VON West's business during the same period.

"Excluded Claim" means: (i) claims secured by any of the Charges (as defined in the Initial Order); (ii) any claim enumerated in subsections 5.1(2) and 19(2) of the CCAA; (iii) any Employee Priority Claims or Crown Claims; and (iv) any claim by a Director or Officer for indemnification related to a Director and Officer Claim.

"Filing Date" means November 25, 2015;

"Implementation Date" means December 30, 2016, or such other date as VON West may determine in consultation with the Monitor, which date shall not be later than January 13, 2017;

"ITA" means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5th Supp.);

"Landlord Formula Amount" means an amount equal to the lesser of:

- a) the aggregate of:
 - i. the rent provided for in the lease for the first year of the lease following the date on which the disclaimer or rescission of the lease became effective, and
 - ii. fifteen percent of the rent for the remainder of the term of the lease after that year; and
- b) three years' rent.

"Meeting Order" means the order of the Court dated October 5, 2016, which, among other things, provided for the calling of the Creditors' Meeting;

"Monitor" means Collins Barrow Toronto Limited in its capacity as the Court-appointed Monitor of VON West;

"Officers" means the officers and former officers of VON West or any Person deemed to be an officer or former officer of VON West by any law and "Officer" means any one of them;

"Order" means any order, directive, judgment, decision, ruling or award issued by the Court in the CCAA Proceeding;

"Plan" means this plan of compromise or arrangement filed with the Court pursuant to the CCAA, as this Plan may be amended, varied or supplemented from time to time in accordance with Article 7 hereof;

"Person" means any individual, partnership, firm, joint venture, trust, entity, corporation, unincorporated organization, trade union, employee or other association and any federal, provincial, state or municipal government or similar entity, howsoever designated or constituted;

"Proof of Claim" means the form completed and filed by a Creditor setting forth its purported Claim which is substantially in the form attached to the Claims Procedure Order;

"Property" means all of VON West's assets, undertakings and properties of every nature and kind whatsoever and wherever situate, including all proceeds thereof;

"Proven Claim" means the amount of the Claim of a Creditor as determined in accordance with the Claims Procedure Order;

“Required Majority” means the affirmative vote of a majority in number of the Creditors having Voting Claims and voting on this Plan (in person or by proxy) at the Creditors' Meeting representing not less than 66 2/3% in value of the Voting Claims of the Creditors voting (in person or by proxy) at the Creditors' Meeting in accordance with the terms of the Meeting Order;

“Sanction Order” means an order of the Court, among other things, approving and sanctioning this Plan;

“Secured Proven Claim” means any Claim or portion thereof, as finally determined in accordance with the Claims Procedure Order, which has the benefit of a valid and enforceable security interest in, mortgage or charge over, lien against or other similar interest in the Property, but only to the extent of the realizable value of the property subject to such security;

“Taxing Authorities” means any one of Her Majesty the Queen, Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof and any Canadian or non-Canadian (including U.S.) government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, and **“Taxing Authority”** means any one of the Taxing Authorities;

“Unsecured Proven Claim” means the unsecured portion of a Creditor's Proven Claim as determined in accordance with the Claims Procedure Order;

“Unresolved Claim” means any Claim of a Creditor which has not been finally determined for distribution purposes in accordance with the Claims Procedure Order by the Implementation Date;

“Voting Claim” means the amount of a Creditor's Unsecured Proven Claim or the amount of a Creditor's Disputed Claim which has been accepted by the Monitor for the purpose of voting at the Creditors' Meeting in accordance with the Meeting Order;

“Voting Deadline” means 10:00 a.m. (Toronto time) on the Business Day before the date of the Creditors' Meeting; and

Section 1.2 Interpretation

For purposes of this Plan:

- (a) all references to currency and to “\$” are to Canadian Dollars, unless otherwise specified;
- (b) the division of this Plan into Articles and Sections are for convenience of reference only and do not affect the construction or interpretation of this Plan, nor are the descriptive headings of Articles and Sections intended as complete or accurate descriptions of the content thereof;
- (c) references to the singular in the Plan shall include the plural, references to the plural shall include the singular and to any gender shall include the other gender;
- (d) unless otherwise specified, all references to time in this Plan mean local time in Toronto, Canada and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day;
- (e) unless otherwise specified, a time period within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day if the last day of the period is not a Business Day;

- (f) the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive; and
- (g) Whenever any payment to be made or action to be taken under this Plan is required to be made or to be taken on a day other than a Business Day, such payment shall be made or action taken on the next succeeding Business Day.

