No. CI 12-01-76323

THE QUEEN'S BENCH
WINNIPEG CENTRE

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

AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO ARCTIC GLACIER INCOME FUND, ARCTIC GLACIER INC., ARCTIC GLACIER INTERNATIONAL INC. AND THE ADDITIONAL APPLICANTS LISTED ON SCHEDULE "A" HERETO (COLLECTIVELY, "THE APPLICANTS")

FIFTEENTH REPORT OF THE MONITOR
ALVAREZ & MARSAL CANADA INC.
MAY 14, 2014

TABLE OF CONTENTS

INDEX TO APPENDICES

1.0 INTRODUCTION

1.1 Pursuant to an order of The Court of Queen's Bench (Winnipeg Centre) (the "**Court**") dated February 22, 2012 (the "**Initial Order**"), Alvarez & Marsal Canada Inc. was appointed as Monitor (the "**Monitor**") in respect of an application filed by Arctic Glacier Income Fund ("**AGIF**"), Arctic Glacier Inc. ("**AGI**"), Arctic Glacier International Inc. ("**AGII**") and those entities listed on **Appendix "A"**, (collectively the "**Applicants**", together with Glacier Valley Ice Company L.P., the "**Arctic Glacier Parties**") seeking certain relief under the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). The proceedings commenced by the Applicants under the Initial Order are referred to herein as the "CCAA Proceedings". The CCAA Proceedings were subsequently recognized as a foreign main proceeding by the United States Bankruptcy Court for the District of Delaware (the "**U.S. Court**").

1.2 The Monitor has previously filed fourteen reports with this Honourable Court. Capitalized terms not otherwise defined in this report (the "**Fifteenth Report**") are as defined in the orders previously granted by, or in the reports previously filed by the Monitor with, this Honourable Court; the Applicants' plan of compromise or arrangement dated May 21, 2014, as amended, supplemented or restated from time to time in accordance with the terms therein (the "**Plan**"), attached as **Appendix "B"**; or the draft order attached to the Notice of Motion filed by the Applicants in respect of the motion returnable May 21, 2014 (the "**Meeting Order**").

1.3 The Sale Transaction for substantially all of the Applicants' business and assets closed on July 27, 2012 (the "**Closing**"). The business formerly operated by the Applicants

continues to be carried on by the Purchaser. In anticipation of the Closing, the Applicants sought and obtained the Transition Order dated July 12, 2012 (the "**Transition Order**"). Among other things, the Transition Order provides that, on and after the Closing, the Monitor is empowered and authorized, to take such additional actions and execute such documents, in the name of and on behalf of the Applicants, as the Monitor considers necessary in order to perform its functions and fulfill its obligations as Monitor, or to assist in facilitating the administration of these CCAA Proceedings.

1.4 The Monitor continues to hold significant funds for distribution. On September 5, 2012, this Honourable Court issued an order approving a claims process (the "**Claims Process**") and, among other things, authorizing, directing and empowering the Monitor to take such actions as contemplated by the Claims Process (the "**Claims Procedure Order**"). The Claims Procedure Order provided for a Claims Bar Date of October 31, 2012 in respect of the Proofs of Claim and the DO&T Proofs of Claim. The U.S. Court recognized the Claims Procedure Order by Order dated September 14, 2012.

1.5 The Claims Procedure Order contemplated a further order of the Court to provide an appropriate process for resolving disputed Claims. Accordingly, on March 7, 2013, this Honourable Court issued an order (the "**Claims Officer Order**") to that effect. The Claims Officer Order, among other things, provided that, in the event that a dispute raised in a Notice of Dispute is not settled within a time period or in a manner satisfactory to the Monitor, in consultation with the Applicants and the applicable Creditor, the Monitor shall refer the dispute raised in the Notice of Dispute to either a Claims Officer or to the Court.

1.6 The stay of proceedings provided for in the Initial Order (the "**Stay**"), as extended by subsequent orders, currently expires on May 30, 2014 (the "**Stay Period**").

1.7 The purpose of this Fifteenth Report is to:

(i) Provide the Court, Affected Creditors, Unitholders and other interested parties with the Monitor's comments on the Plan, in accordance with Section 23(1)(d.1) of the CCAA which requires the Monitor to:

> (d.1) file a report with the court on the state of the company's business and financial affairs – containing the monitor's opinion as to the reasonableness of a decision, if any, to include in a compromise or arrangement a provision that Sections 38 and 95 to 101 of the Bankruptcy and Insolvency Act do not apply in respect of the compromise or arrangement and containing the prescribed information, if any – at least seven days before the day on which the meeting of creditors referred to in section 4 or 5 is to be held.

(ii) Provide information in support of the Applicants' motion returnable May 21, 2014 for an order, among other things:

a) Authorizing the Applicants to call a meeting of their Affected Creditors (the "**Creditors' Meeting**") that will be deemed to occur on the date specified therein and authorizing a deemed vote of Affected Creditors in favour of a resolution to approve the Plan;

b) Authorizing the Applicants to call, hold and conduct a meeting of the Unitholders of Arctic Glacier Income Fund (the "**Unitholders' Meeting**") to consider and vote on a resolution to, among other things, approve the Plan;

c) Approving the notice to be given and the procedures to be followed with respect to the calling and conduct of the Creditors' Meeting and the Unitholders' Meeting; and

d) Declaring that this Fifteenth Report (including a copy of the Plan) shall be disseminated to Known Affected Creditors and Unitholders in accordance with the Meeting Order and that no further information is required to be provided to Unitholders in connection with the Plan, including any information required to be delivered pursuant to applicable securities laws, other than information required by the Meeting Order.

(iii) Provide information in support of the Applicants' motion returnable May 21, 2014 seeking:

a) An order extending the Stay Period to September 26, 2014; and

b) An order approving this Fifteenth Report and the Monitor's activities described herein.

(iv) Provide an update in respect of matters relating to the Applicants' estates since the date of the Fourteenth Report.

1.8 Further information regarding these CCAA Proceedings and the concurrent Chapter 15 Proceedings, and all previous reports of the Monitor, can be found on the Monitor's website at http://www.alvarezandmarsal.com/arctic-glacier-income-fund-arctic-glacier-inc-and-subsidiaries (the "**Website**").

2.0 TERMS OF REFERENCE

2.1 In preparing this Fifteenth Report, the Monitor has necessarily relied upon unaudited financial and other information supplied, and representations made, by certain former senior management of the Arctic Glacier Parties ("**Senior Management**"). Although this

information has been subject to review, the Monitor has not conducted an audit or otherwise attempted to verify the accuracy or completeness of any of the information of the Applicants. Accordingly, the Monitor expresses no opinion and does not provide any other form of assurance on or relating to the accuracy of any information contained in this Fifteenth Report, or otherwise used to prepare this Fifteenth Report.

2.2 Certain of the information referred to in this Fifteenth Report consists of "forward-looking information" within the meaning of applicable securities laws, including financial forecasts and/or projections or refers to financial forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with standards set by the Canadian Institute of Chartered Accountants, has not been performed. The future-oriented financial information and forward looking statements are not guarantees of future events and involve risks and uncertainties that are difficult to predict. Future-oriented financial information referred to in this Fifteenth Report was, in part, prepared based on estimates and assumptions provided by Senior Management. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, and such variations could be material.

2.3 The information contained in this Fifteenth Report is not intended to be relied upon by any investor in any transaction with the Applicants or in relation to any transfer or assignment of the units of AGIF.

2.4 Unless otherwise stated, all monetary amounts contained in this Fifteenth Report are expressed in United States dollars, which is the Applicants' common reporting currency.

3.0 THE CLAIMS PROCESS

3.1 In this section, all capitalized terms not defined elsewhere have the meaning ascribed to them in the Claims Procedure Order and Claims Officer Order.

Summary of Claims Received and Status of Claims Process

3.2 As reported in the Fourteenth Report, the Monitor received 83 Proofs of Claim, including the Deemed Proven Claims of the DOJ and the Direct Purchaser Claimants, and received 4 DO&T Proofs of Claim.

3.3 The Claims against the Arctic Glacier Parties received by the Monitor and their current status are summarized, by category, in the table below.

THE ARCTIC GLACIER PARTIES - PROOF OF CLAIM SUMMARY							
	No. of Claims Filed	**Claim Amount ($000's) (note 1)**	**No. of Proven Claims**	**Proven Amount of Claim ($000's)**	**Amount Disallowed, Withdrawn or Compromised ($000's)**	**No of Unresolved Claims**	**Unresolved Claim Amount ($000's)**
Claims from current and former management (primarily regarding Change of Control Payments)	8	10,203	8	8,778	1,425	-	-
Claims from current and former Board members (primarily regarding Change of Control Payments)	7	3,835	7	2,234	1,601	-	-
Claims from litigation claimants potentially covered by insurance	28	9,313	-	-	8,988	1	325
Canadian Direct Purchaser Claim	1	2,000	1	2,000	-	-	-
Indirect Purchaser Claim	1	463,578	1	3,950	459,628	-	-
McNulty Claim	1	13,610	-	-	-	1	13,610
Claims from government agencies (excluding CRA and IRS)	24	2,658	1	1	245	2	2,412
Canada Revenue Agency marker claim	1	-	-	-	-	-	-
Internal Revenue Service marker claim	1	-	-	-	-	-	-
Indemnity claims - antitrust litigation	3	-	-	-	-	3	-
DOJ Deemed Proven Claim	1	7,032	1	7,032	-	-	-
Direct Purchasers' Deemed Proven Claim	1	10,000	1	10,000	-	-	-
Johnson Claim	1	12,259	-	-	-	1	12,259
Other Claims	5	13,064	2	499	12,565	-	-
Grand Total	**83**	**547,552**	**22**	**34,496**	**484,451**	**8**	**28,605**

Note 1 - Amounts shown are combined US$ and CDN$ (blended currency) and assume a US$/CDN$ exchange rate at par. While this is not reflective of the current exchange rate between U.S. and Canadian dollars, the majority of the value of the Claims received is in U.S. dollars.

