

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF MAPLE BANK GmbH
AND IN THE MATTER OF THE *WINDING-UP AND RESTRUCTURING ACT*,
R.S.C. 1985, C.W-11, AS AMENDED

AND IN THE MATTER OF THE *BANK ACT*, S.C. 1991, C.46, AS AMENDED

BETWEEN:

ATTORNEY GENERAL OF CANADA

Applicant

- and -

MAPLE BANK GmbH

Respondent

MOTION RECORD
(Returnable March 10, 2017)

March 2, 2017

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Lawyers for KPMG Inc., in its capacity as
Liquidator of the business in Canada of Maple
Bank GmbH and its assets

TO: KPMG Inc., in its capacity as Liquidator of the
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as represented by the Minister of National
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Representative Counsel

INDEX

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF MAPLE BANK GmbH
AND IN THE MATTER OF THE WINDING-UP AND RESTRUCTURING ACT,
R.S.C. 1985, C.W-11, AS AMENDED**

AND IN THE MATTER OF THE BANK ACT, S.C. 1991, C.46, AS AMENDED

BETWEEN:

ATTORNEY GENERAL OF CANADA

Applicant

- and -

MAPLE BANK GmbH

Respondent

I N D E X

TAB	DOCUMENT
1	Notice of Motion returnable March 10, 2017 Schedule “A” - Draft Interim Distribution Order
2	Eleventh Report of the Liquidator dated March 10, 2017 Appendix “A” – Winding-Up Order dated February 16, 2016 Appendix “B” – Ninth Report of the Liquidator dated November 16, 2016 (without appendices) Appendix “C” – Tenth Report of the Liquidator dated January 25, 2017 (without appendices) Appendix “D” – Principal Officers Additional Claims Order dated January 27, 2017 Appendix “E” – Notice to Creditors of the Principal Officers Claims Bar Date that was published on January 31, 2017, in the National Edition of The Globe and Mail and the International Edition of The Wall Street Journal Appendix “F” – Representative Counsel Order dated January 27, 2017 Appendix “G” – Notice of Distribution to Creditors of the Toronto Branch that was published on March 3, 2017, in the National Edition of The Globe and Mail and the International Edition of The Wall Street Journal

TAB

DOCUMENT

Appendix "H" – Letter from GIA to the Liquidator dated March 2, 2017

TAB 1

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF MAPLE BANK GmbH
AND IN THE MATTER OF THE *WINDING-UP AND RESTRUCTURING ACT*,
R.S.C. 1985, C.W-11, AS AMENDED
AND IN THE MATTER OF THE *BANK ACT*, S.C. 1991, C.46, AS AMENDED

BETWEEN:

ATTORNEY GENERAL OF CANADA

Applicant

- and -

MAPLE BANK GmbH

Respondent

NOTICE OF MOTION

KPMG Inc., in its capacity as the Court-appointed Liquidator (the “**Liquidator**”) in respect of the winding up of the business in Canada (the “**Business**”) of Maple Bank GmbH (“**Maple Bank**”) and its assets (the “**Assets**”) as defined in section 618 of the *Bank Act* (the “**Bank Act**”) will make a Motion to Regional Senior Justice Morawetz, on Friday, March 10, 2017 at 8:30 a.m. or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

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

THE MOTION IS FOR:

1. An Order substantially in the form attached as Schedule “A” to this Notice of Motion (the “**Distribution Order**”):
 - (a) if required, abridging the time for service of the Notice of Motion and the Motion Record and validating service so that the Motion is properly returnable on the proposed date and dispensing with the requirement for any further service thereof;
 - (b) approving the Eleventh Report of the Liquidator dated March 2, 2017 (the “**Eleventh Report**”) and the activities of the Liquidator as set out in the Eleventh Report;
 - (c) authorizing and directing the Liquidator to make a partial distribution in the amount of \$660.6 million to the GIA (as defined below) (the “**Distribution**”) of a portion of the estimated surplus of funds, which have been realized by the Liquidator from the liquidation and/or sale of the Assets and the Business of the Toronto Branch, on, or after March 10, 2017 (the “**Distribution Date**”);
 - (d) approving the notice to creditors of the Toronto Branch published in the National Edition of *The Globe and Mail* and the International Edition of *The Wall Street Journal* on March 3, 2017 giving notice of the Distribution by the Distribution Date substantially in the form of the notice attached as Schedule “A” to the Distribution Order;
 - (e) approving the receipts and disbursements of the Toronto Branch for the period from February 16, 2016 to February 28, 2017; and
 - (f) such other relief as counsel may advise and this Court may permit.

THE GROUNDS FOR THE MOTION ARE

Background

2. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the

Eleventh Report.

3. Maple Bank is a Canadian-owned German bank, and an authorized foreign bank in Canada under section 2 and Part XII.1 of the Bank Act. As a German bank, Maple Bank is subject to regulation in Germany by the Federal Financial Supervisory Authority (“**BaFin**”). As an authorized foreign bank under the *Bank Act*, Maple Bank is regulated with respect to its business in Canada (the “**Toronto Branch**”) by the Office of the Superintendent of Financial Institutions.
4. On February 6, 2016, BaFin issued a moratorium on Maple Bank’s business activities by reason of over-indebtedness, required Maple Bank to cease business and then instituted insolvency proceedings in Germany to appoint an insolvency administrator (the “**GIA**”);
5. On February 16, 2016, upon application by the Attorney General of Canada, the Ontario Superior Court of Justice [Commercial List] (the “**Court**”) issued a winding-up order (the “**Winding-Up Order**”), winding-up the Business of Maple Bank and appointing KPMG as Liquidator of the Business and Assets pursuant to the *Winding Up and Restructuring Act* (“**WURA**”).

The Distribution Order

6. On June 8, 2016, this Court issued an order (the “**Claims Procedure Order**”) approving a claims procedure (the “**Claims Procedure**”) to be used as part of these WURA proceedings;
7. January 27, 2017, the Court issued the Principal Officers Additional Claims Order setting February 28, 2017 as the claims bar date (the “**Principal Officers Claims Bar Date**”);
8. It has now been in excess of seven months since the Claims Procedure was commenced and the Principal Officers Claims Bar Date has expired;
9. The Toronto Branch will have an estimated total surplus of funds realized from the liquidation and/or sale of the Assets and the Business of the Toronto Branch of approximately \$660.6 million.

10. Reasonable reserves will be established to provide for possible future Claims, including interest thereon until distributions are made in respect of these Claims (“Future Potential Claims”);
11. The Liquidator recommends that the Court approve the Distribution on the basis *inter alia* that: (i) the Asset realization process is substantially complete and the Liquidator is holding cash or equivalents in excess of \$817.7 million, and (ii) the reserve is adequate to cover all existing claims and the reserve in respect of Future Potential Claims is considerable at \$50,000,000;

Miscellaneous

12. Sections 35, 74, 75, 76, 158.1 of the WURA;
13. Rules 1.04, 1.05, 2.03, 3.02(1), 16 and 37 of the *Rules of Civil Procedure*;
14. The claims procedure order issued by the Court on June 8, 2016;
15. The Winding-Up Order; and
16. Such further and other grounds as counsel may advise and the Court may permit.

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

1. The Eleventh Report; and
2. Such further and other documentary evidence as counsel may advise and the Court may accept.

March 2, 2017

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Lawyers for KPMG Inc., in its capacity as
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TO: **SERVICE LIST**

IN THE MATTER OF MAPLE BANK GmbH
AND IN THE MATTER OF THE *WINDING-UP AND RESTRUCTURING ACT*, R.S.C. 1985, C.W-11, AS AMENDED
AND IN THE MATTER OF THE *BANK ACT*, S.C. 1991, C.46, AS AMENDED

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

PROCEEDING COMMENCED AT TORONTO

NOTICE OF MOTION

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Lawyers for KPMG Inc., in its capacity as Liquidator of the
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TAB 1A

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

THE HONOURABLE REGIONAL) FRIDAY, THE 10th
SENIOR JUSTICE MORAWETZ)
) DAY OF MARCH , 2017

IN THE MATTER OF MAPLE BANK GmbH

AND IN THE MATTER OF THE *WINDING-UP AND RESTRUCTURING ACT*,
R.S.C. 1985, C.W-11, AS AMENDED

AND IN THE MATTER OF THE *BANK ACT*, S.C. 1991, C.46, AS AMENDED

BETWEEN:

ATTORNEY GENERAL OF CANADA

Applicant

and

MAPLE BANK GmbH

Respondent

DISTRIBUTION ORDER

THIS MOTION, made by KPMG Inc. (“**KPMG**”), in its capacity as the Court-appointed Liquidator (the “**Liquidator**”) pursuant to the *Winding-Up and Restructuring Act*, R.S.C. 1985, c. W-11. as amended (“**WURA**”) of the business in Canada (the “**Business**”) of Maple Bank GmbH (“**Maple Bank**”) and its assets as defined in section 618 of the *Bank Act*, S.C. 1991, C.46, as amended (the “**Bank Act**”) for an order:

- (a) abridging the time for service of the amended Notice of Motion and the Motion Record, herein, if required, and validating service so that the Motion is properly returnable on the proposed date and dispensing with the requirement for any further service thereof;
- (b) approving the Eleventh Report of the Liquidator dated March 2, 2017 (the “**Eleventh Report**”) and the activities of the Liquidator as set out in the Eleventh Report;
- (c) authorizing and directing the Liquidator to make a partial distribution in the amount of \$660.6 million to the GIA (as defined below) of a portion of the estimated surplus of funds, which have been realized by the Liquidator from the liquidation and/or sale of the Assets and the Business of the Toronto Branch (the “**Distribution**”), on, or after March 10, 2017 (the “**Distribution Date**”);
- (d) approving the notice to creditors of the Toronto Branch published in the National Edition of the Globe and Mail and the International Edition of the Wall Street Journal on March 3, 2017 giving notice of the Distribution by the Distribution Date substantially in the form of the notice attached as Schedule “**A**”, hereto (the “**Distribution Notice**”);
- (e) approving the Receipts and Disbursements (“**R&D**”) for the Toronto Branch for the period from February 16, 2016 to February 28, 2017; and
- (f) such further relief as may be required in the circumstances and which this Court deems as just and equitable,

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

ON READING the Eleventh Report and on hearing the submissions of counsel for the Liquidator, counsel for the German Insolvency Administrator of Maple Bank, representative counsel for the Non-Exec Employees, counsel for Radius Financial Inc., and such other parties who were in attendance and no one else appearing although served as evidenced by the Affidavit of Service of Rachael Belanger sworn March 3, 2017, filed,

Service / Approval of the Activities of Liquidator

1. **THIS COURT ORDERS** that all defined terms used herein, not otherwise defined shall have the meaning attributed to them in the Eleventh Report.
2. **THIS COURT ORDERS**, that the time for service of the amended Notice of Motion and the Motion Record is validated so that the Motion is properly returnable today and hereby dispenses with further service thereof, including without limitation, any prescribed notice requirements under the WURA.
3. **THIS COURT ORDERS** that the Eleventh Report and the activities of the Liquidator as set out in the Eleventh Report be and are hereby approved.

Approval of the Distribution

4. **THIS COURT ORDERS** that the Liquidator is hereby authorized and directed to make the Distribution, on, or after the Distribution Date.
5. **THIS COURT ORDERS** that the Distribution Notice be and is hereby approved, *nunc pro tunc*.

Approval of the Liquidator's R&D

6. **THIS COURT ORDERS** that the R&D for the Toronto Branch for the period from February 16, 2016 to February 28, 2017 be and is hereby approved.

General

7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, the Republic of Germany, including the assistance of the Amtsgericht Frankfurt am Main [Insolvency Court] to give effect to this Order and to assist the Liquidator and its 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 Liquidator, as an officer of

this Court, as may be necessary or desirable to give effect to this Order or to assist the Liquidator and its agents in carrying out the terms of this Order.

Schedule “A”

**NOTICE TO CREDITORS
of MAPLE BANK GmbH, TORONTO BRANCH
(also known as Maple Bank – Toronto Branch)
(hereinafter referred to as “Maple Bank”)**

**RE: NOTICE OF DISTRIBUTION FOR MAPLE BANK PURSUANT TO THE
WINDING-UP AND RESTRUCTURING ACT (the “WURA”)**

PLEASE TAKE NOTICE that this notice is being published in order to give notice that KPMG, in its capacity as a court appointed liquidator (the “**Liquidator**”) of the business in Canada of Maple Bank and its related assets will be requesting an order from the Superior Court of Justice of Ontario [Commercial List] on March 10, 2017 to approve a distribution by the Liquidator to the German Insolvency Administrator in respect of a portion of the estimated surplus of funds, which have been realized from the liquidation and/or sale of the assets and the business of Maple Bank by the Liquidator on or after March 10, 2017.

DATED at Toronto this 3rd day of March, 2017.

KPMG Inc. in its capacity as Court-appointed
Liquidator of the business in Canada of Maple Bank GmbH, (Toronto Branch) and its
related assets
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ATTORNEY GENERAL OF CANADA – Applicant

- and -

MAPLE BANK GmbH., – Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]

(PROCEEDING COMMENCED AT TORONTO, ONTARIO)

DISTRIBUTION ORDER

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Liquidator of the business in Canada of Maple Bank GmbH and its
assets as defined in section 618 of the *Bank Act*.

TAB 2

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF MAPLE BANK GmbH

AND IN THE MATTER OF THE *WINDING-UP AND RESTRUCTURING ACT*,
R.S.C. 1985, C.W-11, AS AMENDED

AND IN THE MATTER OF THE *BANK ACT*, S.C. 1991, C.46, AS AMENDED

BETWEEN:

ATTORNEY GENERAL OF CANADA

Applicant

and

MAPLE BANK GmbH

Respondent

THE

ELEVENTH REPORT OF KPMG INC. IN ITS CAPACITY AS

COURT APPOINTED LIQUIDATOR OF THE BUSINESS IN CANADA OF MAPLE BANK
GMBH AND ITS ASSETS AS DEFINED IN SECTION 618 OF THE *BANK ACT*

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Appendix F	Representative Counsel Order dated January 27, 2017
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Appendix H	Letter from the GIA to the Liquidator dated March 2, 2017

1. INTRODUCTION AND PURPOSE OF THE ELEVENTH REPORT

BACKGROUND

1. Maple Bank GmbH (“**Maple Bank**”) is a Canadian-owned German bank, and an authorized foreign bank in Canada under section 2 and Part XII.1 of the *Bank Act* (an “**Authorized Foreign Bank**”). In Germany, Maple Bank is subject to regulation by the Federal Financial Supervisory Authority (“**BaFin**”). As an Authorized Foreign Bank, Maple Bank was regulated with respect to its business in Canada (the “**Toronto Branch**”) by the Office of the Superintendent of Financial Institutions (“**OSFI**”).
2. As more fully described in the Liquidator’s first report to this Court dated March 2, 2016 (the “**First Report**”), in the period leading up to the commencement of the *Winding Up and Restructuring Act* (“**WURA**”) proceeding, the Toronto Branch had three major lines of business: (i) the origination and securitization of real property mortgages in Canada; (ii) structured secured lending; and (iii) security financing transactions (collectively, the “**Business**”).
3. The emergence of significant German tax claims against Maple Bank and the resulting indebtedness of Maple Bank led to:
 - i. BaFin imposing a moratorium on Maple Bank’s business activities, which caused Maple Bank to cease business and institute insolvency proceedings in Germany (the “**Moratorium**”);
 - ii. The appointment of a German insolvency administrator (the “**GIA**”) over Maple Bank (the “**German Estate**”);
 - iii. The issuance of default notices and the termination of agreements by financial institutions that were counterparties to financial contracts (primarily swaps and hedging instruments) with the Toronto Branch in respect of their dealings with Maple Bank’s business in Canada;

- iv. Canada Mortgage and Housing Corporation (“**CMHC**”), after the issuance of a default notice to Maple Bank, taking control of the Mortgage Backed Securities (“**MBS**”) business of the Toronto Branch and the corresponding mortgage pools (totaling approximately \$3.5 billion); and
 - v. OSFI issuing orders under section 619 of the *Bank Act* for the taking of control of the assets of Maple Bank in respect of the Business.
4. The events described above prompted OSFI to request that the Attorney General of Canada seek a winding-up order pursuant to section 10.1 of the WURA in respect of the Business. On February 16, 2016 (the “**Winding-Up Date**”), Regional Senior Justice Morawetz of the Ontario Superior Court of Justice [Commercial List] (the “**Court**”) granted an order (the “**Winding-Up Order**”) to, among other things, (i) wind-up the Business; and (ii) appoint KPMG Inc. (“**KPMG**”) as liquidator (the “**Liquidator**”) of the Business and of the assets of Maple Bank as defined in section 618 of the *Bank Act* (the “**Assets**”). Attached as **Appendix A** is a copy of the Winding-Up Order.
 5. On March 2, 2016, the Liquidator filed its First Report (the “**First Report**”), which, among other things, outlined the protocol that was agreed to between the Liquidator and the GIA regarding the existing Chapter 15 filing under the *United States Bankruptcy Code* made by the GIA with regard to Maple Bank’s non-Toronto Branch assets in the U.S. and the Assets of the Toronto Branch which reside in the U.S.
 6. On March 30, 2016, the Liquidator filed its Second Report (the “**Second Report**”), which provided: (i) an update on the actions of the Liquidator since the granting of the Winding-Up Order; (ii) an update on the Assets and liabilities of the Toronto Branch; and (iii) details of a proposed marketing process to identify a successor issuer to the Toronto Branch’s MBS program and for the sale of all or a portion of certain other Assets (the “**Marketing Process**”).
 7. On June 2, 2016, the Liquidator filed its Third Report (the “**Third Report**”), which provided information in respect of: (i) an update on the actions of the Liquidator since the issuance of the Second Report; (ii) an update on the status of

the Marketing Process; (iii) a proposed claims procedure (the “**Claims Procedure**”) for use in these proceedings, including the appointment of a Claims Officer (as defined in the Claims Procedure Order); (iv) the proposed appointment of Independent Cost Counsel (as defined in the Third Report) to review and report to the Court on the fees and disbursements of the Liquidator and its counsel; and (v) the statement of receipts and disbursements of the Toronto Branch for the period February 16 to May 13, 2016.

8. On June 17, 2016, the Liquidator filed its Fourth Report to the Court which provided information regarding the sale by the Liquidator of certain un-pooled insured residential mortgages to the originators of those mortgages; myNext Mortgage Premier Trust (“**myNext**”) and Xceed Mortgage Corporation.
9. On July 25, 2016, the Liquidator filed its Fifth Report to the Court which provided information regarding three sale transactions by the Liquidator involving certain structured loans associated with the federal Immigrant Investor Program (“**IIP**”), which included receivable backed notes (the “**Receivable Backed Notes**”) issued by PWM Financial Trust, CTI Capital Securities Inc. and KEB Hana Bank Canada (“**KEB**”) respectively and secured by, *inter alia*, notes issued by either Citizenship and Immigration Canada (“**CIC**”) or IQ Immigrants Investisseurs Inc. (“**IQII**”). Following the closing of these sales transactions certain unsold Receivable Backed Notes remained in the possession of the Toronto Branch (the “**Residual Receivable Backed Notes**”).
10. On September 19, 2016, the Liquidator filed its Sixth Report to the Court which provided information regarding the selection by CMHC of Equitable Bank (“**Equitable**”) as the Successor Issuer for the Toronto Branch’s *National Housing Act* (“**NHA**”) MBS Program and the resulting acquisition and assumption by Equitable of all of the Toronto Branch’s rights and obligations under the CMHC NHA MBS Guide and NHA MBS Program with respect to the NHA MBS originally issued by the Toronto Branch thereunder as well as the proposed sale of MBS still owned by the Toronto Branch and certain other Toronto Branch Assets to Equitable (the “**Equitable Transaction**”).

11. On October 6, 2016, the Liquidator filed its Seventh Report to the Court which provided information regarding the sale to KEB of the Residual Receivable Backed Notes issued by KEB and secured by, *inter alia*, notes issued by CIC.
12. On November 15, 2016, the Liquidator filed its Eighth Report (the “**Eighth Report**”) to the Court which provided information regarding the proposed settlement between the Liquidator and the Bank of Montreal (“**BMO**”) of the liabilities and obligations of each of BMO and Maple Bank arising from a repurchase transaction and the early termination of certain foreign exchange transactions, along with a proposed sale of certain NHA MBS by the Liquidator to BMO.
13. On November 16, 2016, the Liquidator filed its Ninth Report (the “**Ninth Report**”) to the Court (a copy of which is attached hereto as **Appendix B**) which provided:
 - i. An update on the actions of the Liquidator since the issuance of the Third Report;
 - ii. An update on the status of the Claims Procedure;
 - iii. Information regarding the Liquidator’s proposed interim distribution to proven creditors (the “**Interim Distribution**”);
 - iv. A recommendation that the Liquidator be authorized to implement a hedging or conversion strategy to mitigate the Euro – Canadian dollar foreign exchange risk (the “**FX Risk**”) related to the amounts that would be distributed to the Association of German Banks’ Deposit Protection Fund and the Compensation Scheme of German Private Banks (collectively, the “**GDPF**”) and GIA as part of the Interim Distribution; and
 - v. The Liquidator’s statement of receipts and disbursements for the period from February 16, 2016 to October 31, 2016.
14. On November 24, 2016, the Liquidator filed its supplemental report to the Ninth Report (the “**First Supplemental Report**”) which provided an update on the

Liquidator's activities since November 18, 2016, and sought amended relief to the relief sought in the Ninth Report, including an order approving:

- i. The Interim Distribution to creditors with proven Claims within two days following December 19, 2016;
 - ii. The amended notice to creditors of the Interim Distribution;
 - iii. A Claims bar notice and Claims bar date in respect of Claims that may be asserted against the Principal Officers of the Toronto Branch (the "**Principal Officers Claims Bar Notice**" and "**Principal Officers Claims Bar Date**", respectively);
 - iv. The Liquidator's statement of receipts and disbursements for the period February 16, 2016 to October 31, 2016; and
 - v. The activities of the Liquidator since the filing of the Third Report, up to and including the Ninth Report, including the activities of the Liquidator as described in the Third Report.
15. On December 8, 2016, the Liquidator filed its second supplemental report to the Ninth Report (the "**Second Supplemental Report**") which provided an update on i) the Liquidator's activities since the filing of the First Supplemental Report, ii) the foreign exchange transactions that occurred in respect of the Toronto Branch regarding the FX Risk of the GDPF and the GIA, and sought amended relief to the relief sought in the Ninth Report and First Supplemental Report, including an order approving:
- i. The Principal Officers Claims Bar Notice;
 - ii. The Principal Officers Claims Bar Date; and
 - iii. The activities of the Liquidator since the filing of the Ninth Report as described in the First Supplemental Report and the Second Supplemental Report.
16. On January 25, 2017, the Liquidator filed the Tenth Report (the "**Tenth Report**") (a copy of which is attached hereto without appendices as **Appendix C**) which:

- i. Provided an update to the Court on the status of the protocol developed in conjunction with the GIA and the former Principal Officer of the Toronto Branch to implement a procedure to identify any Claims which may be asserted against the Principal Officers of the Toronto Branch arising out of the positions that the Principal Officers may have held with a number of Maple Bank affiliated companies (the “**Principal Officers Claims Procedure**”) in order to ultimately effect a distribution of the estimated surplus (the “**Estimated Surplus**”) in the Toronto Branch to the German Estate;
 - ii. Provided an update to the Court on the status of the Proofs of Claim (as defined in the Claims Procedure Order dated June 8, 2016) filed by the former employees of the Toronto Branch (the “**Employee Claims**”) and advised the Court of the Liquidator’s analysis of the Employee Claims and the principles on which the Employee Claims were assessed;
 - iii. Advised the Court of the notices sent by the GIA to the former employees of Toronto Branch in accordance with section 87 of the WURA of the GIA’s objection to certain components of the Employee Claims (the “**GIA Employee Claim Objections**”) and sought direction from the Court to determine the resolution of the now disputed Employee Claims; and
 - iv. Updated the Court on the activities of the Liquidator since the filing of the Ninth Report and the First Supplemental Report and the Second Supplemental Report.
17. On January 27, 2017, the Court granted two orders:
- i. The Principal Officers Additional Claims Order dated January 27, 2017 (the “**Principal Officers Additional Claims Order**”), which:
 - a. Set February 28, 2017, as the claims bar date (the “**Principal Officers Claims Bar Date**”) for the filing of any claims against the former Principal Officers of the Toronto Branch; and

- b. Approved the notice to creditors of the Toronto Branch of the Principal Officers Claims Bar Date that was published in the National Edition of *The Globe and Mail* and the International Edition of *The Wall Street Journal* (the “**Notice of Principal Officers Claims Bar Date**”) on January 31, 2017.

Copies of the Principal Officers Additional Claims Order and the Notice of Principal Officers Claims Bar Date are attached hereto as **Appendices D** and **E**, respectively.

- ii. The Representative Counsel Order dated January 27, 2017 (the “**Representative Counsel Order**”), which:
 - a. Established a steering committee (the “**Steering Committee**”) to represent the non-executive employees of the Toronto Branch in respect of their claims in the winding-up proceedings of the Toronto Branch; and
 - b. Appointed Paliare Roland LLP as counsel (“**Representative Counsel**”) to advise and represent the Steering Committee in the winding-up proceedings of the Toronto Branch.

A copy of the Representative Counsel Order is attached hereto as **Appendix F**.

PURPOSE OF THE ELEVENTH REPORT

- 18. The purpose of this Eleventh Report (the “**Eleventh Report**”) is to provide information to the Court in respect of:
 - i. The Liquidator’s statement of receipts and disbursements for the period February 16, 2016 to February 28, 2017, and estimated funds available for distribution to proven creditors;
 - ii. An update on the status of the Claims Procedure implemented pursuant to the Claims Procedure Order Dated June 8, 2016;

- iii. An update on the Principal Officers Additional Claims Procedure that was approved by the Court pursuant to the Principal Officers Additional Claims Order;
- iv. The Liquidator's Estimated Surplus available to satisfy the Claims of Toronto Branch's stakeholders as well as a request for i) approval of an interim distribution to the German Estate of a portion of the Estimated Surplus (the "**German Estate Interim Distribution**"), and ii) approval, *nunc pro tunc*, of the notice of distribution to creditors of the Toronto Branch that was published on March 3, 2017, in the National Edition of *The Globe and Mail* and the International Edition of *The Wall Street Journal* (the "**March 3 Notice of Distribution**"), a copy of which is attached hereto as **Appendix G**; and
- v. An update on the Liquidator's activities since the filing of the Tenth Report and the Liquidator's request for approval of same.

TERMS OF REFERENCE AND DISCLAIMER

- 19. In preparing this report, the Liquidator has been provided with, and has relied upon, unaudited and other financial information, books and records (collectively, the "**Information**") prepared by the Toronto Branch and/or its representatives, and discussions with its former management and/or its former representatives. The Liquidator has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided and in consideration of the nature of evidence provided to the Court. However, the Liquidator has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Liquidator expresses no opinion or other form of assurance contemplated under CAS in respect of the Information.
- 20. The information contained in this report is not intended to be relied upon by any prospective purchaser or investor in any transaction with the Liquidator.