ARTICLE 2

PURPOSE AND EFFECT OF THE PLAN

Section 2.1 Purpose of this Plan

The purpose of this Plan is to distribute the Distribution Pool to VON West's Creditors with Unsecured Proven Claims and provide for the compromise and settlement of all Claims against VON West.

Section 2.2 Effect of this Plan

On the Implementation Date, all Claims against VON West will be deemed to be compromised and settled and shall be fully released and discharged, excepting only the obligations to make distributions in respect of such Claims, which compromise shall be final and binding on VON West and all Persons affected by this Plan.

ARTICLE 3

CLASSIFICATION OF CREDITORS

Section 3.1 Class of Creditors

For the purpose of voting on this Plan the Creditors with Voting Claims shall constitute a single class, the Affected Creditors Class.

Section 3.2 Claims

Creditors shall prove their Claims, vote (in the case of Voting Claims) in respect of this Plan, and receive the distributions provided for hereunder pursuant to the Claims Procedure Order, the Meeting Order and this Plan.

In the case of a Claim by a landlord of VON West in connection with a restructuring, termination, repudiation, or disclaimer or breach of any lease, such Claim shall be quantified using the Landlord Formula Amount applicable to such lease. The Landlord Formula Amount shall apply notwithstanding the Claim amount set out in a landlord's proof of claim or the methodology used by the landlord to calculate that claim.

ARTICLE 4

CREDITORS' MEETING

Section 4.1 Creditors' Meeting

The Creditors' Meeting shall be held in accordance with this Plan, the Meeting Order and any further order of the Court which may be made from time to time. The only Persons entitled to attend the Creditors' Meeting are VON West, the Monitor and its legal counsel; those Persons, including the holders of proxies, entitled to vote at the Creditors' Meeting, the directors and officers of VON West, the Chief Restructuring Officer of VON Canada, and their respective legal counsel and advisors. Any other Person may be admitted on invitation of the chair of the Creditors' Meeting.

Section 4.2 Voting by Creditors

VON West will seek approval of this Plan by the affirmative vote of the Required Majority. Except for any resolution to be voted on at the Creditors' Meeting to approve this Plan, which will be decided by the Required Majority by ballot, every question submitted to a vote at the Creditors' Meeting will be decided by a majority in value of the Voting Claims, unless the Monitor decides, in its sole discretion, that any such question submitted to a vote at the Creditors' Meeting will be decided by the majority of votes given on a show of hands.

The result of any vote at the Creditors' Meeting will be binding on all Persons affected by this Plan, whether or not any such Person is present at the Creditors' Meeting.

Section 4.3 Claims for Voting Purposes

Each Creditor with a Voting Claim shall be entitled to one vote, which vote shall have the value of such Creditor's Voting Claim. The amount of a Creditor's Disputed Claim which has not been accepted by the Monitor as a Voting Claim may be voted at the Creditors' Meeting, but shall be recorded and tabulated by the Monitor separately at the amount of the Disputed Claim. The amount of the Voting Claim of any Creditor holding a Disputed Claim as accepted by the Monitor for the purpose of voting only shall be without prejudice to the rights of VON West, the Monitor and such Creditor with respect to the final determination of the Creditor's Claim for distribution purposes.

Section 4.4 Claims Bar Date

If any Person asserting a Claim (other than a Claim that was the subject of a Claim Notice in accordance with the Claims Procedure Order) has failed to file a Proof of Claim in accordance with the Claims Procedure Order prior to the Claims Bar Date (as defined in the Claims Procedure Order) or such later date as was agreed to in writing by the Monitor or extended by further order of the Court, that Person shall not be permitted to vote at the Creditors' Meeting and shall not receive any distribution under this Plan (except to the extent of any Claim that was the subject of a Claim Notice).

Section 4.5 Chair

An officer of the Monitor, or an individual designated by him or her, shall preside as the chair of the Creditors' Meeting and shall decide all matters relating to procedure at the Creditors' Meeting not otherwise set out in the Meeting Order.