Note 2 - This Claim is the Claim of Ms. Johnson who delivered a Notice of Dispute that does not provide a liquidated Claim amount and states that the amount of the Claim is "to be determined upon full disclosure". The amount of Ms. Johnson's Claim in the table above remains unchanged from the Tenth Report where it was noted that the actual Claim filed by Ms. Johnson apears to be significantly greater than the face amount set out on the Proof of Claim.

3.4 As shown in the table above, of the 83 Claims summarized:

- 22 Claims have been proven in amounts totalling approximately $34.5 million (the "**Proven Claims**");

- 8 Claims totalling approximately $28.6 million are yet to be resolved (the "**Unresolved Claims**"); and
- Approximately $484.45 million of the total amount of Claims filed has been disallowed, withdrawn or compromised. This amount includes 53 Claims totalling approximately $21.8 million that have either been withdrawn or disallowed in full on a final basis.

The Indirect Purchaser Claim

3.5 As described in previous Monitor's Reports, the putative class representative for the Indirect Purchaser Claimants ("**Class Counsel**") filed the Indirect Purchaser Claim in the amount of "at least" $463.58 million. The Indirect Purchaser Claim states that it was filed on behalf of a class of U.S. retail purchasers of packaged ice who are located in 16 different U.S. states.

3.6 As described at paragraphs 4.23 to 4.38 of the Thirteenth Report, the Monitor, Class Counsel and the Applicants resolved the issues raised by the Indirect Purchaser Claim and negotiated a settlement agreement (the "**Settlement Agreement**") between the Monitor, the Applicants and Class Counsel (the "**Settlement Parties**") on behalf of the putative class of indirect purchasers of packaged ice (the "**Settlement Class**").

3.7 On October 16, 2013, this Honourable Court granted the Canadian Approval Order authorizing the CPS and the Monitor to enter into the Settlement Agreement. On November 18, 2013, the U.S. Court granted the Preliminary Approval Order, pursuant to which the deadline for Settlement Class Members to indicate their intention not to be

bound by the Settlement Agreement and to object to the U.S. final approval order was set as February 20, 2014. No one sought to opt out of the Settlement Class by that deadline.

3.8 On February 27, 2014, the U.S. Court conducted a hearing with respect to the Settlement Parties' request for final U.S. Court approval of the Settlement Agreement and granted the Final Approval Order. A copy of the Final Approval Order is attached as **Appendix "C"**.

3.9 The Monitor has been advised by its U.S. counsel; the Applicants' noticing agent, Kurtzman, Carson, Consultants LLC; and the claims administrator, UpShot Services LLC ("**UpShot**"), that notice of the Settlement Agreement and the claim process contemplated thereby has been published and provided in the form and manner approved by the U.S. Court in the Final Approval Order.

3.10 In the Final Approval Order, the U.S. Court approved a deadline (and related notice procedures) of June 12, 2014 for Settlement Class Members to file Claim Forms (the "**Submission Deadline**") in order to obtain compensation pursuant to the Settlement Agreement. UpShot has recently advised the Monitor that it anticipates completing its review of the Claim Forms submitted by June 22, 2014, and the Monitor anticipates that the Payment Trigger Date (the date on which all of the Settlement Class Members' claims are finally resolved) is expected to occur in the third quarter of 2014.

3.11 As set out at paragraph 4.33 of the Thirteenth Report, to the extent that the aggregate value of claims submitted plus the Notice and Administration Costs, Incentive Awards, and Attorney's Fees and Costs totals less than $3.95 million (the "**Maximum Settlement Amount**"), the Monitor will be entitled to retain the difference on behalf of the

Applicants and distribute such amounts to the Applicants' other stakeholders in accordance with the Plan. After the Submission Deadline and Upshot's review of the Claim Forms, the Monitor will provide further information in respect of the amount, if any, of the Maximum Settlement Amount, that will be retained by the Applicants for distribution.

The Unresolved Claims

3.12 The Unresolved Claims are summarized in the following table:

The Arctic Glacier Parties - Summary of Unresolved Claims		
	Amount of Claim	
	US$ ($000's)	CDN$($000's)
McNulty Claim	13,610	-
Johnson Claim (note 1)	-	12,259
State of California Franchise Tax Board	2,194	-
Geysir Sales Corporation, Inc.	324	-
City of New York	218	-
Three indemnity claims filed by certain former employees of the Arctic Glacier Parties (the "**Employee Indemnity Claims**")	-	-
TOTAL	**16,346**	**12,259**

Note 1 - As set out below, Ms. Johnson has delivered a Notice of Dispute that does not provide a liquidated Claim amount and states that the amount of the Claim is "to be determined upon full disclosure". The amount of Ms. Johnson's Claim in the table above remains unchanged from the Tenth Report where it was noted that the actual Claim filed by Ms. Johnson appears to be significantly greater than the face amount set out on the Proof of Claim.

3.13 As described below, the Plan includes a reserve for the Unresolved Claims (the "**Unresolved Claims Reserve**"). The Unresolved Claims and the amount included in respect of each in the Unresolved Claims Reserve are described below.

Claim Submitted by Martin McNulty

3.14 As set out in paragraphs 3.13 through 3.16 of the Twelfth Report, the Monitor received a Proof of Claim from Martin McNulty, a former employee of the Applicants, in the amount of $13.61 million (the "**McNulty Claim**"). The McNulty Claim relates to outstanding litigation pending in the Michigan Court against the Applicants, Reddy Ice, Home City and certain former employees of the Applicants.

3.15 After consulting with the CPS on behalf of the Applicants, as required by the Claims Procedure Order, the Monitor issued a Notice of Disallowance with respect to the McNulty Claim on September 12, 2013. The Monitor disallowed the McNulty Claim in its entirety because the evidence available to the Monitor does not support Mr. McNulty's allegations.

3.16 On September 19, 2013, in accordance with the Claims Procedure Order, Mr. McNulty filed a Dispute Notice with the Monitor. On December 9, 2013, in response to a request by the Monitor, Mr. McNulty filed a revised Dispute Notice with the Monitor, further explaining the McNulty Claim. After exploring whether a consensual resolution could be reached, the Monitor, in consultation with the Applicants and Mr. McNulty's counsel, concluded that the dispute raised in the Dispute Notice was not settled within a satisfactory time period or in satisfactory manner. In accordance with the Claims Officer Order, on November 22, 2013, the Monitor referred the McNulty Claim to a Claims Officer, the Honourable Jack Ground, for adjudication.

3.17 On December 3, 2013, counsel for Mr. McNulty wrote to the Honourable Jack Ground, asking him to decline hearing the McNulty Claim on the grounds that Mr. McNulty's

claims should be resolved in the United States by an adjudicator familiar with the applicable U.S. law, among other reasons.

3.18 On December 6, 2013, the Monitor responded, explaining that although the McNulty Claim was properly referred to the Honourable Jack Ground, the Monitor intended to explore whether these matters could be resolved on a consensual basis.

3.19 The Monitor, counsel for the Monitor, counsel for Mr. McNulty and counsel for the Arctic Glacier Parties have attended conference calls to discuss developing an agreed-upon case management procedure. As no such procedure was agreed to, on April 2, 2014, counsel for the Monitor wrote to the Honourable Jack Ground and requested a procedural case conference call to discuss a timetable and procedural steps for the adjudication of the McNulty Claim.

3.20 The Honourable Jack Ground held the requested procedural case conference call on April 14, 2014. The Monitor, counsel for the Monitor, counsel for the Arctic Glacier Parties and counsel for Mr. McNulty attended. It was agreed that the direction of this Honourable Court would be sought to decide the issue of whether the Honourable Jack Ground will adjudicate the McNulty Claim. As a result, the Monitor proposed a timetable for the adjudication of the dispute but the proposed timetable was not acceptable to counsel for Mr. McNulty.

3.21 Mr. McNulty's counsel recently advised that he is in the process of retaining Canadian counsel. To help ensure that this matter proceeds in a cost-efficient manner, the Monitor plans to work with the Arctic Glacier Parties and both U.S. and Canadian counsel for Mr.

McNulty to develop a schedule for the motion for directions that will result in the motion being heard by the Court as soon as practicable.

3.22 The Unresolved Claims Reserve, as described below, includes approximately $14.01 million in respect of the McNulty Claim, which is the face amount of the Claim, plus the interest estimated to be accrued at the anticipated Plan Implementation Date.

Claim Submitted by Peggy Johnson

3.23 As previously reported, the Johnson Claim is for: (i) royalties allegedly owing in respect of sales by the Applicants of certain products sold under the trade name "Arctic Glacier" for the years 2000 to 2012 inclusive; (ii) approximately CDN$10.5 million in respect of the alleged termination of a royalty agreement; and (iii) CDN$500,000 in relation to the alleged extinguishment of a license; all plus interest. Ms. Johnson claims at least CDN$12,258,680 based on certain assumptions regarding royalties. In addition, Ms. Johnson's Dispute Notice states that the amount of the Johnson Claim is "to be determined upon full disclosure".

3.24 In accordance with the Claims Officer Order, on August 19, 2013, the Monitor referred the Johnson Claim to Claims Officer Ground for adjudication. With the assistance of Claims Officer Ground, the parties agreed on a case management procedure, including a timetable of relevant dates. In accordance with this procedure, the parties exchanged relevant documents on February 13, 2014, and examinations for discovery are scheduled for May 27 and 28, 2014. A hearing on the merits is currently projected to be heard in the late fall of 2014.

3.25 The Unresolved Claims Reserve includes approximately CDN$12.62 million in respect of the Johnson Claim, which is the aggregate of the amounts that Ms. Johnson calculated and claimed in her Proof of Claim, plus the interest estimated to be accrued at the anticipated Plan Implementation Date.

Claim Submitted by the State of California Franchise Tax Board

3.26 The Claim filed by the State of California Franchise Tax Board (the "**Franchise Tax Claim**") is for $2.194 million and is in respect of franchise taxes alleged to be owing in association with the purchase of Jack Frost Ice Service, Inc. ("**Jack Frost**") by the Applicant, Arctic Glacier California Inc.