21. Capitalized terms not defined in the Eleventh Report are as defined in either the Winding-Up Order and/or the First Report through the Tenth Report. Unless otherwise indicated, all references to monetary amounts herein are denominated in Canadian dollars (“**CAD**”).
22. Copies of the Liquidator’s Court reports and all motion records and Orders in these proceedings are available on the Liquidator’s website at <http://www.kpmg.com/ca/maplebank>.

2. RECEIPTS, DISBURSEMENTS AND REMAINING ESTIMATED REALIZATIONS

Summary of Receipts and Disbursements

23. The Liquidator previously reported the receipts and disbursements of the Toronto Branch for the period February 16, 2016 to October 31, 2016, in the Ninth Report. The table below summarizes the receipts and disbursements for the Toronto Branch for the period February 16, 2016 to February 28, 2017.

In the matter of the winding up of Maple Bank GmbH (Toronto Branch) Statement of Receipts and Disbursements For the period February 16, 2016 to February 28, 2017 Amounts in CAD millions	
Receipts	CAD Total⁽¹⁾
Cash and Securities from Toronto Branch accounts	490.5
Structured Loan Portfolio	354.6
MBS Business Asset Sales	176.5
Related Party Intercompany Account Settlements	85.1
Settlement of Brokerage Accounts	60.7
Derivative Instruments	60.6
Miscellaneous/Other	3.5
Total Receipts	1,231.5
Disbursements	
Payroll	2.6
General and Administrative	1.5
Occupancy	0.4
Transfer to CMHC	0.3
Total Operating Disbursements	4.8
Distribution to Proven Creditors, with Interest	716.0
Professional Fees	7.6
Net Receipts in excess of Disbursements	503.2
Opening Cash Balance	317.0
Closing Cash and Cash Equivalents Balance	820.1
Total Cash⁽²⁾	171.8
Liquid Securities held with RBC	648.2
Total Cash and Cash Equivalents	820.1

⁽¹⁾ Assets held in USD and EUR are converted to CAD at the February 28, 2017 spot rates.

⁽²⁾ Consists of cash held in a number of the Liquidator's operating accounts including approximately US\$68.9 million in a USD accounts that is subject to the protocol agreed to between the Liquidator and the GIA for administering the Toronto Branch's Assets which reside in the U.S. and approximately EUR 49.0 million in a EUR denominated account at CIBC.

Analysis of Receipts

24. Receipts for the period totalled approximately \$1.231 billion and are described below.

Cash and Securities from Toronto Branch's accounts

25. Cash and securities of approximately \$490.5 million relate primarily to Toronto Branch's cash deposits and the liquidation and maturation of \$469.3 million of the Toronto Branch's capital equivalency deposit securities. These funds are invested in the Toronto Branch's accounts at RBC Dominion Securities Inc. ("**RBC DS**"). In addition, the Liquidator realized on approximately \$21.2 million of additional securities held by the Toronto Branch as at the date of the Winding-Up Order.

Structured Loan Portfolio Realizations

26. Receipts of approximately \$354.6 million primarily relate to the sale of the Receivable Backed Notes as part of the IIP for \$225.1 million, proceeds received from the Lakeview Loan facility of \$40.0 million, collection of the Global One Financial Inc. ("**Global One**") loan facility for proceeds of \$80.1 million (including interest) and collections of other structured loan facility obligations.

MBS Business Asset Sale

27. Receipts from the MBS Business primarily relate to the sale of the Toronto Branch Assets as part of the Marketing Process including: (i) proceeds received from an un-pooled mortgage portfolio transaction which was completed in June 2016; (ii) the sale of the NHA MBS portfolio, which formed part of the Equitable Transaction; and (iii) payments made to the originators and servicers as it relates to various reserves and holdbacks.

Related Party Intercompany Account Settlements

28. Receipts from related party settlements of \$85.1 million, primarily relate to the settlement of the intercompany accounts with Maple Securities Canada Limited and the partial unwinding of a repurchase transaction with Maple Securities U.S.A. Inc. ("**MSUSA**") in February 2016.

Settlement of Brokerage Account

29. Prior to the Winding-Up Order, the Toronto Branch had three accounts (one each for: (i) CAD; (ii) U.S. dollars; and (iii) Euros), each with Interactive Brokers. In order to settle and close the accounts the Liquidator was required to fund \$8.1 million into the CAD account which was overdrawn at the time. Funding this overdraft position enabled the Liquidator to retain Euro 49.0 million (equivalent to \$68.9 million) which provided some mitigation to the German Estate of its foreign currency exposure. The Euros were subsequently transferred to a Euro denominated account at CIBC. The effect of these transactions was a net \$60.7 million receipt for the Toronto Branch.

Derivative Instruments

30. Represents receipts of \$45.6 million from the unwinding of various financial derivative instruments. As at the date of the Winding-Up Order, the Toronto Branch had numerous financial derivative instruments with seven counterparties, which were subsequently unwound.
31. The Liquidator also entered into two agreements with BMO on October 31, 2016 as follows:
- i. A settlement of the liabilities and obligations of each of BMO and Toronto Branch arising from i) a repurchase transaction with respect to National Housing Association MBS with a repurchase date of February 16, 2016 (which transaction did not settle and the Liquidator subsequently determined BMO owned the repurchased MBS), and ii) the early termination of several hundred financial derivative transactions that Toronto Branch entered into with BMO; and
 - ii. The proposed sale by the Liquidator of certain Toronto Branch owned MBS having an original principal balance of approximately \$11 million.
32. The Court subsequently approved these agreements on November 15, 2016, and these transactions closed on December 2, 2016. Additional information regarding the transactions is contained in the Eighth Report.

Other and Miscellaneous

33. Relates to interest received on cash and securities balances totalling approximately \$3.5 million.

Analysis of Disbursements

34. Operating disbursements for the period total approximately \$4.8 million and consist of disbursements on account of payroll, office rent, and general and administrative expenses. In addition, a one-time transfer of approximately \$0.3 million was made to CMHC to return NHA MBS mortgage payments received by the Toronto Branch in error while CMHC was in control of the Toronto Branch MBS business.
35. On or about December 19, 2016 and in accordance with the order of the Court dated November 25, 2016 authorizing the Interim Distribution, the Liquidator distributed \$716.0 million, inclusive of statutory interest, to 29 creditors with proven claims. The majority of this distribution was made to the GDPF in the amount of \$715.2 million on account of the 23 Proofs of Claim filed in respect of deposits made by German depositors. The balance was paid to five third party creditors and one related party.
36. Professional fees paid during the period of \$7.6 million, consist primarily of professional fees of the Liquidator, its Canadian independent legal counsel (Gowlings BLG) and U.S. and German independent counsel (Willkie Farr LLP). Professional fees paid as at February 28, 2017 relate to fees and expenses incurred through to September 30, 2016. The fees of the Liquidator and its counsel remain subject to review by the Independent Cost Counsel (i.e. Mr. Jonathan Wigley of Gardiner Roberts LLP) and approval by the Court. The Liquidator anticipates receiving the first report of Independent Cost Counsel in the near term and depending on the timing of the receipt of that report may file a supplemental report in advance of the March 10, 2017, hearing to seek approval of the Liquidator and its counsel's fees and disbursements to November 30, 2016.

37. As at February 28, 2017, the Toronto Branch held approximately \$820.1 million of cash and cash equivalents which is comprised of approximately \$171.9 million in various cash accounts and \$648.2 million in liquid securities in the Toronto Branch's RBC DS accounts as summarized in the table below.

**In the matter of the winding up of Maple Bank GmbH (Toronto Branch)
Summary of Assets available for distribution to stakeholders
As at February 28, 2017
Amounts in CAD millions**

Cash ⁽¹⁾	\$ 80.5
Net U.S. Asset Realizations ⁽²⁾	91.4
Liquid Securities ⁽³⁾	648.2
Total Assets available for distribution	\$ 820.1

Notes:

⁽¹⁾ Represents cash held at Toronto Branch accounts and includes Euro 49 million (CAD\$68.9 million) held in a Euro denominated account at CIBC.

⁽²⁾ Consists of approximately US\$69.0 million in a USD Escrow account that is subject to a protocol agreed to between the Liquidator and the GIA for administering the Toronto Branch's Assets which reside in the U.S.

⁽³⁾ Consists of liquid securities held at RBC DS with various rates of return and maturity dates.

Remaining Estimated Realizations

38. At the date of the Eleventh Report, the realization process for all of the assets of the Toronto Branch is almost entirely complete. The Toronto Branch assets that remain to be realized are limited to the collection of a loan payable by Pacific Mortgage Group Inc. ("PMGI"), an assignee of Radius Financial Inc. ("Radius") to Toronto Branch, in the amount of \$7,335,701 (consisting of outstanding principal of \$7,126,931 and unpaid interest of \$208,770) (the "PMGI Loan"). The PMGI Loan was a warehouse facility used to finance PMGI's initial funding of mortgages which would in turn be sold to Toronto Branch.

3. CLAIMS PROCEDURE UPDATE

39. The table below summarizes the Proofs of Claim filed in accordance with the Claims Procedure and the status of the Claims as at February 28, 2017, at amounts as filed by the claimants.

Maple Bank GmbH, Toronto Branch								
Filed Proofs of Claims ⁽¹⁾								
As at February 28, 2017								
Creditor	Claim						Unresolved Claims	
	#	Value	Admitted	Disallowed	Paid ⁽²⁾	#	Value	
GIA	1	\$ 791.3	\$ -	\$ 791.3	\$ -	-	\$ -	
GDPF	23	686.1	686.1	-	686.1	-	-	
Vendors and Canada Revenue Agency	8	12.2	0.3	-	0.3	3	11.9	
Employees	19	20.9	-	-	-	19	20.9	
Non-vendors (contract counter parties, other)	6	76.1	-	26.4	-	2	49.6	
Related Party	1	0.4	0.4	-	0.4	-	-	
Total Claims	58	\$ 1,587.0	\$ 686.8	\$ 817.8	\$ 686.8	24	\$ 82.4	

Notes:

⁽¹⁾ Amounts are in millions of Canadian dollars.

⁽²⁾ Excludes payment of statutory interest in accordance with the WURA.

40. As noted above, 29 Claims, including those of the GDPF, with a total value of approximately \$686.8 million were paid on or about December 19, 2016. The Liquidator disallowed four Claims filed by counter parties to MBS business contracts as these contracts were assumed in accordance with the Equitable Transaction.

41. As described in the Ninth Report, the Liquidator reached an agreement with the GIA pursuant to which the Claim filed by the GIA (the “GIA Claim”), to the extent that it is valid, shall be permanently reduced to the extent of any distribution made to the GIA in respect of the GIA Claim. The GIA has further agreed that such corresponding portion of the GIA Claim shall be extinguished and released by such distribution. In addition, the remaining portion of the GIA Claim, to the extent that it is valid, after taking into account any distributions, shall be capped at an amount (which amount may from time to time increase or decrease) that results in the Toronto Branch having assets in excess of its liabilities. Accordingly, Creditors with existing proven Claims will receive 100% of their Claim amounts, plus interest to the date of any distributions to those Creditors. This agreement is

without prejudice to the GIA’s right to receive for the German Estate the assets of the Toronto Branch that remain after payment of all proven Claims.

42. There remain 24 unproven Claims (the “**Unproven Claims**”) with an aggregate value of \$82.4 million that fall into five categories as described below.

Maple Bank GmbH, Toronto Branch Unproven Claims Listing As at February 28, 2017			
Creditor Type	# of Claims Filed	Total value of Claims Filed	
Canada Revenue Agency	2	\$	11,873,055
Vendor Claims	1		7,221
Employee Claims	19		20,891,465
Global One	1		17,349,048
Radius	1		32,261,482
Total Unproven Claims	24	\$	82,382,271

Canada Revenue Agency

43. The Canada Revenue Agency (“**CRA**”) filed two Claims in respect of i) unremitted HST (\$198,929) and ii) unremitted corporate income taxes in respect of the fiscal years ended September 30, 2015, 2014, 2013 and 2010 totalling \$11,674,126. The corporate income tax liability results from re-assessments issued by CRA where CRA denied various deductions claimed by Toronto Branch. The re-assessments were appealed by Toronto Branch prior to the Wind-Up Date. The Liquidator is working with CRA to expedite the review of Toronto Branch’s appeals of the re-assessed tax returns.
44. The Toronto Branch filed HST and corporate tax returns in respect of the period October 1, 2015 to February 15, 2016, which the CRA is reviewing. The Liquidator arranged for the preparation of the corporate tax return for the period February 16, 2016 to November 30, 2016 (the “**2016 Tax Return**”), which return will be filed in the near term. The Liquidator understands that the 2016 Tax Return will claim significant losses that can be applied against prior taxes paid and/or owing and that the ultimate liability payable to CRA on account of corporate income tax is expected be less than the amount claimed by CRA in its Proof of Claim.

Vendor Claims

45. On or about December 19, 2016, the Liquidator issued payment to all creditors with proven Claims, including five third party vendors. On January 18, 2017, Thomson Reuters Canada Ltd. filed a Claim in the amount of \$7,221.32 in respect of unpaid invoices issued to Toronto Branch prior to the Wind-Up Date. The Liquidator is reviewing this Claim and will admit or disallow it in due course.

Employee Claims

46. The Employee Claims were discussed in detail in the Tenth Report. The Employee Claims consist of Claims by former Toronto Branch employees for amounts due to them on account of the termination of their employment pursuant to the Winding-Up Order (e.g. notice period Claims for termination and severance pay, benefits, unpaid bonuses, deferred compensation and trailer fees). The Employee Claims were filed by five Executives and 14 Non-Executive Employees.
47. On December 28, 2016, the GIA issued the GIA Employee Claim Objections pursuant to section 87 of the WURA directly to each former employee.
48. On January 27, 2017, the Court issued an order appointing Representative Counsel to represent the Non-Executive Employees in respect of their Claims and the GIA Employee Claim Objections. The Liquidator met with Representative Counsel on January 31, 2017, to review the Claims filed by the Non-Executive Employees and the Liquidator's initial assessment of those Claims. Subsequently, Representative Counsel suggested several amendments to the Liquidator's assessment of the Non-Executive Employee Claims, which amendments were considered by the Liquidator.
49. The Liquidator also met with the GIA and its counsel to determine if a negotiated resolution to the GIA Employee Claim Objections could be reached without the assistance of the Court.
50. On February 28, 2017, the Liquidator and its counsel met with Representative Counsel to present revised assessments of the Non-Executive Employee Claims for consideration by these creditors. The revised assessments are based on

Canadian employment law (both statutory and common law awards) and represent negotiated settlements of the Non-Executive Employee Claims. Representative Counsel and the Non-Executive Employees are considering the revised assessments and if acceptable, the Liquidator will enter into minutes of settlement with these creditors and seek approval of their Claims from the Court. If a settlement is reached prior to the March 10, 2017, hearing date the Liquidator will file a supplemental report in support of an Order approving the Non-Executive Employee Claims settlement.

51. The five Executive employees each have their own respective counsel. To date, the Liquidator has been unable to reach a commercially reasonable settlement with the Executives in respect of their Claims. In addition, some of the disputed Executive Claim amounts are also the subject of the GIA Employee Claim Objections. As noted in the Tenth Report, the Liquidator is of the view that it is appropriate for the Executive Claims to be adjudicated by the Court if the Liquidator is unable to resolve those claims through negotiations with the Executives.

Global One Claim

52. In accordance with the Claims Procedure, Global One and Global One Funding VII, LLC (collectively, “**Global One**”) submitted a Proof of Claim against the Toronto Branch for approximately US\$12.5 million (\$17.3 million) (the “**Global One Claim**”).
53. Prior to the date of the Winding-Up Order, the Toronto Branch was one of five lenders that Global One used to finance life insurance premiums that were ultimately secured by the cash surrender value of the applicable policies. As at the date of the Winding-Up Order, the Toronto Branch had advanced Global One approximately US\$58 million of a US\$75 million credit facility.
54. The Liquidator engaged a consultant with extensive knowledge and experience with respect to the financing of life insurance premiums and specifically the Global One credit facility (the “**Global One Consultant**”).

55. On December 2, 2016 the Liquidator formally requested additional information from Global One to assist the Liquidator in reviewing and understanding the Global One Claim. Global One provided the Liquidator with additional information that addressed certain, but not all of the Liquidator's inquiries on January 11, 2017.
56. After review of the additional information with the Global One Consultant, the Liquidator and Global One, including their respective counsel, met in Toronto on February 8, 2017, to discuss the Global One Claim, the supporting information provided and additional questions of the Liquidator in respect of the Global One Claim.
57. On February 14, 2017, the Liquidator provided Global One with a further list of queries and a request for additional information based primarily on the discussions held on February 8, 2017.
58. As at the date of this report, the Liquidator has not received any of the additional information or responses to its queries formally requested on February 14, 2017. Counsel to Global One has advised that certain but not all of the information requested will be provided in the near term.
59. Upon receiving the additional information, the Liquidator will make a final determination on the Global One Claim and advise the Court in due course.

Radius Claim

60. Radius is an originator and servicer of insured residential mortgages that were, in turn sold to the Toronto Branch. Radius and the Toronto Branch had a business relationship since May 2011. Radius is also the beneficiary of myNext, an affiliated special purpose vehicle used by Radius and created for the purpose of warehousing its mortgages in advance of their sale on a whole loan basis for the duration of the mortgage term. Radius and myNext conducted significant volumes of business with Toronto Branch between May 2011 and the Wind-Up Date.
61. Radius and myNext filed a Proof of Claim with the Liquidator on November 3, 2016, and filed an amended and restated Claim with the Liquidator on December

7, 2016 (collectively, the “**Amended Radius Claim**”) against the Toronto Branch in the amount of \$32,261,482 on account of warehouse related losses, pipeline related losses, and renewal related losses, legal costs and a damages Claim. The value of the Amended Radius Claim has previously been reported as \$36,261,482 as counsel to Radius had advised that additional contingent amounts of up to \$4 million may be due to Radius. Counsel to Radius has since confirmed that the Amended Radius Claim is limited to the total amounts as filed. Radius is also a debtor of Toronto Branch in the amount of approximately \$7,335,701 as described above.

62. The Liquidator has reviewed the Amended Radius Claim as filed in detail, sought additional supporting documentation from Radius and met with Radius on several occasions to understand and further assess the Amended Radius Claim.
63. On February 23, 2017, the Liquidator wrote to counsel for Radius to advise that the Liquidator had made a determination with respect to the merits of the Amended Radius Claim and provided Radius with a summary of the proposed partial allowance by the Liquidator of the Amended Radius Claim. In the summary, the Liquidator explained that it intended to disallow the Amended Radius Claim in its entirety, except for a claim arising from damages suffered by Radius in the amount of \$731,112.00 as a result of Radius not having access to ongoing financing under the Warehouse Line once the Moratorium was issued by BaFin.
64. On February 27, 2017, counsel to Radius responded to the Liquidator’s letter of February 23, 2017, and, among other things, advised the Liquidator that Radius was reserving its rights to further amend its Amended Proof of Claim to include a direct claim against the officers and directors of the Toronto Branch who may have contributed to the alleged losses or damages suffered by Radius. However, this would not increase amount of the Amended Radius Claim against the Toronto Branch.
65. On March 2, 2017, the Liquidator issued a Notice of Disallowance to Radius disallowing all but \$731,112 of its Claim as filed. The admitted portion of the Radius Claim is in respect of its liquidated Interim Period Claim (i.e. Claims

against Maple Bank arising from the termination or repudiation of contracts or leases after the Winding-Up Date to June 8, 2016) related to warehouse, pipeline and renewal related losses that were incurred over a five month period from the Wind-Up Date to July 16, 2016, which period corresponds with the contractual notice period that Toronto Branch was obligated to provide to Radius under the warehouse facility. The unliquidated damages portion of the Radius Claim was denied in full. The Liquidator anticipates that Radius will seek to litigate its Claim.

4. UPDATE ON PRINCIPAL OFFICERS CLAIMS PROCEDURE

66. In accordance with the Principal Officers Additional Claims Order, the Liquidator implemented the Principal Officers Claims Procedure on January 27, 2017. The Liquidator posted the notice to creditors of the Principal Officers Claims Bar Date on January 31, 2017 in the National Edition of *The Globe and Mail* and the International Edition of *The Wall Street Journal*. This notice was also posted on the Liquidator's website.
67. On March 1, 2017, the Liquidator received a letter from a resident of Ohio, USA, which included US\$3 and a copy of the Notice to Creditor of the Principal Officers Claims Bar Date that was published in *The Wall Street Journal*. The letter does not appear to be a Claim, and in any event, was received after the Principal Officer Claims Bar Date deadline. The Liquidator does not consider this letter to be a valid Claim against the Principal Officers.
68. Other than the letter described above, no Claims against the Principal Officers were filed by the Principal Officers Claims Bar Date deadline (i.e. 4:00 p.m. Eastern Time on February 28, 2017). Accordingly, and pursuant to the Principal Officers Additional Claims Order, any persons with such Claims are forever barred from making or enforcing any Claim against any Principal Officers of the Toronto Branch (aside from asserting any Claims based on fraud, intentional misconduct or illegal actions, which Claims are unaffected by the Principal Officers Additional Claims Order and Bar Date).

5. ESTIMATED SURPLUS AND PROPOSED DISTRIBUTION

69. As described above, the Toronto Branch now has approximately \$820.1 million available to satisfy outstanding Claims. Twenty-four Unproven Claims remain outstanding with an aggregate value of approximately \$82.4 million.
70. As discussed in the Ninth Report, in determining the Estimated Surplus that may be available for distribution to the German Estate, the Liquidator developed, in consultation with the GIA, an appropriate reserve (the “**Estimated Reserve**”) to provide for:
- i. The Unproven Claims;
 - ii. Possible future Claims (“**Future Potential Claims**”);
 - iii. Interest on Unproven Claims and Future Potential Claims at 5% per annum up to and including March 31, 2018, a period where the Liquidator estimates it will have resolved all Claims; and
 - iv. Estimated costs to administer the Toronto Branch Liquidation through to March 31, 2018.
71. The table below summarizes the Estimated Reserve.

In the matter of the winding up of Maple Bank GmbH (Toronto Branch)
Summary of Estimated Reserve
As at February 28, 2017
Amounts in CAD millions

Unproven Claims ⁽¹⁾	\$	82.4
Interest on Unproven Claims ⁽²⁾		8.2
Future Potential Claims ⁽³⁾		50.0
Interest on Future Potential Claims ⁽²⁾		5.0
Toronto Branch Administration Costs ⁽⁴⁾		13.8
Total Estimated Reserve	\$	159.4

Notes:

- ⁽¹⁾ Represents unproven third party Proofs of Claim as filed, as at February 28, 2017, at amounts as filed by the claimants.
- ⁽²⁾ Includes interest at 5% p.a. pursuant to the WURA from the Liquidation Date to March 31, 2018, a conservatively assumed date upon which all Unproven Claims and Future Potential Claims are resolved and a final distribution is made.
- ⁽³⁾ Reserve to provide for any Claims not yet identified or filed with the Liquidator.
- ⁽⁴⁾ Represents estimated professional fees for the Liquidator and its counsel to complete the administration of the Toronto Branch Liquidation through to an estimated outside date of March 31, 2018, fees for Representative Counsel and counsel to the Executives and includes estimated costs to litigate any unproven Claims.

72. The Estimated Reserve is designed to protect any further claimants of the Toronto Branch while at the same time allowing for i) a timely distribution to claimants as Claims are proven, and ii) the German Estate Interim Distribution
73. The table below summarizes i) the net Assets available for distribution, ii) the Estimated Reserve and shows the Estimated Surplus available for the German Estate Interim Distribution of approximately \$660.6 million as at February 28, 2017.

In the matter of the winding up of Maple Bank GmbH (Toronto Branch)
Estimated Surplus
As at February 28, 2017
Amounts in CAD millions

Assets available for distribution	\$	820.1
Estimated Reserve	\$	159.4
Estimated Surplus	\$	660.6

74. As the Estimated Surplus is held in Euros, Canadian and U.S. dollars, the Estimated Surplus available for distribution, if approved by the Court, will fluctuate with changes in the foreign exchange rates. Accordingly, the actual amount of the Estimated Surplus that will ultimately be distributed will be more or less than \$660.6 million depending on the foreign exchange rate changes between February 28, 2017, and the date the funds are distributed.
75. As discussed in the Third and Ninth Reports, one of the primary stated objectives of the GIA is to obtain a distribution of the expected total surplus realized from the Toronto Branch (the “**Surplus**”) as soon as practicable to the German Estate. A copy of a letter dated March 2, 2017, sent on behalf of the GIA to the Liquidator requesting such a distribution is attached hereto as **Appendix H**. As stated in the Ninth Report, the Liquidator was and remains supportive of such a distribution. The Liquidator is of the view that the German Estate Interim Distribution of the Estimated Surplus of approximately \$660.6 million to the German Estate is appropriate under the circumstances and should be made for the following reasons:
- i. Virtually all of the Assets of the Toronto Branch have been realized upon;
 - ii. The universe of potential Claims is now defined with a relative degree of certainty through both the Claims Procedure and the Principal Officers Claims Procedure as:
 - a. The Claims Procedure has been ongoing for over 260 days with only one nominal value Claim received between the filing of the Ninth Report and the Eleventh Report; and
 - b. The Principal Officers Additional Claims Bar Date has passed with no valid Claims filed; accordingly, any such Claims are forever barred;
 - iii. In addition to the notice of the Claims Procedure sent to all creditors by the Liquidator on June 14, 2016, creditors of the Toronto Branch have received service of the Liquidator’s Ninth Report and supplemental reports thereto, the Tenth Report and this Eleventh Report and related distribution motion. In addition, notices of the proposed distributions were posted in the National

editions of *The Globe and Mail* and International editions of *The Wall Street Journal* on November 25, 2016 and March 3, 2017;

- iv. The Liquidator anticipates that certain of the remaining Unproven Claims will be litigated and the Liquidator has provided for the full value of these Claims as filed (plus 5% statutory interest pursuant to the WURA through to March 2018, an outside date for the resolution of these Claims) along with estimated further estate costs that are expected to be incurred to litigate these Claims;
- v. The Estimated Surplus includes a \$50 million reserve (plus statutory interest through to March 2018) for Future Potential Claims or unforeseen costs to the Toronto Branch;
- vi. Given the passage of time since the implementation of the Claims Procedure and the nominal value and number of Claims filed since September 19, 2016, being the date that the Court ordered that all creditors with Claims against the Toronto Branch file their Claims, the Liquidator is of the view that the \$50 million reserve is sufficient to account for any Future Potential Claims that may be asserted;
- vii. The GIA has stated that it is supportive both of the specific reserves and of the additional reserve that comprise the Estimated Reserve;
- viii. The German Estate Interim Distribution to the GIA is essentially a transfer from one insolvency administrator to another insolvency administrator in the interest of the creditors of the German Estate;
- ix. The German Estate Interim Distribution to the GIA would permit the creditors of the German Estate to receive an interim distribution in a timely manner. Such distribution will allow the creditors of the German Estate to be treated more consistently with the treatment afforded to creditors of the Toronto Branch;
- x. On account of the quantum of the Estimated Reserve, the German Estate Interim Distribution does not prejudice the interests of the creditors of the Toronto Branch; and

- xi. A timely distribution of proceeds to the Toronto Branch stakeholders is the most efficient manner of handling the liquidation of the Toronto Branch.
76. If the German Estate Interim Distribution is approved by the Court, the Liquidator intends to distribute the Estimated Surplus by:
- i. Releasing its interest in the Net U.S. Assets, net of a reserve in U.S. dollars for the Global One Claim, in accordance with the protocol described in the First Report that was agreed to between the GIA and the Liquidator with regard to Toronto Branch's Assets which reside in the U.S.; and
 - ii. Converting approximately \$568.2 million, plus the Canadian dollar equivalent of the Global One Claim, to Euros as soon as practicable following issuance of an order authorizing the German Estate Interim Distribution and transferring these funds to the German Estate.