ARTICLE 5

DISTRIBUTIONS UNDER THE PLAN

Section 5.1 Distributions on Account of Secured Proven Claims

If this Plan is implemented, then on the Distribution Date, each Creditor holding a Secured Proven Claim shall receive a distribution equal to the full amount of the Creditor's Secured Proven Claim.

Section 5.2 Distributions on Account of Unsecured Proven Claims

If this Plan is implemented, then on the Distribution Date, each Creditor holding an Unsecured Proven Claim will receive a distribution of a portion of the Distribution Pool equal to the proportion that such Creditor's Unsecured Proven Claim represents as a percentage of all Unsecured Proven Claims, up to the maximum amount of such Creditor's Unsecured Proven Claim. Such distributions shall be delivered by cheque sent by pre-paid ordinary mail by VON West to the address set out in such Creditor's proof of claim.

Section 5.3 Interest on Claims

Interest will not accrue or be paid on Unsecured Proven Claims after or in respect of the period following the Filing Date and no holder of an Unsecured Proven Claim will be entitled to any interest in respect of such Unsecured Proven Claim accruing on or after or in respect of the period following the Filing Date.

Section 5.4 Certain Crown Claims and Employee Claims

Within six (6) months after the date of the Sanction Order, VON West will pay in full all Crown Claims owed by VON West, if any.

At or prior to implementation of this Plan, VON West will pay in full all Employee Priority Claims owed by VON West, if any.

Section 5.5 Currency

For voting purposes, a Claim shall be denominated in Canadian dollars. Any Claim denominated in a currency other than Canadian dollars shall be converted to Canadian dollars based on the noon spot rate of exchange quoted by the Bank of Canada for exchanging such currency to Canadian dollars as at the Filing Date.

Claims originally denominated in a foreign currency will be distributed to those creditors in Canadian dollars based on the noon spot rate of exchange quoted by the Bank of Canada for exchanging such currency to Canadian dollars as at the Implementation Date.

Section 5.6 Withholding and Reporting Requirements

VON West shall be entitled to deduct and withhold from any distribution, payment or consideration otherwise payable to any Creditor or to any Person on behalf of any Creditor such amounts (a "Withholding Obligation") (i) as VON West is required to deduct and withhold with respect to such payment under the ITA or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended, or (ii) on account of payments previously made to Creditors under the Wage Earner Protection Program.

To the extent that amounts are so withheld or deducted and paid over to the applicable Taxing Authority, such withheld or deducted amounts shall be treated for all purposes of the Plan as having been paid to such Person as the remainder of the payment in respect of which such withholding and deductions were

made. For greater certainty, no distribution, payment or other consideration shall be made to or on behalf of a holder of a Proven Claim pursuant to the Plan unless and until such holder has made arrangements satisfactory to VON West for the payment and satisfaction of any Withholding Obligations imposed on VON West by any Taxing Authority.

Section 5.7 Uncashed Cheques

If a distribution cheque mailed by VON West to a Creditor is not deposited within six (6) months of its mailing or is returned to VON West and the Creditor entitled to such distribution cannot be found by VON West after reasonable efforts to locate such Creditor have been made, the cheque payable to such Creditor shall be cancelled and the funds represented by all such cancelled cheques shall, if in excess of \$5,000 in aggregate be reallocated to the Distribution Pool for distribution to creditors with Unsecured Proven Claims or, if less than or equal to \$5,000 in aggregate, shall be retained by VON West free and clear of any claims; provided, however, that VON West shall not be required to make any distribution of funds reallocated to the Distribution Pool under this Section 5.7 to any Creditor where such distribution would be less than \$50 (the "**Minimum Distribution Threshold**"). Any amounts from these reallocated funds that would otherwise be payable to a Creditor in an amount that does not meet or exceed the Minimum Distribution Threshold shall be retained by VON West free and clear of any claims and transferred to VON Canada.

Section 5.8 No Distribution Pending Allowance

Notwithstanding any other provision of the Plan, no payments or distributions shall be made with respect to all or any portion of an Unresolved Claim unless and to the extent all or a portion of the Unresolved Claim has become a Proven Claim for distribution purposes.