3.27 To the extent that any amounts may be owing in respect of the Franchise Tax Claim, the Monitor understands that, pursuant to the provisions of the agreement governing the purchase and sale of Jack Frost, such amounts are the obligation of the former owners of Jack Frost. The former owners of Jack Frost have acknowledged these indemnification obligations to the Applicants. In support of their indemnity obligations, the former owners of Jack Frost have deposited $100,000 in an escrow account, pending resolution of this Claim.

3.28 The former owners of Jack Frost are disputing the assessment underlying the Franchise Tax Claim through an Administrative Settlement Process with the State of California Franchise Tax Board (the "**FTB**"). It is the Monitor's understanding that the former owners of Jack Frost and the FTB are currently engaged in settlement discussions. The Monitor has informed the parties that any settlement must include a withdrawal of the Franchise Tax Claim. Based on discussions with representatives of the FTB, any

settlement that may be agreed to by the former owners and the FTB must be approved by the Board of the FTB. The Monitor will provide a further update regarding the Franchise Tax Claim in a subsequent report.

3.29 The Unresolved Claims Reserve includes approximately $2.26 million in respect of the Franchise Tax Claim, which is the face amount of the Claim, plus interest estimated to be accrued at the anticipated Plan Implementation Date.

Claim Submitted by Geysir Sales Corporation, Inc.

3.30 The Claim submitted by Geysir Sales Corporation, Inc. (the "**Geysir Claim**") was filed for $324,705 and is a claim in respect of property damage caused by an ammonia leak in one of the Applicants' facilities. The Monitor understands that this Claim is covered by the Applicants' environmental insurance policy and that the underlying litigation is being dealt with by the Applicants' insurer in the ordinary course. To date, the Applicants' insurer has not been willing to provide satisfactory confirmation of insurance coverage, and therefore the Claim remains unresolved. There is a $50,000 deductible per incident provided for in the Applicants' insurance policy.

3.31 The Unresolved Claims Reserve includes approximately $334,200 in respect of the Geysir Claim, which is the full face amount of the Claim, plus the interest estimated to be accrued at the anticipated Plan Implementation Date.

Claim Submitted by the City of New York

3.32 The Claim submitted by the City of New York (the "**NYC Claim**") is for $218,025 and is comprised of:

- general corporate taxes of $60,750 in respect of the Applicant, Diamond Ice Cube Company Inc. ("**Diamond Ice**"); commercial rent tax of $135,000 in respect of the Applicant, Arctic Glacier New York Inc.; and commercial motor vehicle tax of $1,620 in respect of Arctic Glacier Losquadro Inc., a predecessor company to the Applicant, Arctic Glacier New York Inc., all for the period January 1, 2008 to February 22, 2012;
- general corporate taxes of $20,250 in respect of the Applicant, AGII for the period January 1 to February 22, 2012; and
- commercial motor vehicle taxes of $405 in respect of Diamond Ice for the period June 1 to 20, 2009.

3.33 On September 12, 2013, the Monitor issued a Notice of Revision or Disallowance in respect of the NYC Claim disallowing the Claim in its entirety on the basis that:

a) The corporate taxes of Diamond Ice, for the period to which the NYC Claim relates, were reported as part of the consolidated AGII tax returns and any and all taxes for the period were paid when due;

b) The corporate taxes of AGII for the period January 1 to February 22, 2012 were reported in the AGII tax return filed for the year ended December 31, 2012 (which was filed after the Claims Bar Date) and all taxes for the period were paid when due;

c) The Monitor understands that commercial rent tax is only payable by commercial tenants of leased premises located in Manhattan, south of 96th Street and the Applicants did not have any leased premises located in that area; and

d) The Applicants' former Director of Tax has advised the Monitor that all commercial motor vehicle taxes due for the period in question were paid by the Applicants when due.

3.34 On October 1, 2012, at the request of the City of New York, the Monitor adjourned the Dispute Period until such time as the City of New York had an opportunity to request and review certain information.

3.35 Pursuant to the provisions of the Transition Services Agreement, the Monitor requested the Applicants' former Director of Tax to assist in providing the information requested by the City of New York. On March 31, 2014, the Monitor provided the City of New York information that, in the Monitor's view, is sufficient to support the disallowance of its Claim. The Monitor is involved in ongoing discussions with the City of New York in respect of resolving the NYC Claim.

3.36 The Unresolved Claims Reserve includes approximately $224,400 in respect of the NYC Claim, which is the face amount of the Claim, plus interest estimated to be accrued at the anticipated Plan Implementation Date.

The Employee Indemnity Claims

3.37 Three former employees of the Applicants each filed a "marker" Claim claiming indemnification in respect of litigation in which they had been named and against which the Applicants had previously indemnified them.

3.38 The Employee Indemnity Claims relate to the Indirect Purchaser Claim (or the related investigation), a securities class action (the Dobbie Claim) for which a lift stay order was granted by the Court on April 24, 2012 and subsequently settled, and/or the Canadian Direct Purchaser Claim, as applicable. All of these litigation matters have been settled, so no indemnity obligation remains. In addition, an Employee Indemnity Claim was made in respect of the McNulty Claim, but the Monitor understands that the individual claiming indemnity is no longer a party to the McNulty litigation. Accordingly, all litigation underlying the Employee Indemnity Claims has been settled or dismissed against the respective claimants. As a result, in accordance with the Claims Procedure Order, the Monitor issued Notices of Disallowance in respect of each of the Indemnity Claims on May 9, 2014.

3.39 The proposed releases under the Plan include releases in favour of the three former employees who filed the Employee Indemnity Claims.

The DO&T Claims

3.40 As previously reported, four DO&T Claims were filed prior to the Claims Bar Date. Of those Claims, three have been withdrawn by the respective claimants. The fourth DO&T Claim related to an Employee Indemnity Claim and a disallowance of such DO&T Claim was included in the Notice of Disallowance in respect of that Employee Indemnity Claim, dated May 9, 2014.

4.0 THE PROPOSED CONSOLIDATED CCAA PLAN OF ARRANGEMENT

4.1 The Plan was developed by the Monitor, the Arctic Glacier Parties and their respective counsel and financial advisors, including KPMG LLP. Capitalized terms not otherwise

defined in this section of the Fifteenth Report shall have the meanings ascribed to them in the Plan.

4.2 The Applicants are seeking an order that this Fifteenth Report (including a copy of the Plan attached hereto) shall be disseminated to Known Affected Creditors and Unitholders in accordance with the Meeting Order and that no further information in connection with the Plan is required to be provided to Unitholders, including any information required to be delivered pursuant to applicable securities laws, other than information required by the Meeting Order.

4.3 Such an Order is appropriate and reasonable because, in preparing this Fifteenth Report and the proposed notice and meeting procedures described in the Meeting Order, the Monitor and the Applicants have been guided by National Instrument 54-101 – "Communication with Beneficial Owners of Securities of a Reporting Issuer" ("**NI 54-101**") and National Instrument 51-102 – "Continuous Disclosure Obligations" ("**NI 51-102**"). In addition, as the business of the Applicants has been sold, they no longer have any operations or employees and the only material assets of the Applicants are the proceeds of the Sale Transaction to be distributed to the holders of Proven Claims and Unitholders pursuant to the Plan. The Monitor has been providing comprehensive reports on the status of these CCAA Proceedings since February 2012 (14 reports to date, not including this Fifteenth Report). In addition to the Website, the Monitor has maintained an email address and toll free number for stakeholders to use should they have questions about the Arctic Glacier Parties or these CCAA Proceedings. In this Fifteenth Report, the Monitor has provided detailed information about the status of the Claims Process and the legal and economic terms of the Plan. To require AGIF to prepare an additional

disclosure document that essentially reiterates much of the same information set out in this Fifteenth Report would be costly, duplicative and potentially confusing to the Arctic Glacier Parties' stakeholders. The proposed order is consistent with the practice that has evolved in these CCAA Proceedings.

4.4 This Fifteenth Report and the attached Plan contain important information that should be read in full before any decision is made with respect to the matters referred to herein.

4.5 The Monitor notes that:

a) The proposed terms and conditions summarized herein have been prepared for convenience of reference and are not exhaustive descriptions of the terms and conditions that may be set out in the Plan or the Orders granted in these CCAA Proceedings.

b) Affected Creditors and Unitholders should refer to the full terms of the Plan, the Initial Order, the Claims Procedure Order, the Claims Officer Order, and the Meeting Order for complete details.

c) No person has been authorized to give any information or to make any representation not contained in this Fifteenth Report, and, if given or made, such information or representation should not be relied upon. Affected Creditors and Unitholders should rely only on the information contained in or incorporated by reference in this Fifteenth Report or to which the Monitor has referred.

d) All information in this Fifteenth Report is given as of May 14, 2014, unless otherwise indicated. The information contained in or incorporated by reference in this Fifteenth Report may only be accurate on the date hereof or the dates of the

documents incorporated by reference herein. The delivery of this Fifteenth Report shall not, under any circumstances, create an implication that there has been no change in the information set forth herein since the date of this Fifteenth Report. Affected Creditors and Unitholders should not assume that the information contained in this Fifteenth Report or incorporated by reference herein is accurate as of any other date. The Monitor disclaims any obligation to update any information, including "forward-looking information", whether as a result of new information, future events, or otherwise.

e) Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Fifteenth Report to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Fifteenth Report.

f) Affected Creditors and Unitholders should not construe the contents of this Fifteenth Report as investment, legal or tax advice. Affected Creditors and Unitholders should consult their own counsel, accountants and other advisors as to financial, legal, tax and related aspects of the Plan. Affected Creditors and Unitholders should carefully consider the tax consequences of the Plan described herein. In making a decision regarding the Plan, Affected Creditors and Unitholders must rely on their own examination of the Arctic Glacier Parties and the advice of their own advisors.

