

**Court File No. CV-15-10980-00CL**

**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  
TRAVELBRANDS INC.**

**FIRST REPORT OF THE MONITOR  
KPMG INC.**

**DATED JUNE 23, 2015**

## TABLE OF CONTENTS

<b>INTRODUCTION.....</b>	<b>4</b>
<b>PURPOSE.....</b>	<b>4</b>
<b>TERMS OF REFERENCE.....</b>	<b>5</b>
<b>ACTIVITIES OF THE MONITOR SINCE ITS APPOINTMENT.....</b>	<b>6</b>
<b>UPDATE REGARDING CERTAIN KEY STAKEHOLDERS .....</b>	<b>7</b>
<b>UPDATE ON THE RESTRUCTURING AND PROPOSED SALE PROCESS.....</b>	<b>11</b>
<b>CASH FLOW RESULTS RELATIVE TO FORECAST .....</b>	<b>12</b>
<b>UPDATED CASH FLOW FORECAST .....</b>	<b>13</b>
<b>REQUEST FOR AN EXTENSION OF THE STAY PERIOD.....</b>	<b>15</b>
<b>MONITOR’S RECOMMENDATION .....</b>	<b>16</b>

## **INDEX TO APPENDICES**

**Appendix A** – The Initial Order dated May 27, 2015

**Appendix B** – Notice to Creditors dated June 1, 2015

**Appendix C** – Advertisements in the Globe and Mail dated June 3, 2015 and June 10, 2015

**Appendix D** – Monitor’s letter to Manulife Financial Corporation dated June 4, 2015

**Appendix E** – Actual receipts and disbursements for the four-week period ended June 12, 2015

**Appendix F** – Updated cash flow forecast for the 13-week period June 13 to September 11, 2015

## INTRODUCTION

1. On May 27, 2015, TravelBrands Inc. (“**TravelBrands**” or the “**Company**”) filed an application before the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”).
2. On the same date, this Court granted an initial order (the “**Initial Order**”) which provides for, among other things, the appointment of KPMG Inc. as Monitor of the Company (“**KPMG**” or the “**Monitor**”) in the CCAA proceedings (the “**CCAA Proceedings**”) and a stay of proceedings until June 26, 2015, or such later date as this Court may order (the “**Stay Period**”). A copy of the Initial Order is attached hereto as **Appendix “A”**.
3. In connection with the Company’s application for protection under the CCAA, KPMG in its capacity as the proposed monitor, provided the Court with a pre-filing report (the “**Pre-Filing Report**”) dated May 27, 2015.

## PURPOSE

4. The purpose of this first report of the Monitor (the “**First Report**”) is to provide the Court with information on the following:
  - a. The Monitor’s activities since the issuance of the Initial Order;
  - b. An update regarding some of the Company’s key stakeholders;
  - c. The Company’s restructuring and proposed sale process;
  - d. The Company’s actual receipts and disbursements for the four-week period ended June 12, 2015, as compared to the Cash Flow Forecast previously filed as part of the Pre-Filing Report (the “**Original Cash Flow Forecast**”);
  - e. TravelBrands’ updated cash flow forecast for the period June 13 to September 11, 2015 (the “**Updated Cash Flow Forecast**”);
  - f. The Company’s request for an extension of the Stay Period until August 17, 2015; and
  - g. The Monitor’s recommendation.

## TERMS OF REFERENCE

5. In preparing this First Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, books and records and financial information prepared by the Company, discussions with management of the Company (“**Senior Management**”) and information from other third-party sources (collectively, the “**Information**”). Except as otherwise described in this First Report in respect of TravelBrands’ cash flow forecast:

- a. The Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. 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 Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Monitor expresses no opinion or other form of assurance in respect of the Information; and
- b. 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 *Chartered Professional Accountants Canada Handbook*, has not been performed.

6. Future oriented financial information referred to in this First Report was prepared based on Senior Management’s estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections. Even if the assumptions materialize, the variations could be significant.

7. Additional information regarding the matters discussed herein is set forth in the affidavit of Joe DeMarinis sworn June 18, 2015 (the “**DeMarinis Affidavit**”).

8. Capitalized terms not defined in this First Report are defined in the affidavit of Francesco DeMarinis sworn May 26, 2015 (the “**Initial Order Affidavit**”), the Pre-Filing Report, the Initial Order or the DeMarinis Affidavit.

9. Unless otherwise stated all monetary amounts contained herein are expressed in Canadian dollars.

#### **ACTIVITIES OF THE MONITOR SINCE ITS APPOINTMENT**

10. The Monitor established a website for these CCAA Proceedings: [www.kpmg.com/ca/TravelBrands](http://www.kpmg.com/ca/TravelBrands) (the “**Monitor’s Website**”). Copies of the Monitor’s reports, issued orders and other Court material filed in connection with these CCAA proceedings are available on the Monitor’s Website.

11. Pursuant to paragraph 45 of the Initial Order, the Monitor:

- a. Mailed a notice of the CCAA Proceedings (the “**Notice to Creditors**”) to all known creditors who may have a claim of more than \$1,000 against TravelBrands, within five business days of the issuance of the Initial Order. A copy of the Notice to Creditors dated June 1, 2015 is attached hereto as **Appendix “B”**;
- b. Caused a notice containing the information prescribed by section 23 of the CCAA to be published in the Wednesday June 3, 2015 and Wednesday June 10, 2015 editions of the Globe & Mail (National Edition). Copies of the publications are attached hereto as **Appendix “C”**; and
- c. Prepared and posted on the Monitor’s Website a list of every known creditor of the Company who may have a claim of more than \$1,000, including the names and addresses of those creditors and the estimated amounts of their claims based on the books and records of the Company.

12. The Monitor published contact information in the Notice to Creditors and on the Monitor’s Website to enable creditors or other interested parties to contact the Monitor and obtain additional information concerning the CCAA Proceedings. Representatives of the Monitor have received and responded to a number of telephone calls, emails and inquiries from pre-filing creditors and other stakeholders since the date of the Initial Order.

13. The Monitor has established a process with Senior Management whereby the Monitor is reviewing and approving all disbursements before they are made. The Monitor has also established a process to monitor the Company's operating and trust account balances on a daily basis.

14. The Monitor reviewed the Initial Order Affidavit and has had discussions with Senior Management regarding the business and affairs of the Company. Based on the foregoing, the Monitor is of the view that the Initial Order Affidavit provides a fair summary of the business and affairs of TravelBrands and the causes of its insolvency.

## **UPDATE REGARDING CERTAIN KEY STAKEHOLDERS**

### Suppliers and Travel Agents

15. Since the date of the Initial Order, the Company, in consultation with the Monitor, has been in contact with a large number of suppliers to ensure the continued supply of goods and services to the Company. TravelBrands sent email correspondence to and telephoned key travel agents to advise them of the CCAA Proceedings and the Company's intention to pay all travel agents all outstanding amounts owing to them in the normal course. The Monitor has also had discussions with a number of travel agents to confirm the Company's intention in this regard.

16. To date, the Company's suppliers have continued to support the Company through the provision of ongoing travel services since the commencement of the CCAA Proceedings. TravelBrands, in consultation with the Monitor, has made arrangements with certain key suppliers regarding go-forward supply and payments terms. The Company, with the assistance of the Monitor, continues to be in discussions with its critical suppliers, as required, in order to ensure that there is no disruption in supply of travel services and no impact on TravelBrands' customers. As provided for in the Initial Order, TravelBrands continues to pay its suppliers of travel services all amounts owing for goods and services supplied to the Company since the date of the Initial Order.

17. In accordance with the Initial Order, the Company has continued to pay travel agents in the ordinary course for services supplied to the Company prior to and during the CCAA Proceedings in connection with the Company's sale of wholesale travel products.

### Manulife Financial

18. Manulife Financial Corporation (“**Manulife**”) underwrites trip cancellation and interruption insurance purchased by a number of TravelBrands’ customers. On May 29, 2015, Manulife issued a notice regarding the impact of the Company’s CCAA Proceedings on the default protection coverage which is provided under the above-noted insurance.

19. The Company and the Monitor worked with Manulife to provide clarification regarding the Company’s CCAA Proceedings. On June 4, 2015, the Monitor issued a letter to Manulife confirming, among other things, that there has been no cessation in the Company’s business and that TravelBrands holds all funds received from customers for travel services not yet rendered in trust accounts for the benefit of such customers in the event that the travel service is not delivered or the customer cancels the travel service. A copy of the Monitor’s letter to Manulife is attached hereto as **Appendix “D”**.

20. Following receipt of the Monitor’s letter, Manulife issued an update which clarified certain aspects of its notice, including that a default event had not occurred in respect of TravelBrands and that the default protection coverage under the trip cancellation and interruption insurance was still in effect.

### Travel Industry Council of Ontario

21. Senior Management and the Monitor and its counsel have met with representatives of the Travel Industry Council of Ontario (“**TICO**”) and its counsel a number of times since the commencement of the CCAA Proceedings. TICO has implemented a monitoring regime with the Company, in particular with respect to the status and ongoing reporting of the trust accounts maintained for the protection of the Company's customers, and otherwise, has required ongoing reporting and continued compliance with TICO's regulations.

22. In the course of the discussions, TICO noted that the three Court-ordered priority charges, the Administration Charge, the Directors’ Charge and the Intercompany Charge (collectively, the “**Charges**”) provided pursuant to the Initial Order, could be interpreted to apply to customer trust funds. Although it is the view of the Company and the Monitor that customer trust funds do not constitute property of the Company, for greater clarity and assurance to customers and TICO, the



Company, in consultation with the Monitor, proposed certain amendments to the Initial Order, subject to the approval of the Court, which specifically carve out customer trust funds from the property to which the Charges attach. The Monitor understands that these amendments confirm but do not change the intended treatment of the Charges under the Initial Order. As such, the Monitor considers the amendments to have no impact on any other stakeholders.