On the Implementation Date, VON West will pay from the Distribution Pool to the Monitor an amount equal to the aggregate amount of all distributions that Creditors with Unresolved Claims would otherwise have received pursuant to this Plan had their Unresolved Claims been Proven Claims for distribution purposes on the Distribution Date. The Monitor will establish a reserve for Unresolved Claims, if any, from the Distribution Pool (the "**Unresolved Claims Reserve**"). The Monitor shall continue to hold the Unresolved Claims Reserve for the benefit of each Creditor holding an Unresolved Claim until such Claim becomes a Proven Claim for distribution purposes (at which point the Monitor shall make a distribution in respect of such Proven Claim) or is ultimately disallowed.

If an Unresolved Claim is ultimately determined to not be a valid Claim in whole or in part in accordance with the Claims Procedure Order after the Implementation Date, any portion of the Unresolved Claims Reserve in respect of such Unresolved Claim shall be reallocated to the Distribution Pool and, if upon resolution of all Unresolved Claims, the Distribution Pool has a balance in excess of \$5,000, the funds in the Distribution Pool shall be paid out to creditors with Unsecured Proven Claims in accordance with this Plan or, if the funds in the Distribution Pool are less than or equal to \$5,000, the funds remaining in the Distribution Pool shall be retained by VON West free and clear of any claims; provided, however, that VON West shall not be required to make any distribution of funds reallocated to the Distribution Pool under this Section 5.8 to any Creditor where such distribution would be less than the Minimum Distribution Threshold. Any amounts from these reallocated funds that would otherwise be payable to a Creditor in an amount that does not meet or exceed the Minimum Distribution Threshold shall be retained by VON West free and clear of any claims.

Section 5.9 Unapplied Portion Of Reserve For Amounts Secured By Charges

A cash reserve in an amount not to exceed \$5,000 shall be paid over to the Monitor on the Implementation Date to pay any claims that may become payable for amounts secured by the Charges. If it is determined that the amounts held by the Monitor as a reserve for claims secured by the Charges is no longer required, such amounts shall be reallocated to the Distribution Pool and, if the funds in the Distribution Pool are less than or equal to \$5,000, the funds remaining in the Distribution Pool shall be

retained by VON West free and clear of any claims; provided, however, that VON West shall not be required to make any distribution of funds reallocated to the Distribution Pool under this Section 5.9 to any Creditor where such distribution would be less than the Minimum Distribution Threshold. Any amounts from these reallocated funds that would otherwise be payable to a Creditor in an amount that does not meet or exceed the Minimum Distribution Threshold shall be retained by VON West free and clear of any claims.

Section 5.10 Employee Claims

If a former employee of VON West has received payment from the Wage Earner Protection Program on account of amounts owing to such former employee by VON West, such former employee's recovery under this Plan will be adjusted so that such former employee's claim for distribution purposes excludes the amount received from the Wage Earner Protection Program by such former employee on account of amounts owing to such former employee by VON West.

ARTICLE 6

COURT SANCTION, CONDITIONS PRECEDENT AND IMPLEMENTATION

Section 6.1 Conditions Precedent

The implementation of this Plan is subject to the following conditions precedent which are in favour of VON West:

- (a) This Plan has been approved by the Required Majority at the Creditors' Meeting;
- (b) The Sanction Order has been issued and entered; and
- (c) Unless such condition is waived by VON West in consultation with the Monitor, all applicable appeal periods in respect of the Sanction Order have expired and any appeals therefrom have been finally disposed of by the applicable appellate tribunal.

Section 6.2 Effect of Sanction Order

In addition to approving and sanctioning this Plan, the Sanction Order shall, among other things:

- (a) Declare that: (i) the Plan has been approved by the Required Majority in conformity with the CCAA; (ii) VON West and the Monitor have complied with the provisions of the CCAA and the Orders of the Court made in these proceedings in all respects; (iii) the Court is satisfied that VON West and the Monitor have not done or purported to do anything that is not authorized by the CCAA; and (iv) the Plan and the transactions contemplated thereby are fair and reasonable;
- (b) Authorize the Monitor and VON West to perform their functions and fulfill their obligations under the Plan to facilitate the implementation of the Plan;
- (c) Effective on the Implementation Date, permanently stay all Claims and declare that the compromises effected hereby are approved, binding and effective as herein set out upon all Creditors and other Persons affected by this Plan;
- (d) Confirm the releases provided for in Article 8 hereof;
- (e) Declare that in carrying out the terms of the Meeting Order, the Sanction Order and this Plan, (i) the Monitor shall benefit from the protections given to it by the CCAA, the Initial Order, and any other Order in the CCAA Proceedings, and as an officer of the Court, including the stay of

proceedings in its favour; and (ii) the Monitor shall incur no liability or obligation as a result of carrying out the provisions of the Sanction Order and this Plan;