Summary of the Plan and Treatment of Stakeholders

4.6 The purpose of the Plan is to:

a) permit the settlement and/or determination of all Affected Claims in accordance with the Claims Procedure Order and the Claims Officer Order;

b) provide for the distribution of a sufficient amount of the Available Funds to holders of Proven Claims to satisfy such Proven Claims in full, plus any applicable interest calculated in accordance with the Sanction Order;

c) provide for the distribution of any surplus of the Available Funds to Unitholders on a *pro rata* basis free and clear of any Claims of Affected Creditors; and

d) effect the wind-up and dissolution of certain Arctic Glacier Parties pursuant to and in accordance with the timing and manner set out in the Plan.

4.7 The primary stakeholders being affected by the Plan are Affected Creditors and Unitholders.

4.8 If the conditions precedent to implementation of the Plan are fulfilled, including that the Sanction Order shall have been made and that such Order shall have been recognized in the Chapter 15 Proceedings, then:

a) On the Plan Implementation Date, among other things:

i. as more particularly described herein, the Monitor, on behalf of the Arctic Glacier Parties, shall use the Available Funds to fund the following reserves and distribution cash pools in the order specified below:

- Administrative Costs Reserve;
- Insurance Deductible Reserve;
- Unresolved Claims Reserve;
- Affected Creditors' Distribution Cash Pool; and
- Unitholders' Distribution Cash Pool; and

administer such reserves and distribution cash pools pursuant to and in accordance with the Plan;

ii. the Arctic Glacier Parties shall pay to the Monitor the Recovered Fees (as defined herein);

iii. specified Arctic Glacier Parties shall be dissolved and wound up, and distributions shall be made in the sequence set out in the Plan, including distributions that will be made by the Monitor from the Affected Creditors' Distribution Cash Pool to holders of Proven Claims to satisfy

such Proven Claims in full (including applicable interest, if any, accrued thereon);

iv. subject to the terms of the Plan, the Monitor will make a distribution from the Unitholders' Distribution Cash Pool to the Transfer Agent which will ultimately be paid to Unitholders;

v. the releases referred to in the Plan will become effective in accordance with the terms therein;

b) After the Plan Implementation Date, among other things, AGIF, AGI and AGII, or the Monitor on their behalf, as the case may be, shall take the following steps:

i. the Monitor, on behalf of the Arctic Glacier Parties, shall take all steps necessary to pay any amounts required to be paid to an Affected Creditor or to Unitholders after the Plan Implementation Date pursuant to and in accordance with the Plan;

ii. (a) the Monitor, on behalf of the Arctic Glacier Parties, shall take all steps necessary to make any distributions, payments or transfers in order to fund, or otherwise in connection with, the making of the payments referred to in subparagraph (i) above; and

(b) AGIF, AGI and AGII, in consultation with the Monitor, shall take all steps necessary to undertake any other transactions as between AGIF, AGI and AGII in order to fund or otherwise take steps in connection with the making of the payments referred to in subparagraph (i) above; and

iii. (a) AGIF, AGI and AGII, in consultation with the Monitor, shall take all steps necessary to wind-up, liquidate, terminate and dissolve each of AGIF, AGI and AGII or undertake any other steps in connection therewith, including causing AGIF's units to cease to be listed and traded on the Canadian National Stock Exchange on (and for greater certainty, not prior to) the Final Distribution Date; and

(b) the Monitor, on behalf of the Arctic Glacier Parties, shall make any distributions, payments or transfers in connection therewith; and

c) On the Final Distribution Date, any final remaining balance in the Administrative Costs Reserve or Unitholders' Distribution Cash Pool shall be distributed to Unitholders or, if the cost of making such final distribution is prohibitive, to a charity located in Winnipeg.

4.9 In summary, the Plan is expected to result in:

a) full recovery by Affected Creditors with Proven Claims, including applicable interest, if any;

b) sufficient reserves to satisfy Affected Creditors with Unresolved Claims once such Claims have been finally determined in accordance with the Claims Procecure Order and the Claims Officer Order, including applicable interest, if any;

c) the wind-up and dissolution of the Arctic Glacier Parties pursuant to and in accordance with the timing and manner set out in the Plan;

d) cost-efficient distribution of the surplus of Available Funds to Unitholders on a *pro rata* basis; and

e) the termination of the Declaration of Trust and cancellation of the Trust Units on the Final Distribution Date.

4.10 For these reasons, and as is described in more detail below, the Monitor considers the Plan to be fair and reasonable.

Anticipated Timeline for Plan Implementation

4.11 AGIF and the Monitor have developed the proposed schedule with respect to the Unitholders' Meeting. In doing so, AGIF and the Monitor were guided by NI 54-101, which governs communication with beneficial owners of securities of a reporting issuer. Among other things, NI 54-101 requires that the Unitholder Record Date to determine eligibility for voting at the Unitholders' Meeting must be no fewer than 30 and no more than 60 days before the date of such Unitholders' Meeting. The Monitor believes that it is prudent to provide more than 30 days' notice to ensure that the Beneficial Unitholders receive notice of the Unitholders' Meeting, have an adequate opportunity to consider how to vote, to request and receive paper copies of the Meeting Materials if desired, and to provide their voting instructions prior to the Unitholders' Meeting, particularly as this process requires information and voting instructions to be distributed by and through multiple intermediaries, including the Transfer Agent, Registered Unitholders and Nominees, as applicable. Based on the roles and nature of such intermediaries, the earliest date on which the Unitholders' Meeting ought to occur is in early August 2014. The Monitor and AGIF propose that the Unitholders' Meeting occur on August 12, 2014.

4.12 Given the provisions in NI 54-101 and the need to provide reasonable notice subsequent to the Unitholders' Meeting for the Sanction Order Motion, the Monitor and the Applicants have reserved September 5, 2014, for the hearing of the Sanction Order Motion by this Honourable Court.

4.13 If the Meeting Order and Sanction Order are granted, such Orders are recognized by the U.S. Court, and the Required Unitholder Majority votes to approve the Plan at the Unitholders' Meeting, then the anticipated timeline for the implementation of the Plan is as outlined below:

DATE	**EVENT**
May 21, 2014	Meeting Order Motion (CCAA Court)
May 22, 2014	Notice of Unitholder Meeting and Unitholder Record Date to be filed
May 27, 2014	Monitor shall send the Notice to Affected Creditors to each Known Affected Creditor
By May 30, 2014	Monitor shall post the Meeting Materials on the Website
May 30, 2014	Monitor shall cause the Notice to Affected Creditors and the Notice to Unitholders to be published in *The Globe and Mail* (National Edition), the *Wall Street Journal* (National Edition) and the *Winnipeg Free Press*
June 10, 2014	Meeting Order Recognition Motion (U.S. Court)
June 16, 2014	Unitholder Record Date
July 16, 2014	Monitor shall cause the Notice to Affected Creditors and the Notice to Unitholders to be published a second time in *The Globe and Mail* (National Edition), the *Wall Street Journal* (National Edition) and the *Winnipeg Free Press*
August 11, 2014	Master Ballot for Unitholders' Meeting must be received by the Monitor from the Transfer Agent

August 12, 2014	Deemed Creditors' Meeting
August 12, 2014	Unitholders' Meeting
10 days prior to the CCAA Sanction Motion	Monitor to post on the Website the Monitor's Report Regarding the Meetings
September 5, 2014	CCAA Sanction Motion
September 22, 2014	Sanction Order Recognition Motion (U.S. Court)
September 26, 2014	Expiration of appeal period for CCAA Sanction Order (if Sanction Order granted on September 5, 2014)
October 6, 2014	Expiration of appeal period for Sanction Order Recognition Order (U.S. Court) (if Order granted September 22, 2014)
October 15, 2014	Anticipated Plan Implementation Date, if all condition precedents are satisfied or waived

Summary of Reserves and Distribution Cash Pools

4.14 The reserves and distribution cash pools contemplated by the Plan are comprised of the Available Funds. The Available Funds are the total of:

a) the proceeds of the sale or disposition of the Assets that are being held by the Monitor at the Effective Time on the Plan Implementation Date;

b) the cash balances transferred by the Arctic Glacier Parties to the Monitor being held by the Monitor at the Effective Time on the Plan Implementation Date;

c) all other monies being held by the Monitor, on behalf of the Arctic Glacier Parties, at the Effective Time on the Plan Implementation Date; and

d) all monies received by the Monitor, on behalf of the Arctic Glacier Parties, following the Plan Implementation Date; less

e) the amount required to effect payment of the Recovered Fees on the Plan Implementation Date.

4.15 The Recovered Fees are the amount of CAD$426,252.16 (including HST) in respect of the discounted component of fees earned by the Monitor during the period of November 21, 2011 to December 31, 2012 (the "**Recovered Fees**"). The Monitor consulted with the CPS, the Arctic Glacier Parties and the Trustees and believes that the payment of the Recovered Fees is reasonable given the results obtained in these CCAA Proceedings, whereby all Proven Claims of Affected Creditors are being paid in full, with applicable interest, if any, and distributions to Unitholders will be made.

4.16 The Available Funds shall be held in one or more separate interest-bearing accounts for each of the reserves and pools described herein.

Administrative Costs Reserve

4.17 Pursuant to the Plan, the Administrative Costs Reserve will be established out of the Available Funds in the amount of $10 million, which is to be held by the Monitor, on behalf of the Arctic Glacier Parties, for the purpose of paying the Administrative Reserve Costs in accordance with the Plan. The Administrative Costs Reserve shall be used to pay:

- all amounts in respect of fees and costs to be incurred by the Monitor, its counsel, the Arctic Glacier Parties' counsel and other advisors, the Trustees and their counsel, and the CPS;
- amounts, if any, secured by the Charges that remain owing on the Plan Implementation Date;

- amounts in respect of existing or future taxes, expenses and other disbursements that are or may become payable;
- amounts in respect of potential cost awards regarding litigation associated with Unresolved Claims;
- amounts in respect of outstanding Crown Claims, if any, as discussed below; and
- amounts in respect of general contingency costs.