#### International Air Transport Association

23. The Company, the Monitor and their respective counsel have also been in contact with International Air Transport Association (“IATA”) and its counsel with respect to the CCAA Proceedings. On June 16, 2015, counsel to the Company and the Monitor received correspondence from McMillan LLP (“McMillan”), counsel to IATA (the “IATA Correspondence”). In the IATA Correspondence IATA takes the position that the Company is currently not compliant with certain financial criteria (the “IATA Financial Covenants”) which are required in order for the Company to be in good standing with respect to IATA's "billing and settlement plan" (the “BSP”). The BSP is a system designed to facilitate and simplify the selling, reporting and remitting procedures of IATA accredited passenger sales agents, as well as improve financial control and cash flow for BSP airlines. The BSP provides the Company with an efficient mechanism for the payment of all member airlines rather than being required to have a separate bi-lateral agreement with each airline.

24. The IATA Correspondence states that in order for the Company to become compliant with the IATA Financial Covenants, the Company must either: (a) provide IATA with satisfactory financial statements from its external accountants demonstrating that the Company is compliant; or (b) increase the amount of an existing letter of credit required by IATA.

25. McMillan has confirmed to the Company and the Monitor that it will provide the Company with some time in order to resolve its compliance issues and will not revoke any of the Company's participation rights in the BSP at this time. In the meantime, the Company is working to resolve the question of its compliance with the IATA Financial Covenants and remains in discussions with McMillan. The Monitor is involved in these discussions.

## Bank of Montreal

26. As described in the Initial Order Affidavit, TravelBrands has certain credit facilities with the Bank of Montreal (“**BMO**”) including: (a) a revolving credit facility for the issuance of letters of credit; (b) a corporate MasterCard facility; and (c) a treasury facility. In addition, the Company’s parent company, Red Label, has a revolving operating line with BMO.

27. Following the date of the Initial Order, TravelBrands and its counsel and the Monitor met with representatives of BMO and its counsel to discuss the Company’s CCAA Proceedings as well as BMO’s ongoing support of the Company’s operations. BMO has requested, and the Company has agreed to provide with the assistance of the Monitor, additional weekly and monthly reporting including, among other things, regular cash flow reporting throughout the pendency of the CCAA Proceedings. The Company and the Monitor continue to have ongoing discussions with BMO to update them on the status of the Company’s restructuring efforts.

28. As described in the DeMarinis Affidavit, as part of those discussions, BMO identified a potential settlement exposure in respect of wires, Automatic Clearing House (“**ACH**”) transactions and Electronic Fund Transfers (“**EFT**”). The nature of the potential settlement risk relates to the approximately 24-hour delay from the time that TravelBrands initiates an ACH transaction or EFT and the time that BMO takes the money out of the Company’s BMO account. There is no such delay with wire transfers. BMO advised that it was specifically concerned about this settlement exposure in the event of a bankruptcy of the Company during the 24-hour delay period.

29. In order to address BMO’s concerns, the Company has agreed to seek an order of the Court whereby: (a) neither a bankruptcy, receivership nor any other occurrence whatsoever shall impact the settlement of any ACH transaction or EFT released by BMO on the Company’s behalf; and (b) no motion for a bankruptcy or receivership of the Company shall be made by the Company, Red Label or Holdco without two days’ advance notice to BMO. The Monitor is of the view that the order being sought by the Company in this regard is appropriate in the circumstances as it will allow the Company to continue to issue payments to its suppliers without interruption.

## **UPDATE ON THE RESTRUCTURING AND PROPOSED SALE PROCESS**

### 75 Eglinton Leased Property

30. As discussed in the Pre-Filing Report, the Company anticipated that it may disclaim the 75 Eglinton lease due to the strain of the related financial obligations on the Company's cash flow. On May 29, 2015, the Company, with the consent of the Monitor, delivered a disclaimer notice to the 75 Eglinton landlord. Following delivery of the disclaimer notice, the 75 Eglinton landlord obtained, with TravelBrands' consent, an order allowing it to, among other things, market the premises to prospective tenants.

31. Further, as described in the DeMarinis Affidavit, the 75 Eglinton landlord has requested and the Company has agreed to seek an order whereby all right, title and interest of the Company in the property, assets and undertaking of TravelBrands located at 75 Eglinton will vest in the 75 Eglinton landlord free and clear of all claims against such property. The Monitor understands that the property of the Company located at 75 Eglinton is of little or no value or would be costly to remove, and therefore the vesting of such property in the 75 Eglinton landlord will not have a material adverse impact on other stakeholders.

### Negotiations with Sears

32. As reported in the Pre-Filing Report, it was contemplated that the Company would pursue further negotiations with Sears in order to mitigate the negative financial impact of the Amended Sears Agreement. If the negotiations were not successful, it was anticipated that the Company might disclaim the Amended Sears Agreement. As described in the DeMarinis Affidavit, since the date of the Initial Order, the Company has engaged in constructive negotiations with Sears regarding a potential go-forward business arrangement. In support of those negotiations, Sears has agreed to waive the daily amounts accruing due under the Amended Sears Agreement during the negotiation period. Recently, the Company put forward the principles of a deal which Sears is currently in the process of evaluating.

## Proposed Sale Process

33. As discussed in the Pre-Filing Report, the Company is considering a sale process (the “**Sale Process**”) whereby prospective purchasers will have the opportunity to bid for all of the Company’s assets. The Company requires additional time to finalize the proposed structure of the Sale Process and the potential of utilizing a stalking horse asset purchase agreement as part of such process. The Monitor is working with the Company with respect to the formulation of the Sale Process. The Company expects to return to Court in early July to seek approval of the Sale Process.

## **CASH FLOW RESULTS RELATIVE TO FORECAST**

34. Cash receipts and disbursements for the four week period ended June 12, 2015 (the “**Reporting Period**”), as compared to the Original Cash Flow Forecast are summarized in the table below:

<b>TravelBrands Inc. Summary of Actual Receipts and Disbursements For the four week period ending June 12, 2015 Presented in thousands of Canadian dollars (000's) Week ending</b>	<b>Total Forecast 12-Jun-15</b>	<b>Total Actuals 12-Jun-15</b>	<b>Variance Actual v. Forecast</b>
<b>CASH IN TRUST</b>			
<b>Cash receipts</b>			
Inflows from customer deposits for travel services	37,325	32,932	(4,393)
<b>Cash disbursements</b>			
Outflows to travel and other suppliers	(22,502)	(21,004)	1,498
<b>Net trust cash flow</b>	<b>14,823</b>	<b>11,928</b>	<b>(2,895)</b>
Opening balance of cash in trust	15,514	15,514	-
Net trust cash flow	14,823	11,928	(2,895)
Outflows to operating cash	(15,291)	(7,505)	7,786
<b>Ending balance of cash in trust</b>	<b>15,047</b>	<b>19,938</b>	<b>4,891</b>
<b>OPERATING CASH</b>			
<b>Cash receipts</b>			
Inflows from cash in trust	15,291	7,505	(7,786)
Inflows from accounts receivable, customer rebates and rental sublease	3,142	4,434	1,293
<b>Total operating cash receipts</b>	<b>18,432</b>	<b>11,939</b>	<b>(6,493)</b>
<b>Cash disbursements</b>			
Outflows to travel suppliers, rent, payroll, professional fees and other vendors	(20,811)	(11,426)	9,385
<b>Net operating cash flow</b>	<b>(2,379)</b>	<b>513</b>	<b>2,892</b>
Opening balance of operating cash	4,619	4,619	-
Net operating cash flow	(2,379)	513	2,892
Red Label funding (Commitment Agreement)	-	-	-
<b>Closing balance of operating cash</b>	<b>2,240</b>	<b>5,132</b>	<b>2,892</b>

35. As at June 12, 2015, the aggregate balance in TravelBrands' trust accounts totaled \$4.9 million greater than projected in the Original Cash Flow Forecast. The Company's operating cash was \$2.9 million greater than forecast.

36. Senior Management attributes the favourable trust cash variance to lower than anticipated supplier payments out of trust monies during the Reporting Period (payments to suppliers which are required prior to a customer's departure) and the timing of completion of customer travel which triggers surplus trust monies to be released into operating cash for use by the Company to pay its other obligations. These timing differences were partially offset by lower than forecast customer deposits from new bookings during the Reporting Period. It is anticipated that the variances in the supplier payments and the transfers from trust will reverse in the coming weeks as customer travel is completed.

37. The greater than forecast operating cash balance is attributed by Senior Management to supplier payments being less than forecast, slightly higher accounts receivable and other collections, offset by the timing of monies being released from trust. It is anticipated that some of the variance in supplier payments will reverse in the coming weeks.

38. The Company's net cash flow during the Reporting Period was significantly favourable to the Original Cash Flow Forecast. Further detail of the actual receipts and disbursements during the Reporting Period, as compared to the Original Cash Flow Forecast is attached hereto as **Appendix "E"**.

39. The Initial Order entitled TravelBrands to continue to utilize the existing Cash Management System, as described in the Pre-Filing Report. The Cash Management System continues to operate in the same manner as described in the Initial Order Affidavit.