- (f) Effective on the Implementation Date, compromise, discharge and release VON West from any and all Claims of any nature in accordance with the Plan, and declare that the ability of any Person to proceed against VON West in respect of or relating to any Claims shall be forever discharged and restrained, subject only to the right of the Creditor to receive distributions pursuant to the Plan in respect of its Proven Claims; and
- (g) Declare that upon completion by VON West and the Monitor of their duties pursuant to the CCAA and the Orders granted in these proceedings under the CCAA, including without limitation, the Monitor's duties in respect of the Claims Procedure Order and the Plan, the Monitor may file with the Court a certificate stating that all of its duties in respect of VON West pursuant to the CCAA and the Orders have been completed and thereupon these CCAA Proceedings shall be terminated in respect of VON West.

Section 6.3 Monitor's Certificate

Upon receipt by the Monitor of written confirmation from VON West (on which the Monitor shall be entitled to rely without further investigation or verification) that all distributions under the Plan have been made and all the conditions precedent under the Plan have been satisfied, the Monitor shall file a certificate with the Court stating that the conditions precedent set out in Section 6.1 hereof have been satisfied and that the Plan has been implemented.

ARTICLE 7

PLAN AMENDMENTS

Section 7.1 Plan Amendments

VON West may amend, modify and/or supplement this Plan at any time and from time to time prior to the Creditors' Meeting, provided that all such amendments, modifications and supplements are disclosed and made available at the Creditors' Meeting in the manner required in the Meeting Order.

VON West may amend, modify and/or supplement this Plan at any time and from time to time after the Creditors' Meeting but before the Sanction Order is issued, provided that all such amendments, modifications and supplements are approved by the Court on notice to the Creditors affected thereby in the manner required in the Meeting Order.

VON West may amend, modify and/or supplement this Plan at any time and from time to time after issuance of the Sanction Order, provided that all such amendments, modifications and supplements are, in the opinion of the Monitor or the Court, of an administrative nature required to better give effect to the implementation of this Plan or the Sanction Order and are not adverse to the financial or economic interests of the Creditors generally.

Any amended, modified and/or supplementary plan or plans of compromise or arrangement shall for all purposes be and be deemed to be a part of and incorporated into this Plan.

ARTICLE 8

RELEASES

- (a) On the Implementation Date, the following shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred:

- i. all Claims, whether or not filed in accordance with the Claims Procedure Order;
- ii. all Director and Officer Claims, whether or not filed in accordance with the Claims Procedure Order;
- iii. any and all demands, claims, actions, causes of action, counterclaims, suits, debts, covenants, damages, judgments, executions, liens and other recoveries on account of any indebtedness, liability, obligation, demand or cause of action of whatever nature that any Person (including any Person who may claim contribution or indemnification against or from them) may be entitled to assert, against VON West, the Monitor, the Chief Restructuring Officer of VON Canada and each of their respective financial advisors, legal counsel, agents, directors, officers, partners, employees or representatives whether known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date that are in any way relating to, arising out of or in connection with (i) the restructuring, disclaimer, rescission, breach or termination of any contract, lease, agreement or other arrangement, whether written or oral; (ii) this Plan; and (iii) these CCAA proceedings; provided that nothing herein shall waive, release, discharge, cancel or bar any right to enforce the obligations under this Plan, VON West from or in respect of any Excluded Claim, or any person from any claim that is not permitted to be released pursuant to section 19(2) of the CCAA or section 5.1(2) of the CCAA.

(collectively, the "Released Claims").

(b) All Persons (regardless of whether or not such Persons are Creditors) are permanently and forever barred, estopped, stayed and enjoined, on and after the Implementation Date, from (i) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) in respect of a Released Claim; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order in respect of a Released Claim; or (iii) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits or demands, including without limitation, by way of contribution or indemnity or other relief, in common law, or in equity, or for breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim, in any manner or forum, against one or more of the parties who is the subject of a Released Claim

ARTICLE 9

GENERAL

Section 9.1 Termination of the Plan

At any time prior to the Implementation Date, VON West may determine not to proceed with this Plan, notwithstanding a prior approval given at the Creditors' Meeting or the obtaining of the Sanction Order.