4.18 The Charges, as described below, continue to encumber the property held by the Monitor. The Plan contemplates that each of these Charges will be terminated, discharged and released pursuant to the Plan.

4.19 The five Charges currently in place are:

(i) The Administration Charge, as it is defined in paragraph 50 of the Initial Order. The Administration Charge provides the Monitor, counsel to the Monitor, the CPS, counsel to the trustees of AGIF, counsel to the directors and officers of the Arctic Glacier Parties, and counsel to the Arctic Glacier Parties security over the Property of the Applicants for any unpaid fees up to a maximum combined total of CDN$2 million. To date, the Monitor has reviewed the invoices and paid the parties covered by the Administration Charge in the ordinary course. As discussed below, professional fees and expenses to be incurred in connection with obtaining approval of and, if obtained, implementing the Plan, as well as completing all remaining tasks in the administration of the Applicants' estate are contemplated to be paid out of the Administrative Costs Reserve;

(ii) The Directors' Charge, as it is defined in paragraph 40 of the Initial Order. The Directors' Charge provides security over the Property in respect of indemnification obligations in favour of Directors, Officers and Trustees in respect of obligations and liabilities incurred as part of their responsibilities after the commencement of the CCAA Proceedings up to an aggregate amount of US$2.7 million. As set out in the Pre-filing Report of the Monitor, the sizing of the Directors' Charge was based on an analysis of certain potential statutory liabilities at that time. As the Applicants have not operated since July 2012, these potential statutory liabilities are no longer relevant and the Plan provides for a release in favour of the Directors;

(iii) The Critical Supplier Charge, as it is defined in paragraph 36 of the Initial Order. The amounts secured by the Critical Supplier Charge have been paid in full, no additional amounts will be incurred because the Assets have been sold, and the Monitor has not reserved any funds in relation to this Charge;

(iv) The Inter-Company Balances Charge, as it is defined in paragraph 16 of the Initial Order. This Charge is comprised of two charges: the Canada Inter-Company Charge and the U.S. Inter-Company Charge. As all Proven Claims will be paid in full, the Monitor will not be reserving any funds in relation to this Charge; and

(v) The Class Counsel Charge, as it is defined in paragraph 6 of the Order made by the Court dated October 16, 2013, and titled the "Indirect Purchaser Claim Settlement Order". The amounts secured by the Class Counsel Charge will be paid in full on the Plan Implementation Date.

4.20 The Monitor believes that $10 million is an appropriate reserve to fund Administrative Reserve Costs associated with the remaining activities in these CCAA Proceedings and to address any potential contingencies. This amount is fair and reasonable because:

(i) Two significant Unresolved Claims remain, each of which may need to be litigated by a full hearing and any appeals that may be taken;

(ii) All Claims and other obligations of the estate need to be resolved before final Unitholder distributions can be made;

(iii) Additional expenses will be incurred to wind-down certain Arctic Glacier Parties as a result of their corporate structure and the Unresolved Claims;

(iv) Additional tax returns will need to be filed and the Monitor and KPMG will need to deal with any additional tax issues;

(v) Cost of distributions to Affected Creditors and Unitholders in respect of distributions contemplated by the Plan; and

(vi) Further Court appearances in Canada and the United States will be necessary.

4.21 A plan of compromise and arrangement proposed in accordance with the CCAA must provide for the payment or provision of Crown Claims (as defined herein) pursuant to Section 6(3) of the CCAA. The Plan complies with Section 6(3) of the CCAA by requiring the Monitor, within six months after the Plan Sanction Date, to pay in full, on behalf of the Arctic Glacier Parties, to Her Majesty in Right of Canada or any province all amounts of a kind that could be subject to a demand under Section 6(3) of the CCAA that were outstanding on the Filing Date and which have not been paid by the Plan

Implementation Date ("**Crown Claims**"). The Monitor is not aware of any outstanding Crown Claims at this time.

4.22 The Plan does not provide for payment of any "Employee Priority Claims" or "Pension Priority Claims" pursuant to Sections 6(5) and 6(6) of the CCAA because no such claims exist, given that the Assets have been sold, the employees and all related obligations were paid in full or transferred to the Purchaser, and the Applicants were not a party to any pension plans.

4.23 Any final remaining balance in the Administrative Costs Reserve following payment in full or final satisfaction of all Administrative Reserve Costs, as determined by the Monitor, will be distributed to the Unitholders on a *pro rata* basis and be deemed to have first been transferred to the Unitholders' Distribution Cash Pool and then distributed therefrom. The Monitor shall have no obligation to make any payment out of the Administrative Costs Reserve if, in the Monitor's sole and unfettered discretion, the cost of making any such payment is prohibitive for so doing in relation to the quantum of the contemplated distribution.

Insurance Deductible Reserve

4.24 The Monitor has previously reported its intention to establish an insurance deductible reserve to ensure that the run-off of any litigation covered by insurance does not impede the timing of distributions from the estate. Based on its assessment, the insurer has confirmed that a reserve of $850,000 would be sufficient to cover: (i) the deductible amounts currently outstanding; (ii) deductible amounts that may become payable in respect of the currently open claims; and (iii) based on historical claim rates, deductible

amounts for any additional valid claims related to the period prior to July 27, 2012, that have not yet been filed. The Monitor has reviewed the information provided by the insurer supporting the quantum of the Insurance Deductible Reserve and has had numerous communications with the insurer regarding same. Accordingly, the Insurance Deductible Reserve will be established in the amount of $850,000. The Insurer has agreed to the Insurance Deductible Reserve.

4.25 The Monitor has engaged in discussions with the Applicants' insurer concerning the potential purchase of a "buy-out" policy, whereby the insurer would, in effect, be responsible for funding the remaining insurance deductible amounts in exchange for a lump sum payment by the Applicants. The Monitor and the Applicants continue to discuss the potential purchase of such a policy and will report on these discussions in a further report. Any such purchase would be funded by the Insurance Deductible Reserve.

4.26 Any balance remaining in the Insurance Deductible Reserve after full satisfaction of all insurance deductible amounts, as determined by the Monitor, will be deemed to have been transferred to the Administrative Costs Reserve.

Unresolved Claims Reserve

4.27 Pursuant to the Plan, the Unresolved Claims Reserve shall be in an amount equal to (a) the amounts specified in the Proofs of Claim filed by Affected Creditors with Unresolved Claims, as described above; and (b) the applicable portion of the Aggregate Interest Amount in respect of such Unresolved Claims.

4.28 As set out above, there are eight Unresolved Claims. The Unresolved Claims Reserve of approximately $16.83 million and approximately CDN$12.62 million is comprised of the

aggregate of the amounts specified by each Affected Creditor holding an Unresolved Claim on their respective Proofs of Claim, plus applicable interest estimated to accrue up to the anticipated Plan Implementation Date.

4.29 If an Affected Creditor's Unresolved Claim is finally determined to be a Proven Claim pursuant to and in accordance with the Claims Procedure Order and the Claims Officer Order, or if an Affected Creditor's Unresolved Claim is accepted as a Proven Claim, in each case, in whole or in part, the Monitor, on behalf of the Arctic Glacier Parties, shall distribute the amount equal to such Affected Creditor's Distribution Claim from the Unresolved Claims Reserve to such Affected Creditor in full satisfaction, payment, settlement, release and discharge of such Affected Creditor's Proven Claim, in accordance with the terms of the Plan. Any such distribution shall be deemed to have first been transferred to the Affected Creditors' Distribution Cash Pool and then paid therefrom.

4.30 Any final remaining balance in the Unresolved Claims Reserve following the final resolution of all Unresolved Claims pursuant to and in accordance with the Claims Procedure Order and the Claims Officer Order, as determined by the Monitor, will be deemed to be transferred to the Administrative Costs Reserve.

Affected Creditors' Distribution Cash Pool

4.31 The Affected Creditors' Distribution Cash Pool shall be established from the Available Funds in an amount equal to:

a) all Proven Claims of Affected Creditors with Affected Claims denominated in Canadian dollars on the Plan Implementation Date (except the Canadian Direct

Purchaser Claim), including the applicable portion of the Aggregate Interest Amount in respect of such Proven Claims;

b) all Proven Claims of Affected Creditors with Affected Claims denominated in U.S. dollars on the Plan Implementation Date (except the Deemed Proven Claims and the Indirect Purchaser Claim), including the applicable portion of the Aggregate Interest Amount in respect of such Proven Claims;

c) the Canadian Direct Purchaser Proven Claim;

d) the Deemed Proven Claims, including the accrued interest calculated in accordance with the interest rates set out in the Sanction Order in respect of each of the Deemed Proven Claims; and

e) the Indirect Purchaser Proven Claim, which accounts for a deduction of fees and expenses of UpShot and noticing costs associated with same that have been paid by the Monitor to date.

4.32 On the Plan Implementation Date, the Monitor, on behalf of the Arctic Glacier Parties, will make a distribution from the Affected Creditors' Distribution Cash Pool to holders of Proven Claims to satisfy such Proven Claims in full, including interest, if any, to such Affected Creditor in full satisfaction, payment, settlement, release and discharge of such Affected Creditor's Proven Claim.

4.33 The Affected Creditors' Distribution Cash Pool is currently anticipated to be comprised of approximately US$20.72 million and CDN$13.55 million. Unresolved Claims that become Proven Claims will be dealt with in accordance with the Plan whereby additional funds will be deemed to be transferred from the Unresolved Claims Reserve to the

Affected Creditors' Distribution Cash Pool and distributed therefrom to satisfy such Proven Claims.

4.34 The Plan provides that all claims for undeliverable or uncashed distributions in respect of Proven Claims will expire six months after the date of distribution, after which time the Proven Claims of that Affected Creditor shall be forever discharged and barred. At that time, any undeliverable or uncashed distribution amount shall be deemed to be transferred to the Administrative Cost Reserve.