#### **UPDATED CASH FLOW FORECAST**

40. The Company, with the assistance of the Monitor, has prepared an updated 13-week cash flow forecast for the period from June 13, 2015 to September 11, 2015 (the "**Cash Flow Period**"). A copy of the Updated Cash Flow Forecast, together with Notes and Summary of Assumptions is attached as **Appendix "F"**. A summary of the Updated Cash Flow Forecast is set out in the following table:

TravelBrands Inc. Updated Cash Flow Forecast For the period June 13 to September 11, 2015 Presented in thousands of Canadian dollars (000's)	Total 13 weeks
<b>CASH IN TRUST</b>	
<b>Cash receipts</b>	
Inflows from customer deposits for travel services	117,752
<b>Cash disbursements</b>	
Outflows to travel and other suppliers	(84,174)
<b>Net trust cash flow</b>	<b>33,578</b>
Opening balance of cash in trust	19,938
Net trust cash flow	33,578
Outflows to operating cash	(38,771)
<b>Ending balance of cash in trust</b>	<b>14,745</b>
<b>OPERATING CASH</b>	
<b>Cash receipts</b>	
Inflows from cash in trust	38,771
Inflows from accounts receivable, customer rebates and rental sublease	7,960
<b>Total operating cash receipts</b>	<b>46,731</b>
<b>Cash disbursements</b>	
Outflows to travel suppliers, rent, payroll, professional fees and other vendors	(43,564)
<b>Net operating cash flow</b>	<b>3,167</b>
Opening balance of operating cash	5,132
Net operating cash flow	3,167
Red Label funding (Commitment Agreement)	4,000
<b>Closing balance of operating cash</b>	<b>12,299</b>

41. The Monitor notes the following in respect of the Updated Cash Flow Forecast:
- a. The Company's cash position as at June 12, 2015 was approximately \$19.9 million of cash held in trust and \$5.1 million of operating cash;
  - b. In respect of the operating cash, TravelBrands' Updated Cash Flow Forecast estimates that during the Cash Flow Period, TravelBrands will have total receipts of approximately \$46.7 million and total disbursements of approximately \$43.6 million resulting in net cash inflow of approximately \$3.2 million;
  - c. The Updated Cash Flow Forecast includes the expected cash inflow from Red Label of \$4 million pursuant to the Commitment Agreement which was contemplated in the Original Cash Flow Forecast. Based on the Updated Cash Flow Forecast, the Company may not require funding from Red Label to satisfy ongoing operating costs, however, the funding

has been included in the Updated Cash Flow Forecast to provide the Company additional liquidity in the event that cash flow timing varies from forecast. In the week ended July 26, 2015 the forecast cash balance (prior to any funding from Red Label) is \$0.5 million. In order to ensure that ample cash reserves are available to the Company, the \$4 million funding pursuant to the Commitment Agreement has been reflected in the cash flow that week.

- d. During the Cash Flow Period, the Monitor understands that the Company will continue to make payments for goods and services supplied post-filing, as permitted by the Initial Order.
- e. Pursuant to the Initial Order the Monitor understands the Company will continue to pay all amounts, whether incurred pre or post-filing, owing to travel agents and, with the consent of the Monitor and Red Label, certain pre-filing payments to those key suppliers that the Company considers to be critical to the business.

#### **REQUEST FOR AN EXTENSION OF THE STAY PERIOD**

42. The Stay Period is to expire on June 26, 2015. The Company is seeking an extension of the Stay Period to August 17, 2015.

43. To date, the Company has been acting in good faith in an effort to further its restructuring objectives. Senior Management has provided the Monitor with full co-operation and unrestricted access to the Company's premises, books and records.

44. The Company, with the assistance of the Monitor, has worked through the initial weeks of the CCAA Proceedings and continues to operate its business in the ordinary course with the benefit of the Stay Period, which has provided stability to the business and alleviated the liquidity crisis that TravelBrands faced at the time of filing the application for the Initial Order.

45. The Monitor supports the Company's motion to extend the stay period to August 17, 2015 for the following reasons:

- a. The Company continues to operate in the ordinary course;

- b. The Company is working cooperatively with Sears and requires additional time to engage in further negotiations with Sears and its counsel in order to reach a resolution; whether it is a long-term consensual agreement that enables the parties to continue a business relationship or the terms under which that relationship will end;
- c. The Company requires additional time to finalize the Sale Process; and
- d. The funding from Red Label pursuant to the Commitment Agreement remains available to the Company; although, the Updated Cash Flow Forecast indicates that the Company may not require that funding to satisfy ongoing operating costs during the proposed extension of the Stay Period.

**MONITOR'S RECOMMENDATION**

46. For the reasons set out in this First Report, the Monitor recommends that the Court grant the Company's request for an extension of the Stay Period until and including August 17, 2015.

All of which is respectively submitted to this Honourable Court this 23<sup>rd</sup> day of June, 2015.

**KPMG Inc., in its capacity  
as Monitor of TravelBrands Inc.**



Per: Philip J. Reynolds  
*Senior Vice President*



## Appendix A

Cv 15-10980-0002

Court File No.

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE MR. ) WEDNESDAY, THE 27<sup>TH</sup>  
JUSTICE NEWBOULD ) DAY OF MAY, 2015

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 TRAVELBRANDS INC. (the  
Applicant")

INITIAL ORDER

THIS APPLICATION, made by the Applicant, 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 Francesco DeMarinis sworn May 26, 2015 (the "DeMarinis Affidavit") and the Exhibits thereto and the pre-filing report dated May 26, 2015 of KPMG Inc. ("KPMG") in its capacity as the Proposed Monitor of the Applicant (the "Pre-Filing Report"), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicant and KPMG and on reading the consent of KPMG 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 Applicant is a company to which the CCAA applies.

## **PLAN OF ARRANGEMENT**

3. THIS COURT ORDERS that the Applicant 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**").

## **POSSESSION OF PROPERTY AND OPERATIONS**

4. THIS COURT ORDERS that the Applicant shall remain in possession and control of its 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, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the "**Business**") and Property. The Applicant is 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 it, with liberty to retain such further Assistants as it deems 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 Applicant shall be entitled to continue to utilize the central cash management system currently in place as described in the DeMarinis Affidavit or replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any 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 Applicant 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 Applicant, 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 the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. THIS COURT ORDERS that the Applicant 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 payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) all outstanding or future commissions, loyalty points, override payments, marketing funds and amounts owing to travel agents in connection with the Company's sale of travel products;
- (c) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges; and
- (d) with the consent of the Monitor and Red Label Vacations Inc. ("**Red Label**"), amounts owing for goods and services actually supplied to the Applicant prior to the date of this order or to obtain the delivery of services contracted for prior to the date of this order by suppliers of hotel, cruise-line, car rental and airline leisure travel services that, in the opinion of the Applicant, are critical to the Business; and
- (e) any other costs and expenses that are deemed necessary for the preservation of the Property and/or Business by the Applicant with the consent of the Monitor and Red Label.

7. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the

Applicant 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 Applicant following the date of this Order.

8. THIS COURT ORDERS that the Applicant 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 Applicant in connection with the sale of goods and services by the Applicant, 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 Applicant.

9. THIS COURT ORDERS that until a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicant 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 Applicant and the landlord from time to time (“Rent”), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, 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 Applicant is 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 Applicant to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

### **RESTRUCTURING**

11. THIS COURT ORDERS that the Applicant shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations and to dispose of redundant or non-material assets not exceeding \$100,000 in any one transaction or \$500,000 in the aggregate;
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and
- (c) pursue all avenues of refinancing of its 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 Applicant to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

12. THIS COURT ORDERS that the Applicant shall provide each of the relevant landlords with notice of the Applicant's 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 the 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 Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days' notice to such landlord and any such secured creditors. If the Applicant disclaims or resiliates 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 or resiliation of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.

13. THIS COURT ORDERS that if a notice of disclaimer or resiliation is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer or resiliation, 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 Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

#### **NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY**

14. THIS COURT ORDERS that until and including Friday, June 26, 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 Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

**NO EXERCISE OF RIGHTS OR REMEDIES**

15. 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 Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is 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**

16. 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 Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

**CONTINUATION OF SERVICES**

17. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicant 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 Applicant, 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 Applicant, and that the Applicant shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, 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 Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier



or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

18. THIS COURT ORDERS that during the Stay Period, Chase Paymentech Solutions, Bank of Nova Scotia and JPMorgan Chase Bank (collectively the "Processing Parties") are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of goods or services as may be required by the Applicant under the Merchant Agreement between Red Label and the Processing Parties, based on the insolvency of the Company, 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 in accordance with normal payment practices or such other practices as may be agreed upon by the Processing Parties and each of the Applicant, Red Label and the Monitor, or as may be ordered by this Court.

#### **NON-DEROGATION OF RIGHTS**

19. 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 Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

#### **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

20. 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 the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant 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 Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

## **DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE**

21. THIS COURT ORDERS that the Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant 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.

22. THIS COURT ORDERS that the directors and officers of the Applicant 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 \$4.3 million, as security for the indemnity provided in paragraph 21 of this Order. The Directors' Charge shall have the priority set out in paragraphs 39 and 41 herein.

23. 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 Applicant's 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 21 of this Order.

## **APPOINTMENT OF MONITOR**

24. THIS COURT ORDERS that KPMG Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant 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.

25. 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 Applicant's 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) assist the Applicant, to the extent required by the Applicant, in its dissemination, to Red Label (being a lender to the Applicant pursuant to the Commitment Agreement, as hereinafter defined), the Bank of Montreal and their respective counsel on a basis to be agreed upon with each of Red Label and the Bank of Montreal of financial and other information as agreed to between the Applicant and each of Red Label and the Bank of Montreal which may be used in these proceedings including reporting on a basis to be agreed with each of Red Label and the Bank of Montreal;
- (d) advise the Applicant in its preparation of the Applicant's cash flow statements and reporting required by Red Label and the Bank of Montreal, which information shall be reviewed with the Monitor and delivered to Red Label, the Bank of Montreal and their respective counsel on a periodic basis agreed to by each of Red Label and the Bank of Montreal;
- (e) advise the Applicant in its development of the Plan and any amendments to the Plan;
- (f) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) 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 Applicant, to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order;
- (h) 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

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

26. 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.