6. LIQUIDATOR'S RECOMMENDATIONS

77. The Liquidator submits this Eleventh Report to the Court in support of the Liquidator's Motion for the relief as set out in the Notice of Motion dated March 2, 2017 and recommends that the Court grant the German Estate Interim Distribution Order:
- i. Authorizing and directing the Liquidator to make the German Estate Interim Distribution to the German Estate of a portion of the Estimated Surplus in the amount of approximately \$660.6 million, on, or after March 10, 2017 (the "**Distribution Date**");
 - ii. Approving, *nunc pro tunc*, the March 3 Notice of Distribution substantially in the form of the notice attached as Schedule "A", hereto;
 - iii. Approving the statement of receipts and disbursements for the Toronto Branch for the period from February 16, 2016 to February 28, 2017;
 - iv. Approving the activities of the Liquidator as described herein; and
 - v. Such further relief as may be required in the circumstances and which this Court deems as just and equitable.

All of which is respectfully submitted at Toronto, Ontario this 2nd day of March, 2017.

**KPMG Inc., in its capacity as Court Appointed Liquidator of the Business in
Canada of Maple Bank GmbH and its Assets as defined in Section 618 of the *Bank
Act***



Per:

Philip Reynolds
Senior Vice President



Jordan Sleeth
Senior Vice President

TAB 2A

Court File No. CV-16 - 11290 - 0002

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE REGIONAL)
SENIOR JUSTICE MORAWETZ)
)

TUESDAY, THE 16TH
DAY OF FEBRUARY, 2016



IN THE MATTER OF MAPLE BANK GmbH

AND IN THE MATTER OF THE *WINDING-UP AND RESTRUCTURING ACT*,
R.S.C. 1985, C.W-11, AS AMENDED

AND IN THE MATTER OF THE *BANK ACT*, S.C. 1991, C.46, AS AMENDED

BETWEEN:

ATTORNEY GENERAL OF CANADA

Applicant

and

MAPLE BANK GmbH

Respondent

WINDING-UP ORDER

THIS APPLICATION made by the Attorney General of Canada under the *Winding-up and Restructuring Act*, R.S.C. 1985, c. W-11, as amended ("*WURA*"), for the appointment of KPMG Inc. ("KPMG") as liquidator, without security, in respect of the winding up of the business in

Canada (the "Business") of the Respondent, Maple Bank GmbH ("Maple Bank"), and of the assets, as defined in section 618 of the *Bank Act*, S.C. 1991, c. 46, as amended, (the "*Bank Act*") of Maple Bank was heard this day at Toronto, Ontario.

ON READING the Notice of Application and Application Record in the within matter, and on hearing submissions of counsel for each of the Attorney General of Canada, and for KPMG as the proposed Liquidator.

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, including without limitation, the prescribed notice requirements of section 26 of *WURA*.

WINDING-UP

2. **THIS COURT DECLARES** that Maple Bank is an authorized foreign bank subject to *WURA*.
3. **THIS COURT ORDERS** that the Business in Canada of Maple Bank be wound up by this Court under the provisions of *WURA*.

APPOINTMENT

4. **THIS COURT ORDERS** that KPMG is appointed as liquidator (the "Liquidator") without security, in respect of the winding up of the Business, and of the assets of Maple Bank, as defined in section 618 of the *Bank Act* namely:

- a) any assets of Maple Bank in respect of Maple Bank's Business in Canada, including the assets referred to in subsection 582(1) and section 617 of the Bank Act and assets under its administration; and,
 - b) any other assets in Canada of Maple Bank,
- collectively (the "Assets")

- 5. **THIS COURT ORDERS** that the giving of security by the Liquidator upon its appointment as liquidator be and is hereby dispensed with.
- 6. **THIS COURT ORDERS** that Maple Bank shall cease to carry on its Business in Canada or deal in any way with its Assets, except in so far as is, in the opinion of the Liquidator, required for the beneficial winding-up of its Business in Canada and liquidation of its Assets.

LIQUIDATOR'S POWERS

- 7. **THIS COURT ORDERS** that, in addition to the exercise of the Liquidator's duties under sections 33 and 152 of WURA and the performance of its powers under section 35 of WURA, the Liquidator is hereby expressly empowered and authorized to do any of the following where the Liquidator considers it necessary or desirable:
 - a) take possession of and/or exercise control over the Assets or such part thereof as the Liquidator shall determine, and any and all proceeds, receipts and disbursements arising out of or from the Assets;
 - b) manage, operate and carry on the Business in Canada of Maple Bank so far

as it is necessary to the beneficial winding up of Maple Bank's Business in Canada and the liquidation of the Assets, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the Business, or cease to perform or terminate any contracts of Maple Bank in respect of the Assets or Maple Bank's Business;

- c) receive, preserve, and protect the Assets, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Assets to safeguard them, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- d) market any or all of the Assets, including advertising and soliciting offers in respect of the Assets or any part or parts thereof and negotiating such terms and conditions of sale as the Liquidator in its discretion may deem appropriate;
- e) in respect of the Assets or the Business, initiate, prosecute and continue the prosecution of any and all Proceedings and to defend, to the extent not stayed, all Proceedings now pending or hereafter instituted with respect to Maple Bank, in the Liquidator own name as liquidator or in the name or on behalf of Maple Bank, as the case may be. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such Proceeding;
- f) sell, convey, transfer, lease, assign or otherwise realize upon the Assets or any part or parts thereof, by public auction or private contract, and to

transfer the whole thereof to any Person, or sell them in parcels:

- A. without the approval of this Court in respect of any transaction not exceeding \$250,000 provided that the aggregate consideration for all such transactions does not exceed \$1 million; and
 - B. with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause.
-
- g) apply for any approval and vesting order or other orders necessary to convey the Assets or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Assets;
 - h) execute, assign, issue and endorse documents of whatever nature in the name of and on behalf of Maple Bank in respect of the Assets or Maple Bank's Business, and for that purpose use, when necessary, the seal of Maple Bank;
 - i) file any election (tax or otherwise), objection or registration, and any renewals thereof, and file any notices, as may be necessary or desirable in the opinion of the Liquidator in respect of the Assets or Maple Bank's Business;
 - j) draw, accept, make and endorse any bill of exchange or promissory note in the name of and on behalf of Maple Bank in respect of the Assets or Maple Bank's Business in Canada;

- k) mortgage or otherwise encumber the Assets or any part thereof, or give discharges of mortgages and other securities, partial discharges of mortgages and other securities, and pay property taxes and insurance premiums on mortgages and other securities taken in favor of Maple Bank in respect of the Business;
- l) pay such debts of the Maple Bank (whether incurred prior to or after the date of this Order) as may be necessary or desirable to be paid in order to properly preserve and maintain the Assets or to carry on the Business;
- m) surrender possession of any leased premises occupied by the Maple Bank in respect of its Business in Canada and disclaim any leases entered into by Maple Bank in respect of its Business in Canada on not less than 10 calendar days' prior written notice to the lessor affected thereby;
- n) apply for any permits, licenses, approvals or permissions as may be required by any governmental or regulatory authority in respect of the Assets or the Business;
- o) re-direct Maple Bank's mail in respect of the Business;
- p) settle, extend or compromise any indebtedness or contractual or other obligations or liability owing to or by Maple Bank in respect of the Assets or the Business; and
- q) do and execute all such other things as are necessary for or incidental to: (i) the winding-up of the Business or the liquidation of the Assets; and (ii) the

exercise by the Liquidator of its powers hereunder or under any further Order of the Court in the within proceedings or the performance by the Liquidator of any statutory obligations to which it is subject.

COOPERATION WITH THE GERMAN INSOLVENCY ADMINISTRATOR

8. **THIS COURT ORDERS** that the Liquidator, in exercise of its powers as enumerated under section 35 of WURA and as set out above:

- (a) shall provide to Dr. Michael C. Frege, as Insolvency Administrator of Maple Bank, as appointed pursuant to the German Insolvency Code (the "German Administrator"), from time to time, such information regarding the Business and Assets of Maple Bank as the German Administrator may reasonably require in order to fulfill his statutory obligations under German law, including, without limitation, information regarding status and location of assets and liabilities, with particulars, including amount, the filing of claims by creditors, valuations and assessments if available, the disposition of Assets and negotiations with counterparties related thereto, the resolution of Liabilities, and reporting for tax and accounting purposes related to the Business and Assets of Maple Bank in Canada;
- (b) shall, within fourteen (14) days of the date hereof, develop in consultation with the German Administrator an Interim Winding-Up Plan with respect to the administration and liquidation of the Business, Assets and liabilities of Maple Bank in Canada during the first sixty (60) days after the date hereof, and shall

obtain the prior approval of the German Administrator thereto, and shall thereafter act in accordance therewith as amended in accordance with the terms hereof;

- (c) shall, within sixty (60) days of the date hereof, develop, in consultation with the German Administrator, a Final Winding-Up Plan with respect to the administration and liquidation of the Business, Assets and liabilities of Maple Bank in Canada and shall obtain the prior approval of the German Administrator thereto, and shall thereafter act in accordance therewith, as amended in accordance with the terms hereof;
- (d) may, after consultation with, and with the prior approval of, the German Administrator, propose changes to the Interim Wind-Up Plan or the Final Wind-up Plan and the Final Wind-Up Plan shall be amended in accordance with any such changes approved by the German Administrator;
- (e) shall consult with, and obtain the prior approval of, the German Administrator in respect of any proposed disposition of Assets or groups of Assets which, individually or collectively, would, or would reasonably be expected to, result in net proceeds in excess of \$10 million; and
- (f) shall consult with, and obtain the approval of, the German Administrator with respect to, any proposed settlement of a claim or liability relating to the Business or Assets of Maple Bank in Canada in excess of \$10 million, any claims process or any distribution to the creditors of Maple Bank in Canada,

provided that, if the German Administrator declines to provide its approval in respect of

any matters contemplated in (b), (c), (d), (e) or (f) above, the Liquidator may, on five (5) days' notice, apply to this Court for such approval, and the approval of this Court (subject to rights of appeal) shall replace any requirement for the approval of the German Administrator.

9. **THIS COURT ORDERS** that: (a) the Liquidator and the German Administrator shall consult and exchange information in respect of the Assets and Business of Maple Bank in Canada and such assets and business of Maple Bank as may be connected thereto, all as may be required for the effective and efficient administration of Maple Bank in Canada and Maple Bank; (b) the German Administrator shall have the right to apply, if it so elects, to be appointed as an Inspector of the estate of Maple Bank in Canada, or, if formed, a member of any committee of creditors, and to exercise the power and rights ordinarily associated with such an appointment; and (c) the Liquidator and the German Administrator (or their respective designees) shall meet at least once in each week, which meeting may be telephonic or in person to exchange information, discuss and coordinate matters related to the administration of the Business, Assets and liabilities of Maple Bank in Canada and such assets and businesses of Maple Bank as relate thereto.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE LIQUIDATOR

10. **THIS COURT ORDERS** that: (i) Maple Bank; (ii) all of Maple Bank's current and former directors, officers, employees, agents, accountants, actuaries, appointed actuary, legal counsel and shareholders, and all other Persons acting on its instructions or behalf; and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being

"Persons" and each being a "Person") shall forthwith advise the Liquidator of the existence of any Assets in such Person's possession or control, shall grant immediate and continued access to the Assets to the Liquidator, and shall deliver all such Assets to the Liquidator upon the Liquidator's request.

11. **THIS COURT ORDERS** that all Persons shall forthwith advise the Liquidator of the existence of any books, documents, securities, contracts, orders, corporate, actuarial and accounting records, and any other papers, working papers, records and information of any kind related to the Business, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Book and Records") in that Person's possession or control, and shall provide to the Liquidator or permit the Liquidator to make, retain and take away copies thereof and grant to the Liquidator unfettered access to and use of accounting, actuarial, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 10 or in paragraph 11 of this Order shall require the delivery of Books and Records, or the granting of access to Books and Records, which may not be disclosed or provided to the Liquidator due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

12. **THIS COURT ORDERS** that if any Books and Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Books and Records shall forthwith give unfettered access to the Liquidator for the purpose of allowing the Liquidator to recover and fully copy all of the information

contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Liquidator in its discretion deems expedient, and shall not alter, erase or destroy any Books and Records without the prior written consent of the Liquidator. Further, for the purposes of this paragraph, all Persons shall provide the Liquidator with all such assistance in gaining immediate access to the information in the Books and Records as the Liquidator may in its discretion require, including providing the Liquidator with instructions on the use of any computer or other system and providing the Liquidator with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO INTERFERENCE WITH LIQUIDATOR

13. **THIS COURT ORDERS** that, subject to subsection 22.1(1.1) of WURA, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, license or permit in favor of or held by Maple Bank in respect of the Assets or the Business, without written consent of the Liquidator or leave of the Court obtained on not less than seven (7) days' notice to the Liquidator.

CONTINUATION OF SERVICES

14. **THIS COURT ORDERS** that all Persons having oral or written agreements with Maple Bank in respect of the Assets or the Business, or statutory or regulatory mandates for the supply of goods and/or services in respect of the Assets or the Business, including, without limitation, all computer software, hardware, support and data services,

communication services, centralized banking services, payroll services, insurance and reinsurance, transportation services, utility (including the furnishing of oil, gas, heat, electricity, water, telephone service at present telephone numbers used by Maple Bank) or other services to Maple Bank in respect of the Business, are hereby restrained from terminating, accelerating, suspending, modifying or otherwise interfering with such agreements and the supply of such goods and services without the written consent of the Liquidator or leave of this Court, and all such parties shall continue to comply with their obligations under such agreements or otherwise on terms agreed to by the Liquidator in writing; 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 Liquidator in accordance with normal payment practices of Maple Bank or such other practices as may be agreed upon by the supplier or service provider and the Liquidator, or as may be ordered by this Court.

PREMISES

15. **THIS COURT ORDERS** that all Persons are hereby restrained from disturbing or interfering with the occupation, possession or use by the Liquidator of any premises occupied or leased by Maple Bank in Canada or in respect of the Business as at the date of this Order, except upon further Order of this Court. From and after the date hereof, and for such period of time that the Liquidator occupies any leased premises, the Liquidator shall pay occupation rent to each lessor based upon the regular monthly base rent that was previously paid by the Maple Bank in respect of the premises so occupied or as may hereafter be negotiated by the

Liquidator and the applicable lessor from time to time.

NO PROCEEDINGS AGAINST THE LIQUIDATOR

16. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Liquidator except with the written consent of the Liquidator or with leave of this Court having been obtained on at least seven (7) days' notice to the Liquidator.

NO PROCEEDINGS AGAINST MAPLE BANK OR THE BUSINESS AND THE ASSETS

17. **THIS COURT ORDERS** that no Proceeding against or in respect of Maple Bank in respect of the Business, or in respect of the Assets shall be commenced or continued except with the written consent of the Liquidator or with leave of this Court having been obtained on at least seven (7) days' notice to the Liquidator, and any and all such Proceedings currently under way are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

18. **THIS COURT ORDERS** that all rights and remedies against Maple Bank in respect of the Business, or against the Liquidator, or affecting the Assets, are hereby stayed and suspended except with the written consent of the Liquidator or leave of this Court obtained on at least seven (7) days' notice to the Liquidator; provided, however, that nothing in this paragraph shall: (i) empower the Liquidator or Maple Bank to carry on any business that Maple Bank is not lawfully entitled to carry on; (ii) exempt the

Liquidator or Maple Bank from compliance with statutory or regulatory provisions relating to health, safety or the environment; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

19. **THIS COURT ORDERS** that, without limiting the foregoing, without the consent of the Liquidator or leave of the Court:

- a) all Claimants (as hereinafter defined) are restrained from exercising any extra judicial remedies against Maple Bank in respect of the Business or the Assets, including the registration or re-registration of any securities owned by Maple Bank, into the name of such persons, firms, corporations or entities or their nominees, the exercise of any voting rights attaching to such securities, the retention of any payments or other distributions made in respect of such securities, the retention of any payments or other distributions made in respect of such securities, any right of distress, repossession, or consolidation of accounts in relation to amounts due or accruing due in respect of or arising from any indebtedness or obligation of Maple Bank in respect of the Business as of the date hereof;
- b) all Persons be and they are hereby restrained from terminating, canceling or otherwise withdrawing any licenses, permits, approvals or consents with respect to or in connection with Maple Bank in respect of the Assets or the Business, as they were on the date hereof;
- c) Any and all Proceedings taken or that may be taken by any person, firm, corporation or entity including without limitation any of the creditors of Maple

Bank, suppliers, contracting parties, depositors, lessors, tenants, co-venturers or partners (herein "Claimants") against or in respect of Maple Bank in respect of the Assets or the Business shall be stayed and suspended;

- d) the right of any Claimant to make demands for payment on or in respect of any guarantee or similar obligation or to make demand or draw down under any orders of credit, bonds or instruments of similar effect, issued by or on behalf of Maple Bank in respect of the Assets or the Business, to take possession of, to foreclose upon or to otherwise deal with any Assets, or to continue any actions or proceedings in respect of the foregoing, is hereby restrained; and
- e) the right of any Claimant to assert, enforce or exercise any right (including, without limitation, any right of dilution, buy-out, divestiture, forced sale, acceleration, termination, suspension, modification or cancellation or right to revoke any qualification or registration), option or remedy available to it including a right, option or remedy arising under or in respect of any agreement in respect of the Assets or the Business is hereby restrained.

LIQUIDATOR'S ACCOUNTS

- 20. **THIS COURT ORDERS** that the Liquidator and counsel to the Liquidator shall be paid their reasonable fees and disbursements, incurred both before and after the making of this Order.
- 21. **THIS COURT ORDERS** that the Liquidator and its legal counsel shall pass its

accounts from time to time, and for this purpose the accounts of the Liquidator and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

22. **THIS COURT ORDERS** that prior to the passing of its accounts, the Liquidator shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, and such amounts shall constitute advances its remuneration and disbursements, when and as approved by the Court.

CASH MANAGEMENT AND PAYMENTS

23. **THIS COURT ORDERS** that the Liquidator may deposit all moneys belonging to the Business received by or on behalf of the Liquidator and its agents to and use the bank accounts currently in the name of Maple Bank and may, at its discretion, open accounts in the name of the Liquidator.

EMPLOYEES

24. **THIS COURT ORDERS** that the employment of each of the employees of the Maple Bank in Canada with respect to the Business is hereby and deemed to be terminated as of the date of this Order. The Liquidator shall be entitled to pay all accrued and unpaid wages and vacation pay of each of such employees, including any remittances relating thereto.
25. **THIS COURT ORDERS** that the Liquidator may retain such employees of Maple Bank in respect of the Business as the Liquidator deems necessary or desirable

to assist the Liquidator in fulfilling the Liquidator's duties on such terms as may be approved by this Court and all reasonable and proper expenses that the Liquidator may incur in so doing shall be costs of liquidation of the Business and Assets. The Liquidator shall not be liable for any employee-related liabilities, including any successor employer liabilities, other than such amounts as the Liquidator may specifically agree in writing to pay.

26. **THIS COURT ORDERS** that the Liquidator may retain, employ or engage such actuaries, accountants, financial advisors, investment dealers, solicitors, attorneys, valuers or other expert or professional persons as the Liquidator deems necessary or desirable to assist the Liquidator in fulfilling the Liquidator's duties, and all reasonable and proper expenses that the Liquidator may incur in so doing shall be costs of liquidation of the Assets of Maple Bank.

PRIVACY MATTERS

27. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Liquidator shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Assets and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Assets (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Liquidator, or in the alternative destroy all

such information. The purchaser of any Assets shall be entitled to continue to use the personal information provided to it, and related to the Assets purchased, in a manner which is in all material respects identical to the prior use of such information by Maple Bank, and shall return all other personal information to the Liquidator, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

28. **THIS COURT ORDERS** that nothing herein contained shall require the Liquidator to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Assets 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 Liquidator from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Liquidator shall not, as a result of this Order or anything done in pursuance of the Liquidator's duties and powers under this Order, be deemed to be in Possession of any of the Assets within the meaning of any Environmental Legislation, unless it is actually in

possession.

LIMITATION ON THE LIQUIDATOR'S LIABILITY

29. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Liquidator under *WURA* or as an officer of this Court, the Liquidator 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 willful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Liquidator by the *WURA* or any applicable legislation.
30. **THIS COURT ORDERS** that the Liquidator may act on the advice or information obtained from any actuary, accountant, financial advisor, investment dealer, solicitor, attorney, valuer or other expert or professional person, and the Liquidator shall not be responsible for any loss, depreciation or damage occasioned by acting in good faith in reliance thereon.

CALL FOR CLAIMS

31. **THIS COURT ORDERS** that the Liquidator shall not be obligated to call for claims or otherwise implement a claims process until a further Order of this Court to this effect is issued.

SERVICE AND NOTICE

- f) **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 'www.kpmg.com/ca/maplebank'.

- g) **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Liquidator is 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 Maple Bank's creditors or other interested parties at their respective addresses as last shown on the records of Maple Bank 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.

32. **THIS COURT ORDERS AND DIRECTS** that the Liquidator shall publish notice of the Winding-Up Order in respect of the Business and Assets for two (2) consecutive days within five (5) business days of the making of this Order in The Globe and Mail,

National Edition, and shall also send written notice to every depositor, creditor and employee of Maple Bank in respect of the Business within seven (7) business days of making of this Order to the last known mailing address as provided for in the records of Maple Bank.

RECOGNITION

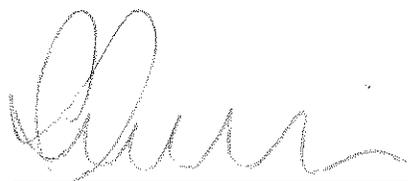
33. **THIS COURT ORDERS** that this Order and any other orders in these proceedings shall have full force and effect in all Provinces and Territories in Canada.
34. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, the Republic of Germany, including the Amtsgericht Frankfurt am Main [Insolvency Court] to give effect to this Order and to assist the Liquidator and its 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 Liquidator, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Liquidator in any foreign proceeding, or to assist the Liquidator and their respective agents in carrying out the terms of this Order.
35. **THIS COURT HEREBY REQUESTS** the aid and assistance of the German Administrator to assist the Liquidator and its agents in carrying out the terms of this Order
36. **THIS COURT ORDERS** that the Liquidator 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 Liquidator 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.

37. **THIS COURT ORDERS** that the Attorney General of Canada shall be entitled to the costs of this application, up to and including entry and service of this Order, on a substantial indemnity basis to be paid by the Liquidator from the Business and Assets as costs properly incurred in the winding-up of the Business and Assets.

ADVICE AND DIRECTIONS

38. **THIS COURT ORDERS** that Liquidator may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
39. **THIS COURT ORDERS** that interested parties may apply to the Court for advice and directions on at least seven (7) days notice to the Liquidator and to any other party likely to be affected by the Order sought or upon such other notice, if any, as this Court may order.



**C. Irwin
Registrar**

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

FEB 16 2016



IN THE MATTER OF MAPLE BANK GmbH
AND IN THE MATTER OF THE WINDING-UP AND RESTRUCTURING ACT,
R.S.C. 1985, C.W-11, AS AMENDED
AND IN THE MATTER OF THE BANK ACT, S.C. 1991, C.46, AS AMENDED

Court File No. CV-16-11290-0001

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

WINDING-UP ORDER

John J. Lucki

Department of Justice
Ontario Regional Office The Exchange Tower
130 King Street West
Suite 3400, Box 36
Toronto, Ontario M5X 1K6

Tel: (416) 973-5402
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Law Society No.

Solicitor for the Applicant,
The Attorney General of Canada

TAB 2B

Court File No. CV-16-11290-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF MAPLE BANK GmbH

AND IN THE MATTER OF THE *WINDING-UP AND RESTRUCTURING ACT*,
R.S.C. 1985, C.W-11, AS AMENDED

AND IN THE MATTER OF THE *BANK ACT*, S.C. 1991, C.46, AS AMENDED

BETWEEN:

ATTORNEY GENERAL OF CANADA

Applicant

and

MAPLE BANK GmbH

Respondent

NINTH REPORT OF KPMG INC. IN ITS CAPACITY AS
COURT APPOINTED LIQUIDATOR OF THE BUSINESS IN CANADA OF MAPLE BANK
GMBH AND ITS ASSETS AS DEFINED IN SECTION 618 OF THE *BANK ACT*

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Listing of Appendices

Appendix A	Winding-Up Order dated February 16, 2016
Appendix B	Claims Procedure Order dated June 8, 2016
Appendix C	Third Report of the Liquidator dated June 2, 2016 (without appendices)
Appendix D	Copy of draft notice to creditors of the Interim Distribution

1. INTRODUCTION AND PURPOSE OF THE NINTH REPORT

BACKGROUND

1. Maple Bank GmbH (“**Maple Bank**”) is a Canadian-owned German bank, and an authorized foreign bank in Canada under section 2 and Part XII.1 of the *Bank Act* (an “**Authorized Foreign Bank**”). In Germany, Maple Bank is subject to regulation by the Federal Financial Supervisory Authority (“**BaFin**”). As an Authorized Foreign Bank, Maple Bank was regulated with respect to its business in Canada (the “**Toronto Branch**”) by the Office of the Superintendent of Financial Institutions (“**OSFI**”).
2. As more fully described in the Liquidator’s first report to this Court dated March 2, 2016 (the “**First Report**”), in the period leading up to the commencement of the *Winding Up and Restructuring Act* (“**WURA**”) proceeding, the Toronto Branch had three major lines of business: (i) the origination and securitization of real property mortgages in Canada; (ii) structured secured lending; and (iii) security financing transactions (collectively, the “**Business**”).
3. The emergence of significant German tax claims against Maple Bank and the resulting indebtedness of Maple Bank led to:
 - i. BaFin imposing a moratorium on Maple Bank’s business activities, which caused Maple Bank to cease business and institute insolvency proceedings in Germany (the “**Moratorium**”);
 - ii. The appointment of a German insolvency administrator (the “**GIA**”) over Maple Bank GmbH (the “**German Estate**”);
 - iii. The issuance of default notices and the termination of agreements by financial institutions that were counterparties to financial contracts (primarily swaps and hedging instruments) with the Toronto Branch in respect of their dealings with Maple Bank’s business in Canada;

- iv. Canada Mortgage and Housing Corporation (“**CMHC**”), after the issuance of a default notice to Maple Bank, taking control of the Mortgage Backed Securities (“**MBS**”) business of the Toronto Branch and the corresponding mortgage pools (totaling approximately \$3.5 billion); and
 - v. OSFI issuing orders under section 619 of the *Bank Act* for the taking of control of the assets of Maple Bank in respect of the Business.
4. The events described above prompted OSFI to request that the Attorney General of Canada seek a winding-up order pursuant to section 10.1 of the WURA in respect of the Business in Canada of Maple Bank. On February 16, 2016 (the “**Liquidation Date**”), this Court granted an order (the “**Winding-Up Order**”) to, among other things, (i) wind-up the Business; and (ii) appoint KPMG Inc. (“**KPMG**”) as liquidator (the “**Liquidator**”) of the Business and of the assets of Maple Bank as defined in section 618 of the *Bank Act* (the “**Assets**”). Attached as **Appendix A** is a copy of the Winding-Up Order.
5. On March 2, 2016, the Liquidator filed its First Report to the Court which, among other things, outlined the protocol that was agreed to between the Liquidator and the GIA regarding the existing Chapter 15 filing under the *United States Bankruptcy Code* made by the GIA with regard to Maple Bank’s non-Toronto Branch assets in the U.S. and the Assets of the Toronto Branch which reside in the U.S.
6. On March 30, 2016, the Liquidator filed its Second Report to the Court which provided: (i) an update on the actions of the Liquidator since the granting of the Winding-Up Order; (ii) an update on the Assets and liabilities of the Toronto Branch; and (iii) details of a proposed marketing process to identify a successor issuer to the Toronto Branch’s MBS program and for the sale of all or a portion of certain other Assets (the “**Marketing Process**”).
7. On June 2, 2016, the Liquidator filed its Third Report to the Court which provided information in respect of: (i) an update on the actions of the Liquidator since the issuance of the Second Report; (ii) an update on the status of the Marketing Process; (iii) a proposed claims procedure (the “**Claims Procedure**”) for use in

these proceedings, including the appointment of a Claims Officer (as defined in the Claims Procedure Order); (iv) the proposed appointment of Independent Cost Counsel (as defined in the Third Report) to review and report to the Court on the fees and disbursements of the Liquidator and its counsel; and (v) the statement of receipts and disbursements of the Toronto Branch for the period February 16 to May 13, 2016.