Unitholders' Distribution Cash Pool

4.35 The Unitholders' Distribution Cash Pool shall be established in an amount equal to the Available Funds less the amounts used to fund the: (a) Administrative Costs Reserve; (b) Insurance Deductible Reserve; (c) Unresolved Claims Reserve; and (d) Affected Creditors' Distribution Cash Pool.

4.36 On the Plan Implementation Date, the Monitor, on behalf of AGIF, will make a distribution from the Unitholders' Distribution Cash Pool.

4.37 Any distribution to Unitholders (each such distribution being a "**Unitholder Distribution**") shall be made by transferring the aggregate amount of the Unitholder Distribution to the Transfer Agent. As soon as reasonably practicable after receipt of a Unitholder Distribution, the Transfer Agent shall distribute each Unitholder Distribution, on behalf and for the account of the Arctic Glacier Parties to each Registered Unitholder as of the applicable Unitholder Distribution Record Date that the Transfer Agent is aware of and for whom the Transfer Agent has contact information, calculated based on each Registered Unitholder's Pro Rata Share (a) for such Registered Unitholder, in respect of

Trust Units held by such Registered Unitholder solely for and on behalf of itself, as applicable; or (b) for distribution by such Registered Unitholder to (i) Beneficial Unitholders, as applicable, or (ii) Nominees or Nominee's Agents, as the case may be, for subsequent distribution to the applicable Beneficial Unitholders.

4.38 Following payment in full or final satisfaction of all Administrative Reserve Costs, any final remaining balance held in the Administrative Costs Reserve will be distributed to the Transfer Agent and then paid to the Unitholders on a *pro rata* basis, unless the cost of making any such payment is prohibitive, and such payments shall be deemed to have first been transferred to the Unitholders' Distribution Cash Pool and then distributed therefrom by the Monitor, on behalf of AGIF, to the Transfer Agent.

4.39 If, in the Monitor's discretion, the cost of distributing the final remaining balance in the Administrative Costs Reserve to Unitholders is prohibitive, then the final remaining balance in the Administrative Costs Reserve will be paid to a charity located in Winnipeg, Manitoba which will be selected at a later date.

Payment of Interest on Affected Creditors' Claims

4.40 The Plan provides for interest to be paid on Affected Creditors' Claims in accordance with the Sanction Order.

4.41 Four Proven Claims have been recognized by a Court order or have been dealt with in a Court-approved settlement, which specifically addresses interest associated with each such Proven Claim. It is proposed that interest for these Proven Claims be paid in accordance with the terms of the applicable Court order or Court-approved settlement as follows:

a) The DOJ Claim: This Claim includes interest compounding annually until the date of payment of such Claim at the United States federal post-judgement interest rate of 0.34% as provided for in the *Stipulation and Order Among the Monitor, Debtors, and the United States Attorney's Office for the Southern District of Ohio Regarding March 2010 Criminal Judgment of Arctic Glacier International Inc.*, dated July 17, 2012, as entered by the U.S. Court in the Chapter 15 Proceedings;

b) The Direct Purchaser Claim: The Direct Purchaser Settlement Agreement, which was approved by the Michigan Court on December 13, 2011, provides that interest will be paid at the One Year Treasury Constant Maturity Rate published by the U.S. Federal Reserve on the date the Direct Purchaser Settlement Agreement was executed by Arctic Glacier (March 30, 2011), which is 0.3%. The Direct Purchaser Settlement Agreement also provides that the $10 million amount due thereunder was payable on the later of 30 days after Court approval (December 13, 2011) or April 2, 2012. Accordingly, interest has been calculated on the Direct Purchaser Deemed Proven Claim commencing on April 2, 2012;

c) The Canadian Direct Purchaser Proven Claim: The Canadian Retail Litigation Settlement Agreement, which was approved by the Ontario Superior Court of Justice on July 11, 2013, provides that the Arctic Glacier Parties shall pay the Settlement Amount to Class Counsel (as defined in that Settlement Agreement) in full satisfaction of the Release Claims. The Settlement Agreement specifies that the Defendants shall have no obligation to pay any other amount; and

d) The Indirect Purchaser Proven Claim: As set out above, the U.S. Court provided final approval of the Settlement Agreement on February 27, 2014. This Agreement provides that only the Net Settlement Amount shall be available for distribution to holders of Approved Claims and that only holders of Approved Claims shall be entitled to receive a share of the Net Settlement Amount. As in the Canadian Retail Litigation Settlement Agreement, the Settlement Agreement does not provide for interest on the amounts paid to Holders of Approved Claims.

Therefore, it is proposed that interest will be paid as required by the agreements and Orders made in respect of each of these four Proven Claims.

4.42 The Proven Claims, other than the four Proven Claims discussed above, do not directly address interest. Given the amount of Available Funds and the proposed distribution to Unitholders, the Monitor and the Arctic Glacier Parties are of the view that it is fair, reasonable and equitable for Affected Creditors to receive interest payments in respect of their Proven Claims.

4.43 To ensure that Affected Creditors are treated fairly and equitably, the Monitor and the Arctic Glacier Parties propose to use the same interest rate and date from which interest accrues for all Affected Creditors, with the exception of those Affected Creditors holding the Proven Claims set out above, to the extent of those Proven Claims, for the reasons explained below.

4.44 The proposed interest rate is 1.5% per annum. There is no specific provision in the CCAA governing the interest rate to be used in respect of paying interest on creditor claims. The Monitor and the Arctic Glacier Parties therefore propose to use the current

Manitoba Court of Queen's Bench interest rate of 1.5% as the interest rate to be paid on Proven Claims, except for the Proven Claims set out above. This rate is reasonable, has been consistent throughout the relevant period, and is consistent with the Affected Creditors' reasonable expectations if they were to seek to resolve their Claims through proceedings before the Manitoba Court of Queen's Bench.

4.45 The Monitor and the Arctic Glacier Parties propose that interest on the Affected Creditors' Proven Claims (other than the Proven Claims referred to above) should start to accrue as of October 31, 2012, which is the Claims Bar Date, and accrue up to the Plan Implementation Date. The Monitor believes that the Claims Bar Date and Plan Implementation Date are the most workable, reasonable and fair dates. Using the Claims Bar Date and the Plan Implementation Date to calculate interest treats all Affected Creditors equitably, provides compensation to Affected Creditors for the period in which the Monitor, the CPS and the Arctic Glacier Parties worked to resolve Claims and develop the Plan, and permits the efficient completion of distributions to Affected Creditors with Proven Claims and to Unitholders.

4.46 The Monitor is aware of one other CCAA proceeding in which a Court approved and ordered that interest be paid on creditor claims. In *Re InterTAN,* the Ontario Superior Court of Justice authorized and ordered the Monitor to pay interest on creditor claims at a rate of 5% per annum. In that matter, the Monitor proposed an interest rate of 5%, because, among other things, it was the amount of post-judgment interest that would have been payable under the Ontario *Court of Justice Act* at that time had there been a judgment in favour of each claimant on the date the applicants filed their CCAA application and because Section 143 of the *Bankruptcy and Insolvency Act*, R.S.C., 1985,

c. B-3 (the "**BIA**") imposes a 5% rate of interest on all claims proved in the bankruptcy if there is a surplus of funds. A copy of the Order dated December 7, 2009 in *The matter of a Plan of Compromise or Arrangement of InterTAN Canada Ltd and Tourmalet Corporation* is attached as **Appendix "D"**.

4.47 For all of these reasons, at the CCAA Sanction Motion (defined below), the Applicants will seek an order approving the application of an interest rate of 1.5% per annum and the use of the Claims Bar Date and Plan Implementation Date to calculate interest for Proven Claims other than the four Proven Claims referred to above.

Conditions Precedent and Plan Implementation Date

4.48 The implementation of the Plan is conditional upon the satisfaction or waiver (if permitted) of certain conditions, including, but not limited to:

a) the Affected Creditor Class shall have been deemed to have unanimously voted in favour of the Plan at the Creditors' Meeting;

b) the Plan shall be approved by the Required Unitholder Majority;

c) the Sanction Order shall have been made and be in full force and effect, and all applicable appeal periods in respect thereof shall have expired and any appeals therefrom shall have been finally disposed of by the applicable appellate court, leaving the Sanction Order wholly operable;

d) a recognition order in the Chapter 15 Proceedings shall have been made recognizing the Sanction Order and such order shall be in full force and effect, and all applicable appeal periods in respect thereof shall have expired and any

appeals therefrom shall have been finally disposed of, leaving the recognition order wholly operable; and

e) the CPS and the Monitor are satisfied that (i) all tax returns required to be filed by, or on behalf of, the Arctic Glacier Parties have, or will be, duly filed in all appropriate jurisdictions; and (ii) all taxes required to be paid in respect thereof have or will be paid.

4.49 The date on which the Plan becomes effective (the Plan Implementation Date) shall be the Business Day on which the Monitor has filed with the Court a certificate confirming that all conditions to the implementation of the Plan have been satisfied or waived, including without limitation, the Sanction Order becoming final, binding and non-appealable and the recognition of Sanction Order by the U.S. Court becoming final, binding and non-appealable.

Plan Releases

4.50 On the Plan Implementation Date or thereafter, as set out in the Plan, customary releases shall be granted in favour of the Arctic Glacier Parties; the Monitor; Alvarez & Marsal Canada Inc. and its affiliates; the CPS; the Trustees, Directors, and Officers; each former employee who filed or could have filed an indemnity claim or a DO&T Indemnity Claim; each affiliate, subsidiary, member (including members of any committee or governance council), auditor, financial advisor, legal counsel and agent thereof; and any Person claiming to be liable derivatively through any or all of the foregoing Persons (the "**Releasees**"), who shall each be released and discharged in respect of any and all claims (which shall be broadly defined) that any Person may be entitled to assert against the

Releasees, except from any obligation created by, or existing under, the Plan or any related document.

4.51 Furthermore all Affected Creditors' Proven Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and/or barred after the distributions contemplated in the Plan are made in respect of such Affected Creditors' Proven Claims.