27. 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.

28. THIS COURT ORDERS that that the Monitor shall provide any creditor of the Applicant and Red Label with information provided by the Applicant 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 Applicant 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 Applicant may agree.

29. 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.

30. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the Applicant shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant on a weekly basis and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicant, retainers in the amounts of \$25,000, \$25,000 and \$50,000, respectively, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

31. 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.

32. THIS COURT ORDERS that the Monitor, counsel to the Monitor, if any, and the Applicant's counsel 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 \$1 million, 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.

#### **INTERCOMPANY FINANCING**

33. THIS COURT ORDERS that the Applicant is hereby authorized and empowered to obtain and borrow under a credit facility from Red Label in order to finance the Applicant's working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$4 million unless permitted by further Order of this Court.

34. THIS COURT ORDERS THAT such credit facility shall be on the terms and subject to the conditions set forth in the Commitment Agreement between the Applicant and Red Label dated as of May 26, 2015 (the "**Commitment Agreement**") filed.

35. THIS COURT ORDERS that the Applicant is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the Commitment Agreement or as may be reasonably required by Red Label pursuant to the terms thereof, and the Applicant is hereby authorized and directed to pay and perform all of its indebtedness, fees, liabilities and obligations to Red Label under and pursuant to the Commitment Agreement and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

36. THIS COURT ORDERS that Red Label shall be entitled to the benefit of and is hereby granted a charge (the "**Intercompany Charge**") on the Property, which Intercompany Charge shall not secure an obligation that exists before this Order is made. The Intercompany Charge shall have the priority set out in paragraphs 39 and 41 hereof.

37. THIS COURT ORDERS that, notwithstanding any other provision of this Order:

- (a) Red Label may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Intercompany Charge or any of the Definitive Documents;
- (b) Red Label, upon 3 calendar days' notice to the Applicant and the Monitor, may exercise any and all of its rights and remedies against the Applicant or the Property under or pursuant to the Commitment Agreement, Definitive Documents and the Intercompany Charge, including without limitation, to cease making advances to the Applicant and set off and/or consolidate any amounts owing by Red Label to the Applicant against the obligations of the Applicant to Red Label under the Commitment Agreement, the Definitive Documents or the Intercompany Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a

bankruptcy order against the Applicant and for the appointment of a trustee in bankruptcy of the Applicant; and

- (c) the foregoing rights and remedies of Red Label shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property.

38. THIS COURT ORDERS AND DECLARES that Red Label shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or any proposal filed by the Applicant under the *Bankruptcy and Insolvency Act* of Canada (the "BIA"), with respect to any advances made under the Definitive Documents.

#### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

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

First – Administration Charge (to the maximum amount of \$1 million);

Second – Directors' Charge (to the maximum amount of \$4.3 million); and

Third – Intercompany Charge (to the maximum amount of \$4 million).

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

granted in favour of the Bank of Montreal and Element Fleet Management Inc. and set out in Schedule "A" hereto.

42. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge, the Administration Charge or the Intercompany Charge, unless the Applicant also obtains the prior written consent of the Monitor, Red Label 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, the Administration Charge, the Commitment Agreement, the Definitive Documents and the Intercompany 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**") and/or Red Label thereunder 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 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 the Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Commitment Agreement or the Definitive Documents shall create or be deemed to constitute a breach by the Applicant of any Agreement to which it 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 Applicant entering into the Commitment Agreement, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and



- (c) the payments made by the Applicant pursuant to this Order, the Commitment Agreement or the Definitive Documents, 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 Applicant's interest in such real property leases.

#### **SERVICE AND NOTICE**

45. THIS COURT ORDERS that the Monitor shall (i) without delay, publish in the Globe and Mail 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, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant 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.

46. THIS COURT ORDERS that 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: <http://www.kpmg.com/Ca/en/services/Advisory/TransactionRestructuring/CreditorlinkSites/TravelBrands/Pages/default.aspx>.

47. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicant 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 Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant 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.

**GENERAL**

48. THIS COURT ORDERS that the Applicant 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.

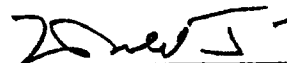
49. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, the Business or the Property.

50. 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 Applicant, 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 Applicant 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 Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

51. THIS COURT ORDERS that each of the Applicant 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.

52. THIS COURT ORDERS that any interested party (including the Applicant 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.

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



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

MAY 27 2015



SCHEDULE "A"

Secured Party	Filing Number (10 years)	Collateral	Dominion Serial No. or Certificate	Jurisdiction
Element Fleet Management Inc.	649304379 – 20081016195015317545 (10 years)	Equipment, Motor Vehicle; General Collateral Description: Any vehicles specified and any other vehicles of whatever year, make or model including after acquired vehicles and including any trailers and/or equipment, and including proceeds thereof, provided to the debtor pursuant to a motor vehicle lease agreement made between the parties. No other assets included.	N/A	Ontario
Bank of Montreal	666306711 – 20101202131315322720 (5 years)	Inventory, Equipment, Accounts, Other, Motor Vehicle	N/A	Ontario
Bank of Montreal	686407545 – 20130426145215909482 (7 years)	Inventory, Equipment, Accounts, Other, Motor Vehicle	N/A	Ontario
Bank of Montreal	893190F (registered December 2, 2010; 5 years)	All present and after acquired personal property of the debtor and, without limitation, all fixtures, crops, and licences	N/A	British Columbia

Bank of Montreal	317103H (registered April 29, 2013; 7 years)	All present and after acquired personal property	N/A	British Columbia
Bank of Montreal	13-0336151-0002 (registered April 29, 2013; 10 years)  Nature of registration: Movable hypothec without delivery	All movable property, present and future, corporeal and incorporeal, of every nature and kind and wheresoever located.	N/A	Quebec
Element Fleet Management Inc. (lessor)	08-0601273-0001 (registered October 20, 2008; expiring July 26, 2018)  Nature of registration: Global registration pertaining to rights resulting from a lease (master agreement)	The universality of all vehicles, present and future, provided to the lessee pursuant to the motor vehicle lease agreement between the lessor and the lessee, including all replacements, supplements or amendments thereto, together with any replacement or supplementary vehicle provided to the lessee in accordance with the terms of the said motor vehicle lease agreement, and including all accessories and equipment attached thereto from time to time.	N/A	Quebec

IN THE MATTER OF 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 TRAVELBRANDS INC.

C15-10980-000 Applicant  
Court File No.

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

PROCEEDING COMMENCED AT  
TORONTO

~~NOTICE OF APPLICATION~~

*INITIAL ORDER*

**OSLER, HOSKIN & HARCOURT LLP**

Barristers & Solicitors  
P. O. Box 50  
1 First Canadian Place  
Toronto ON M5X 1B8

John A. MacDonald (LSUC#25884R)  
Tel: 416.862.5672

Marc Wasserman (LSUC#44066M)  
Tel: 416.862-4908

Michael DeLellis (LSUC# 48038U)  
Tel: 416.862.5997  
Fax: 416.862.6666

Lawyers for the Applicant

Matter No. 1163346

## Appendix B



**KPMG Inc.**

Bay Adelaide Centre  
333 Bay Street Suite 4600  
Toronto ON M5H 2S5  
Canada

Telephone (416) 777-8500  
Fax (416) 777-3364  
Internet www.kpmg.ca

Court File: CV-15-10980-00CL

June 1, 2015

**NOTICE TO CREDITORS**

**Re: TravelBrands Inc. (“TravelBrands” or the “Company”)**

On May 27, 2015, TravelBrands was granted an order (the “**Initial Order**”) by the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”).

KPMG Inc. has been appointed as monitor in the Company’s CCAA proceedings (the “**Monitor**”) pursuant to the Initial Order of the Court dated May 27, 2015.

The Initial Order provides for, among other things, a stay of proceedings until June 26, 2015 (the “**Stay Period**”). The Stay Period may be extended by the Court from time to time. The Company is continuing to operate in the ordinary course pursuant to provisions of the Initial Order.

A copy of the Initial Order as well as the other materials filed in the CCAA proceedings may be obtained at <http://www.kpmg.com/ca/travelbrands>.

Pursuant to the Initial Order, all persons having oral or written agreements with the Company or statutory or regulatory mandates for the supply of goods and/or services, 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 Company, provided that the normal prices or charges for all such goods or services received after the date of this Initial Order are paid by the Company in accordance with normal payment practices of the Company or such other practices as may be agreed upon by the supplier or service provider and each of the Company and the Monitor, or as may be ordered by this Court.

The Initial Order prohibits the Company from making payments relating to the supply of goods or services prior to May 27, 2015, other than payments to certain parties specified in the Initial Order and in accordance with the Initial Order.

During the Stay Period, all parties are prohibited from commencing or continuing legal or enforcement actions against the Company and all rights and remedies of any party against or in respect of the Company or their assets are stayed and suspended except with the written consent of the Company and the Monitor, or leave of the Court.

To date, no claims procedure has been approved by the Court and creditors are therefore not required to file a proof of claims at this time.





Page 2

If you have any questions regarding the foregoing or require further information, please consult the Monitor's website (<http://www.kpmg.com/ca/travelbrands>) or should you wish to speak to a representative of the Monitor, please contact Marcel Réthoré by telephone at 416-777-3775 or by email at [mrethore@kpmg.ca](mailto:mrethore@kpmg.ca).

Yours very truly,

KPMG Inc.

In its capacity as the Court-appointed Monitor of TravelBrands Inc.

A handwritten signature in black ink, appearing to read 'P. Reynolds', written in a cursive style.