8. On June 17, 2016, the Liquidator filed its Fourth Report to the Court which provided information regarding the sale by the Liquidator of certain un-pooled insured residential mortgages to the originators of those mortgages; myNext Mortgage Premier Trust and Xceed Mortgage Corporation.
9. On July 25, 2016, the Liquidator filed its Fifth Report to the Court which provided information regarding three sales transactions by the Liquidator involving certain structured loans associated with the Immigrant Investor Program (“**IIP**”), which included receivable backed notes (the “**Receivable Backed Notes**”) issued by PWM Financial Trust, CTI Capital Securities Inc. and KEB Hana Bank Canada (“**KEB**”) respectively and secured by, *inter alia*, notes issued by either Citizenship and Immigration Canada (“**CIC**”) or IQ Immigrants Investisseurs Inc. (“**IQII**”). Following the closing of these sales transactions certain unsold Receivable Backed Notes remained in the possession of the Toronto Branch (the “**Residual Receivable Backed Notes**”).
10. On September 19, 2016, the Liquidator filed its Sixth Report to the Court which provided information regarding the selection by CMHC of Equitable Bank (“**Equitable**”) as the Successor Issuer for the Toronto Branch’s *National Housing Act* (“**NHA**”) MBS Program and the resulting acquisition and assumption by Equitable of all of the Toronto Branch’s rights and obligations under the CMHC NHA MBS Guide and NHA MBS Program with respect to the NHA MBS originally issued by the Toronto Branch thereunder as well as the proposed sale of MBS still owned by the Toronto Branch and certain other Toronto Branch assets to Equitable (the “**Equitable Transaction**”).

11. On October 6, 2016, the Liquidator filed its Seventh Report to the Court which provided information regarding the sale to KEB of the Residual Receivable Backed Notes issued by KEB and secured by, *inter alia*, notes issued by CIC.
12. On November 15, 2016, the Liquidator filed its Eighth Report to the Court which provided information regarding the proposed settlement between the Liquidator and the Bank of Montreal of the liabilities and obligations of each of BMO and Maple Bank arising from the Repo Transaction and the early termination of the ISDA Transactions.

TERMS OF REFERENCE AND DISCLAIMER

13. In preparing this report, the Liquidator has been provided with, and has relied upon, unaudited and other financial information, books and records (collectively, the “**Information**”) prepared by the Toronto Branch and/or its representatives, and discussions with its former management and/or its former representatives. The Liquidator has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided and in consideration of the nature of evidence provided to the Court. However, the Liquidator has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“**CAS**”) pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Liquidator expresses no opinion or other form of assurance contemplated under CAS in respect of the Information.
14. The information contained in this report is not intended to be relied upon by any prospective purchaser or investor in any transaction with the Liquidator.
15. Capitalized terms not defined in this ninth report to the Court (the “**Ninth Report**”) are as defined in either the Winding-Up Order and/or the First Report through Eighth Report. Unless otherwise indicated, all references to monetary amounts herein are denominated in Canadian dollars (“**CAD**”).

16. Copies of the Liquidator’s Court reports and all motion records and Orders in these proceedings are available on the Liquidator’s website at <http://www.kpmg.com/ca/maplebank>.

PURPOSE OF THE NINTH REPORT

17. The purpose of the Ninth Report is to provide information to the Court in respect of:
- i. An update on the status of the Claims Procedure implemented pursuant to the Claims Procedure Order dated June, 8 2016;
 - ii. An update on the realizations achieved by the Liquidator on the Assets of the Toronto Branch to date;
 - iii. The Liquidator’s request for approval of a final distribution to creditors with proven Claims (the “**Distribution**”) and an interim distribution to the German Estate of a portion of the expected total surplus funds realized from the liquidation and/or sale of the Assets and the Business of the Toronto Branch (the “**Partial Distribution**”, and collectively with the Distribution, the “**Interim Distribution**”);
 - iv. The proposed notice to be provided to creditors of the Toronto Branch prior to making the Interim Distribution (the “**Notice**”);
 - v. The Liquidator’s request for approval to convert certain amounts held by the Liquidator for the Toronto Branch, including certain funds to be distributed in accordance with the Interim Distribution, from CAD to Euros, or the purchase of an appropriate foreign exchange hedging instrument for the period of the Notice (the “**Notice Period**”); and,
 - vi. An update on the Liquidator’s activities since the filing of the Third Report and to seek approval of those activities, including the activities as described in the Third Report, except for those activities related to the Marketing Process, which have been approved by the Court as the Liquidator completed various transactions as provided for in the Marketing Process.

18. The Liquidator is seeking certain relief from the Court, as follows:

An order (i) approving the Interim Distribution; (ii) approving the Notice, to be placed in the National Edition of *The Globe and Mail* and the International Edition of *The Wall Street Journal* by December 19, 2016 advising of the Interim Distribution; (iii) authorizing the Liquidator to convert certain amounts held by the Liquidator for the Toronto Branch, including the amount of the Interim Distribution, from CAD to Euros, or the purchase of an appropriate foreign exchange hedging instrument, for the Notice Period (all as further described herein); (iv) approving the Receipts and Disbursements for the Toronto Branch for the period from February 16, 2016 to October 31, 2016; and (v) approving the activities of the Liquidator since the filing of the Third Report, including the activities of the Liquidator as described in the Third Report.

2. CLAIMS PROCEDURE UPDATE

19. The Court issued an order on June 8, 2016 (the “**Claims Procedure Order**”) approving the Claims Procedure. A copy of the Claims Procedure Order is attached hereto as **Appendix B**. The Claims Procedure was described and summarized in the Third Report, a copy of which is attached without appendices hereto as **Appendix C**.
20. The table below summarizes the activities of the Liquidator with respect to implementing the Claims Procedure and the status of those activities as of the date of this report.

Summary of Claims Procedure Activities		
Event	Date Completed	Description of Activities
Launch	June 8, 2016	<ul style="list-style-type: none"> The Claims Procedure Order was approved and issued by the Court.
Post the Claims Procedure Order on Liquidator’s website	June 15, 2016	<ul style="list-style-type: none"> The Claims Procedure Order was posted on Liquidator’s website at: http://www.kpmg.com/ca/maplebank
Mail Claims package to all known creditors	June 14, 2016	<ul style="list-style-type: none"> A Claims package was mailed to every known creditor recorded in the Toronto Branch’s records. A total of 105 Claims packages were mailed on June 14, 2016, consisting of 32 vendors, 32 contract counterparties, 21 employees and 20 German depositors.
Post notice of Claims Procedure in newspapers	June 15, 2016	<ul style="list-style-type: none"> The Liquidator posted a notice to creditors in the National Edition of <i>The Globe and Mail</i> and International Edition of <i>The Wall Street Journal</i>.
Requested date to file Claims (not a Claims bar date)	September 19, 2016 (90 calendar days from the posting of the Claims Procedure Order in newspapers date)	<ul style="list-style-type: none"> Creditors were requested to prove their Claim against Toronto Branch by delivering a completed Proof of Claim form (and supporting documentation) to the Liquidator by 4:00 p.m. EST on September 19, 2016.
Review and analysis of	Ongoing	<ul style="list-style-type: none"> Certain Proofs of Claim filed have

Summary of Claims Procedure Activities		
Event	Date Completed	Description of Activities
Claims		been admitted by the Liquidator. Certain others are the subject of ongoing review by the Liquidator and its legal counsel (as further detailed below). The GIA and its legal counsel have been provided access to the Proofs of Claim as well.

21. Pursuant to the Claims Procedure Order, the Liquidator is required to file a report with the Court detailing the nature and quantum of all Claims filed. At this time the Liquidator is able to provide a brief summary of the Claims received to date.
22. As of November 16, 2016, 56 Proofs of Claim have been filed with the Liquidator as summarized in the table below.

Maple Bank GmbH, Toronto Branch Proofs of Claim Filed with the Liquidator As at November 16, 2016 CAD Millions			
Type ⁽¹⁾	Claim (#)		Claim (\$)
GIA	1	\$	791.3
German Depositors	23		686.1
Vendors and Canada Revenue Agency	7		12.1
Employees	19		20.9
Non-vendors (contract counter parties, other)	6		59.9
Related Party	1		0.4
Total Claims Filed to Date	57	\$	1,570.7

⁽¹⁾ All Proofs of Claim are unsecured.

23. Additional information regarding the Claims received is as follows:
- i. The GIA has submitted one Proof of Claim on behalf of Maple Bank GmbH totalling \$791.3 million (the “**GIA Claim**”). The assertion made in the GIA Claim is that certain term loans, as well as other operational funding was provided to the Toronto Branch from the German head office of Maple Bank GmbH;

- ii. 23 German Depositor Claims totalling \$686.1 million relate to deposits made in the Toronto Branch prior to the Liquidation that have been assigned to the Association of German Banks' Deposit Protection Fund and the Compensation Scheme of German Private Banks (collectively the "**GDPF**");
 - iii. Seven vendor Claims totalling \$12.1 million relate to unpaid services provided to the Toronto Branch prior to Liquidation, unpaid corporate income taxes for the fiscal years ended 2010, 2013-2015 and unremitted Harmonized Sales Taxes for the years 2015 and 2016;
 - iv. 19 employee Claims totalling \$20.9 million relate to termination notice and severance pay, unpaid bonuses, out of pocket expenses due to employees prior to Liquidation, among other things;
 - v. Six non-vendor Claims totalling \$59.9 million relate primarily to a structured loan counterparty obligation and five contingent Claims filed by certain originators and servicers of the Mortgage Business and Structured Loan Portfolio. As of the date of this report, three of these parties have indicated that their claims have been satisfied as a result of the Equitable Transaction; and
 - vi. One related party Claim totalling \$0.4 million relates to a Claim from Maple Securities U.S.A. (a related party) which is claimed to have arisen as a result of a default by the Toronto Branch under a repurchase transaction.
24. The Liquidator has reviewed and continues to analyze the Proofs of Claim in accordance with its obligations pursuant to the Claims Procedure Order. As at November 16, 2016 the Liquidator has admitted and approved \$686.2 million of Claims (the "**Proven Claims**") as summarized below:

**Maple Bank GmbH, Toronto Branch
Claims Admitted by the Liquidator
As at November 16, 2016**

CAD Millions

Creditor		Claim (\$) ⁽¹⁾
GIA ⁽¹⁾	\$	-
German Depositors		686.1
Vendors		0.1
Canada Revenue Agency		-
Employee		-
Non-vendor		-
Related Party		-
Total Proven Claims	\$	686.2

⁽¹⁾ All Proofs of Claim are unsecured.

3. PROPOSED INTERIM DISTRIBUTION OF PROCEEDS AND CREDITOR NOTICE

25. As discussed in the Third Report, one of the primary stated objectives of the GIA is to obtain a distribution of the expected total surplus realized from the Toronto Branch (the “**Surplus**”) as soon as practicable to the German Estate. Notwithstanding that the WURA does not explicitly provide for an interim distribution to the German Estate until all third party Claims are satisfied in full, the Liquidator is supportive of the Interim Distribution, including the Partial Distribution. The Liquidator believes it is now in a position to seek approval from the Court to effect the Interim Distribution, including the Partial Distribution, as the majority of the Assets of the Toronto Branch had been realized upon, the universe of potential Claims is now defined with a relative degree of certainty through the Claims Procedure which has been ongoing for 150 days, an appropriate Notice will be made of the Interim Distribution to potentially affected parties and an appropriate additional reserve for potential further Claims has been set.
26. As at October 31, 2016, and as further described in Section 6 of this report, the Liquidator has realized substantially all of the Assets of the Toronto Branch and currently maintains over \$1.5 billion in cash and cash equivalents (including liquid securities), a significant portion of which could be made available for distribution to creditors and stakeholders of the Toronto Branch.
27. As described in Section 2 above, in accordance with the Claims Procedure, creditors have filed Claims totalling approximately \$1.57 billion which includes the GIA Claim of approximately \$791.3 million.
28. The following table summarizes the current assets and filed Proofs of Claim in respect of the Toronto Branch and demonstrates that if all Proofs of Claim, as filed with the Liquidator, are proven and admitted as Claims by the Liquidator the Toronto Branch would be rendered insolvent.

**In the matter of the winding up of Maple Bank GmbH (Toronto Branch)
Summary of Toronto Branch Assets and Proofs of Claim filed
As at October 31, 2016⁽¹⁾
Amounts in CAD millions**

Assets

Cash and cash equivalents ⁽²⁾	\$	1,504.6
Remaining assets, under liquidation (at estimated recoverable amounts)		62.7
Less: Anticipated net U.S. asset realizations (included above) ⁽³⁾		(111.2)
Less: Estimated future total costs to administer estate ⁽⁴⁾		(9.5)
Assets available for distribution	\$	1,446.6

Claims⁽¹⁾	#	Filed
German Depositors	23	686.1
Other unsecured claimants ⁽⁵⁾	33	93.3
GIA	1	791.3
Subtotal of Claims	57	1,570.7
Deficit ⁽⁶⁾		\$ (124.1)

Notes:

⁽¹⁾ Asset values as at October 31, 2016. Proofs of Claim values as at November 16, 2016.

⁽²⁾ Includes cash balance of \$263.2 million and liquid securities balance of \$1.2414 billion.

⁽³⁾ The U.S. Assets are subject to the Stipulation in the U.S. Chapter 15 proceedings and have been excluded for the purpose of estimating the solvency of the Toronto Branch.

⁽⁴⁾ Estimate of professional fees, Toronto Branch staff and administrative costs to complete the administration of the Toronto Branch liquidation. Does not include estimated professional fees to litigate any Proofs of Claim if they cannot otherwise be adjudicated through the Claims Procedure.

⁽⁵⁾ Includes trade, employee, Canada Revenue Agency, contract counter-party and contingent claims.

⁽⁶⁾ Total potential Creditor deficiency on the basis of total Proofs of Claim as filed (does not include interest on Claims as prescribed under WURA which accrues at the rate of 5% per annum as interest is not payable if Toronto Branch is insolvent).

29. The Liquidator has been working towards making the Interim Distribution as:
- i. There are limited Assets of the Toronto Branch remaining to be realized;
 - ii. Statutory interest will accrue on Claims if the Toronto Branch is determined to be solvent;
 - iii. The GDPF has significant claims and the German Estate has a significant interest in Toronto Branch proceeds which are both

currently subject to unhedged foreign exchange risk to these parties (the “**FX Risk**”); and

- iv. The Claims Procedure has been implemented for in excess of 150 days, with Creditors having wide notice of such proceedings, to the point where the Liquidator is able to establish a significant, conservative Claims reserve (as described further herein), subject to the further distribution mechanics proposed herein, including further notice to existing and further potentially affected stakeholders for a reasonable period.
30. The Liquidator has discussed the GIA Claim and the Interim Distribution with the GIA. In this regard, the Liquidator has reached an agreement with the GIA pursuant to which the GIA Claim, to the extent that it is valid, shall, upon receipt of the Partial Distribution as approved as part of the Interim Distribution, and without prejudice to its right to receive for the German Estate the assets of the Toronto Branch that remain after payment of all proven Claims, be permanently reduced to the extent of any such distribution made to the GIA in respect of the GIA Claim. The GIA has further agreed that such corresponding portion of the GIA Claim shall be extinguished and released by such distribution. In addition, the remaining portion of the GIA Claim, to the extent that it is valid, after taking into account the Interim Distribution, shall be capped at an amount (which amount may from time to time increase or decrease) that results in the Toronto Branch having assets in excess of its liabilities. Accordingly, Creditors with existing proven Claims will receive 100% of their Claim amounts, plus interest to the date of the Interim Distribution.
31. A reasonable reserve will be established to provide for: (i) Claims that have been filed but not yet proven/accepted (“**Unproven Claims**”) and (ii) possible future Claims (“**Future Potential Claims**”) including interest thereon until distributions are made in respect of these Claims. The reserve is discussed in more detail below.

32. In contemplating the Interim Distribution and in accordance with the agreement with the GIA, the Liquidator has developed a reserve (the “**Estimated Reserve**”) which is summarized in the table below and is comprised of an appropriate reserve for all existing and potential future claims:

- i. The total of all Unproven Claims;
- ii. An amount for Future Potential Claims in the order of \$50 million (the Liquidator is not aware of any pending further Proofs of Claim to be received); and
- iii. Interest on items (i) and (ii) at 5% per annum up to and including March 31, 2018, a period where the Liquidator estimates it will have resolved all claims.

**In the matter of the winding up of Maple Bank GmbH (Toronto Branch)
Estimated Reserve
As at November 16, 2016
Amounts in CAD millions**

Unproven Claims ⁽¹⁾	\$ 93.2
Interest on Unproven Claims ⁽²⁾	9.3
Future Potential Claims ⁽³⁾	50.0
Interest on Future Potential Claims ⁽²⁾	5.0
Total Estimated Reserve	\$ 157.5

Notes:

⁽¹⁾ Represents unproven third party claims as filed, as at November 16, 2016 at the amounts as filed by the claimants. All or a portion of their amounts could ultimately be proven as Claims.

⁽²⁾ Includes interest at 5% p.a. pursuant to the WURA from the Liquidation Date to March 2018, a conservatively assumed date upon which all unproven claims are resolved and a final distribution is made.

⁽³⁾ Reserve to provide for any claims not yet identified or filed.

33. The Estimated Reserve is designed to protect any further claimants of the Toronto Branch while at the same time allow for a timely distribution to qualifying claimants. The Estimated Reserve is isolated from the U.S. Assets of \$111.2 million, insofar as the Assets available and considered for the Interim Distribution exclude the U.S. Assets as they are subject to the Stipulation arrangements in the U.S. Chapter 15 proceedings previously described.

34. Based on the estimate of Toronto Branch assets, further net asset realizations, proven claimants, unproven claimants, and the Estimated Reserve, the estimated surplus in the Toronto Branch (the “**Estimated Surplus**”) available to the German Estate is shown below.

In the matter of the winding up of Maple Bank GmbH (Toronto Branch)		
Estimate of Estate surplus		
As at October 31, 2016⁽¹⁾		
Amounts in CAD millions		
Assets available for distribution ⁽²⁾		\$ 1,446.6
Proven Claims ⁽³⁾	686.2	
Interest on proven claims ⁽⁴⁾	28.6	\$ 714.8
Reserve for:		
Unproven Claims ⁽⁵⁾	93.2	
Interest on Canadian Claims ⁽⁶⁾	9.3	
Future Potential Claims ⁽⁷⁾	50.0	
Interest Future Potential Claims ⁽⁶⁾	5.0	\$ 157.5
Total potential distribution to third party creditors		\$ 872.3
Current Estimated Surplus		\$ 574.3

Notes:

- ⁽¹⁾ Asset values as at October 31, 2016. Proofs of Claim values as at November 16, 2016.
- ⁽²⁾ Includes cash, securities and Assets to be realized less the U.S. Assets (\$111.2 million) and costs to administer the estate.
- ⁽³⁾ Includes the German Depositor Claims of \$686.1 million and other trade Claims of \$0.1 million.
- ⁽⁴⁾ Includes interest at 5% p.a. pursuant to the WURA from the Liquidation Date to the Interim Distribution Date.
- ⁽⁵⁾ Represents unproven third party Proofs of Claim as filed, as at November 16, 2016, at amounts as filed by the claimants.
- ⁽⁶⁾ Includes interest at 5% p.a. pursuant to the WURA from the Liquidation Date to March 2018, a conservatively assumed date upon which all unproven claims are resolved and a final distribution is made.
- ⁽⁷⁾ Reserve to provide for any Claims not yet filed.

35. The Liquidator is of the view that the Interim Distribution is appropriate under the circumstances and should be made for the following reasons:

- i. The Asset realization process is substantially complete and the Liquidator is holding cash or equivalents in excess of \$1.5 billion;

- ii. Pursuant to the Claims Procedure, creditors were provided in excess of 90 days to file their Claims with the Liquidator. It has now been in excess of five months since the Claims Procedure was commenced. The Liquidator is of the view that creditors of the Toronto Branch have had sufficient time to submit their Claims and that creditors who may have Claims against the Toronto Branch have done so. The Liquidator is not aware of any pending claims;
- iii. In addition to the notice of the Claims Procedure sent to all creditors by the Liquidator on June 14, 2016, all creditors will be receiving service of the Liquidator's Ninth Report and distribution motion, as well as, an additional 30 day Notice of the proposed Interim Distribution;
- iv. The Liquidator has also held without prejudice discussions with a significant creditor that has filed a contingent Claim and has verbally confirmed with the Liquidator the upper possible maximum value of its Claim which is included as an Unproven Claim in the analysis herein;
- v. The reserve for Future Potential Claims is considerable at \$50 million, plus interest to March 31, 2018, which is a provision over and above the amount set aside for Unproven Claims, which may or may not ultimately be resolved at the amounts filed by the claimants;
- vi. Pursuant to the WURA, interest is accruing on Claims at 5% per annum, which is significant given the value of certain of the largest Claims and the corresponding current low interest rate environment. The Estimated Surplus available for the German Estate decreases as interest continues to accrue on creditors' Claims;
- vii. The Interim Distribution meets the GIA's stated objectives of receiving a distribution of the Estimated Surplus as soon as practicable and mitigates the German Estate's FX Risk;

- viii. The GDPF as the largest creditor of the Toronto Branch will also have its FX Risk mitigated the sooner a distribution can be made; and
- ix. There is efficiency in the liquidation of the Toronto Branch in a timely distribution of proceeds to the Toronto Branch stakeholders.

Interim Distribution Notice

- 36. In order to provide notice of the proposed Interim Distribution, if the Interim Distribution is approved by the Court, the Liquidator also intends to post a notice to all creditors of the Toronto Branch in the National Edition of *The Globe and Mail* and International Edition of *The Wall Street Journal* and on the Liquidator's website within three business days of the Court approving the Interim Distribution providing notice that the Interim Distribution will be made on or about December 19, 2016 (the "**Interim Distribution Date**"). The Notice will advise that in order to participate in the Interim Distribution, creditors must have their Claim proven with the Liquidator prior to the Interim Distribution Date. A copy of the draft Notice that will be posted in the newspapers is attached hereto as **Appendix D**.
- 37. If further Claims are filed with the Liquidator during this notice period that materially affect the Estimated Reserve and in the Liquidator's judgement would also affect the solvency of the Toronto Branch or the quantum of the Expected Surplus that could be distributed to the German Estate, the GIA will consent to the reduction in the Partial Distribution, or the Liquidator will return to the Court for further advice and directions.
- 38. In addition to proceeding with the Interim Distribution, once approved, the Liquidator also intends to distribute any remaining funds held in the U.S. Joint Control Account with Citibank N.A. which have been realized on from the U.S. Assets (as further described in paragraph 60 of this Report) to the GIA as soon as practicable after the Interim Distribution Date, subject to paragraph 37 above.
- 39. For the reasons outlined above, the Liquidator is of the view that the Interim Distribution should be approved by the Court at this time.

4. PROPOSED CONVERSION OF CANADIAN FUNDS TO EUROS FOR THE BENEFIT OF GERMAN STAKEHOLDERS

40. As noted above, the Toronto Branch's two largest stakeholders reside in Germany, namely the GDPF, as the assignee of German depositors with proven Claims of \$686.1 million (plus accrued interest) and the GIA for the Estimated Surplus. The quantum of these amounts is significant and these stakeholders are exposed to FX Risk on account of the Liquidator holding primarily CAD. The GDPF and the GIA have repeatedly asked for the Liquidator's assistance in mitigating their FX Risk.
41. As the universe of Claims has become clearer, and should the Court approve the mechanics of the Interim Distribution as described herein which include the Interim Distribution Notice, the Liquidator would be supportive of assisting the above parties in reducing their FX Risk for the 30-day Notice period.
42. The Liquidator is therefore seeking the Court's approval to (a) convert the amounts payable to the GDPF in respect of their Proven Claims and the Estimated Surplus distribution to the German Estate to Euros, or (b) purchase an alternative derivative financial product that will hedge the FX Risk until the Interim Distribution Date once the Interim Distribution is approved, subject, in each case, to the approval of the GDPF and/or the GIA, as the case may be. The conversion or transaction costs will be borne by the GDPF and the GIA for their proportionate shares of the same and the Liquidator will hold their respective distribution amounts in Euros (if conversion is chosen) until the Interim Distribution Date, at which time such Euros will be delivered to the GDPF and the GIA. The Liquidator will satisfy a portion of the proposed Interim Distribution with 49 million Euros that it has on hand.
43. In the event that the Liquidator receives claims before the Interim Distribution Date which will affect the Interim Distribution, the Liquidator will consider whether such funds should be converted back to CAD and the conversion costs incurred will be deducted from these stakeholders' distributions when made.

5. ACTIVITIES OF THE LIQUIDATOR

44. A detailed description of the Liquidator’s activities up to and including March 30, 2016, is set out in the Second Report and was approved by the Court on April 5, 2016. Since the filing of the Second Report, the Liquidator has continued to manage the liquidation of the Toronto Branch as further described below.

Preservation and Safeguarding of Assets

Physical and Remote Access

45. Upon taking control of the Toronto Branch office premises (the “**Premises**”), the Liquidator identified the Toronto Branch’s information technology (“**IT**”) systems and processes and established control of the IT systems in a manner that secured and maintained the integrity of the data, systems and processes, including terminating remote access to the IT systems and restricting physical access to the on-site servers.
46. The Liquidator prepared a complete backup of financial and other information as of the Winding-Up Date, and continues to prepare weekly backup updates which are stored in a secure evidence vault at the Liquidator’s offices.
47. The Liquidator had arranged for attendance by security guards at the Premises during non-business hours. The Liquidator had also restricted key card access of all employees of the Toronto Branch and Maple Securities Canada Limited (“**MSCL**”), a related party that shares the Premises with the Toronto Branch, excluding select IT personnel who required access to the server room located in the Premises in the case of emergency. A daily log of authorized individuals was maintained by the security team and reviewed by Liquidator.
48. To date there have been no breaches of the security protocol implemented by the Liquidator. As the liquidation of the Toronto Branch is now substantially complete and most employees have completed their employment with the Liquidator, the Liquidator terminated this security coverage on November 4,

2016. The Premises continue to be physically secured and access is restricted to key card access holders whose access is recorded by the security system.