Section 9.2 Paramountcy

From and after the Implementation Date, any conflict between this Plan and the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, credit document, agreement for sale, by-laws of VON West, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between one or more of the Creditors and VON

West as at the Implementation Date will be deemed to be governed by the terms, conditions and provisions of this Plan and the Sanction Order, which shall take precedence and priority.

Section 9.3 Successors and Assigns

This Plan and any compromise effected by this Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, representatives, successors and assigns of any Person named or referred to in, or affected by, this Plan for all purposes, as of the Implementation Date.

Section 9.4 Consents, Waivers and Agreements

On the Implementation Date, any Person affected by this Plan shall be deemed to have consented and agreed to all of the provisions of this Plan in their entirety. In particular, each Creditor shall be deemed to have executed and delivered to VON West and the Monitor all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Plan in its entirety.

Section 9.5 Responsibilities of the Monitor

The Monitor is acting and will continue to act in all respects in its capacity as Monitor in these CCAA Proceedings, and not in its personal or corporate capacities. The Monitor will not be responsible or liable whatsoever for any obligations of VON West. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Sanction Order and any other Order made in the CCAA Proceedings.

Section 9.6 Deeming Provisions

In this Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

Section 9.7 Claims Bar Date

Nothing in this Plan extends or shall be interpreted as extending or amending the Claims Bar Date (as defined in the Claims Procedure Order) or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Procedure Order.

Section 9.8 Severability of Plan Provisions

If any term or provision of this Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of VON West, will have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan will remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

Section 9.9 Notices

Any notice or communication to be delivered hereunder shall be in writing and shall reference this Plan and may, subject as hereinafter provided, be made or given by personal delivery, mail or facsimile addressed to the respective parties as follows:

- (a) If to VON West:

2315 St. Laurent Blvd., Suite 100
Ottawa, Ontario K1G 4J8

Attention: Jo-Anne Poirier

With copy to:

Norton Rose Fulbright Canada LLP
Royal Bank Plaza, South Tower, Suite 3800
200 Bay Street, P.O. Box 84
Toronto, Ontario M5J 2Z4

Attention: Matthew Halpin / Evan Cobb
Email: matthew.halpin@nortonrosefulbright.com / evan.cobb@nortonrosefulbright.com

(b) if to the Monitor:

Collins Barrow Toronto Limited
11 King Street West
Suite 700
Toronto, Ontario M5H 4C7

Attention: Daniel Weisz / Brenda Wong
Email: dweisz@collinsbarrow.com / bywong@collinsbarrow.com

With a copy to:

Bennett Jones LLP
3400 One First Canadian Place
Toronto, Ontario M5X 1A4

Attention: Mark Laugesen
Email: laugesenm@bennettjones.com

(b) if to a Creditor:

to the last known address or a facsimile number for such Creditor or the address or facsimile number for such Creditor specified in the Proof of Claim filed by such Creditor pursuant to the Claims Procedure Order; or

(c) to such other address as any party may from time to time notify the others in accordance with this section. All such notices and communications which are delivered shall be deemed to have been received on the date of delivery. All such notices and communications which are delivered by facsimile shall be deemed to be received on the date transmitted, if before 5:00 p.m. on a Business Day, and otherwise shall be deemed to be received on the next Business Day following the day upon which such facsimile was sent. Any notice or other communication sent by mail shall be deemed to have been received on the fifth Business Day after the date of mailing. The unintentional failure by VON West or the Monitor to give a notice contemplated hereunder shall not invalidate any action taken by any Person pursuant to this Plan.

Section 9.10 Further Assurances

Notwithstanding that the transactions and events set out in this Plan shall be deemed to occur without any additional act or formality other than as set out herein, each of the Persons affected hereby shall

make, do and execute or cause to be made, done or executed all such further acts, deeds, agreements, transfers, assurances, instruments, documents or discharges as may be reasonably required by VON West or the Monitor in order to better implement this Plan.

Dated at Toronto, Ontario as of the 5th day of October, 2016

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF VICTORIAN ORDER OF NURSES FOR CANADA ET AL.

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

PLAN OF COMPROMISE OR ARRANGEMENT

VON WEST

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Lawyers for Victorian Order of Nurses for Canada –
Eastern Region

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

SIXTH REPORT OF THE MONITOR

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