Per: Philip J. Reynolds  
*Senior Vice President*

## Appendix C

# INTERNATIONAL

EURO ZONE

## Greece told not to expect flexibility

ERIC REGULY  
EUROPEAN BUREAU CHIEF  
ROME

### Economics

The Greek bailout crisis was headed for its grand finale as both the Greek government and its international creditors drafted proposals designed to keep the cash-strapped country officially solvent and within the euro zone.

Details of the competing proposals were not known by Tuesday evening, European time, though some European leaders were hopeful that the two sides, at war with each another since the election in January of the Greek's anti-austerity Syriza party, could hammer out a compromise agreement before Greece got overpowered by a new wave of debt-payment deadlines.

But Dutch Finance Minister Jeroen Dijsselbloem, who heads the group of euro zone finance ministers, said Greece should not expect a lot of flexibility from the European Union, the European Central Bank and the International Monetary Fund — the three institutions that have sponsored Greece's bailout.

"As long as it doesn't meet some economic conditions, we can't come to an agreement," he told Germany's RTL television. "It's not right to think that we can meet halfway."

Greek political observers agreed that the creditors would only go so far to meet Greece's anti-austerity demands.



Greek Prime Minister Alexis Tsipras leads a meeting at the Education Ministry on Tuesday in Athens. THOMAS STAVRANIS/AGF/OUTLINE PRESS

### WHAT'S THE WORD Graccident

**Definition** The latest portmanteau in economic circles, expanding on the now-ubiquitous 'Grexxit', a Greek exit from the euro zone. Among market players, Graccident refers to Athens missing a payment to the International Monetary Fund. In plain English, it means ... oops.

"Creditors to Greece do not make concessions, at least big ones," said George Tsiprasopoulos, author and political analyst of think tank Centre International de formation européenne. "Science or

later Greece will return to normalcy, but I am not sure it will happen this week because even if a compromise is reached, it is the implementation phase which will matter."

Greece has a sorry record of meeting its austerity commitments from the two bailouts struck since 2010, when the country's borrowing costs rose to crisis levels, shutting it out of the public debt markets. There are fears that Greece will agree to compromise, receive fresh bailout loans then simply refuse to implement new reform measures.

On Tuesday, a day after European leaders held an emergency meeting in Berlin to draft a final rescue proposal, the government of Greek Prime Minister Alexis Tsipras said it had submitted its own proposal.

"After submitting a complete proposal for a deal last night to ministers, we are not waiting for them to submit their own plan back to us," Mr. Tsipras told reporters. "Greece is the one that submits the plan ... Greece has put forward proposals, we have made concessions, which is unusual in a negotiation, but our plan for exiting the crisis is realistic."

The goal is to have a broad agreement by Friday, when Greece must make a €300-million (\$450-million) payment to the IMF.

Many proposals have been launched and rejected both sides since Syriza party swept into power. The latest proposals could also go nowhere, though a series of imminent debt payment deadlines has put the Greek government under enormous pressure to agree to new bailout program within the next week or two.

European Economic Affairs Commissioner Pierre Moscovici said on French radio Tuesday that "the discussions were fruit full, they are bearing fruit, there is real understanding by both the Greek government and its creditors."

The rumors suggested that Greece might be offered some debt relief in exchange for possible cuts and a higher retirement age. Again, no details were released, but Mr. Moscovici said that "we are starting to work in depth on pensions. The Greek government has made some first proposals and the pros and cons are being considered."

Other than pension reform and retirement age, one of the key sticking points is the size of Greece's primary surplus — the budget surplus remaining after debt payments are stripped out. Greece's creditors have insisted on a hefty primary surplus target of 4.5 per cent. Syriza wants a figure of about 1 per cent, which would allow it to devote more money to social services. A figure somewhere in the middle is likely.

The emergency meeting in Berlin followed by German Chancellor Angela Merkel, French President Francois Hollande, ECB President Mario Draghi, European Commission President Jean-Claude Juncker and Christine Lagarde, managing director of the IMF.

If Greece and its trio of creditors reach a compromise this month, Greece will be forgiven €2.4-billion in loans left over from its previous bailout.

## BUSINESS CLASSIFIED

TO PLACE AN AD CALL: 1-800-560-0521  
EMAIL: ADVERTISING@GLOBEANDMAIL.COM

### LEGALS

COURT FILE NO. CV-15-10991-00CL  
IN THE 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 THE PLAN OF  
COMPROMISE OR ARRANGEMENT OF  
TRAVELBRANDS INC.

Take notice that on May 27, 2015 Travelbrands Inc. ("Travelbrands" or the "Company") commenced court-supervised restructuring proceedings under the Companies' Creditors Arrangement Act ("CCAA").

KPMG Inc. has been appointed by the Ontario Superior Court of Justice (Commercial List) (the "Court") as Monitor (the "Monitor") in the Company's CCAA proceedings pursuant to the Order of the Court dated May 27, 2015 (the "Initial Order").

Notice is hereby given that a copy of the Initial Order and the Company's application materials are posted on the Monitor's website at: <http://www.kpmg.com/ca/Travelbrands>

The Monitor will post additional relevant information and documentation related to these proceedings on the Monitor's website as they become available. Interested persons may contact the Monitor directly for further information at:

KPMG Inc.  
Attention: Marcel Réthore  
333 Bay Street, Suite 4600  
Toronto, ON, M5H 2S5  
Telephone: (416) 777-3775  
Email: [mrethore@kpmg.ca](mailto:mrethore@kpmg.ca)



© 2015 KPMG Inc. All rights reserved.

### MEETING NOTICES

ECONOMICAL MUTUAL  
INSURANCE COMPANY  
NOTICE OF ANNUAL MEETING  
OF MEMBERS

Notice is hereby given that the 143rd Annual Meeting of Members of Economical Mutual Insurance Company will be held at 10:30 a.m. (Eastern Time) on June 24, 2015, at Binghamton Ballroom, 405 Binghamton Centre Drive, Binghamton, Ontario, for the following purposes:

- to receive the consolidated financial statements of the company for the year ended December 31, 2014, together with the auditor's report thereon, and the actuary's report on the policy liabilities thereon;
- to elect directors;
- to approve, ratify and confirm the adoption of the company's By-law No. A.5, relating to the nomination of directors for election (advance notice by law); and
- to transact such other business as may properly be brought before the meeting and any adjournments or postponements thereof.

BY ORDER OF THE BOARD OF DIRECTORS,  
Innes Fain Corporate Secretary Whiteho, Ontario  
May 27, 2015



CBA Financial Services  
Corporation –  
Annual Financial  
Statements

Members of CBA Financial Services Corporation are hereby advised that the Report of the Corporation's public accountant and the Financial Statements of the Corporation for the year ended November 30, 2014 are now available at the Corporation's registered office at 5 Park Home Avenue, Suite 500, Toronto ON M2N 6L4. Members may, on request, obtain copies of these documents, free of charge at the address above or by prepaid mail. The documents are also available on the Corporation's website at [www.barfinancial.com](http://www.barfinancial.com).

Corporation des  
services financiers  
ABC – États financiers  
annuels

Les membres de la Corporation des services financiers ABC sont informés aux présentes que le rapport de l'expert-comptable de la Corporation et les états financiers de la Corporation pour l'exercice terminé le 30 novembre 2014 sont maintenant disponibles au siège social de l'entreprise au 5 Park Home Avenue, Bureau 500, Toronto ON M2N 6L4. Les membres peuvent en obtenir une copie gratuite sur demande à l'adresse ci-dessus ou par courrier post payé. Les documents sont aussi publiés sur le site Web de la Corporation à [www.barfinancial.com](http://www.barfinancial.com).

The Canadian Bar  
Insurance Association  
– Annual Financial  
Statements

Members of The Canadian Bar Insurance Association are hereby advised that the Report of the Association's public accountant and the Financial Statements of the Association for the year ended November 30, 2014 are now available at the Association's registered office at 5 Park Home Avenue, Suite 500, Toronto ON M2N 6L4. Members may, on request, obtain copies of these documents free of charge at the address above or by prepaid mail. The documents are also available on the Association's website at [www.bairinsurance.com](http://www.bairinsurance.com).

L'Association  
d'assurances du  
Barreau canadien –  
États financiers annuels

Les membres de L'Association d'assurances du Barreau canadien sont informés aux présentes que le rapport de l'expert-comptable de l'Association et les états financiers de l'Association pour l'exercice terminé le 30 novembre 2014 sont maintenant disponibles au siège social de l'Association à 5 Park Home Avenue, Bureau 500, Toronto ON M2N 6L4. Les membres peuvent en obtenir une copie gratuite sur demande à l'adresse ci-dessus ou par courrier post payé. Les documents sont aussi publiés sur le site Web de l'Association à [www.assurancesbarreau.com](http://www.assurancesbarreau.com).

### DIVIDENDS

WestJet Airlines Ltd.  
Dividend Notice

Notice is hereby given that, effective May 6, 2015, the Board of Directors of WestJet Airlines Ltd. declared a quarterly dividend of \$0.10 (Canadian) per Common Voting Share and per Variable Voting Share payable on June 23, 2015 to shareholders at record of the close of business on June 17, 2015.

By Order of the Board of Directors  
Barbara Munroe  
Senior Vice President, General Counsel and Corporate Services  
Calgary, Alberta, Canada



### BUSINESS TO BUSINESS

ARCRAFT  
00 Challenger 604 Low Time, LOH Reg., 12 pass, 4000 range, 100000 \$5.8M USD  
dms@searcs18-03-0600@searcs.com

2000 Astra SP1, 2855 ATTT, Engines & APU on MSP Gold, Call John Hopkinson & Associates at 403-291-9027 or [www.hopkinsonandassociates.com](http://www.hopkinsonandassociates.com)

CAPITAL WANTED/AVAILABLE  
ATTENTION BUILDERS. Private funds available for part ventures. 416-445-6260  
email: [amar@interfinance.ca](mailto:amar@interfinance.ca) Lic. 12626.