Books and Records

49. All books and records of the Toronto Branch, whether electronic or hard copy, continue to be safeguarded through the processes noted above. The Liquidator has continued to update the books and records of the Toronto Branch as transactions related to the winding-up of the Toronto Branch occurred.
50. The Liquidator continues to catalogue and maintain all of the Toronto Branch's hard copy books and records in preparation for delivery to a secure off-site storage provider which is anticipated to be completed by November 30, 2016.

Cash Control, Forecasting, Monitoring and Reporting

51. The Liquidator regularly performs the following activities to ensure the preservation of the Assets of the Toronto Branch and other resources:
 - i. The Liquidator reviews all disbursements requested by the Toronto Branch with the treasury department. The approval controls for disbursements are maintained by the Liquidator through the safeguarding of the banking access devices required to process disbursements for all bank accounts and the changing of signing authorities to only the Liquidator's senior personnel;
 - ii. A weekly bank reconciliation is prepared and reviewed by the Liquidator that compares the Liquidator's records to the Toronto Branch's bank statements to ensure no discrepancies exist;
 - iii. A cash flow forecast (the "**Cash Flow Forecast**") is prepared by the Liquidator for the purposes of estimating the cash flows of the Toronto Branch during these WURA proceedings. The Liquidator relies on the Toronto Branch's records and discussions with management to prepare the Cash Flow Forecast. The key

assumptions are reviewed regularly by the Liquidator and updated to reflect developments in the Toronto Branch's liquidation;

- iv. The Liquidator regularly reports on the Toronto Branch's cash balances to the GIA. A detailed analysis of receipts and disbursements is prepared for each report to the Court and the Liquidator comments on the movements in cash during each reporting period; and
- v. The Liquidator continues to manage the cash and securities of the Toronto Branch and engaged RBC Dominion Securities ("RBC DS") as an investment manager to manage the funds realized through asset sale transactions completed by the Liquidator and to obtain a secure rate of return on these funds.

Attending to Toronto Branch Operating Matters

Employees

- 52. The Liquidator negotiated and granted retention arrangements and in some cases retention bonuses for certain Toronto Branch staff that were critical for the ongoing administration of the affairs of the Toronto Branch by the Liquidator. As staff needs for the Toronto Branch were reduced the affected staff were terminated in accordance with the term and task letters negotiated by the Liquidator with each applicable staff member. As of November 14, 2016, only the former CFO continues to be retained by the Liquidator in order to assist with the ongoing administration of the Toronto Branch.
- 53. The Liquidator recently held an information session for employees in order to provide direction as to how to complete their proof of claim forms in respect of amounts that may be due to them by the Toronto Branch.

Office Lease and Other Services

54. Maple Financial Group (“**MFG**”) is a company related to Maple Bank and is the named tenant on the lease for the Premises where Toronto Branch and other entities related to Maple Bank operated. Toronto Branch funds its share of the lease costs to MFG each month. On August 4, 2016, MFG made an assignment in bankruptcy and Deloitte Inc. was appointed as Trustee in Bankruptcy (the “**Trustee**”). Both Toronto Branch and MSCL required the continued use of the Premises and negotiated an occupancy agreement with the Trustee. The Trustee exercised its statutory right of occupation pursuant to the *Bankruptcy and Insolvency Act*, and occupied the Premises until October 31, 2016. The Liquidator negotiated an agreement with the landlord for the Toronto Branch to retain the Premises on terms substantially the same as in the existing lease for a short term (i.e. until November 30, 2016) in order to permit the Liquidator to close the Equitable Transaction and wind-up the remaining business of the Toronto Branch. On November 30, 2016, the Liquidator will relinquish the Premises and has arranged temporary workspace for the sole remaining employee of the Toronto Branch.

Tax Returns

55. The Liquidator arranged for the preparation of tax returns for the Toronto Branch for the fiscal period ended September 30, 2015 and the period October 1, 2015 to February 15, 2016. These returns were filed by the Liquidator prior to the Canada Revenue Agency (“**CRA**”) filing deadlines.
56. The Liquidator worked with the Toronto Branch’s tax advisor, Ernst & Young LLP (“**EY**”), to obtain opinions in respect of the Toronto Branch’s tax status, and tax implications resulting from (i) the asset sales completed by the Liquidator; and (ii) the Toronto Branch ceasing to carry on business as an authorized foreign bank branch as a result of its liquidation.
57. The Liquidator continues to work with EY for the preparation of the tax returns for the liquidation period and resolution of the CRA’s Claim in the Toronto Branch.

Development and Execution of the Marketing Process

58. As discussed herein, the Liquidator has completed the three streams of the Marketing Process:
- i. The Structured Loans Marketing Process;
 - ii. The Maple Assets Marketing Process; and
 - iii. The Successor Issuer Marketing Process.
59. In order to execute the Marketing Process, the Liquidator engaged in on-going consultation with affected parties including CMHC, the GIA, mortgage originators and servicers, immigrant note issuers, among others.
60. The Liquidator reported to the Court on the sale of the Un-Pooled Mortgages in the Fourth Report, the sale of the Receivable Backed Notes in the Fifth Report, the sale of the Maple Assets and the appointment of a Successor Issuer in the Sixth Report and the sale of the remaining Receivable Backed Notes in the Seventh Report. The Liquidator's activities in respect of the Marketing Process as described in those reports were previously approved by the Court.

Monitor and Realize Upon Other Assets

U.S. Assets

61. As described in the Second Report, after the commencement of the German Insolvency Proceedings, the GIA filed a petition for recognition of the German Insolvency Proceedings in the U.S. Bankruptcy Court for the Southern District of New York (the "**U.S. Bankruptcy Court**") under Chapter 15 of the U.S. Bankruptcy Code (the "**Chapter 15 Proceeding**").
62. On March 2, 2016, the Liquidator and the GIA entered into the Stipulation to address the realization of Maple Bank's U.S. Assets. The Stipulation was filed with the U.S. Bankruptcy Court on March 3, 2016, as part of the GIA's revised proposed recognition order. The Stipulation is described in the Second Report.
63. Pursuant to the Stipulation, the Liquidator and the GIA opened a Joint Control Account with Citibank N.A. The Liquidator has regularly transferred funds to the

Joint Control Account as U.S. Assets are monetized. As at October 31, 2016, the Joint Control Account held a balance of approximately U.S. \$69.0 million (CAD \$111.2 million) primarily relating to realizations on various U.S. Assets, including the Global One loan, certain energy loans, the State Street stock loan, as well as, the settlement of financial derivative transactions with various U.S. based counterparties. In addition the Liquidator is holding U.S. \$14 million in its U.S. dollar denominated special trust account pending the resolution of the Claim filed by Global One. As at the date of this Report there are no other U.S. Assets relating to the Toronto Branch's Business that need to be monetized.

Derivative Settlements

64. As described in the Second Report, the Moratorium was an event of default under all of the derivative and financial instruments to which Toronto Branch was a party. As at the date of the Winding-Up Order, the Toronto Branch had entered into numerous derivative financial instruments with seven counterparties. To-date, the Liquidator has settled six counterparty derivative accounts, while one has yet to be settled. The Liquidator is in discussions with the respective counterparty with the goal of reaching a settlement.

Structured Loans Portfolio

As described in the Second Report, Toronto Branch had a structured loan portfolio consisting of Immigrant Investor Program (“IIP”) notes and various commercial loans. The book values of these assets at the date of the Winding-Up Order were approximately \$233.3 million and \$138.5 million, respectively. A significant portion of the IIP notes were sold to third parties in August, 2016 for approximately \$193.6 million. A number of the unsold IIP notes matured and have been redeemed by the Liquidator. As described in the Seventh Report, the Liquidator also sold the remaining IIP notes in October, 2016 for approximately \$14.9 million.

65. Global One has repaid the outstanding loan balance including U.S. \$14 million which is held by the Liquidator in its U.S. denominated special trust account.

66. The Liquidator has concluded a transaction that includes the sale of the Lakeview Mortgage asset which was described in the Sixth Report.
67. The Liquidator has also reached agreements with two energy loan counterparties in order to settle their respective outstanding loan balances at close to the applicable book value. These agreements also included a release of all potential future Claims against Maple Bank.

CED Portfolio

68. As discussed in the Third Report, the *Bank Act* requires that the Toronto Branch hold Capital Equivalency Deposits (“**CED**”) with an approved financial institution in Canada. At the date of the Winding-Up Order, the Toronto Branch had approximately \$467.5 million in CED at BMO Trust Company (“**BMO Trust**”), as custodian, which consisted primarily of municipal bonds, NHA MBS pools, Government of Canada treasury bills and Schedule 1 bankers’ acceptance notes (the “**CED Securities**”). With the terminations of the derivative instruments the CED Securities holdings were un-hedged and the Toronto Branch was vulnerable to interest rate risk.
69. To minimize the Toronto Branch’s interest rate risk exposure, the Liquidator desired to liquidate the CED portfolio. Prior to liquidating selected securities in the CED, the Liquidator performed the following activities:
 - i. Established bid spread levels from daily dealer spread runs, Bloomberg, and conversation with dealers;
 - ii. Confirmed with OSFI the Liquidator’s sale process and timing;
 - iii. Confirmed with BMO Trust the sale process and timing and discussed reinvestment execution; and
 - iv. Confirmed with BMO Capital Markets (the settlement and clearing bank) the sale processing and timing.

70. During the period May 5 to 15, 2016, the Liquidator liquidated and settled approximately \$371 million of CED account securities (e.g. municipal bonds, provincial bonds and NHA MBS pools) with maturity dates beyond December 31, 2016, and purchased Government of Canada treasury bills with one month maturities with the proceeds until the selection of an Investment Manager and subsequent investing in a portfolio of very low risk and liquid securities.

Selection of an Investment Manager

71. The Liquidator completed the process of selecting an investment manager for the cash portfolio of the Toronto Branch, which includes amounts realized through asset sale transactions completed by the Liquidator and amounts held by Toronto Branch on the Liquidation Date. As outlined in the Third Report, the Liquidator prepared a Request for Proposal (“RFP”) seeking a single investment manager for the Liquidator’s portfolio of the Toronto Branch’s cash and securities with the objective to earn a return on these assets while assuming very low investment risk. The RFP was sent to three Canadian Schedule 1 chartered banks. All three banks provided investment management proposals.
72. After reviewing the proposals, the Liquidator selected RBC DS as the investment manager for the Liquidator’s portfolio of Toronto Branch assets. The Liquidator transferred remaining securities and excess cash to RBC DS for investment, and continues to transfer funds as assets are realized. The balance of securities held in these managed accounts was approximately \$1.2 billion as at October 31, 2016.

OSFI Approval

73. In order to withdraw securities from the Toronto Branch CED account, the Liquidator was required to obtain approval from OSFI. The Liquidator engaged in numerous discussions with OSFI and prepared the necessary documentation to seek approval from OSFI to transfer CED from BMO to RBC DS. In August 2016, the Liquidator received approval from OSFI to withdraw the securities portfolio from the Toronto Branch CED account, and the securities were transferred to the Liquidator’s investment accounts at RBC DS.

Sale of Artwork

74. The Toronto Branch owned three pieces of artwork. The Liquidator engaged a professional art advisor (the “**Art Advisor**”) to conduct an appraisal for each piece of art. Following the appraisal, the Art Advisor concluded that the combined market value of the three pieces was approximately \$27,000.
75. The Liquidator proceeded to engage the Art Advisor to sell the art on the Liquidator’s behalf. To date, two of the three pieces have been sold for a combined net realization of \$14,000, after commissions and selling costs. The Art Advisor continues to market the third piece of art.

Intercompany Balances

76. As described in the Second Report, the Toronto Branch was in a receivable position with certain related entities primarily as a result of collateral securities provided to MSCL, and the net effect of a related party loan arrangement and interest rate swaps with Maple Holdings Canada Limited (“**MHCL**”).
77. The Liquidator has settled the majority of the MSCL receivable balance. The remaining receivable balance from MSCL as at October 31, 2016, is approximately \$103,000 and is expected to be settled in the coming weeks.
78. The remaining MHCL receivable balance as at October 31, 2016, is approximately \$4.6 million. The Liquidator has formally requested payment of this amount from MHCL and has been advised that payment will be made when the Maple Securities (U.K.) Ltd. (“**MSUK**”) estate is settled due to certain intercompany guarantee obligations.
79. The Toronto Branch also had a payable in the amount of approximately US\$ 14 million owing to MSUK relating to the back end of a repurchase transaction with Societe General in which the Toronto Branch acted as an intermediary. As at the date of this report the Liquidator and the administrator of the MSUK have reached a settlement of this payable for approximately US\$ 14 million which amount will be paid to MSUK from the Joint Control Account with the consent of the GIA.

Communications and Other Interactions with Stakeholders

The GIA

80. Since the filing of the Third Report, the Liquidator has met with the GIA to review matters related to the administration of the Toronto Branch, including, without limitation, the following:

- i. Sale transaction of the Un-Pooled Mortgages;
- ii. Sale transactions of the Receivable Backed Notes;
- iii. Approval of a Successor Issuer of the MBS Assets;
- iv. Sale transaction of the MBS Assets;
- v. Ongoing monetization of the Assets, including the U.S. Assets;
- vi. Operating cash balances and the investment thereof (including the CED portfolio and new RBC investment account);
- vii. Toronto Branch's potential liabilities;
- viii. Tax matters;
- ix. The Claims Procedure;
- x. The BMO Settlement and BMO Sale transaction
- xi. Liquidator's cash flow projections;
- xii. The proposed Interim Distribution and the proposed Euro conversion; and
- xiii. Other matters.

81. The Liquidator has prepared the following reports for the GIA:

- i. The Interim Winding-Up Plan;
- ii. The Final Winding-Up Plan;

- iii. The Toronto Branch Update Report;
 - iv. The Euro Conversion analysis; and
 - v. Various other schedules, status update reports, analysis and commentary regarding the Toronto Branch.
82. The Liquidator has responded to numerous ongoing queries and additional information requests from the GIA, in addition to providing the reports listed above.
83. Consultation with the GIA on these matters occurred both in person and through regular contact by email and phone. Face-to-face meetings were held in Toronto on April 18, 2016, May 16, 2016, August 4, 2016 and September 13, 2016 and November 2, 2016. Meetings were also held in Frankfurt, Germany on June 28, 2016.

Other Stakeholders

84. Since the filing of the Third Report, the Liquidator continues to work with various financial, regulatory and other stakeholders including:
- i. OSFI, to whom the Liquidator provides regular updates and reporting, including a monthly statement of assets and liabilities;
 - ii. Creditors of the Toronto Branch, fielding phone calls, emails and in-person questions relating to the Claims Procedure and other Toronto Branch matters;
 - iii. Derivative counterparties in respect of transactions that needed to be settled;
 - iv. CMHC regarding issues relating to the MBS business, including implementation and execution of the Marketing Process;
 - v. GDPF in respect of its Claims, the timing for distribution of proceeds and the related foreign exchange risk;

- vi. Mortgage loan originators and servicers relating to current obligations and contractual agreements, including considering and discussing the implications, if any, of the Marketing Process on their business;
 - vii. Structured loan counterparties as it relates to continued loan servicing obligations, repayment timing and the Marketing Process;
 - viii. Entities related to Maple Bank to understand and settle (i) intercompany account reconciliations; and (ii) various financial transactions and related settlements;
 - ix. Potential Successor Issuers and potential acquirers of the Assets pursuant to the Marketing Process;
 - x. Current and former employees with respect to their continued retention by the Liquidator and Claims that they may have resulting from the Toronto Branch's liquidation; and
 - xi. Other general stakeholders.
85. The Liquidator continues to post regular updates to the Liquidator's website in order to keep creditors and other stakeholders informed on the status of the Toronto Branch's winding-up proceedings.

Discussion with Canadian, U.S. and German counsel

86. The Liquidator continues to retain Gowling WLG as Canadian independent legal counsel and Willkie Farr LLP ("**Wilkie**") as U.S. independent legal counsel.
87. The Liquidator continues to consult with both Gowling WLG and Willkie as required.

Reporting to Court as Necessary

88. The Liquidator continues to:
- i. Prepare and submit reports to the Court;

- ii. Attend Court hearings as necessary; and
- iii. Conduct activities relating thereto with affected and interested parties and stakeholders.

6. RECEIPTS AND DISBURSEMENTS

Summary of Receipts and Disbursements

89. The following table summarizes the receipts and disbursements for the Toronto Branch for the period February 16, 2016 to October 31, 2016.

**In the matter of the winding up of Maple Bank GmbH (Toronto Branch)
Statement of Receipts and Disbursements
For the period February 16 to October 31, 2016
Amounts in \$CAD millions**

Receipts	CAD Total⁽¹⁾
CED and Securities	490.7
Structured Loan Portfolio	355.7
MBS Business	138.8
Related Party Settlements	99.5
Settlement of Brokerage Account	63.8
Derivative Instruments	45.8
Miscellaneous/Other	1.7
Total Receipts	1,196.0
Disbursements	
Payroll	2.4
General and Administrative	1.0
Occupancy	0.3
Transfer to CMHC	0.3
Total Operating Disbursements	3.9
Professional Fees	4.9
Net Receipts in excess of Disbursements	1,187.2
Opening Cash Balance	317.4
Closing Cash and Cash Equivalents Balance	1,504.6
Total Cash⁽²⁾	263.2
Liquid Securities held with RBC	1,241.4
Total Cash and Cash Equivalents	1,504.6

⁽¹⁾ Assets held in USD and EUR are converted to CAD at the October 31, 2016 spot rate.

⁽²⁾ Relates to cash held in various operating accounts including approximately \$92.5 million in a Citibank U.S. dollar escrow account and approximately \$72 million in a EUR denominated CIBC account.

Analysis of Receipts

90. Receipts for the period totalled approximately \$1.2 billion and are described below.

CED and Securities

91. Receipts from the CED Securities of approximately \$490.7 million relate primarily to the liquidation and maturation of \$469.4 million of the CED Securities which have been re-invested in the Toronto Branch's RBC DS accounts (as described herein) with expected maturities in late 2016 and early 2017 consistent with the Liquidator's proposed distribution strategy as further described in Section 3 above. In addition the Liquidator also realized on approximately \$21.2 million of additional securities held by the Toronto Branch as at the date of the Winding Up Order.

Structured Loan

92. Receipts of approximately \$355.7 million primarily relate to the sale of the Receivable Backed Notes as part of the IIP for \$225.1 million, proceeds received from the Lakeview Loan facility of \$40.0 million, collection of the Global One loan facility for proceeds of \$80.1 million (including interest) and collections of other smaller energy and mortgage loan products.

MBS Business

93. Receipts from the MBS Business primarily relate to the sale of the Maple Assets as part of the Marketing Process including: (i) proceeds received from the Un-Pooled Mortgage portfolio transaction which was completed in May 2016; (ii) the sale of the NHA MBS portfolio, included in the Equitable Transaction; and (iii) payments made to the originators and servicers as it relates to various reserves and holdbacks.

Related Party Settlements

94. Receipts from related party settlements of \$99.5 million, primarily relate to the settlement of the intercompany accounts with MSCL and the partial unwinding of a repurchase transaction with MSUSA in February 2016.

Settlement of Brokerage Account

95. Prior to the Winding-Up Order, the Toronto Branch had three accounts (one each for: (i) CAD; (ii) the U.S. dollar; and (iii) and the Euro) with Interactive Brokers.

In order to settle and close the accounts the Liquidator was required to fund \$8.1 million in order to retain Euro 49.0 million (equivalent to \$71.9 million) which was subsequently transferred to CIBC. The effect of these transactions was a net \$63.8 million receipt for the Toronto Branch.

Derivative Instruments

96. Represents receipts from the unwinding of various financial derivative instruments of \$45.8 million. As at the date of the Winding-Up Order, the Toronto Branch had numerous financial derivative instruments with seven counterparties. As at the date of this report, the Liquidator has settled with six of the seven counterparties and continues to negotiate settlement terms with the last remaining unsettled counterparty and anticipates that a final settlement will be completed in the coming months.

Other and Miscellaneous

97. Relates to interest received on cash balances totalling approximately \$1.7 million.

Analysis of Disbursements

98. Operating disbursements for the period total approximately \$3.9 million and consist of disbursements on account of payroll, office rent, and general and administrative expenses. In addition, a one-time transfer of approximately \$0.3 million was made to CMHC to return NHA MBS mortgage payments received by the Toronto Branch in error.
99. Professional fees paid during the period of \$4.9 million, consist primarily of professional fees of the Liquidator, its Canadian independent legal counsel (Gowling WLG) and U.S. independent counsel (Willkie). Professional fees paid as at October 31, 2016 relate to fees and expenses incurred through to June 30, 2016. The fees of the Liquidator and its counsel remain subject to review by the Independent Cost Counsel and approval by the Court.
100. As at October 31, 2016 the Toronto Branch had approximately \$1.5 billion of cash and cash equivalents which is comprised of approximately \$263.2 million in

various cash accounts and \$1.2 billion in liquid securities in the Liquidator's RBC DS account.

7. LIQUIDATOR'S RECOMMENDATIONS

101. The Liquidator submits this Ninth Report to the Court in support of the Liquidator's Motion for the relief as set out in the Notice of Motion dated November 16, 2016 and recommends that the Court grant an Order to:
- i. Approve the Interim Distribution;
 - ii. Approve the Interim Distribution Notice to be placed in the National Edition of *The Globe and Mail* and the International Edition of *The Wall Street Journal* giving notice to creditors of the Toronto Branch of the Interim Distribution by December 19, 2016;
 - iii. Authorize the Liquidator to convert amounts held by the Liquidator in respect of the Interim Distribution that will be made to the GDPF and the GIA, from CAD to Euros or the purchase of an appropriate foreign exchange hedging instrument;
 - iv. Approve the Receipts and Disbursements of the Toronto Branch for the period from February 16, 2016 to October 31, 2016; and
 - v. Approve the activities of the Liquidator since the filing of the Third Report, along with the activities of the Liquidator as described in the Third Report.

All of which is respectfully submitted at Toronto, Ontario this 16th day of November, 2016.

KPMG Inc., in its capacity as Court Appointed Liquidator of the Business in Canada of Maple Bank GmbH and its Assets as defined in Section 618 of the *Bank Act*

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

Per: _____

Philip Reynolds
Senior Vice President

TAB 2C

Court File No. CV-16-11290-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF MAPLE BANK GmbH

AND IN THE MATTER OF THE *WINDING-UP AND RESTRUCTURING ACT*,
R.S.C. 1985, C.W-11, AS AMENDED

AND IN THE MATTER OF THE *BANK ACT*, S.C. 1991, C.46, AS AMENDED

BETWEEN:

ATTORNEY GENERAL OF CANADA

Applicant

and

MAPLE BANK GmbH

Respondent

THE

TENTH REPORT OF KPMG INC. IN ITS CAPACITY AS

COURT APPOINTED LIQUIDATOR OF THE BUSINESS IN CANADA OF MAPLE BANK
GMBH AND ITS ASSETS AS DEFINED IN SECTION 618 OF THE *BANK ACT*

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- Appendix A Winding-Up Order dated February 16, 2016
- Appendix B Notice to Creditors of the Toronto Branch to be published in the National Edition of *The Globe and Mail* and the International Edition of *The Wall Street Journal*
- Appendix C Protocol to Address Reserves Re:Lishman
- Appendix D Sample Notice of Objection sent by the GIA to the Toronto Branch Employees (personal information has been redacted)

1. INTRODUCTION AND PURPOSE OF THE TENTH REPORT

BACKGROUND

1. Maple Bank GmbH (“**Maple Bank**”) is a Canadian-owned German bank, and an authorized foreign bank in Canada under section 2 and Part XII.1 of the *Bank Act* (an “**Authorized Foreign Bank**”). In Germany, Maple Bank is subject to regulation by the Federal Financial Supervisory Authority (“**BaFin**”). As an Authorized Foreign Bank, Maple Bank was regulated with respect to its business in Canada (the “**Toronto Branch**”) by the Office of the Superintendent of Financial Institutions (“**OSFI**”).
2. As more fully described in the Liquidator’s first report to this Court dated March 2, 2016 (the “**First Report**”), in the period leading up to the commencement of the *Winding Up and Restructuring Act* (“**WURA**”) proceeding, the Toronto Branch had three major lines of business: (i) the origination and securitization of real property mortgages in Canada; (ii) structured secured lending; and (iii) security financing transactions (collectively, the “**Business**”).
3. The emergence of significant German tax claims against Maple Bank and the resulting indebtedness of Maple Bank led to:
 - i. BaFin imposing a moratorium on Maple Bank’s business activities, which caused Maple Bank to cease business and institute insolvency proceedings in Germany (the “**Moratorium**”);
 - ii. The appointment of a German insolvency administrator (the “**GIA**”) over Maple Bank GmbH (the “**German Estate**”);
 - iii. The issuance of default notices and the termination of agreements by financial institutions that were counterparties to financial contracts (primarily swaps and hedging instruments) with the Toronto Branch in respect of their dealings with Maple Bank’s business in Canada;

- iv. Canada Mortgage and Housing Corporation (“**CMHC**”), after the issuance of a default notice to Maple Bank, taking control of the Mortgage Backed Securities (“**MBS**”) business of the Toronto Branch and the corresponding mortgage pools (totaling approximately \$3.5 billion); and
 - v. OSFI issuing orders under section 619 of the *Bank Act* for the taking of control of the assets of Maple Bank in respect of the Business.
4. The events described above prompted OSFI to request that the Attorney General of Canada seek a winding-up order pursuant to section 10.1 of the WURA in respect of the Business in Canada of Maple Bank. On February 16, 2016 (the “**Winding-Up Date**”), this Court granted an order (the “**Winding-Up Order**”) to, among other things, (i) wind-up the Business; and (ii) appoint KPMG Inc. (“**KPMG**”) as liquidator (the “**Liquidator**”) of the Business and of the assets of Maple Bank as defined in section 618 of the *Bank Act* (the “**Assets**”). Attached as **Appendix A** is a copy of the Winding-Up Order.
5. On March 2, 2016, the Liquidator filed its First Report to the Court which, among other things, outlined the protocol that was agreed to between the Liquidator and the GIA regarding the existing Chapter 15 filing under the *United States Bankruptcy Code* made by the GIA with regard to Maple Bank’s non-Toronto Branch assets in the U.S. and the Assets of the Toronto Branch which reside in the U.S.
6. On March 30, 2016, the Liquidator filed its Second Report to the Court which provided: (i) an update on the actions of the Liquidator since the granting of the Winding-Up Order; (ii) an update on the Assets and liabilities of the Toronto Branch; and (iii) details of a proposed marketing process to identify a successor issuer to the Toronto Branch’s MBS program and for the sale of all or a portion of certain other Assets (the “**Marketing Process**”).
7. On June 2, 2016, the Liquidator filed its Third Report to the Court which provided information in respect of: (i) an update on the actions of the Liquidator since the issuance of the Second Report; (ii) an update on the status of the Marketing Process; (iii) a proposed claims procedure (the “**Claims Procedure**”) for use in

these proceedings, including the appointment of a Claims Officer (as defined in the Claims Procedure Order); (iv) the proposed appointment of Independent Cost Counsel (as defined in the Third Report) to review and report to the Court on the fees and disbursements of the Liquidator and its counsel; and (v) the statement of receipts and disbursements of the Toronto Branch for the period February 16 to May 13, 2016.