4.52 The Monitor considers the releases to be fair and reasonable in the context of, among other things, (a) the completion of the Sale in 2012; and (b) the efforts of the Monitor, the Arctic Glacier Parties and their advisors, along with the cooperation and assistance of the Trustees, Officers, Directors, employees and their representatives and advisors, that have contributed to the overall scheme and effect of the Plan that provides for payment of all Affected Creditors' Proven Claims in full, through distributions provided for in the Plan, and distributions to Unitholders, notwithstanding the insolvency that preceded these CCAA Proceedings.

Reviewable Transactions

4.53 Section 11.9 of the Plan provides that Section 36.1 of the CCAA and Sections 38 and 95 to 101 and any of the BIA and any other federal or provincial law relating to preferences, fraudulent conveyances or transfers at undervalue do not apply in respect of the Plan or to any payments or distributions made in connection with transactions entered into by or on behalf of the Arctic Glacier Parties, whether before or after the Filing Date, including to any and all of the payments, distributions and transactions contemplated by and to be implemented pursuant to the Plan. The Monitor has reviewed certain of the Arctic Glacier Parties' transactions preceding the commencement of the CCAA Proceedings and is not

aware of any that would constitute preferences, fraudulent conveyances or transactions at undervalue. Accordingly, the Monitor considers Section 11.9 of the Plan to be reasonable given the overall benefit of the Plan.

Plan Amendments

4.54 Pursuant to the Meeting Order being sought from the Court, the Applicants, with the consent of the Monitor, will be able to amend, restate, modify and/or supplement the Plan (each such change being an "**Amendment**") as long as such Amendment shall be (a) made in accordance with the Plan; (b) contained in a written document filed with this Honourable Court; and (c) communicated to the Known Affected Creditors and the Unitholders by posting a copy of such Amendment on the Website and emailing a notice to the Service List informing them of such posting, and such posting and email notification shall constitute adequate notice of, and delivery to, Affected Creditors and Unitholders of such Amendment. Any such Amendment that is made in accordance with the Plan shall constitute part of the Plan.

5.0 OVERVIEW OF PROPOSED NOTICE TO AND MEETINGS OF AFFECTED CREDITORS AND UNITHOLDERS

5.1 The Monitor reviewed and was consulted with respect to the terms of the Plan and the Meeting Order which set out the procedure for the conduct of, and voting at, the Creditors' Meeting and the Unitholders' Meeting and notice procedures with respect to same. For the reasons set out below, the Monitor considers the Plan and the Meeting Order to be fair and reasonable.

5.2 Pursuant to the proposed Meeting Order and Plan:

a) there will be one consolidated class of creditors to vote on the Plan, which will be comprised of all of the Affected Creditors (the "**Affected Creditors Class**"). The Affected Creditors Class will be deemed to have held a meeting for the purpose of voting on a resolution to approve the Plan, and will be deemed to have voted unanimously in favour of such a resolution; and

b) there will be one consolidated class of Unitholders to vote on the Plan, which will be comprised of all of the Unitholders.

Notice to Affected Creditors

5.3 All Known Affected Creditors were provided with notice of the motion for the Meeting Order and other relief, returnable May 21, 2014, and a copy of this Fifteenth Report.

5.4 If the Meeting Order is granted, then the Monitor shall provide the Notice to Affected Creditors in the form prescribed by the Meeting Order to each Known Affected Creditor to the address provided by each such Affected Creditor in its Proof of Claim, or to such other address subsequently provided by such Affected Creditor to the Monitor.

5.5 The Meeting Order provides that the Monitor will not send a form of proxy to Affected Creditors because, as is set out below, the Meeting Order provides that Affected Creditors will be deemed to have voted unanimously in favour of a resolution to approve the Plan.

Deemed Creditors' Meeting and Deemed Voting

5.6 The Applicants propose that there will be one consolidated class of creditors, which will be comprised of all of the Affected Creditors that will be deemed to have voted unanimously in favour of the resolution to approve the Plan.

5.7 The Plan provides that, from the Available Funds, all Affected Creditors will recover the full amount of their Proven Claims, with interest, if applicable. Given this unusual situation, the Monitor believes that it is neither appropriate nor necessary to expend the Arctic Glacier Parties' assets on a meeting for the Affected Creditors to attend and vote on the Plan. In addition, it is neither appropriate, nor necessary to expend the Arctic Glacier Parties' assets to determine a fair and reasonable approach to quantifying the Unresolved Claims for the purpose of a vote. Rather, the Monitor and the Arctic Glacier Parties propose to hold a deemed Creditors' Meeting with a deemed unanimous vote in favour of a resolution approving the Plan. Such a deemed meeting and vote treats the Affected Creditors fairly while preserving additional assets, which will, in turn, benefit the Unitholders.

5.8 If the Meeting Order is granted, then a meeting of Affected Creditors will be deemed to have been called and held on August 12, 2014, for the purpose of voting on a resolution to approve the Plan. Pursuant to the Meeting Order, every Affected Creditor will be deemed to have voted unanimously in favour of the resolution to approve the Plan, and this deemed vote will be binding on all Affected Creditors. To the extent that any Affected Creditor does not approve of the proposed approach to calculating and paying interest on the Affected Creditors' Proven Claims, such Affected Creditor can make submissions at the Sanction Order hearing. In the Monitor's view, this approach

preserves the Arctic Glacier Parties' assets while permitting Affected Creditors to comment on the Plan in a cost-effective manner.

Notice to Unitholders

5.9 The Meeting Order provides that Unitholders, being Registered Unitholders that hold one or more Trust Units solely for and on behalf of themselves and Beneficial Unitholders as of 5:00 p.m. (Toronto time) on June 16, 2014 (the "**Unitholder Record Date**") are entitled to receive notice of and vote at the Unitholders' Meeting. The Declaration of Trust requires the Unitholder Record Date to be at least 28 days prior to the Unitholder Meeting Date.

5.10 To ensure that all Unitholders receive notice of the Unitholders' Meeting, the Transfer Agent will provide copies of the Notice to Unitholders to Broadridge Financial Solutions Inc. ("**Broadridge**") and to each Registered Unitholder, as of the Unitholder Record Date, that the Transfer Agent is aware of, and has contact information in respect of (a) for such Registered Unitholders in respect of Trust Units held by any such Registered Unitholder solely for and on behalf of itself; or (b) for distribution by Broadridge to the Beneficial Unitholders as of the Unitholder Record Date.

5.11 As soon as reasonably practicable following the Unitholder Record Date and receipt of the Notice to Unitholders from the Transfer Agent, Broadridge shall send the Notice to Unitholders and the Voting Instruction Form for Beneficial Unitholders (the "**VIF**") to the Beneficial Unitholders.

Notice to Both Affected Creditors and Unitholders

5.12 In addition to delivering the documents outlined above to the Known Affected Creditors and Unitholders, the Monitor will post copies of the Plan, the Meeting Order, the Notice to Affected Creditors, the Notice to Unitholders, the Voting Instructions to Unitholders, a blank copy of the form of Unitholders' Proxy, a blank copy of the form of Master Ballot, a blank copy of the form of Nominee Ballot, a blank copy of the form of VIF, and the Fifteenth Report (collectively, the "**Meeting Materials**") on the Website. The Monitor shall also provide copies of such materials to Affected Creditors and Unitholders as requested.

5.13 Furthermore, the Plan provides that the Monitor shall: (a) no later than May 30, 2014; and (b) on or about July 16, 2014; cause the Notice to Affected Creditors and the Notice to Unitholders, or shortened versions thereof in form and substance satisfactory to the Monitor, to be published, in each instance, for a period of one calendar day in *The Globe and Mail* (National Edition), the *Wall Street Journal* (National Edition) and the *Winnipeg Free Press*.

5.14 The Meeting Order provides that the delivery, posting and publication of the Meeting Materials, as described herein, shall constitute good and sufficient service of the Meeting Order, the Plan and the Fifteenth Report, and good and sufficient notice of the Creditors' Meeting and Unitholders' Meeting to all Persons who may be entitled to receive notice thereof.

Unitholder Meeting and Voting

5.15 The Meeting Order provides that the Trustees will be deemed to have called a special meeting of Unitholders, and that the Unitholders are authorized to hold and conduct such special meeting on August 12, 2014 in Toronto, Ontario, at the time and place set out in the Notice to Unitholders, for the purpose of considering and voting on a resolution to, among other things, approve the Plan. The Monitor believes that holding the Unitholders' Meeting in Toronto is reasonable since a large number of Unitholders reside in the northeast United States and around Toronto, and all Beneficial Unitholders are able to vote by proxy. If the Plan is approved by the Required Unitholder Majority (more than 66 2/3% of the votes attached to the Trust Units represented at the Unitholders' Meeting), then it shall be ratified and given full force and effect, in accordance with the provisions of this Meeting Order, the Plan, the CCAA and any further Order of this Honourable Court, including the Sanction Order. The result of any vote at the Unitholders' Meeting shall be binding on the Unitholders, whether or not such Unitholder is present at the Unitholders' Meeting.

5.16 To the extent practicable, the Unitholders' Meeting will be held in accordance with the procedures provided for in the Declaration of Trust, as such procedures may be modified by the Meeting Order.

5.17 Consistent with ordinary practice in a CCAA proceeding, a representative of the Monitor shall preside as the chair (the "**Chair**") of the Unitholders' Meeting and, subject to the Meeting Order and any further order of the Court, shall decide all matters relating to the conduct of the Unitholders' Meeting. In addition, the Meeting Order provides that:

a) the Monitor may appoint scrutineers (the "**Scrutineers**") to supervise and tabulate the attendance, quorum and votes cast at the Unitholders' Meeting;

b) a Person designated by the Monitor shall act as secretary (the "**Secretary**") at the Unitholders' Meeting;

c) the only Persons entitled to attend the Unitholders' Meeting are the Monitor and its legal counsel; the Applicants and their legal counsel; the CPS; those Persons, including Registered Unitholders, Beneficial Unitholders and holders of Unitholders' Proxies entitled to vote on the Plan and their advisors; the holder of the Master Ballot and its legal counsel; the Trustees and their respective legal counsel and advisors; the Auditors (as defined in the Declaration of Trust); the Transfer Agent; the Chair (defined below); the Secretary; and the Scrutineers. Any other Person may be admitted to the Unitholders' Meeting on invitation of the Chair; and

d) the quorum required at the Unitholders' Meeting shall be one Registered Unitholder present at such meeting in person or represented by proxy, or one Beneficial Unitholder represented by proxy and, in each case, entitled to vote on the resolution to approve the Plan.