PRIVATE LENDER for construction, development, refinancing, acquisition, Range \$1M - \$50M. Fast decisions. 204-334-0409 or [www.capitalshaw.ca](http://www.capitalshaw.ca)

PROJECT FINANCING avail. Real Estate, Oil & Gas, Mining & clean energy, WTE. [businesscapital@holmar.com](mailto:businesscapital@holmar.com)

**Start small.**  
There's an ad space that's right for your business.  
[globelink.ca/adspace](http://globelink.ca/adspace)

### TENDERS



Thunder Bay Hydro Electricity Distribution Inc. (TBNEI) invites interested proponents to respond to This Request For Proposal:

RFP #P15-36  
Supervisory Control And Data Acquisition (SCADA) Core Pre-Replacement Services

Request For Proposal documents will be available at the TBNEI Purchasing Dept., located in the Thunder Bay Hydro Operations Centre, 17 Front Street, Main floor commencing Wednesday, June 3, 2015 from 9:00 am to 11:30 am, and 1:30 pm to 3:30 pm, Eastern Daylight Time

Submissions will be received at the above-noted location ONLY, no later than 2:00 pm, Eastern Daylight Time Monday, July 6, 2015.  
Email: [procurement@tbyhydro.on.ca](mailto:procurement@tbyhydro.on.ca)

GLOBE UNLIMITED Your all-access digital pass [gam.ca/Signup](http://gam.ca/Signup)

**HOUSING**

# Many Canadians relying on loans to fund down payments

**TAMSIK MCMAHON**  
REAL ESTATE REPORTER

Canadians are borrowing more than \$10-billion a year from family, lenders and their credit cards to afford a down payment for a home, with such borrowing accounting for more than 12 per cent of total down payments.

While the largest source for down payments came from personal savings, borrowed money in the form of loans, gifts and credit card withdrawals — represented more than a quarter of the \$18.8-billion that first-time home buyers paid toward their down payments over the past two years, a survey by Canadian Association of Accredited Mortgage Professionals found. Nearly 90 per cent of first-time buyers received some type of loan or gift from their family.

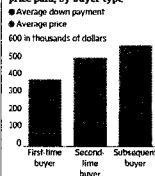
For those buyers who cash in roughly \$2.6-billion in RRSP savings every year for a down payment, 10 per cent said they had also borrowed to top up their retirement savings accounts.

Despite rising house prices and cash, bottom interest rates, Canadians have tended to put relatively large down payments on their homes. First-time buyers paid an average of \$19,000, or 21 per cent toward their home purchase.

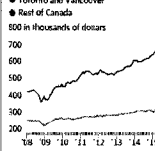
But the survey results show that along with borrowed money for down payments, Canadian home buyers finance, on average, 28 per cent of the cost of their purchases through mortgages and home-equity lines of credit, rising to 36 per cent for first-time buyers.

**DOWN PAYMENTS**

Average down payment and price paid, by buyer type

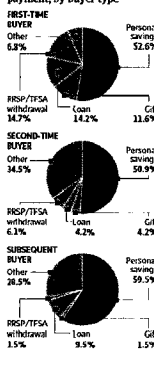


Average resale prices



THE GLOBE AND MAIL / SOURCE: CAA/M

**Breakdown of source of down payment, by buyer type**



More than a quarter of first-time buyers also said they wouldn't be able to afford to buy a home if the federal government cut the minimum down payment to 10 per cent. Given that first-time buyers represent about 48 per cent of the Canadian housing market, tougher down-

**REAL ESTATE**

# Ranch sets property listing record for Alberta

A sprawling cattle ranch south of Calgary has set a record for the most expensive residential property ever listed on Alberta's MLS system, according to Sotheby's Canada Inc.

Sotheby's has listed the 6,000-acre Bar-N-Ghost Fine Ranch for a hefty \$42.5 million (U.S.) or \$54-million Canadian.

"People that are looking to buy this type of ranch are people that are not really affected by what's happening here with the economy," said Rosalee Reid, the Sotheby's real estate agent selling the property.

The property sits near the town of Claresholm, about an hour and a half drive south of Calgary and an hour north of the U.S. border. The Bar-N-Ghost ranch has 800 cattle and 90 Angus cross bulls and all the barns, corrals and sheds needed for a working ranch. The property includes 2,000 hectares of wooded land and 2,300 hectares of forest land. There is also a 2,000-square-foot house, a guest home and four village houses for a full crew.

**M&A**

# Legacy Oil sale to Crescent Point opposed by FrontFour

Stakeholder FrontFour Capital Group LLC said Tuesday it would vote against Legacy Oil + Gas Inc.'s plan to be acquired by Crescent Point Energy Corp., citing the proposed deal's structure and Crescent Point's current trading price.

Crescent Point said on May 29 that it would buy Legacy, a light-oil-weighted producer focused on southwest Saskatchewan and southeast Alberta, for about \$1.3-billion in shares and debt. At the time, Legacy said the deal valued its shares at \$2.95 based on Crescent Point's price on the eve of the deal of \$30.

Legacy's shares closed Tuesday at \$23.5 on the Toronto Stock Exchange, while Crescent Point closed at \$27.73.

"In light of the structure of the transaction and current trading price of Crescent Point shares, we cannot support the plan of arrangement as proposed," FrontFour portfolio manager Zachary George said in a statement.

**LEGALS**

**COURT FILE NO. CV-15-10981-00CL**  
IN THE 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 THE PLAN OF COMPROMISE OR ARRANGEMENT OF TRAVELBRANDS INC.

Take notice that on May 27, 2015 TravelBrands Inc. ("TravelBrands" or the "Company") commenced court supervised restructuring proceedings under the Companies' Creditors Arrangement Act ("CCAA").

KPMG Inc. has been appointed by the Ontario Superior Court of Justice (Commercial List) (the "Court") as Monitor (the "Monitor") in the Company's CCAA proceedings pursuant to the Order of the Court dated May 27, 2015 (the "Initial Order").

Notice is hereby given that a copy of the Initial Order and the Company's application materials are posted on the Monitor's website at: <http://www.kpmg.com/ca/TravelBrands>.

The Monitor will post additional relevant information and documentation related to these proceedings on the Monitor's website as they become available. Interested persons may contact the Monitor directly for further information at:

**KPMG Inc.**  
Attention: Marcel Rothwell  
333 Bay Street, Suite 4600  
Toronto, ON, M5H 2S5  
Telephone: (416) 777-3775  
Email: [marcel.rothwell@kpmg.ca](mailto:marcel.rothwell@kpmg.ca)

**The Canadian Bar Insurance Association - Annual Financial Statements**

Members of The Canadian Bar Insurance Association are hereby advised that the Report of the Association's public accountant and the Financial Statements of the Association for the year ended November 30, 2014 are now available at the Association's registered office at 5 Park Home Avenue, Suite 500, Toronto ON M2N 6L4. Members may, on request, obtain copies of these documents free of charge at the address above or by prepaid mail. The documents are also available on the Association's website at [www.barinsurance.com](http://www.barinsurance.com).

**L'Association d'assurances du Barreau canadien - États financiers annuels**

Les membres de L'Association d'assurances du Barreau canadien sont informés que le rapport de l'expert-comptable de l'Association et les états financiers de l'Association pour l'exercice terminé le 30 novembre 2014 sont maintenant disponibles au siège social de l'Association sis au 5 Park Home Avenue, bureau 500, Toronto ON M2N 6L4. Les membres peuvent en obtenir une copie gratuite sur demande à l'adresse ci-dessus ou par courrier post payé. Les documents sont aussi publiés sur le site Web de L'Association à [www.assurancbarreau.com](http://www.assurancbarreau.com).

**MEETING NOTICES**

Take notice that an application has been commenced as court file number CV-15-524082 in the Ontario Superior Court of Justice by James McGill, Applicant, against Stephen Pitkney and Joseph Kowal, Respondents, to remove a certificate of pending litigation against a property known as 121 Elmer Avenue Toronto Ontario. The Respondents are to contact Murray Mittle, Barrister and Solicitor, at 1200 Eglinton Avenue East, Suite 203, Toronto Ontario M3C 1H9.

**GLOBE UNLIMITED**  
Your all-access digital pass  
[tgam.ca/signup](http://tgam.ca/signup)

**ECONOMICAL MUTUAL INSURANCE COMPANY**  
**NOTICE OF ANNUAL MEETING OF MEMBERS**

Notice is hereby given that the 143rd Annual Meeting of Members of Economical Mutual Insurance Company will be held at 10:30 a.m. (Eastern Time) on June 24, 2015, at Bingham's Ballroom, 425 Bingham's Centre Drive, Kitchener, Ontario, for the following purposes:

1. to receive the consolidated financial statements of the company for the year ended December 31, 2014, together with the auditor's report thereon, and the auditor's report on the policy liabilities thereon;
2. to appoint the external auditors;
3. to elect directors;
4. to approve, ratify and confirm the adoption of the company's By-law No. A.5, relating to the nomination of directors for election (advance notice by-law); and
5. to transact such other business as may properly be brought before the meeting, and any adjournments or postponements thereof.