8. On June 17, 2016, the Liquidator filed its Fourth Report to the Court which provided information regarding the sale by the Liquidator of certain un-pooled insured residential mortgages to the originators of those mortgages; myNext Mortgage Premier Trust and Xceed Mortgage Corporation.
9. On July 25, 2016, the Liquidator filed its Fifth Report to the Court which provided information regarding three sale transactions by the Liquidator involving certain structured loans associated with the Immigrant Investor Program (“**IIP**”), which included receivable backed notes (the “**Receivable Backed Notes**”) issued by PWM Financial Trust, CTI Capital Securities Inc. and KEB Hana Bank Canada (“**KEB**”) respectively and secured by, *inter alia*, notes issued by either Citizenship and Immigration Canada (“**CIC**”) or IQ Immigrants Investisseurs Inc. (“**IQII**”). Following the closing of these sales transactions certain unsold Receivable Backed Notes remained in the possession of the Toronto Branch (the “**Residual Receivable Backed Notes**”).
10. On September 19, 2016, the Liquidator filed its Sixth Report to the Court which provided information regarding the selection by CMHC of Equitable Bank (“**Equitable**”) as the Successor Issuer for the Toronto Branch’s *National Housing Act* (“**NHA**”) MBS Program and the resulting acquisition and assumption by Equitable of all of the Toronto Branch’s rights and obligations under the CMHC NHA MBS Guide and NHA MBS Program with respect to the NHA MBS originally issued by the Toronto Branch thereunder as well as the proposed sale of MBS still owned by the Toronto Branch and certain other Toronto Branch assets to Equitable (the “**Equitable Transaction**”).

11. On October 6, 2016, the Liquidator filed its Seventh Report to the Court which provided information regarding the sale to KEB of the Residual Receivable Backed Notes issued by KEB and secured by, *inter alia*, notes issued by CIC.
12. On November 15, 2016, the Liquidator filed its Eighth Report to the Court which provided information regarding the proposed settlement between the Liquidator and the Bank of Montreal of the liabilities and obligations of each of the Bank of Montreal and Maple Bank arising from the Repo Transaction and the early termination of the ISDA Transactions.
13. On November 16, 2016, the Liquidator filed its Ninth Report to the Court which provided:
 - i. An update on the actions of the Liquidator since the issuance of the Third Report;
 - ii. An update on the status of the Claims Process;
 - iii. Information about a proposed interim distribution to proven creditors (the “**Interim Distribution**”);
 - iv. A recommendation that the Liquidator be authorized to implement a hedging or conversion strategy to mitigate the EUR-CAD foreign exchange risk (the “**FX Risk**”) related to the amounts that would be distributed to the GDPF and GIA as part of the Interim Distribution; and
 - v. The Liquidator’s statement of Receipts and Disbursements for the period from February 16, 2016 to October 31, 2016.
14. On November 24, 2016, the Liquidator filed a supplemental report (the “**First Supplemental Report**”) to the Ninth Report which provided an update on the Liquidator’s activities since November 18, 2016, and sought amended relief to the relief sought in the Ninth Report, including an order approving:
 - i. The Interim Distribution to creditors with proven claims within two days following December 19, 2016;
 - ii. The Amended Distribution Notice;

- iii. A Principal Claims Bar Notice and Principal Claims Bar Date;
 - iv. The Liquidator's statement of Receipts and Disbursements for the period February 16, 2016 to October 31, 2016; and
 - v. The activities of the Liquidator since the filing of the Third Report, up to and including the Ninth Report, including the activities of the Liquidator as described in the Third Report.
15. On December 8, 2016, the Liquidator filed a second supplemental report to the Ninth Report (the "**Second Supplemental Report**") which provided an update on (a) the Liquidator's activities since the filing of the First Supplemental Report, (b) the foreign exchange transactions that occurred in respect of the Toronto Branch regarding the FX risk of the GDPF and the GIA, and sought amended relief to the relief sought in the Ninth Report and First Supplemental Report, including an order approving:
- i. The Principal Officers Claims Bar Notice;
 - ii. The Principal Officers Claims Bar Date; and
 - iii. The activities of the Liquidator since the filing of the Ninth Report as described in the First Supplemental Report and the Second Supplemental Report.

PURPOSE OF THE TENTH REPORT

16. The purpose of the Tenth Report is to:
- i. Provide an update to the Court on the status of the protocol developed in conjunction with the GIA and the former Principal Officer of Toronto Branch to implement the Principal Officers' Call for Claims in order to effect a distribution of the estimated surplus in the Toronto Branch to the German Estate;
 - ii. Seek approval of the Court for the proposed Notice to Creditors of the Toronto Branch to be published in the National Edition of *The Globe and*

Mail and the International Edition of *The Wall Street Journal* (the “**Notice of Claims**”) which is attached as **Appendix B**;

- iii. Provide an update to the Court on the status of the Proofs of Claim filed by the former employees of the Toronto Branch;
- iv. Advise the Court on the Liquidator’s analysis of the employee claims and the the principles on which the employee claims were assessed;
- v. Advise the Court of the Notices of Objection sent by the GIA (the “**GIA Objection**”) to the former employees of the Toronto Branch in respect of certain components of the Employee Claims;
- vi. Seek the approval of the Court for the appointment of Representative Counsel (as defined herein) to advise and represent the non-executive group of employees in respect of the GIA Objection;
- vii. Seek directions from the Court in order to determine the resolution of the GIA Objection;
- viii. Seek directions from the Court for the hearing of disputed employee claims; and
- ix. Update the Court on the activities of the Liquidator since the filing of the Ninth Report and the Supplemental Reports.

TERMS OF REFERENCE AND DISCLAIMER

17. In preparing this report, the Liquidator has been provided with, and has relied upon, unaudited and other financial information, books and records (collectively, the “**Information**”) prepared by the Toronto Branch and/or its representatives, and discussions with its former management and/or its former representatives. The Liquidator has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided and in consideration of the nature of evidence provided to the Court. However, the Liquidator has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“**CAS**”) pursuant to the Chartered Professional Accountants Canada Handbook

and, accordingly, the Liquidator expresses no opinion or other form of assurance contemplated under CAS in respect of the Information.

18. The information contained in this report is not intended to be relied upon by any prospective purchaser or investor in any transaction with the Liquidator.
19. Capitalized terms not defined in the Tenth Report are as defined in either the Winding-Up Order and/or the First Report through the Second Supplemental to the Ninth Report. Unless otherwise indicated, all references to monetary amounts herein are denominated in Canadian dollars (“CAD”).
20. Copies of the Liquidator’s Court reports and all motion records and Orders in these proceedings are available on the Liquidator’s website at <http://www.kpmg.com/ca/maplebank>.

2. PRINCIPAL OFFICER CLAIM PROTOCOL

Overview

21. The realization process for all of the assets of the Toronto Branch is almost entirely complete. The Liquidator currently maintains \$819.7 million in cash on hand, including cash in connection with realized U.S. Assets of \$90.8 million. The winding-up of the Toronto Branch is also essentially complete, but for distributions to be made to creditors and certain stakeholders of the Toronto Branch.
22. In this regard and for some time, the Liquidator has been working with the various stakeholders of the Toronto Branch in an effort to expeditiously resolve Unproven Claims and provide for a timely distribution to the Creditors and certain other stakeholders of the Toronto Branch. In doing so, the Liquidator aims to protect the interests of creditors of the Toronto Branch, provide the GIA with a timely material interim distribution, and conclude the winding-up of the Toronto Branch within a reasonable period of time.

Proposed Resolution

23. At this time, the Unproven Claims which have been filed with the Liquidator with regard to the Toronto Estate are summarized below:

Maple Bank GmbH, Toronto Branch Claims Filed But Unproven To Date As at January 24, 2017		
Creditor Name	# of Claims Filed	Total Amount of Claim(s)
Canadian Tax Authorities	2	11,873,055
Employee Claims	19	20,891,465
A Commercial Loan Borrower	1	17,349,048
A Mortgage Originator	1	36,261,482
Total Filed but Unproven Claims	23	86,375,050

24. Not provided for in the above table is a Proof of Claim which was submitted by the GIA. The GIA's Proof of Claim was described in the Liquidator's Ninth Report and was filed in the amount of \$791.3 million. As referenced in the Ninth

Report, this Proof of Claim is subject to a capping agreement between the Liquidator and the GIA whereby the GIA has agreed that the GIA's Claim is to be permanently reduced to the extent of any distribution the GIA may receive, and capped at the amount that results in the Toronto Branch having assets in excess of its liabilities. This arrangement was entered into in order to (i) facilitate an orderly and timely distribution to all Toronto Branch Creditors with Proven Claims at the proven amount of such Claims plus accrued interest as prescribed under the WURA, (ii) facilitate a timely distribution to the GIA, and (iii) avoid costs with regard to potentially litigating the GIA Claim.

25. Notwithstanding this arrangement, the Liquidator disallowed the GIA Claim on December 21, 2016 and on January 4, 2017 the GIA filed a Notice of Dispute to the Disallowance of the GIA Claim by the Liquidator. To date no further steps have been taken by either the Liquidator or the GIA with regard to litigating or resolving the GIA Claim as both parties have focused on resolving the terms of the Protocol (as defined herein) and the Principal Officers Claims Order (as defined herein). As noted in the chart above, there are very few Unproven Claims remaining in the Toronto Branch. Notice of the Claims Procedure Order, and the the Interim Distribution, has been previously provided in these proceedings. The Liquidator is not aware of any further potential Claims, at this time. These proceedings have been ongoing since since February 16, 2016, the Claims Procedure was approved on June 2, 2016 and the Interim Distribution was made on December 19 2016.

26. Several stakeholders have expressed their views to the Liquidator as to how the funds currently held by the Liquidator should be distributed:

- a. The GIA would prefer to receive a timely distribution of a material amount of the estimated surplus from the Toronto Branch;
- b. Lishman has communciated that he requires certain protections to be afforded to him on account of certain contingent claims as set out in the Lishman Claim and is not prepared to agree to a distribution to the GIA until he has received the protections, including, without

limitation: (i) some form of bar order for potential Claims that may be made against him, and (ii) that his potential legal fees, which may be incurred, in the event he is sued by the GIA are covered; and

- c. Certain other Creditors are opposed to any funds being paid to the GIA until the Proven Claims of all Toronto Branch Creditors have been paid, in full, with interest in accordance with the WURA.

27. Over the past several months the Liquidator has discussed these issues with the Creditors and certain other stakeholders of the Toronto Branch. Further to those discussions and in connection with the Liquidator's ongoing winding-up of the Toronto Branch, the Liquidator has:

- a. Continued to work with Creditors of the Toronto Branch in order to resolve all Toronto Branch Proofs of Claim as quickly as possible;

- b. Negotiated with the GIA and Lishman the updated proposed Protocol to Address Reserves Re: Lishman (which is attached as **Appendix C**) (the "**Protocol**"), which includes:

- i. The Principal Officers' Additional Claims Order (the "**Principal Officers Claims Order**") for the Principal Officers of the Toronto Branch, in order to address any Claims which may be asserted against the Principal Officers, arising out of the positions that the Principal Officers may have held with a number of Maple Bank affiliated companies, with a proposed bar date of February 28, 2017;
- ii. Clarity regarding Lishman's right of indemnity, in respect of certain contingent claims as set out in the Lishman Claim;
- iii. Clarity as to the reserves the Liquidator may establish in connection with the future payout of remaining Toronto Branch Creditor Claims plus interest as accrued under the WURA; and

- iv. Clarity as to the reserves for legal fees, which may be available to Lishman in order to defend against certain claims which may be asserted against him;
 - c. The Liquidator has updated the reserve estimates and has thereby estimated an amount of excess cash currently held by the Liquidator, which could be distributed to the GIA in the future in a timely manner.
28. The Liquidator's updated current estimate of the surplus in the Toronto Branch, which includes the Liquidator's updated creditor Claim reserve estimate (the "Reserve"), is set forth below:

In the matter of the winding up of Maple Bank GmbH (Toronto Branch) Estimated Toronto Branch Surplus and Reserves As at January 24, 2017		\$CAD
Total Cash and Securities as at January 24, 2017		819.7
Less: U.S. Assets		(90.8)
<hr/>		
Total Canadian Assets		729.0
Less:		
Estimated future Toronto Branch administration costs		(9.5)
Unproven Canadian Claims ⁽¹⁾		(86.4)
Interest on Unproven Canadian Claims ⁽²⁾		(8.6)
Unknown Potential Claims		(50.0)
Interest on Unknown Potential Claims ⁽²⁾		(5.0)
<hr/>		
Total Reserve		(159.5)
<hr/>		
Total Canadian Funds Available for Distribution		569.5
Add: U.S. Assets		90.8
Less: U.S. Assets Reserved ⁽³⁾		(18.4)
<hr/>		
Total Funds Available for Distribution		641.8

⁽¹⁾ The total of all remaining Claims, at their filed amounts.

⁽²⁾ Assumes a March 1, 2018 distribution date.

⁽³⁾ An amount reserved in connection with a Proof of Claim, on mutually agreed terms.

29. The Liquidator is of the view that it is now appropriate for the Liquidator to plan for a future distribution to the GIA, for the following reasons:

- a. The Reserve has been set at a level to protect the interests of the Toronto Branch creditors, at the full amount of the creditor-filed Proofs of Claim, plus an additional contingency for future Claims of \$50 million, plus interest calculated to March 31, 2018 on the aforementioned two reserve amounts, plus the estimated administration costs which would be incurred by the Liquidator and its legal counsel in finally winding-up the Toronto Branch;
- b. The Protocol, has been negotiated by the Liquidator the GIA and Lishman and is acceptable to both Lishman and the GIA;
- c. Aside from the Lishman Claim, there are no other filed contingent claims that have not been adequately provided for by the Liquidator in the Reserve:
- d. There has been satisfactory notice of these proceedings to potential claimants, as well as a prior notice of the Interim Distribution; and
- e. There will be further notice provided to potential Claimants pursuant to the Principal Officers Claims Order and the proposed Notice.

3. UPDATE ON EMPLOYEE CLAIMS

Background

30. Toronto Branch had 19 employees that can be classified into two groups:
- i. Five executive and revenue producing employees (the “**Executives**” and their claims, the “**Executive Claims**”); and
 - ii. 14 business support and administrative employees (the “**Non-Executive Employees**” and their claims the “**Non-Executive Employee Claims**”, and together with the Executive Claims, the “**Employee Claims**”).
31. In accordance with the Claims Process, the employees filed claims with the Liquidator on account of the termination of their employment with Toronto Branch pursuant to the Winding-Up Order. The aggregate value of the Employee Claims is approximately \$20.9 million and consist of amounts in respect of the notice period due to terminated employees (i.e. termination notice and severance pay) (the “**Notice Period**”), benefits during the Notice Period, unpaid bonuses, deferred compensation, trailer fees and reimbursements of certain out of pocket amounts (e.g. legal fees, unpaid employment expenses). The Employee Claims were generally calculated by the employees based on Canadian employment “common law” principles applicable to termination payments and all employee claims are all in excess of the statutory minimums that would be due to them under the Canada Labour Code (which is applicable to banks).
32. The Notice Period portion of the Employee Claims as filed consists of a period of notice (generally claimed as one month per year of service with a range of six to 26 months) at the total compensation rate of the employee which includes base salary, annual bonus and annual benefits.
33. The unpaid bonus claims of the employees are generally in respect of bonus amounts accrued by the Toronto Branch in respect of the fiscal year ended September 30, 2015 (“**Fiscal 2015**”) and the period from October 1, 2015 to the Winding-Up Date (the “**Stub Year**”). The Executives’ bonus claims also include

deferred compensation amounts as portions of their annual bonuses have been deferred since 2012.

Liquidator Analysis of Employee Claims

34. The Liquidator reviewed the Employee Claims as filed and, with the assistance of employment counsel, developed an approach to determine the Employee Claims and the amounts that would be admissible. The Liquidator's approach in determining the admissible components of the employee claims is summarized below.
- i. **Notice Period** – Two employees had employment contracts that specified their Notice Period entitlement and those contract provisions were used to determine their Notice Period entitlement. For the remaining employees, the Liquidator provided one month per completed year of service with a minimum of three months and a maximum of 24 months. Compensation for the Notice Period was based on total annual compensation and included base pay, bonus amounts (i.e. three year historical average or based on most recent year) and benefits. ;
 - ii. **Benefits** – The Liquidator calculated the monthly employer portion paid by Toronto Branch for employee benefits (i.e. health and dental, fitness reimbursements, professional designation and education reimbursements and RRSP matching) and multiplied this by the number of months in the Notice Period;
 - iii. **Unpaid Bonuses** – Amounts recorded as declared bonuses payable to Staff in the 2015 records of the Toronto Branch were assessed as admissible. For the 2016 bonus, the Liquidator converted the 2015 bonus to a monthly amount and assessed four months (i.e. October 1, 2015 to January 31, 2016) equivalent as admissible. For Executives that participated in the deferred compensation arrangements, the Liquidator assessed the cash portion of their unpaid 2015 and 2016 bonuses (i.e. any deferred portion was not admitted by the Liquidator) as admissible;

- iv. **Deferred Compensation / Phantom Shares** – Under the 2014 Compensation Plan and the 2012 and 2014 Amending Agreements to the Employment Agreements issued to the Executives, certain Executives deferred a portion of their annual bonus (40%-50%) and received “Phantom Shares” that “vested” such that the deferred portion of the bonus was paid over a three year period. The deferred portion was converted into a number of Phantom Shares of Maple Financial Group Inc. (“**MFGI**”) based on the book value of MFGI. The Phantom Shares behave like equity as recipients are able to benefit from the increase in the book value of MFGI and are also at risk of suffering a total loss if the book value declines to \$0. Thus an Executive could ultimately receive more than the deferred portion of their bonus if, over the three year vesting period, the book value of MFGI increased. Conversely, they could also receive less than their deferred bonus if the book value of MFGI decreased over the vesting period. The equity value of MFGI is \$0 as it filed an Assignment in bankruptcy on August 4, 2016.

The Liquidator’s view is that the Phantom Shares provided both the upside benefit and downside risk associated with an equity instrument and were designed to ensure that holders of Phantom Stock are treated analogously to actual shareholders. The Executives claim that they have protection against the tax issues that have troubled Maple Bank GmbH (and therefore MFGI) as their employment contracts provide mechanisms to adjust the book value of the MFGI shares for the effect of the tax issues (i.e. such liabilities are added back to the book value). The Liquidator is not convinced by this claim and has assessed these claims as inadmissible;

- v. **Trailer Fees** – Certain Executives’s have provisions in their employment agreements for trailer fees to be paid to them if their book of business is liquidated or sold. The trailer fees are calculated based on the value realized on the disposition of their book of business. The Liquidator does not consider the trailer fee claims as admissible.

- vi. **Other Claims** – In addition to the items noted above, certain employees have made claims for vacation pay, legal fees, reputational damage and lost income which the Liquidator has assessed as inadmissible.
35. In November, 2016, the Liquidator spoke with the employees to further understand their claims and on November 29, 2016, sent via email the Liquidator’s preliminary assessment of the Employee Claims to the individual employees for their review and consideration. The majority of employees subsequently provided feedback on the preliminary claim assessments as well as additional information to the Liquidator to further support their claims. The Liquidator is considering this feedback and may modify its approach to determining the Employee Claims based on this feedback.
36. The Liquidator intends to issue notices of allowance and/or disallowance in accordance with the Claims Procedure following the appointment of Representative Counsel (as defined herein).

GIA Notice of Objection

37. In accordance with paragraph 8(f) of the Winding-Up Order, the Liquidator sought to consult with the GIA in respect of the Employee Claims and seek approval for the Liquidator’s recommended approach to admit and settle the Employee Claims. On November 28, 2016 and December 7, 2016, the Liquidator provided memorandums to the GIA that set out its recommended approach to the Employee Claims and requested the GIA’s input on the Employee Claims.
38. On December 19, 2016, the GIA proposed a meeting with the Liquidator to review the Employee Claims. On December 21, 2016, the Liquidator met with the GIA and reviewed:
- i. The Employee Claims as filed;
 - ii. The Liquidator’s approach to-date in reviewing and assessing the Employee Claims; and
 - iii. The amounts that the Liquidator recommended be admitted to settle the majority of the Employee Claims.

39. The Liquidator sought the GIA's approval for the Liquidator's recommended approach to assessing and admitting the Employee Claims. The GIA advised that given the cancellation of any bonus compensation imposed by BaFin in Germany, it was unable to approve the acceptance of any Employee Claims that included amounts on account of bonuses.
40. As noted above, the Employee Claims included amounts in respect of bonuses, both in the total compensation used to calculate their Notice Period claim and in respect of unpaid bonus amounts due to them. Based on the advice of its employment counsel, the Liquidator's assessment of the Employee Claims is that amounts in respect of historical bonuses in the employees' total compensation as well as accrued but unpaid bonuses in respect of Fiscal 2015 and the Stub Year are admissible. The Liquidator advised the GIA that it would proceed to issue notices of allowance and/or disallowance to employees early in January 2017 and thereafter proceed to issue payment of any employee claim amounts that were not disputed. The GIA has not advised the Liquidator that it has any opposition to the Liquidator's plan (aside from its inability to approve any bonus inclusion in the Employee Claims given the BaFin restriction noted above) and, as set out below, based on its objection on payment of bonuses.
41. On December 28, 2016, without notice to or consultation with the Liquidator, the GIA issued Notices of Objection (the "**GIA Objection**") pursuant to section 87 of the WURA directly to the employees. The GIA Objection advises that the GIA objects to the claims of the employees "in respect of any amounts attributable to historical, current or future bonuses (variable remuneration or similar components) payable to the Claimant due to, particularly, the cancellation of any such compensation imposed by Bundesanstalt für Finanzdienstleistungsaufsicht (the "German Federal Financial Supervisory Authority" (i.e. BaFin)). A copy of one of the issued GIA Objections (redacted for personal information) is attached hereto at **Appendix D**. Each GIA Objection are in substantially the same form as the GIA Objection attached as Appendix D.

42. The GIA waived the six-day period provided in the WURA for the employees to respond to the GIA Objection until a reasonable time that can be agreed by the GIA and the Liquidator. The Liquidator and the GIA have not yet agreed on a timeframe for the employees to respond to the GIA Objection.

Representative Counsel

43. Each of the Executives have retained experienced employment counsel to assist with the preparation of their claims and negotiation of those claims with the Liquidator. Four Executives are represented by two firms and one Executive has his own counsel. The value of the Executive Claims is materially greater than those of the Non-Executive Employee Claims, both individually and in aggregate. While these differences are due to their positions and rate of pay, their claims also contain complicated components specific to the Executives and in particular in respect of their bonus entitlements (e.g. deferred compensation, trailer fees). Accordingly, it is the Liquidator's view that it is appropriate for these creditors to retain counsel in the circumstances.
44. While certain of the Non-Executive Employees have retained employment counsel to assist with the preparation of their claims and negotiation of those claims with the Liquidator, the majority of these creditors have not retained counsel. The Non-Executive Employee Claims generally consist of the same claim components and the calculation of their claims is generally less complex than the Executive Claims. Accordingly, it is the Liquidator's expectation that in most cases the Non-Executive Employees would not necessarily require counsel to assist with their claims.
45. However, given the filing of the GIA Objection, the Liquidator is of the view that it is appropriate for the employees to be represented and advised by counsel ("**Representative Counsel**") in respect of their claims, and specifically to respond to the GIA Objection. In particular, the un-represented Non-Executive Employees should be advised by employment counsel with insolvency/liquidation experience as to the form and content of their response to the GIA Objection. Further, the

Liquidator is of the view that the present circumstances warrant the appointment of Representative Counsel as:

- i. The Non-Executive Employee Claims are substantially similar that one common counsel can advise them efficiently;
 - ii. The majority of Non-Executive Employees are not currently represented and will require legal representation in order to respond to the GIA Objection; and
 - iii. The GIA Objection is limited to the inclusion of amounts related to historical, current or future bonus payments which issue is common across all Non-Executive Employees (and the Executives as well) and as such, appointing Representative Counsel provides efficiency of information to the Non-Executive Employees as well as to the Court as one counsel will represent the majority of the employees on the GIA Objection.
46. As the Executives are currently represented by experienced employment counsel, the Liquidator is of the view that the Executives should continue to be represented by their existing counsel.
47. The Liquidator has advised the Non-Executive Employees, as well as the Executives, of its support for the retention of Representative Counsel. The Liquidator hosted a meeting of the Toronto Branch employees on January 4, 2017, to: (i) review the GIA Objection; (ii) advise of the Liquidator's intention to seek direction from the Court in respect of the GIA Objection; and (iii) provide the names of experienced law firms that have experience as Representative Counsel in Canadian insolvency cases.
48. The Non-Executive Employees appointed a stewardship group to interview Representative Counsel candidates. The Non-Executive Employees met on January 11, 2017, at the Liquidator's office to consider the stewardship group's recommendation and determine which Representative Counsel to retain (such retention and the fees to be subject to the approval of the Court).

49. The Non-Executive Employees seek to retain Paliare Roland Rosenberg Rothstein LLP (“**Paliare Roland**”) as Representative Counsel to (i) respond to and settle the GIA Objection, and (ii) to take instructions from the representatives of the Non-Executive Employees to act on behalf of all or any of the Non-Executive Employees with respect to the interests of the Non-Executive Employees in these proceedings or in any proceedings incidental to these proceedings. The Liquidator is supportive of the retention of Representative Counsel and recommends that the Court approve the appointment of Paliare Roland as Representative Counsel. The Liquidator further recommends that the activities and fees of Representative Counsel be subject to review and approval by the Court.

4. RESOLVING THE GIA OBJECTION

50. The GIA Objection is based on the cancellation of bonus compensation imposed by BaFin on Maple Bank GmbH. The Toronto Branch employees' claims as filed, and assessed, on a preliminary basis, by the Liquidator are based on their termination entitlements under Canadian employment law.
51. The Liquidator understands that the Toronto Branch employees' response to the GIA Objection will include, *inter alia*, an argument that the termination claims of Canadian domiciled employees of a Canadian branch of an authorized foreign bank in Canada under section 2 and Part XII.1 of the *Bank Act* should be calculated in accordance with Canadian employment law.
52. The Liquidator is of the view that the Court is the appropriate forum to adjudicate the GIA Objection as the amounts at issue are material, both individually to the employees and in aggregate. In addition, resolution of the GIA Objection will likely require a determination of the jurisdiction of BaFin and German Insolvency Law, which determination can only be made by the Court.
53. Accordingly, the Liquidator is seeking the Court's direction as to how the GIA Objection should be adjudicated.

5. RESOLVING THE EMPLOYEE CLAIMS

54. As noted above, the Liquidator has assessed certain components of the Employee Claims as inadmissible and such components relate primarily to the Executive Claims. These components are material individually and in aggregate.
55. The Liquidator anticipates, particularly given the materiality of the components of these claims, that their disallowance will be appealed in accordance with the Claims Process. Notwithstanding that the Claims Process provides for creditors to appeal their claims to a Claims Officer, the Liquidator is of the view that it is appropriate to revise the Claims Process such that employee creditors can appeal disallowances of their claims directly to the Court. This will improve the efficiency of the Claims Process as the Liquidator anticipates that given the materiality of the disallowances that are likely to be issued, the decision of a Claims Officer will likely be appealed by either the Liquidator or employee creditors.

6. LIQUIDATOR'S RECOMMENDATIONS

56. The Liquidator submits this Tenth Report to the Court in support of the Liquidator's Motion for the Further Relief as set out in the Notice of Motion dated January 25, 2017 and recommends that the Court:
- i. Grant an Order (the "**Principal Officers Additional Claims and Protocol Approval Order**"):
 - a. Setting February 28, 2017 as the Principal Officers Claims Bar Date (as defined in the Principal Officers Additional Claims and Protocol Approval Order) for any Claim against any individual who is or has been a Principal Officer (as defined in the *Bank Act*) of the Toronto Branch that relates to amounts for which such individual may in law be liable to pay in his or her capacity as Principal Officer and that arose prior to the Winding-Up Date including, without limitation, any Claims arising in such individual's capacity as an officer and/or director of Maple Financial Group Inc., Maple Futures Corp., Maple Holdings Canada Limited, Maple Securities Canada Limited, Maple Trade Finance Inc., Maple Securities U.S.A. Inc., Maple Arbitrage Inc., Maple Trade Finance Corp, Maple Commercial Finance Corp, and Maple Partners America Inc. that arose prior to the Winding-Up Date, to the extent that such individual served in such role in his or her capacity as Principal Officer;
 - b. Approving the notice to creditors of the Toronto Branch to be published in The National Edition of *The Globe and Mail* and the International Edition of *The Wall Street Journal* giving notice of the Principal Officers Claims Bar Date;
 - c. Approving the Protocol to Address Reserves Re: Lishman (the "**Protocol**"), substantially in the form of the Protocol attached as

Schedule "B" to the Principal Officers Additional Claims and Protocol Approval Order; and

d. Approving the Tenth Report and the activities of the Liquidator set out in the Tenth Report.

ii. Grant an Order (the "**Representative Counsel Order**"):

a. Appointing Graham Dyke, Linda Lai, Mary-Ann Noronha and Sofia Petrossian as representatives of certain former Canadian employees of Maple Bank identified in Schedule A of the Representative Counsel Order; and

b. Appointing Paliare Roland Rosenberg Rothstein LLP as representative counsel.

i.

All of which is respectfully submitted at Toronto, Ontario this 25th day of January, 2017.

KPMG Inc., in its capacity as Court Appointed Liquidator of the Business in Canada of Maple Bank GmbH and its Assets as defined in Section 618 of the *Bank Act*



Per: _____

Philip Reynolds
Senior Vice President



Jordan Sleeth
Senior Vice President

TAB 2D

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE REGIONAL) THURSDAY, THE 27th DAY
)
SENIOR JUSTICE MORAWETZ) OF JANUARY, 2017

IN THE MATTER OF MAPLE BANK GmbH

AND IN THE MATTER OF THE *WINDING-UP AND RESTRUCTURING ACT*,
R.S.C. 1985, C.W-11, AS AMENDED

AND IN THE MATTER OF THE *BANK ACT*, S.C. 1991, C.46, AS AMENDED

BETWEEN:



ATTORNEY GENERAL OF CANADA

Applicant

and

MAPLE BANK GmbH

Respondent

PRINCIPAL OFFICERS ADDITIONAL CLAIMS ORDER

THIS MOTION, made by KPMG Inc. (“KPMG”), in its capacity as the Court-appointed Liquidator (the “**Liquidator**”) pursuant to the *Winding-Up and Restructuring Act*, R.S.C. 1985, c. W-11, as amended (“**WURA**”) of the business in Canada of Maple Bank GmbH and its assets as defined in section 618 of the *Bank Act*, S.C. 1991, C.46, as amended (the “**Bank Act**”) for an order:

- (a) abridging the time for service of the Notice of Motion and the Motion Record, herein, if required, and validating service so that the Motion is properly returnable on the proposed date and dispensing with the requirement for any further service thereof;

- (b) approving the Tenth Report of the Liquidator dated January 25, 2017 (the “**Tenth Report**”) and the activities of the Liquidator set out in the Tenth Report;
- (c) setting February 28, 2017 as the Principal Officers Claims Bar Date (as defined below) for any Claim against any individual who is or has been a Principal Officer (as defined in the Bank Act) of the Toronto Branch (the “**Principal Officer**”) that relates to amounts for which such individual may in law be liable to pay in his or her capacity as Principal Officer and that arose prior to the Winding-Up Date including, without limitation, any Claims arising in such individual’s capacity as an officer and/or director of Maple Financial Group Inc., Maple Futures Corp., Maple Holdings Canada Limited, Maple Securities Canada Limited, Maple Trade Finance Inc., Maple Securities U.S.A. Inc., Maple Arbitrage Inc., Maple Trade Finance Corp, Maple Commercial Finance Corp, and Maple Partners America Inc. (each, an “**Affiliate**” and collectively the “**Affiliates**”) that arose prior to the Winding-Up Date, to the extent that such individual served in such role in his or her capacity as Principal Officer;
- (d) approving the notice to creditors of the Toronto Branch to be published in the National Edition of the Globe and Mail and the International Edition of the Wall Street Journal giving notice of the Principal Officers Claims Bar Date, substantially in the form of the notice attached as Schedule “A”, hereto (the “**Principal Officers Claims Bar Notice**”);
- (e) approving the Protocol to Address Reserves Re: Lishman (the “**Protocol**”, substantially in the form of the Protocol attached as Schedule “B” hereto; and
- (f) such further relief as may be required in the circumstances and which this Court deems as just and equitable,

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

ON READING the Tenth Report and on hearing the submissions of counsel for the Liquidator, counsel for the German Insolvency Administrator on behalf of Maple Bank GmbH (the “**GIA**”) and counsel for Paul Lishman and such other parties as may be in attendance,

1. **THIS COURT ORDERS** that all defined terms used herein, not otherwise defined shall have the meaning attributed to them in the Claims Procedure Order dated June 8, 2016 (the “**Claims Procedure Order**”).
2. **THIS COURT ORDERS**, that the time for service of the Notice of Motion and the Motion Record is validated so that the Motion is properly returnable today and hereby dispenses with further service thereof, including without limitation, any prescribed notice requirements under the WURA.
3. **THIS COURT ORDERS** that the Tenth Report and the activities of the Liquidator set out in the Tenth Report be and are hereby approved;
4. **THIS COURT ORDERS** that the Principal Officers Claims Bar Notice be and is hereby approved.

PRINCIPAL OFFICERS CLAIMS BAR DATE

5. **THIS COURT ORDERS** that the Principal Officers Claims Bar Notice shall, inter alia, provide notice to all Persons with a Claim against any individual who is or has been a Principal Officer of the Toronto Branch that relate to amounts for which such individual may in law be liable to pay in his or her capacity as Principal Officer and that arose prior to the Winding-Up Date including, without limitation, any Claims arising in such individual’s capacity as an officer and/or director of the Affiliates, to the extent that such individual served in such role in his or her capacity as Principal Officer of Toronto Branch, that such Persons shall file a Proof of Claim with the Liquidator by 4:00 p.m. Eastern Time on February 28, 2017 (the “**Principal Officers Claims Bar Date**”).
6. **THIS COURT ORDERS** that, subject to paragraphs 7 and 9, any Person with a Claim, other than a Claim asserted on the basis of fraud, intentional misconduct or illegal actions, against any individual who is or has been a Principal Officer of the Toronto Branch that relate to amounts for which such individual may in law be liable to pay in his or her capacity as Principal Officer and that arose prior to the Winding-Up Date including, without limitation, any Claims arising in such individual’s capacity as an officer and/or director of an Affiliate, to the extent that such individual served in such role in his or her capacity as Principal Officer, that does not file a

Proof of Claim with the Liquidator, such that such Proof of Claim is received by the Liquidator on or before the Principal Officers Claims Bar Date, shall be and is hereby forever barred from making or enforcing any Claim against such individual. Any Claim asserted on the basis of fraud, intentional misconduct or illegal actions against a Principal Officer remains unaffected and no Person is barred from making or enforcing any Claim against such individual by this Order.

7. **THIS COURT ORDERS** that the Protocol attached as Schedule "B" hereto is hereby approved and the parties named therein are directed to comply with its terms.

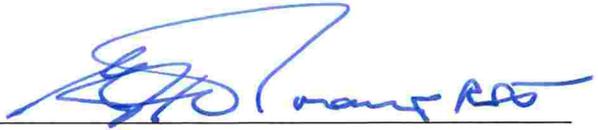
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8. **THIS COURT ORDERS THAT** nothing in this Order or in the Claims Procedure Order shall prejudice the position of either an individual who is or has been a Principal Officer to assert or the position of the GIA, or any other Person to dispute whether such Principal Officer is entitled to be indemnified by Maple Bank GmbH (including Toronto Branch) in respect of any Claim asserted against such Principal Officer.

9. **THIS COURT ORDERS THAT** the GIA shall not be obligated or required to file a Proof of Claim with the Liquidator for Maple Bank GmbH - Toronto Branch in respect of any claims it may assert against any Principal Officer, and the failure of the GIA to file such a Proof of Claim shall not result in the GIA being barred from asserting any Claim against an individual who is or has been a Principal Officer, including, without limitation, whether in acting as an officer or director of an Affiliate, such individual was acting in his or her capacity as Principal Officer.

10. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, the Republic of Germany, including the assistance of the Amtsgericht Frankfurt am Main [Insolvency Court] to give effect to this Order and to assist the Liquidator and its 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 Liquidator, as an officer of

this Court, as may be necessary or desirable to give effect to this Order or to assist the Liquidator and its agents in carrying out the terms of this Order.



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LE / DANS LE REGISTRE NO:

JAN 27 2017

PER / PAR:



Schedule "A"

**NOTICE TO CREDITORS
of PRINCIPAL OFFICERS OF MAPLE BANK GmbH, TORONTO BRANCH**

RE: NOTICE OF PRINCIPAL OFFICERS CLAIMS BAR DATE IN RESPECT OF CLAIMS ASSERTED AGAINST PRINCIPAL OFFICERS OF MAPLE BANK GmbH, TORONTO BRANCH ("Maple Bank")

PLEASE TAKE NOTICE that this notice is being published pursuant to an Order of the Superior Court of Justice of Ontario [Commercial List] made January 27, 2017 (the "**Claims Bar Order**"). The Claims Bar Order provides that Proofs of Claim must be submitted to the Liquidator **by 4:00p.m. Eastern Time on February 28, 2017** (the "**Principal Officers Claims Bar Date**") for any Claim against the individuals who are or have been Principal Officers of Maple Bank and that relate to amounts for which such individual may in law be liable to pay in his or her capacity as Principal Officer and that arose prior to the Winding-Up Date including, without limitation, any Claims arising in such individual's capacity as an officer and/or director of **Maple Financial Group Inc., Maple Futures Corp., Maple Holdings Canada Limited, Maple Securities Canada Limited, Maple Trade Finance Inc., Maple Securities U.S.A. Inc., Maple Arbitrage Inc., Maple Trade Finance Corp, Maple Commercial Finance Corp, and Maple Partners America Inc.** (each, an "Affiliate" and collectively the "Affiliates"), to the extent that such individual served in such role in his or her capacity as Principal Officer of Toronto Branch, and that arose prior to the Winding Up Date. Creditors can obtain the Claims Bar Order and a Proof of Claim package from the website of the Liquidator (<http://www.kpmg.com/ca/maplebank>) or by contacting the Liquidator by telephone (416) 777-8415, by fax (416) 777-3364 or by email (pjreynolds@kpmg.ca).

TAKE NOTE THAT CLAIMS, EXCEPT ANY CLAIMS ASSERTED ON THE BASIS OF FRAUD, INTENTIONAL MISCONDUCT OR ILLEGAL ACTIONS OR AS ASSERTED BY THE GIA OTHERWISE IN RESPECT OF THE PRINCIPAL OFFICERS (AS OUTLINED ABOVE) WHICH ARE NOT RECEIVED BY THE PRINCIPAL OFFICERS CLAIMS BAR DATE WILL BE BARRED AND EXTINGUISHED FOREVER.

Completed Proofs of Claim in respect of Claims against the Principal Officers (as outlined above) must be received by the Liquidator by 4:00 p.m. (Eastern Time) on FEBRUARY 28, 2017. It is your responsibility to ensure that the Liquidator receives your Proof of Claim by the above-noted time and date.

DATED at Toronto this _____ day of _____, 2017.

KPMG Inc. in its capacity as Court-appointed
Liquidator of Maple Bank GmbH, (Toronto Branch)
Bay Adelaide Centre
333 Bay Street, Suite 4600
Toronto, ON M5H 2S5, Canada

Attention: Phillip J. Reynolds: pjreynolds@kpmg.ca

Fax: (416) 777-3364
Phone: (416) 777-8415

Schedule "B"

PROTOCOL TO ADDRESS RESERVES RE: LISHMAN

1. The Liquidator has conducted a claims process pursuant to the terms and conditions of a claims procedure order dated June 8, 2016 (the "**Claims Procedure Order**") which included a call for claims against Maple Bank GmbH – Toronto Branch ("**Toronto Branch**") or the Principals (as defined in the Claims Procedure Order) of Toronto Branch. The Claims Procedure Order called for the filing of claims by September 19, 2016. No claims have been filed with the Liquidator with respect to the Principals as of the date hereof. Capitalized terms used in this Protocol that are not defined in it have the meanings given to them in the **Claims Procedure Order**.
2. Paul Lishman ("**Lishman**") filed a claim against Toronto Branch on or before September 19, 2016 (the "**Lishman Claim**"). The Lishman Claim asserts (i) a claim against Toronto Branch for notice and severance pay and (ii) a contingent claim against Toronto Branch for contribution, indemnity, reimbursement, costs and other relief arising out of or on account of any claims made against Lishman due to or connected with his roles as Principal Officer (as such term is used in the *Bank Act*) of the Toronto Branch or, in his capacity as a director and/or officer of Maple Financial Group Inc., Maple Futures Corp., Maple Holdings Canada Limited, Maple Securities Canada Limited, Maple Trade Finance Inc., Maple Securities U.S.A. Inc., Maple Arbitrage Inc., Maple Trade Finance Corp, Maple Commercial Finance Corp, Maple Partners America Inc. and Maple Financial US Holdings Inc. (each, an "**Affiliate**" and collectively the "**Affiliates**"), known or not known, that arose prior to the Winding-Up Date, all as more particularly set out in the Lishman Claim (the contingent portion of the Lishman Claim is referred to herein as the "**Lishman Contingent Claim**").
3. The Liquidator obtained the approval of the Court to make a distribution on or about December 19, 2016 in favour of creditors of Toronto Branch who then had Proven Claims and has made such distribution.
4. The Liquidator is in the process of reviewing and determining further claims against Toronto Branch filed under the Claims Procedure Order, including the Lishman Claim, with a view to efficiently (i) making further distributions to the creditors of Toronto Branch with

Proven Claims; (ii) making distributions or releases of surplus assets to the German Insolvency Administrator on behalf of the Maple Bank GmbH (“**Maple Bank**”) (the “**GIA**”) and (iii) effecting a release of the Liquidator’s interest in other assets jointly held by the Liquidator (the “**Other Assets**”) in favour of the GIA.

5. To address or quantify any Lishman Contingent Claims, and to facilitate a distribution of the surplus assets and a release of the Other Assets to the GIA, the Liquidator has brought a motion seeking an Additional Claims Order (the “**Additional Claims Order**”), which calls for any claims against the Principal Officers (as defined in the *Bank Act*) of the Toronto Branch and establishes a bar date for the filing of such claims of February 28, 2017 (the “**Principal Officers Claims Bar Date**”). The Additional Claims Order does not provide for a bar in respect of (i) claims asserted against Lishman on the basis of fraud, intentional misconduct or illegal actions or (ii) claims asserted against Lishman by the GIA.

6. Following the Principal Officers Claims Bar Date, the Liquidator will promptly advise Lishman and the GIA of any claims against Lishman filed in accordance with the Additional Claims Order as of the Principal Officers Claims Bar Date (if any, the “**Filed Lishman Claims**”). The Liquidator shall also, from time to time, promptly advise Lishman and the GIA of any claims against Lishman that are filed in accordance with the Additional Claims Order after the Principal Officer Claims Bar Date (if any, the “**Late Filed Lishman Claims**”). Any claim which has been or may be made against Lishman by the GIA shall not constitute, for purposes of this Protocol, either a Filed Lishman Claim or a Late Filed Lishman Claim.

7. Any right of a Principal Officer to be indemnified by Toronto Branch (if and to the extent established) in respect of a claim by the GIA against such Principal Officer would operate, in the case of a right to full indemnification, as a defence to such claim, or, in the case of right to partial indemnification, to reduce dollar for dollar (based on the amount of the partial indemnification) the amount of such claim. A claim against a Principal Officer which is not indemnifiable by Toronto Branch whether on the basis of fraud, intentional misconduct or illegal actions, or for any other reason, would not be subject to such a defence.

8. The Liquidator will, in order to allow further distributions, from time to time, to the creditors and other stakeholders of the Toronto Branch (including to the GIA) from proceeds

then held by the Liquidator, including a release of the Liquidator's interest in the Other Assets, establish, maintain or adjust, from time to time, reserves from proceeds then held by the Liquidator (the "Reserves"). In determining the amount of the Reserves from time to time, the Liquidator will take into account any Lishman Contingent Claim as follows:

- (a) No amount shall be included in the Reserves in respect of any Lishman Contingent Claims, except as provided for under paragraphs 8(c) and 8(e). For greater certainty, no amount shall be included in the Reserves in respect of any Lishman Contingent Claims in relation to a claim against Lishman which has not been filed.
- (b) Notwithstanding any other provision of this Protocol or the Additional Claims Order, no amount (other than the Legal Fees Reserve (as defined below)) shall be included in the Reserves in respect of any Lishman Contingent Claim which has arisen or may arise in relation to a claim which has been or may be made against Lishman by the GIA.
- (c) If any Filed Lishman Claims or Late Filed Lishman Claims are filed and remain undischarged, undetermined, non-rejected and unsettled, the Liquidator shall at that time establish Reserves (to the extent of amounts then available to do so), in a reasonable and appropriate amount, and consistent with its duties and responsibilities (i) in respect of any Lishman Contingent Claim related to Filed Lishman Claims and the Lishman Late Filed Claims, which are quantified, in an amount not in excess of the filed amount of such Claims, including any interest accruing on such amounts at the rate prescribed pursuant to the Winding-Up and Restructuring Act (Canada) to March 17 2018 and (ii) in respect of any Lishman Contingent Claim related to Filed Lishman Claims and the Late Filed Lishman Claims, which are not quantified, an amount determined by the Liquidator acting reasonably. If any such Filed Lishman Claim or Late Filed Lishman Claim is discharged, settled, rejected or determined (and, in the case of a rejection or a determination, all applicable appeal periods have expired) the amount held in the Reserves in respect of any Lishman Contingent Claim related to such Filed Lishman Claim or Late Filed Lishman Claim shall be adjusted to reflect the amount so settled or determined, or remaining outstanding, in respect of such Filed Lishman Claim or Late Filed Lishman Claim, and such adjusted amount shall be held in the Reserves until any Lishman Contingent Claim related to such Filed Lishman Claim or Late Filed Lishman Claim has been finally determined in accordance with 8(d) below. The amount of any reduction in the amount required to be held in the Reserves in accordance with this paragraph 8(c) shall immediately be available for distribution to the creditors with Proven Claims and other stakeholders of the Toronto Branch, including the GIA, subject to the terms of any applicable distribution order.
- (d) Once a Lishman Contingent Claim related to a Filed Lishman Claim or a Late Filed Lishman Claim has been finally discharged, settled, rejected or determined and the amounts, if any, required to be paid in respect of such Lishman

Contingent Claim have been paid by the Liquidator to Lishman, the amount held in the Reserves will no longer need to take account of any such Lishman Contingent Claim. The amount of any reduction in the amount required to be held in the Reserves in accordance with this paragraph 8(d) shall immediately be available for distribution to the creditors with Proven Claims and other stakeholders of the Toronto Branch, including the GIA, subject to the terms of any applicable distribution order.

(e) The Reserves shall include the Legal Fees Reserve (as defined below).

9. The Reserves will include an amount not in excess of \$5 million dollar (the “**Legal Fees Reserve**”), to be available, if Lishman establishes his entitlement to be indemnified for such costs, to fund Lishman’s legal fees in respect of any litigation initiated by the GIA, subject to the following: Any right of a Principal Officer to recover any legal fees from the Legal Fees Reserve (either in the course of a proceeding or at the end of one) and the quantum of such fees would be determined on application to the court, supported by proper invoices, at the time a Principal Officer makes a request to recover such legal fees, and Maple Bank has reserved its right to contest any such recovery of legal fees.

10. Subject to the immediately following sentence, all Reserves established by the Liquidator, including, but not limited to, the Reserves as provided for herein, shall be released on March 31, 2018, except to the extent of filed claims and a reasonable amount on account of administrative costs, and subject to the requirements imposed by any subsequent order of the Court. The Liquidator will continue to hold the Legal Fees Reserve (and will only make payments therefrom in accordance with a court determination as contemplated in Section 9 above) until the earlier of the following: (i) if the GIA has not then asserted any claims against Lishman, the date of receipt by the Liquidator of the GIA’s written confirmation that it does not intend to assert any claims against Lishman; (ii) if the GIA has asserted claims against Lishman, the later of the date of final determination of such claims and the date of receipt by the Liquidator of the GIA’s written confirmation that it does not intend to assert any further claims against Lishman; and (iii) provided that the GIA has not assigned its actual or potential claims against Lishman, immediately prior to the termination of Maple Bank’s German insolvency proceeding.

11. Lishman will not file any claim against Toronto Branch in addition to the claims already asserted in the Lishman Claim.

12. Nothing in the Additional Claims Order or in this Protocol shall prejudice or affect the rights or position of any Person with respect to the existence, nature and extent of any Lishman Contingent Claim or any other right of Lishman to recover any amount from the Toronto Branch (whether by way of indemnification, contribution or otherwise) in respect of any claim now or at any time asserted against Lishman, including in respect of any Filed Lishman Claims or Late Filed Lishman Claims. Each of the GIA and Lishman have reserved their rights with respect to any claim which may be asserted by the GIA against Lishman.

13. Prior to the conclusion of these liquidation proceedings, the Liquidator will work with Lishman and the GIA to establish a document retention protocol to ensure the maintenance of all records of the Toronto Branch that may be relevant if any claim is asserted against Lishman by the GIA or as Filed Lishman Claims or Late Filed Lishman Claims.

14. Promptly following the Principal Officer Claims Bar Date, the Liquidator shall apply to the Court for a distribution order distributing all of the remaining assets after the establishment of the Reserves as provided for herein and, to the extent required to implement any such distribution order, the Liquidator shall do all acts reasonably required to have the Other Assets transferred to Maple Bank.

15. Upon the occurrence of the Principal Officer Claims Bar Date, and provided the Reserves contemplated herein are established, any objection against a distribution to the GIA, filed by a Principal Officer, is deemed to be withdrawn and the Principal Officer shall withdraw any such objection and shall not file any objection in the future.

16. The foregoing shall bind any successor or assignee of the Liquidator, Lishman and the GIA.

IN THE MATTER OF MAPLE BANK GmbH
AND IN THE MATTER OF THE *WINDING-UP AND RESTRUCTURING ACT*, R.S.C. 1985, C.W-11, AS AMENDED
AND IN THE MATTER OF THE *BANK ACT*, S.C. 1991, C.46, AS AMENDED

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

PRINCIPAL OFFICERS ADDITIONAL
CLAIMS ORDER

BORDEN LADNER GERVAIS LLP
Bay Adelaide Centre, East Tower
22 Adelaide Street West, Suite 3400
Toronto ON M5H 4E3

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Tel: 416.367.6485
rbelanger@blg.com

Lawyers for KPMG Inc., in its capacity as Liquidator of the
business in Canada of Maple Bank GmbH and its assets

TAB 2E

COMMERCIAL REAL ESTATE

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For further information, please contact:

A.W. (Bill) Davis* **Clark McLeod**** **Sean Cline***
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LEGALS

NOTICE TO CREDITORS
of PRINCIPAL OFFICERS OF MAPLE BANK GmbH, TORONTO BRANCH

RE: NOTICE OF PRINCIPAL OFFICERS CLAIMS BAR DATE IN RESPECT OF CLAIMS ASSERTED AGAINST PRINCIPAL OFFICERS OF MAPLE BANK GmbH, TORONTO BRANCH ("Maple Bank")

PLEASE TAKE NOTICE that this notice is being published pursuant to an Order of the Superior Court of Justice of Ontario [Commercial List] made January 27, 2016 (the "Claims Bar Order"). The Claims Bar Order provides that Proofs of Claim must be submitted to the Liquidator by 4:00 p.m. Eastern Time on February 28, 2017 (the "Principal Officers Claims Bar Date") for any Claim against the individuals who are or have been Principal Officers of Maple Bank and that relate to amounts for which such individual may in law be liable to pay in his or her capacity as Principal Officer and that arose prior to the Winding-Up Date including, without limitation, any Claims arising in such individual's capacity as an officer and/or director of Maple Financial Group Inc., Maple Futures Corp., Maple Holdings Canada Limited, Maple Securities Canada Limited, Maple Trade Finance Inc., Maple Securities U.S.A. Inc., Maple Arbitrage Inc., Maple Trade Finance Corp., Maple Commercial Finance Corp., and Maple Partners America Inc. (each, an "Affiliate") and collectively the "Affiliates"), to the extent that such individual served in such role in his or her capacity as Principal Officer of Toronto Branch, and that arose prior to the Winding Up Date. Creditors can obtain the Claims Bar Order and a Proof of Claim package from the website of the Liquidator (http://www.kpmg.com/ca/maplebank) or by contacting the Liquidator by telephone (416) 777- 8415, by fax (416) 777-3364 or by email (pjreynolds@kpmg.ca).

TAKE NOTE THAT CLAIMS, EXCEPT ANY CLAIMS ASSERTED ON THE BASIS OF FRAUD, INTENTIONAL MISCONDUCT OR ILLEGAL ACTIONS OR AS ASSERTED BY THE GIA OTHERWISE, IN RESPECT OF THE PRINCIPAL OFFICERS (AS OUTLINED ABOVE) WHICH ARE NOT RECEIVED BY THE PRINCIPAL OFFICERS CLAIMS BAR DATE WILL BE BARRED AND EXTINGUISHED FOREVER.

Completed Proofs of Claim in respect of Claims against the Principal Officers (as outlined above) must be received by the Liquidator by 4:00 p.m. (Eastern Time) on FEBRUARY 28, 2017. It is your responsibility to ensure that the Liquidator receives your Proof of Claim by the above-noted time and date.