BY ORDER OF THE BOARD OF DIRECTORS,  
Ines Day Waterloo, Ontario  
Corporate Secretary May 27, 2015

**economical INSURANCE**  
*good to know™*

**DIVIDENDS**

**Bank of Montreal**  
**DIVIDEND NOTICE**

NOTICE is hereby given that dividend on the outstanding shares of Bank of Montreal have been declared payable for the current quarter to Shareholders of record at the close of business on August 3, 2015, as follows:

Payable on or after August 26, 2015

- Common Shares: Dividend No. 627 of \$0.82 per share
- Non-Cumulative Preferred Shares:
  - Series 14, Dividend No. 31 of \$0.528125 per share
  - Series 15, Dividend No. 29 of \$0.3825 per share
  - Series 16, Dividend No. 28 of \$0.211875 per share
  - Series 17, Dividend No. 99 of \$0.14742 per share
  - Series 25, Dividend No. 17 of \$0.54215 per share
  - Series 27, Dividend No. 05 of \$0.25 per share
  - Series 29, Dividend No. 04 of \$0.24375 per share
  - Series 31, Dividend No. 04 of \$0.2375 per share

In lieu of cash, holders of shares may choose to receive their dividends in common shares of the Bank in accordance with the Shareholder Dividend Reinvestment and Share Purchase Plan. For further information please contact Computershare Trust Company of Canada at 1-800-340-5021.

By Order of the Board  
Barbara Hill, Chair  
Senior Vice President, Deputy General Counsel,  
Corporate Affairs and Corporate Secretary  
Toronto, June 10, 2015

**BUSINESS TO BUSINESS**

**AIRCRAFT**  
07 Challenger 504 Low Time, CDN Reg., 12 ax, 4000 rphs, 10000 \$3.8M USD, Jamie Spreen 416-203-0600 [jaspers.com](http://jaspers.com)

2000 Astra SPX, 3155 AFIT, Engines & GPU on MSP Gold, Call John Hodgson & Associates at 403-291-9027 or [www.hodgsonassociates.com](http://www.hodgsonassociates.com)

**BUSINESS OPPORTUNITIES**  
RETIREMENT HOME - GTA, 50 beds, 1340K, 6000sq. ft., 80 beds, 3/2Bk, HO#8% CAP. 416-999-4300.

**CAPITAL WANTED/AVAILABLE**  
PRIVATE LENDER for construction, development, real estate acquisition, Range \$1M - \$50M. Fast decisions. 204-334-0409 or [www.cpbtl.com](http://www.cpbtl.com)

**Start small.**  
There's an ad space that's right for your business.

[globelink.ca/adspace](http://globelink.ca/adspace)

**Headline. Logo. Action.**  
Learn about advertising in The Globe and Mail.

[globelink.ca/adspace](http://globelink.ca/adspace)

**THE GLOBE AND MAIL**

## Appendix D



**KPMG Inc.**  
Bay Adelaide Centre  
333 Bay Street Suite 4600  
Toronto ON M5H 2S5  
Canada

Telephone (416) 777-8500  
Fax (416) 777-3364  
Internet [www.kpmg.ca](http://www.kpmg.ca)

*Via Email*

Manulife Financial Corporation  
2 Queen Street East  
Toronto, Ontario  
M5C 3G7

**Attention: Mr. Anthony Lin**  
**Senior Counsel, Institutional Advisory**

June 4, 2015

Dear Sirs:

**Re: TravelBrands Inc.**

On Wednesday May 27, 2015, TravelBrands Inc. (“**TravelBrands**”) filed an application to the Ontario Superior Court of Justice (Commercial List) pursuant to the *Companies’ Creditors Arrangement Act*. On that date, the Honourable Mr. Justice Newbould issued an Initial Order granting the application. Pursuant to the Initial Order, the court appointed KPMG Inc. as Monitor of Travel Brands. As Monitor, KPMG has full and complete access to TravelBrands’ premises, books and records and management. The Monitor is obligated to, among other things:

1. Monitor the company’s cash-flow, including all receipts and disbursements;
2. Monitor the creation and preservation of the customer trust funds; and
3. Report to the court immediately if there is a material adverse change in the company’s projected cash-flow or financial circumstances.

TravelBrands remains in possession and control of all of its assets and is continuing to operate in the ordinary course. The Monitor notes the following:

- There has been no cessation of business, nor is this contemplated and TravelBrands is continuing to operate its business as usual pursuant to the terms of the Initial Order and under the supervision of the Monitor.
- In certain provinces, there are regulations requiring TravelBrands to place all funds (including deposits and prepayments) received from customers for travel services

not yet rendered into trust accounts for the benefit of such customers in the event that the travel service is not delivered or the customer cancels the travel service.

- TravelBrands places all customer prepayments and deposits in trust accounts even in provinces where there is no regulatory obligation to do so. As of May 29, 2015, TravelBrands held \$15.374 million of customer deposits and prepayments in trust for such purposes.
- The trust funds are only released from trust once the customer has received the travel service.
- The company maintains 27 trust accounts in order to comply with these obligations and has authority to maintain such accounts during the CCAA proceedings.

TravelBrands and the Monitor have met with representatives from TICO and are working with TICO to provide TICO with continuing and timely financial reporting, including with respect to trust funds.

As stated above, the Monitor is required under the CCAA to report to the court any material adverse change in the company's financial circumstances. The Monitor would provide Manulife with notice of any such material adverse change. The Monitor is of the view that no such material adverse change has occurred since the date of the Initial Order.

Business continues as usual without interruption under the supervision of the court appointed Monitor. Customer trust funds are only released from trust once the customer has received the travel service regardless of whether the customer booked the travel before or after TravelBrands' CCAA proceedings.

Please contact the undersigned should you have any additional questions on this matter.

Yours very truly,

**KPMG Inc.**

In its capacity as the Court-appointed Monitor of TravelBrands Inc.



Per: Philip J. Reynolds  
*Senior Vice President*

## Appendix E



**Unaudited - Prepared by Management**

<b>TravelBrands Inc.</b>				
<b>Variance analysis for the four week period ending June 12, 2015</b>				
<b>Presented in thousands of Canadian dollars (000's)</b>				
<b>Week ending</b>	<b>Total Forecast 12-Jun-15</b>	<b>Total Actuals 12-Jun-15</b>	<b>Variance Actual v. Forecast Dollars</b>	<b>Variance Actual v. Forecast Percentages</b>
<b>CASH IN TRUST</b>				
<b>Cash receipts</b>				
Inflows from customer deposits for travel services	37,325	32,932	(4,393)	-12%
<b>Cash disbursements</b>				
Outflows to travel suppliers	(20,502)	(17,012)	3,490	17%
Outflows to other vendors	(2,000)	(3,992)	(1,992)	-100%
<b>Total cash in trust disbursements</b>	<b>(22,502)</b>	<b>(21,004)</b>	<b>1,498</b>	<b>7%</b>
<b>Net trust cash flow</b>	<b>14,823</b>	<b>11,928</b>	<b>(2,895)</b>	<b>-20%</b>
Opening balance of cash in trust	15,514	15,514	-	
Net trust cash flow	14,823	11,928	(2,895)	-20%
Outflows to operating cash	(15,291)	(7,505)	7,786	-51%
<b>Ending balance of cash in trust</b>	<b>15,047</b>	<b>19,938</b>	<b>4,891</b>	<b>33%</b>
<b>OPERATING CASH</b>				
<b>Cash receipts</b>				
Inflows from accounts receivable and customer rebates	3,071	4,434	1,363	44%
Inflows from cash in trust	15,291	7,505	(7,786)	-51%
Inflows from rental sublease	70	-	(70)	-100%
<b>Total operating cash receipts</b>	<b>18,432</b>	<b>11,939</b>	<b>(6,493)</b>	<b>-35%</b>
<b>Cash disbursements</b>				
Outflows to travel suppliers	(12,827)	(6,459)	6,368	50%
Outflows for rent and utilities	(379)	(308)	71	19%
Outflows for payroll and benefits	(2,941)	(2,750)	191	7%
Outflows for capital expenditures	(200)	-	200	100%
Outflows for professional fees	(750)	(246)	504	67%
Outflows for selling, general and administrative expenses	(3,714)	(1,662)	2,052	55%
<b>Total operating cash disbursements</b>	<b>(20,811)</b>	<b>(11,426)</b>	<b>9,385</b>	<b>45%</b>
<b>Net operating cash flow</b>	<b>(2,379)</b>	<b>513</b>	<b>2,892</b>	<b>122%</b>
Opening balance of operating cash	4,619	4,619	-	
Net operating cash flow	(2,379)	513	2,892	122%
Red Label funding (Commitment Agreement)	-	-	-	
<b>Closing balance of operating cash</b>	<b>2,240</b>	<b>5,132</b>	<b>2,892</b>	<b>129%</b>