DATED at Toronto this 31st day of January, 2017

KPMG Inc. in its capacity as Court-appointed Liquidator of Maple Bank GmbH, (Toronto Branch)
 Bay Adelaide Centre
 333 Bay Street, Suite 4600
 Toronto, ON M5H 2S5, Canada
 Attention: Phillip J. Reynolds: pjreynolds@kpmg.ca
 Fax: (416) 777-3364
 Phone: (416) 777-8415

RECENT ASSET TRANSACTIONS

DATE	INDUSTRIAL	OFFICE	RETAIL
5075 North Service Rd, Burlington	1131 Barclay St, Vancouver	Multi Units, 4500-4520 36th Ave NW, Calgary	570 170 St NW, Edmonton
\$5,366,000 \$127 psf	\$13,500,000 \$450,000 per unit	\$34,500,000 \$35 psf	\$21,000,000 \$378 psf

SECTOR	MUNICIPALITY	ADDRESS	PRICE	UNIT PRICE	PARAMETER
Retail	Toronto	346 Spadina Ave	\$8,300,888	\$296 psf	
Apartment	North York	3311 Bathurst St	\$20,800,000	\$293,922 per unit	
Res Lind	Richmond Hill	12-168 Maple Grove Ave & 29 Elm Grove Ave	\$14,700,000	\$3151 acres	

SECTOR	MUNICIPALITY	ADDRESS	PRICE	UNIT PRICE	PARAMETER
Apartment	Vancouver	1509 West 14th Ave	\$9,688,000	\$421,217 per unit	
Industrial	Delta	1557 West 12th Ave 1629 Foster's Way	\$7,000,000 \$3,150,000	\$700,000 \$80	

SECTOR	MUNICIPALITY	ADDRESS	PRICE	UNIT PRICE	PARAMETER
Office	Calgary	1802-1804 1st St N.W.	\$2,450,000	\$204 psf	
Retail	Baillif	98 Baillif Ave	\$2,775,416	\$205 psf	
Retail	Calgary	4440 44th Ave N.E.	\$2,275,000	\$214 psf	

SECTOR	MUNICIPALITY	ADDRESS	PRICE	UNIT PRICE	PARAMETER
Industrial	Edmonton	20210 118A Ave N.W.	\$8,300,000	\$296 psf	
Apartment	Edmonton	10741 108th St N.W.	\$1,830,000	\$83,182 per unit	
CU Land	Stathabasca County	51121 Range Rd 231	\$1,155,000	731 acres	

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LEGALS

In the matter of the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "CCAA") and in the Matter of the Plan of Compromise or Arrangement of Grafton-Fraser Inc. (the "Applicant")

Notice pursuant to CCAA s.23(1)(a)(i)

NOTICE is hereby given that on January 25, 2017, the Ontario Superior Court of Justice (Commercial List), issued an initial order under the CCAA in respect of the Applicant, in the proceeding bearing Court File No. CV-17-1167 (7-00CA), declaring that the Applicant is a company to which the CCAA applies.

Richter Advisory Group Inc. ("Richter") has been appointed Monitor in the Applicant's CCAA Proceeding. Information regarding the CCAA Proceedings may be obtained from Gilles Benchaya of Richter (514.934.3496 or gbenchaya@richterconsulting.com) or Adam Sherman of Richter (416.642.4836 or asherman@richter.ca) as well as from consulting Richter's internet website at http://www.richter.ca/Folder/Insolvency-Cas-es/Grafton-Fraser-Inc.

RICHTER
 Richter Advisory Group Inc.
 181 Bay St., Suite 3320,
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BUSINESS & FINANCE



Passengers waited at Atlanta's Hartsfield-Jackson International Airport on Sunday after Delta Air Lines grounded all U.S. flights.

More Delta Flights Canceled

By SUSAN CAREY

Delta Air Lines Inc., which on Sunday night grounded its flights for more than five hours because of a technology outage, said "multiple systems" were affected but as of Monday afternoon hadn't explained precisely what went wrong.

The major outage, the airline's second since August, led it to cancel about 170 of its 5,200 daily flights Sunday and another 110 on Monday, and caused lengthy delays. Delta also warned that further cancellations could be possible.

According to FlightAware.com, a flight-tracking site, many of Delta's Monday cancellations were at the airline's hubs in Atlanta, Detroit, Minneapolis and New York's La Guardia Airport. The service also showed some 223 Delta flights being delayed as of Monday afternoon.

In **Twitter** posts Monday morning, President Donald Trump blamed Delta, protesters and Sen. Charles Schumer (D., N.Y.) for delays and confusion at airports over the week-

end, saying the executive order he signed late Friday restricting travel from seven Muslim-majority countries had led to minimal disruptions.

Delta declined to comment on the president's tweets. A spokesman for Mr. Schumer said the tweet "on its face is laughable."

Delta's Sunday outage occurred amid large demonstrations at some airports across the U.S. in opposition to the president's travel ban.

Massive protests erupted on Saturday and Sunday at airports in New York, Dallas, Atlanta, San Francisco, Portland, Ore., Chicago, Los Angeles and near Washington, D.C.

Delta, the nation's No. 2 airline by traffic, said its essential information-technology systems were restored after midnight Sunday.

Some of the flight cancellations didn't show up on its website, mobile app or on airport information screens and some passengers experienced delays upon landing, the company said. This led to long lines in terminals, agents having to check in passengers manually and some arriving

flights stuck on the tarmac for hours, according to travelers.

Atlanta-based Delta said it is offering passengers refunds if their flights were canceled or delayed more than 90 minutes. It also is letting customers who were supposed to fly Sunday or Monday to move their travel through Friday without incurring a change fee.

Delta, which has a much better track record than its big U.S. rivals for being punctual and not scrubbing many flights, suffered a major IT meltdown last August that forced it to cancel more than 2,000 flights over the course of several days.

An inspection later revealed that 300 of its 7,000 servers weren't wired to back-up power. When the servers on dual-power sources came back on, the 300 didn't, causing the entire system to crash.

Gil Hecht, chief executive officer of **Continuity Software Inc.**, helps companies in banking, telecommunications and other industries validate the reliability of their IT systems. He said Monday that airlines aren't more complex than other in-

dustries when it comes to IT.

"You have a very wild combination of very old systems sitting on old mainframes and some pieces of business services that reside on the main frame, in private clouds, on web services...some in remote locations," he said. As a result, downtime and outages "will continue to happen," although the frequency and damage can be minimized through testing.

But Mr. Hecht said airlines and others find it too risky to test by "literally pulling the power to make sure you have redundant power."

Instead, he said, airlines need to conduct tedious audits, using software often sold by companies such as his, to check whether critical systems are configured correctly, and working with other critical systems, and to ensure that a redundant system will spring to life immediately when a primary server or layer of the architecture fails.

"Their disaster-recovery remote location should have taken over everything," Mr. Hecht said of Delta, without having firsthand knowledge of what went wrong.

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PRICE

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lowing a deal to buy **Target Corp.**'s more than 1,600 pharmacies.

Walgreens and Rite Aid, in response to antitrust concerns, said in December that they would sell 865 stores to **Fred's Inc.**, a regional drugstore chain that only had about 650 stores before the agreement was announced.

Both Rite Aid and Walgreens have a major presence in states such as California, New York and Massachusetts, while in others, including Florida, Texas and Illinois, there isn't any overlap.

At a meeting with investors last week, Walgreens Chief Executive Officer Stefano Pessina

said the companies were discussing "all instruments and actions" they could put in place to win approval from the Federal Trade Commission.

Earlier this month, Mr. Pessina said Walgreens had no backup plan should U.S. antitrust regulators reject the tie-up with Rite Aid.

"We don't want even to think the deal could not be approved after so many months," he said.

Walgreens Boots Alliance was formed when Walgreen Co. completed the acquisition of European drugstore chain Alliance Boots GmbH at the end of 2014, giving the Deerfield, Ill.-based company a significant presence overseas.

Alliance Boots operates the U.K. drugstore chain Boots and has a vast drug-distribution business in Europe.

JET

Continued from the prior page
have delivered 66 C919s by 2036—fewer even than other new entrants such as Canada's Bombardier Inc.

The global single-aisle market is shared more or less evenly by Boeing's 737 and Airbus's A320 families. These jets typically carry 130-200 passengers on flights of one to four hours.

Chinese airlines and lessors have bought about 2,000 of these jets, and will likely buy thousands more, with Boeing forecasting that by 2035 China will spend \$1 trillion on new airliners, including more than 5,000 single-aisle planes, to satisfy its burgeoning demand

for air travel.

With a fifth of Boeing's future sales set to come from China, President Donald Trump's threat to slap hefty tariffs on Chinese imports represents potentially serious turbulence for the U.S.'s largest exporter, which claims China sales directly support 100,000 American jobs.

China's possible response to such tariffs, state media has said, would be to tear up orders for Boeing planes—though that, in turn, could have an impact on jobs in China. Factories there are critical links in Boeing's global supply chain, feeding the company's final-assembly plants in Washington state with sections of the 737 and of the new 787 Dreamliner.

As Beijing requires, foreign

participants have worked on the C919 in conjunction with Chinese joint-venture partners.

Even if considered a potential rival to Boeing, the C919 is for dozens of other American companies a welcome inroad into the Chinese market, said Geoffrey Jackson, executive-director of the U.S.-China Aviation Cooperation Program, a Beijing-based body created by the U.S. government and aerospace companies.

The aircraft symbolizes the interdependency of the U.S. and Chinese aerospace industries at a time when U.S.-China trade is in the spotlight, analysts say.

While such collaboration inevitably teaches China about the technology brought by the foreign partner, American

companies protect future sales by providing systems that are less than cutting-edge, said Richard Aboulafia, vice president of Teal Group Corp., an aviation intelligence company. They gamble that they can innovate faster than their Chinese partners are able to close the gap.

The C919 won't be in the hands of its first customer, state-owned China Eastern Airlines, for several more years—and faces a battle for orders against better known rivals.

Mr. Zhou, the Chinese engineer, asserted that the capability gap between Comac and Boeing is smaller than many people realize. But "the gap in reputation," he said, "is huge."

—Junya Qian
contributed to this article.

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BANKRUPTCIES

NOTICE TO CREDITORS
of PRINCIPAL OFFICERS OF MAPLE BANK GmbH, TORONTO BRANCH

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DATED at Toronto this 31st day of January, 2017.

KPMG Inc. in its capacity as Court-appointed Liquidator of Maple Bank GmbH, (Toronto Branch)
Bay Adelaide Centre
333 Bay Street, Suite 4600
Toronto, ON M5H 2S5, Canada

Attention: Phillip J. Reynolds: pjreynolds@kpmg.ca
Fax: (416) 777-3364
Phone: (416) 777-8415

STREET

Continued from the prior page
risk of deflation, and the yield curve was the flattest since 2007. Even after the recent steepening, the gap between 10-year and two-year Treasuries is just above the postcrisis lows reached in 2012 and 2015.

Michael Gapen, chief U.S. economist at Barclays PLC, said the curve isn't steeper because any Trump stimulus—assuming it comes—is arriving when the economy is already close to full employment.

"It might just hasten the end of the cycle because it comes so late in the cycle it doesn't really change the long-term outlook," he said.

If Mr. Trump's stimulus plans are implemented by Congress—a big if—they might end up boosting inflation more than real growth. That is reflected in the rise in the bond market's implied inflation expectations, known as break-even inflation. It is back above 2% for the next 10 years for the first time since 2014.

A proxy for expected real growth, the after-inflation yield on 10-year Treasury inflation-protected securities, rose fast after the election before giving back some of its gains following the Fed-

eral Reserve's December rate increase. Yet even at its December peak of 0.74% plus inflation, it wasn't quite back to where it stood a year earlier and was nowhere near the pre-2008 norms.

One interpretation: Investors think the downward pressures on growth and inflation from the aging population are greater than any likely productivity gains from cutting red tape or improving infrastructure. The most Mr. Trump can do is make America a little bit greater than it otherwise would be, not the catchiest of campaign slogans.

Some critics argue that the 30-year Treasury is a flawed measure of hopes for growth. It isn't heavily traded, and government decisions on issuance, plus price-insensitive demand linked to pension obligations, can be as important as beliefs about long-run growth.

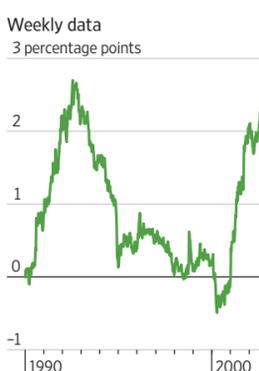
This may be true, but it's also obvious that if investors truly believed Mr. Trump would deliver a big and permanent boost to growth or inflation, few would want 30-year bonds at a yield of just over 3%. It may not be perfect, but it's a good enough measure.

Knowing what the market as a whole is pricing in creates opportunities for investors who have a strong view

The Market's View of Trump

Bond markets are pricing in faster growth and inflation since the election, with 10-year Treasury yields rising much more than short-dated yields. But the long-run outlook remains depressed, with 30-year yields failing to keep up with the 10-year.

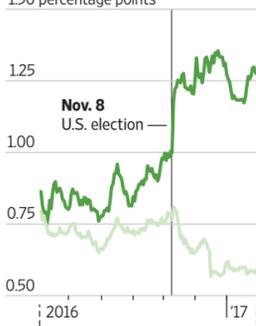
Weekly data
3 percentage points



Through Monday, 12 p.m. ET Source: Thomson Reuters THE WALL STREET JOURNAL.

U.S. Treasury yield curve

Daily data*
150 percentage points



of what Mr. Trump will achieve. More growth, more inflation or more policy chaos all have scope to move the market a lot. The problem is for those who have little idea what the man in

the White House represents; the usual diversification between shares and bonds offers little protection against the risk of a trade war, when both could suffer as inflation rises and profits fall.

TAB 2F

- (b) appointing Graham Dyke, Linda Lai, Mary-Ann Noronha and Sofia Petrossian as representatives of certain former Canadian employees identified in Schedule A (collectively, the “**Employees**”) of Maple Bank GmbH, Toronto Branch (“**Maple Bank**”), and appointing Paliare Roland Rosenberg Rothstein LLP as representative counsel; and
- (c) such further relief as may be required in the circumstances and which this Court deems as just and equitable,

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

ON READING the Tenth Report of the Liquidator dated January 25, 2017 (the “**Tenth Report**”) and on hearing the submissions of counsel for the Liquidator, counsel for the German Insolvency Administrator on behalf of Maple Bank GmbH (the “**GIA**”), counsel for Paul Lishman and counsel for the Steering Committee (as defined below) and such other parties as may be in attendance,

1. **THIS COURT ORDERS** that further service of the Notice of Motion and Motion Record on any party not already served is hereby dispensed with, such that this motion was properly returnable.
2. **THIS COURT ORDERS AND DIRECTS** that Graham Dyke, Linda Lai, Mary-Ann Noronha and Sofia Petrossian (collectively, and as such members may be replaced from time to time, the “**Steering Committee**”) are hereby appointed to represent the Employees in respect of this proceeding under the WURA and the Bank Act, and in respect of any other incidental proceedings, with the power to do all things necessary to

carry out the terms of this order and to further and protect the interests of the Employees (collectively the “**Employee Interests**”), including, without limitation:

- a. bringing or responding to any motion in these proceedings that directly affects, or relates to the Employee Interests;
- b. pursuing any rights of appeal or responding to any appeal that arises from or directly affects, or relates to the Employee Interests;
- c. proving, amending, litigating, settling or releasing the claim of any Employee;
- d. appearing before or dealing with any court, claims officer, regulatory authority, or other government ministry, department or agency with regard to any proceedings, or issues that directly affects, or relates to the Employee Interests; and
- e. instructing Representative Counsel with respect to any proceedings, or issues that directly affects, or relates to the Employee Interests .

3. **THIS COURT ORDERS AND DIRECTS** that Paliare Roland Rosenberg Rothstein LLP is hereby appointed as counsel (“**Representative Counsel**”) to the Steering Committee on such terms as the Steering Committee and Representative Counsel may agree, with authority to take instructions from the Steering Committee to act on behalf of all or any of the Employees with respect to the Employee Interests in these proceedings or in any proceedings incidental hereto.

4. **THIS COURT ORDERS AND DIRECTS** the Liquidator to pay Representative Counsel’s reasonable accounts for fees and expenses, forthwith upon receipt of the

account, provided that, subject to further order of this court, such accounts shall not exceed \$150,000 in the aggregate.

5. **THIS COURT ORDERS AND DIRECTS** the Liquidator to provide to the Steering Committee, without charge, upon request of the Steering Committee, such documents and data as may be relevant to matters relating to its appointment, including, without limitation, documents and data pertaining to the Employees' terms of employment, wages, salaries, bonuses, benefits and other compensation of any kind, notice of termination of employment and entitlements to notice and severance pay.
6. **THIS COURT ORDERS** that the Steering Committee and Representative Counsel shall not have any liability in respect of actions taken pursuant to the appointments in this order, except in respect of acts of gross negligence or willful misconduct.
7. **THIS COURT ORDERS** that that the Steering Committee and Representative Counsel shall be given notice of all motions to which the Employees are entitled to receive notice in these proceedings and that it shall be entitled to represent those on whose behalf it is hereby appointed in all such motions.
8. **THIS COURT ORDERS** that the Steering Committee shall be at liberty and is authorized at any time to apply to this court for advice and directions in the discharge or variation of their powers and duties upon notice to the Liquidator and to other interested parties, unless otherwise ordered by this Court.
9. **THIS COURT ORDERS** that any member of the Steering Committee may resign and that, on notice to the Liquidator, the remaining members may appoint any other

individual Employee as a replacement, which replacement will have all the rights and obligations of the resigning member as though they had been named in this order, and if there is any disagreement concerning the appropriateness of a replacement member the matter may be remitted to this Court for determination.

10. **THIS COURT ORDERS** that in the event that this order is later amended by further order of this Court, the Liquidator may post such further order on the Liquidator's website and such posting shall constitute adequate notice to the Employees of such amended order.
11. **THIS COURT ORDERS** that no amendment to this order shall derogate from the rights and protections afforded to the Steering Committee and Representative Counsel by this order in respect of actions taken prior to the later of (a) the amendment, and (b) the final determination of any and all appeals from the order effecting the amendment.
12. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, the Republic of Germany, including the assistance of the Amtsgericht Frankfurt am Main [Insolvency Court] to give effect to this Order and to assist the Liquidator, the Steering Committee, Representative Counsel 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 Liquidator, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Liquidator and its agents in carrying out the terms of this Order.

13. **THIS COURT ORDERS** that the Liquidator be at liberty to 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 the order.



A handwritten signature in blue ink, appearing to read "A. J. ... R.S.", is written over a horizontal line.

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

JAN 27 2017

PER / PAR: 

SCHEDULE A

Linda Lai
Beatrice Tsang
Sofia Petrossian
Joanna Parina
Janice Rickard
Desmond Fallon
Dan Torangeau
Heidi Rose
Vesna Manojlovic
Lindsay Chase
Jose Dela Cruz
Graham Dyke
Yao Fu
Mary-Ann Noronha

IN THE MATTER OF MAPLE BANK GmbH
AND IN THE MATTER OF THE *WINDING-UP AND RESTRUCTURING ACT*, R.S.C. 1985, C.W-11, AS AMENDED
AND IN THE MATTER OF THE *BANK ACT*, S.C. 1991, C.46, AS AMENDED

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

REPRESENTATIVE COUNSEL ORDER

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Lawyers for KPMG Inc., in its capacity as Liquidator of the
business in Canada of Maple Bank GmbH and its assets

TAB 2G

**NOTICE TO CREDITORS
of MAPLE BANK GmbH, TORONTO BRANCH
(also known as Maple Bank – Toronto Branch)
(hereinafter referred to as “Maple Bank”)**

**RE: NOTICE OF DISTRIBUTION FOR MAPLE BANK PURSUANT TO THE
WINDING-UP AND RESTRUCTURING ACT (the “WURA”)**

PLEASE TAKE NOTICE that this notice is being published in order to give notice that KPMG, in its capacity as a court appointed liquidator (the “Liquidator”) of the business in Canada of Maple Bank and its related assets will be requesting an order from the Superior Court of Justice of Ontario [Commercial List] on March 10, 2017 to approve a distribution by the Liquidator to the German Insolvency Administrator in respect of a portion of the estimated surplus of funds, which have been realized from the liquidation and/or sale of the assets and the business of Maple Bank by the Liquidator on or after March 10, 2017.

DATED at Toronto this 3rd day of March, 2017.

KPMG Inc. in its capacity as Court-appointed
Liquidator of the business in Canada of Maple Bank GmbH,
(Toronto Branch) and its related assets
Bay Adelaide Centre
333 Bay Street, Suite 4600
Toronto, ON M5H 2S5, Canada

Attention: Phillip J. Reynolds: pjreynolds@kpmg.ca
Fax: (416) 777-3364

TAB 2F

KPMG Inc.
Mr. Philip J. Reynolds
Bay Adelaide Centre
333 Bay Street, Suite 4600
Toronto ON M5H 2S5

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insolvenz@cms-hs.com

Dr. Charlotte Schildt
Our reference: CHS-scha-2016-02287
Office: Sandra Schauer

Insolvency proceedings regarding the estate of Maple Bank GmbH March 2, 2017
Frankfurt local court, court file: 810-IN-128/16 M-14-05
RE: Maple Bank GmbH, Canada Branch

Dear Mr. Reynolds,

I am writing to KPMG Inc. as the Canadian liquidator (the "Liquidator") of Maple Bank GmbH, Canada Branch ("Canada Branch"), on behalf of the court appointed German Insolvency Administrator of Maple Bank GmbH (the "GIA"). The purpose of this letter is to reiterate the request of the GIA for a prompt distribution or transfer to the GIA of the assets of Canada Branch remaining after the payment of all proven claims and the establishment of appropriate reserves for any contingent and/or unproven claims.

An interim distribution at this time is critical to allow for preparation and conduct of a timely interim distribution to Maple Bank GmbH's creditors, thereby mitigating the damages suffered by those creditors.

We have separately discussed the amount of the reserves you propose to establish and the timing of their release, and the GIA is prepared to support these reserves. Under German insolvency legislation, and specifically in respect of complex cross border insolvency cases, it is practicable and appropriate to establish appropriate reserves for unproven or contingent claims while continuing with a distribution of remaining available cash to creditors holding proven claims through interim payments. This allows for an expedited liquidation and distribution while sufficiently protecting creditors with filed, but unproven claims.

As we have communicated to you, under German (international) insolvency law the German Insolvency Proceeding extends to all of the assets of Maple Bank GmbH, including the assets of Canada Branch (collectively the “Assets”) and to all creditors. The GIA is empowered and responsible under German law for administering and liquidating the Assets for the benefit of all of the creditors of Maple Bank GmbH. The separate Canadian proceeding provides for the separate administration and liquidation of the assets of Canada Branch by the Liquidator for the benefit of Canadian creditors. Even though the Liquidator has consulted with the GIA, the separate Canadian proceeding unavoidably conflicts with the statutory principle of universality and equal treatment of creditors provided for in the German insolvency legislation. The Liquidator of Canada Branch and the GIA have sought and continue to seek through their respective proceedings to reconcile and mitigate at least the operational and practical aspects of this conflict. In the GIA’s view, it is important that they continue to do so.

Under German insolvency law, the German Insolvency Proceeding is designed as an expedited proceeding. Liquidating the debtor’s assets in an orderly and timely fashion and distributing the realized cash to the creditors, as soon as possible, through interim and final payments, is a critical and fundamental consideration in a German Insolvency Proceeding.

The assets of Canada Branch administered in Canada constitute a very significant part of the Assets. The Canadian assets initially represented nearly half of the Assets. Even now, after a distribution has been made to the German Deposit Protection Funds, the remaining assets administered in Canada by the Liquidator represent a very significant proportion of the Assets.

The GIA is requesting the distribution, or transfer of these remaining assets to the German Insolvency Proceeding, in order to allow the GIA to prepare for and ultimately make an interim distribution to the creditors of Maple Bank GmbH as soon as possible. The German creditors’ committee, which supervises, and is assisting the GIA, is authorized to determine the quantum of such interim distribution. Achieving legal certainty with respect to the proposed distribution, or transfer of the remaining assets from Canada to the German Insolvency Proceeding is of critical importance to this determination.

None of the creditors of Maple Bank GmbH have, to date, received a distribution on account of their claims in the German Insolvency Proceeding. Moreover, unlike creditors of Canada Branch, the creditors of Maple Bank GmbH do not have an expectation of recovering their claims in full. More than a year following commencement of the two proceedings, it is the opinion of the GIA, representing the interests of all creditors of Maple Bank GmbH, that it is appropriate to distribute, or transfer, the remaining assets of the Canada Branch to Maple Bank GmbH in order to allow the GIA to “forward” the available cash to Maple Bank GmbH’s creditors holding proven claims.

On account of the number of disputed and contingent claims in Germany for which reserves must be made in the German Insolvency Proceeding, it is not likely that the GIA will be in a position to make an interim distribution to the creditors in the German Insolvency Proceeding until the balance, net of reasonable reserves, of the assets administered in Canada has been distributed, or transferred to the German Insolvency Proceeding. An interim distribution in the German Insolvency Proceeding can only be made if sufficient cash is available. Thus, a delay in the distribution or transfer of assets from Canada would result in a delay of (interim) distributions to creditors of Maple Bank GmbH, which the GIA is expecting to make as soon as possible.

The GIA, or Maple Bank GmbH does not, as has been suggested by participants in the Canadian Winding-up Proceedings, stand as the “equity or shareholder” of Canada Branch. Rather, in legal theory, Maple Bank GmbH, including Canada Branch, is one institution with one estate and one creditors’ community. The GIA is, by German statute, representing the interests of all participants in the German Insolvency Proceeding, and in particular those creditors of Maple Bank GmbH who were not entitled to participate in the Canadian proceedings or do have other claims only taking part in the German Insolvency Proceeding.

The fact of the separate Canadian Winding Up-Proceedings and the distribution therein limited to creditors of Canada Branch has effectively provided Canadian creditors with a recovery that creditors in the German Insolvency Proceeding cannot expect.

By reason of the fact of separate Canadian Winding Up-Proceedings, Canadian creditors with proven claims have already benefitted from full recovery, plus interest. Potential creditors with contingent or unproven (possibly disputed) claims will be protected with the establishment by the Liquidator of a full reserve for their filed claims. In all cases, Canadian creditors have, or will, receive statutory interest in addition to their principal claims. Unlike the situation in Canada, the creditors of Maple Bank GmbH cannot expect to recover the full amount of their respective principal proven claims.

It is important, and in keeping with principles of comity, that the creditors of the German Insolvency Proceeding not be unreasonably and unnecessarily prejudiced going forward. Any further delay in making the remaining Canadian assets available to the creditors in the German Insolvency Proceeding will unreasonably and unnecessarily prejudice the timely recovery by those creditors in the German Insolvency Proceedings. Further delay would also continue to expose them to further costs and currency risk.

Page 4 of 4

Sincerely yours,

A handwritten signature in blue ink that reads "Charlotte Schildt". The signature is written in a cursive style with a blue ink color.

Dr Charlotte Schildt

Attorney at law for and on behalf of the German Insolvency Administrator

IN THE MATTER OF MAPLE BANK GmbH
AND IN THE MATTER OF THE *WINDING-UP AND RESTRUCTURING ACT*, R.S.C. 1985, C.W-11, AS AMENDED
AND IN THE MATTER OF THE *BANK ACT*, S.C. 1991, C.46, AS AMENDED

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

PROCEEDINGS COMMENCED AT TORONTO

MOTION RECORD
(Returnable March 10, 2017)

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Lawyers for KPMG Inc., in its capacity as Liquidator of the
business in Canada of Maple Bank GmbH and its assets