## Appendix F

FORECAST

Unaudited - Prepared by Management

TravelBrands Inc.														
Updated cash flow forecast for the period June 13 to September 11, 2015														
Presented in thousands of Canadian dollars (000's)														
Week number	Forecast 1	Forecast 2	Forecast 3	Forecast 4	Forecast 5	Forecast 6	Forecast 7	Forecast 8	Forecast 9	Forecast 10	Forecast 11	Forecast 12	Forecast 13	Forecast Total
Week ending	19-Jun-15	26-Jun-15	03-Jul-15	10-Jul-15	17-Jul-15	24-Jul-15	31-Jul-15	07-Aug-15	14-Aug-15	21-Aug-15	28-Aug-15	04-Sep-15	11-Sep-15	13 weeks
<b>CASH IN TRUST</b>														
<b>Cash receipts</b>														
Inflows from customer deposits for travel services	6,219	6,258	6,372	8,930	8,854	8,888	8,916	10,612	10,501	10,565	10,528	10,554	10,554	117,752
<b>Cash disbursements</b>														
Outflows to travel suppliers	(4,560)	(4,652)	(5,837)	(4,896)	(5,420)	(7,023)	(6,868)	(5,586)	(6,456)	(6,290)	(6,569)	(7,202)	(6,362)	(77,722)
Outflows to other vendors	(325)	(325)	(850)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(394)	(558)	(6,432)
<b>Total cash in trust disbursements</b>	<b>(4,885)</b>	<b>(4,977)</b>	<b>(6,687)</b>	<b>(5,396)</b>	<b>(5,920)</b>	<b>(7,523)</b>	<b>(7,368)</b>	<b>(6,086)</b>	<b>(6,956)</b>	<b>(6,790)</b>	<b>(7,069)</b>	<b>(7,596)</b>	<b>(6,919)</b>	<b>(84,174)</b>
<b>Net trust cash flow</b>	<b>1,335</b>	<b>1,281</b>	<b>(315)</b>	<b>3,534</b>	<b>2,934</b>	<b>1,365</b>	<b>1,548</b>	<b>4,526</b>	<b>3,545</b>	<b>3,775</b>	<b>3,459</b>	<b>2,958</b>	<b>3,634</b>	<b>33,578</b>
Opening balance of cash in trust	19,938	17,907	16,285	11,825	13,325	14,302	13,675	13,203	13,716	13,359	13,167	12,698	13,183	19,938
Net trust cash flow	1,335	1,281	(315)	3,534	2,934	1,365	1,548	4,526	3,545	3,775	3,459	2,958	3,634	33,578
Outflows to operating cash	(3,365)	(2,904)	(4,146)	(2,033)	(1,957)	(1,991)	(2,020)	(4,013)	(3,902)	(3,966)	(3,928)	(2,473)	(2,073)	(38,771)
<b>Ending balance of cash in trust</b>	<b>17,907</b>	<b>16,285</b>	<b>11,825</b>	<b>13,325</b>	<b>14,302</b>	<b>13,675</b>	<b>13,203</b>	<b>13,716</b>	<b>13,359</b>	<b>13,167</b>	<b>12,698</b>	<b>13,183</b>	<b>14,745</b>	<b>14,745</b>
<b>OPERATING CASH</b>														
<b>Cash receipts</b>														
Inflows from accounts receivable and customer rebates	507	1,245	457	457	457	488	1,157	410	410	410	1,140	410	410	7,960
Inflows from cash in trust	3,365	2,904	4,146	2,033	1,957	1,991	2,020	4,013	3,902	3,966	3,928	2,473	2,073	38,771
Inflows from rental sublease	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating cash receipts</b>	<b>3,872</b>	<b>4,149</b>	<b>4,603</b>	<b>2,491</b>	<b>2,415</b>	<b>2,479</b>	<b>3,177</b>	<b>4,423</b>	<b>4,312</b>	<b>4,376</b>	<b>5,068</b>	<b>2,883</b>	<b>2,483</b>	<b>46,731</b>
<b>Cash disbursements</b>														
Outflows to travel suppliers	(2,244)	(3,531)	(4,893)	(2,370)	(1,750)	(820)	(1,046)	(175)	(974)	(1,865)	(1,263)	(1,843)	(858)	(23,633)
Outflows for rent and utilities	(169)	-	(183)	-	(169)	-	-	(183)	-	(169)	-	(183)	-	(1,057)
Outflows for payroll and benefits	-	(1,375)	-	(1,376)	-	(1,365)	-	(1,376)	-	(1,365)	-	(1,376)	-	(8,233)
Outflows for capital expenditures	(25)	(28)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(26)	(25)	(25)	(25)	(328)
Outflows for professional fees	(170)	(301)	(100)	(250)	(100)	(200)	(125)	(125)	(26)	(50)	(25)	(35)	(31)	(1,538)
Outflows for selling, general and administrative expenses	(494)	(231)	(145)	(470)	(1,344)	(453)	(1,140)	(351)	(1,505)	(517)	(1,286)	(551)	(289)	(8,775)
<b>Total operating cash disbursements</b>	<b>(3,102)</b>	<b>(5,465)</b>	<b>(5,346)</b>	<b>(4,491)</b>	<b>(3,388)</b>	<b>(2,863)</b>	<b>(2,337)</b>	<b>(2,235)</b>	<b>(2,530)</b>	<b>(3,992)</b>	<b>(2,600)</b>	<b>(4,014)</b>	<b>(1,203)</b>	<b>(43,564)</b>
<b>Net operating cash flow</b>	<b>770</b>	<b>(1,316)</b>	<b>(743)</b>	<b>(2,000)</b>	<b>(973)</b>	<b>(384)</b>	<b>841</b>	<b>2,188</b>	<b>1,783</b>	<b>385</b>	<b>2,468</b>	<b>(1,131)</b>	<b>1,280</b>	<b>3,167</b>
Opening balance of operating cash	5,132	5,902	4,586	3,843	1,843	870	4,486	5,326	7,514	9,297	9,681	12,150	11,019	5,132
Net operating cash flow	770	(1,316)	(743)	(2,000)	(973)	(384)	841	2,188	1,783	385	2,468	(1,131)	1,280	3,167
Red Label funding (Commitment Agreement)	-	-	-	-	-	4,000	-	-	-	-	-	-	-	4,000
<b>Closing balance of operating cash</b>	<b>5,902</b>	<b>4,586</b>	<b>3,843</b>	<b>1,843</b>	<b>870</b>	<b>4,486</b>	<b>5,326</b>	<b>7,514</b>	<b>9,297</b>	<b>9,681</b>	<b>12,150</b>	<b>11,019</b>	<b>12,299</b>	<b>12,299</b>

To be read in conjunction with the attached Summary of Notes and Assumptions

**TravelBrands Inc.**  
**Updated Cash Flow Forecast**  
**Summary of Notes and Assumptions**

---

1. The Updated Cash Flow Forecast has been prepared by the Company based on unaudited information solely for the purpose of projecting the cash receipts and disbursements of TravelBrands during the CCAA Proceedings. The Updated Cash Flow Forecast is presented on a weekly basis for the period June 13, 2015 to September 11, 2015 (the “**Cash Flow Period**”).
2. The Updated Cash Flow Forecast has been prepared primarily based on historical trends and Senior Management’s current forecast expectations with updates based on experience since the beginning of the CCAA Proceedings. The actual timing and amount of receipts and disbursements may vary from forecast and the variances may be material.
3. The Updated Cash Flow Forecast is presented in thousands of Canadian dollars.
4. The Updated Cash Flow Forecast is shown in two sections: (a) receipts and disbursements relating to cash held in-trust; and (b) receipts and disbursements relating to operating cash.
5. TravelBrands opening cash position as at June 13, 2015 was approximately \$19.9 million of cash held in-trust and \$5.1 million of operating cash.
6. Cash held in-trust relates to deposits from customers that have paid for travel services that have not yet been rendered by the Company.
7. The Company may use the cash held in-trust to pay certain trade suppliers that require payment in advance of travel. Trust cash cannot be used to settle supplier obligations related to travel services for customers that have already travelled or for payment of other non-trade obligations. The disbursements from cash-in-trust have been forecast by category and include payment for airfare, hotels, cruises, car rentals, tour packages and attraction ticket bookings.
8. The Company’s obligation to hold customer deposits in trust ceases after the customer has traveled, at which point, TravelBrands moves the cash from its trust accounts to its general accounts. The cash can then be used to pay the Company’s outstanding obligations.
9. Accounts receivable collections relate to customers that have previously travelled and have been assumed to be collected in accordance with the Company’s existing terms.

These receipts also include rebates related to commissions, overrides, segment fees, and other miscellaneous revenue earned by the Company.

10. The rent collected from sublets relate to the Company's sublease agreements for the property at 75 Eglinton. These collections have been removed from the Updated Cash Flow Forecast as the 75 Eglinton lease has been disclaimed.
11. The payments to suppliers from operating cash have been forecast by category and include payment for airfare, hotels, cruises, car rentals, tour packages and attraction ticket bookings related to travel services that have already been provided.
12. Since the date of the Initial Order, the Company has been in negotiations with Sears regarding a potential business arrangement during which time Sears has agreed to waive daily amounts accruing due under the Amended Sears Agreement. As such no royalty fees have been included in the updated forecast.
13. The Updated Cash Flow Forecast assumes that rent is paid semi-monthly, on the 1<sup>st</sup> and 15<sup>th</sup> of the month, during the CCAA Proceedings. These costs relate to the Company's head office and regional offices. Rent also includes occupancy costs, utilities and realty taxes. Rent does not include payments made for the 75 Eglinton property as this lease has been disclaimed.
14. Other non-trade disbursements include payments for telephone supporting the Company's offices and call center, computer servers and maintenance and capital expenditures.
15. Professional fees include payments to the Company's legal counsel, the Monitor and the Monitor's legal counsel.
16. The funding from Red Label is provided pursuant to the Commitment Agreement which provides financial support to TravelBrands during the CCAA Proceedings. Funding will be provided if and when it is needed determined by the Company and Red Label in consultation with the Monitor.
17. The Updated Cash Flow Forecast does not reflect the issuance of any new letters of credit or increases to any existing letters of credit.

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  
TRAVELBRANDS INC.

Court File No. CV-15-10980-00CL

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

**Proceeding commenced at Toronto**

**FIRST REPORT OF THE MONITOR KPMG INC.**

**STIKEMAN ELLIOTT LLP**  
Barristers & Solicitors  
5300 Commerce Court West  
199 Bay Street  
Toronto, Canada M5L 1B9

**Ashley John Taylor LSUC#: 39932E**  
Tel: (416) 869-5236  
Email: ataylor@stikeman.com  
**Patrick Corney LSUC#: 65462N**  
Tel: (416) 869-5668  
Email: pcorney@stikeman.com  
Fax: (416) 861-0445

Lawyers for the Monitor