5.18 The Meeting Order provides for one consolidated class of Unitholders who are entitled to vote on the resolution to approve the Plan. The voting procedure that shall apply at the Unitholders' Meeting is as follows:

a) only Unitholders or their proxies shall be entitled to vote at the Unitholders' Meeting. Each of the Unitholders entitled to vote on the Plan is entitled to one vote for each Trust Unit held by such Unitholder on the Unitholder Record Date;

b) each Registered Unitholder that holds Trust Units solely for and on behalf of itself may vote either by (i) completing the Unitholders' Proxy and returning it to the Transfer Agent prior to the deadline set out in the Meeting Order; or (ii) attending the Unitholders' Meeting;

c) each Beneficial Unitholder that wishes to deliver voting instructions and instructions with respect to the appointment of a proxy in respect of any amendments or variations to the matters that are properly before the Unitholders' Meeting must complete the applicable sections of the VIF (in accordance with the instructions attached thereto) so that the voting and proxy instructions of the Beneficial Unitholders as provided therein can be compiled and transferred by Broadridge to a form containing such information for transmittal to the applicable Nominee or Nominee's agent;

d) each Nominee or its agent shall transfer the Beneficial Unitholder voting and proxy instructions received from Broadridge to a Nominee Ballot and return the Nominee Ballot to the Transfer Agent (in accordance with the terms attached thereto);

e) Unitholders' Proxies and Nominee Ballots must be received by the Transfer Agent by 5:00 p.m. (Toronto time) on August 8, 2014. The Monitor may, in its discretion, waive in writing the deadline to deposit the Unitholders' Proxies and

Nominee Ballots and all other procedural matters if the Monitor deems it advisable to do so;

f) the Master Ballot must be received by the Monitor by 5:00 p.m. (Toronto time) on August 11, 2014; and

g) the Chair is hereby authorized to accept and rely upon the Master Ballot substantially in the form attached to the Meeting Order.

Sanction of the Plan

5.19 Pursuant to the Meeting Order, the Monitor shall provide a report to this Honourable Court at least ten calendar days prior to the CCAA Sanction Motion (as defined below) (the "**Monitor's Report Regarding the Meetings**"), with respect to:

a) the deemed vote at the Creditors' Meeting with respect to the resolution to approve the Plan;

b) the results of the voting at the Unitholders' Meeting on the resolution to, among other things, approve the Plan; and

c) whether the Required Unitholder Majority approved the Plan.

5.20 If the Plan is approved by the Required Unitholder Majority, the Arctic Glacier Parties may bring a motion before the Court seeking an order sanctioning the Plan pursuant to the CCAA (the "**CCAA Sanction Motion**"). The Applicants propose that the CCAA Sanction Motion be returnable on September 5, 2014.

5.21 If this Court grants the Sanction Order, the Monitor will seek to have the Sanction Order recognized by the U.S. Court in the Chapter 15 Proceedings. The Monitor has been

advised by its U.S. counsel that the U.S. hearing to consider recognition of the CCAA Sanction Order will be returnable on September 22, 2014.

5.22 The Meeting Order provides that service of the Meeting Order on the Service List and the delivery, publication and posting of the Meeting Materials as described therein will constitute good and sufficient service of notice of the CCAA Sanction Motion on all Persons entitled to receive such service and no other form of notice or service need be made and no other materials need be served in respect of the CCAA Sanction Motion, except that the Applicants and the Monitor shall serve the Service List with any additional materials to be used in support of the CCAA Sanction Motion. Pursuant to the Meeting Order, the Monitor will post a copy of the Monitor's Report Regarding Meetings and a draft Sanction Order on the Website prior to the CCAA Sanction Motion.

5.23 If a Person wishes to oppose the CCAA Sanction Motion, then that Person must serve on the Service List a notice setting out the basis for such opposition and a copy of the materials to be used to oppose the CCAA Sanction Motion at least two Business Days before the date set for the CCAA Sanction Motion.

5.24 The Meeting Order requires that any party that wishes to oppose the CCAA Sanction Motion must serve on the Service List a notice setting out the basis for such opposition and a copy of the materials to be used to oppose the CCAA Sanction Motion at least two Business Days before the date set for the CCAA Sanction Motion.

5.25 The proposed Sanction Order will include, among other things, relief substantially in the form of the provisions set out in Section 10.2 of the Plan and will be served on the Service List and posted to the Website. As set out above, the provisions with respect to

interest proposed to be paid on certain Proven Claims will be included in the Sanction Order.

6.0 RECEIPTS AND DISBURSEMENTS SINCE THE FOURTEENTH REPORT

6.1 As discussed in the Fourteenth Report, on January 24, 2014, the Monitor was holding approximately $118.1 million on behalf of the Applicants.

6.2 During the period from January 25 to May 2, 2014 (the "**Reporting Period**"), the Applicants' net cash outflows totaled approximately $1.08 million, comprised of receipts of approximately $1.23 million and disbursements of approximately $2.31 million. The receipts are primarily comprised of a tax refund from the State of California of approximately $1 million and other tax refunds.

6.3 The disbursements of $2.31 million made during the Reporting Period are primarily comprised of professional fees and expenses totaling approximately $1.99 million, which include the fees and expenses paid to KPMG, the Monitor, its legal counsel, the CPS, the Applicants' legal counsel, and other professionals retained by the Applicants to assist with these CCAA Proceedings; premiums of approximately $218,000 in respect of environmental insurance; and other disbursements of approximately $100,000, including fees paid to the Directors and Trustees, GST/HST, taxes, and other disbursements of an administrative nature.

6.4 As at May 2, 2014, the Monitor is holding approximately $117.04 million, all of which is being held in interest-bearing bank accounts in the name of the Monitor, on behalf of the Applicants. Included in these funds is $7.08 million, which includes interest, held in a U.S. escrow account pursuant to the DOJ Stipulation.

7.0 FUNDS AVAILABLE FOR DISTRIBUTION TO UNITHOLDERS

7.1 As set out above, there are a number of unresolved matters that will affect the amount of funds available to be allocated to the Unitholders' Distribution Cash Pool. In addition, the Monitor is continuing to administer the estate, with the assistance of other professionals. As such, it is not currently possible to calculate the Unitholders' Distribution Cash Pool. At the Plan Implementation Date, the Monitor will undertake a calculation in a form similar to that set out in the table below. The Monitor notes that certain figures in this table will change before the Plan Implementation Date and that this table does not take into account, among other things, foreign exchange impacts. The amounts in this table are based upon assumptions about future events and conditions that are not ascertainable. Actual results will vary and any such variations could be material. As a result, the table does not reflect the amount of funds that will actually be allocated to the Unitholders' Distribution Cash Pool on the Plan Implementation Date.

THE ARCTIC GLACIER PARTIES FORMULA TO CALCULATE FINANCIAL POSITION		
	Amount	
	(US$000's)	(CDN$000's)
Funds held by the Monitor at May 2, 2014	116,483	558
Less:		
Administrative Costs Reserve	10,000	-
Insurance Deductible Reserve	850	-
Unresolved Claims Reserve	16,825	12,618
Recovered Fees	-	426
Affected Creditors Distribution Cash Pool	20,719	13,547
Estimated Unitholders' Distribution Cash Pool, not taking into account ongoing administration costs of the CCAA Proceedings to be incurred and/or paid between the Reporting Period and the Plan Implementation Date and excluding any foreign exchange effect on the conversion of U.S. dollars into Canadian dollars that may be required in order to meet Canadian dollar obligations, net total in combined currency	**42,056**	

8.0 ACTIVITIES OF THE MONITOR

8.1 In addition to the activities of the Monitor described above, the Monitor's activities from the date of the Fourteenth Report (January 29, 2014) have included the following:

- Continuing to participate in conference calls between the Monitor, the Monitor's legal counsel, the Applicants' legal counsel, and the CPS to discuss the status of various outstanding matters;
- Continuing to provide for non-confidential materials filed with this Honourable Court and with the U.S. Court to be publicly available on the Website in respect of these CCAA Proceedings and the Chapter 15 Proceedings;
- Drafting this Fifteenth Report;
- Participating in a Board call held on April 10, 2014;

- Obtaining the U.S. Court's entry of the Final Approval Order in respect of the Indirect Purchaser Claim held on February 27, 2014;
- Continuing to act as foreign representative in the Chapter 15 Proceedings;
- Communicating with insurance adjusters and with plaintiffs' counsel regarding certain open insurance claims and regarding a potential buy-out policy to cover any and all remaining insurance deductibles;
- In consultation with the CPS and the Applicants' Canadian insolvency counsel, arranging for a 3-year "tail" to the Applicants' environmental insurance policies and related communications with the Applicants' insurance broker;
- Continuing to fulfill the Monitor's responsibilities pursuant to the Claims Procedure Order;
- Attending the February 5, 2014 Stay extension Court hearing;
- Together with the Monitor's counsel, the Applicants' counsel, and the CPS, participating in calls with the Transfer Agent and Broadridge to coordinate their respective roles in the Plan;
- Reviewing and following up with KPMG, the Purchaser and the respective tax authorities in respect of various corporate tax assessments received related to the 2012 tax year as well as prior years and related communications with the CPS;
- Communicating with KPMG in respect of the preparation of the 2013 year-end financial information and tax returns of the Applicants;

- Arranging for the preparation and filing of the U.S. tax extensions for the year ended December 31, 2013;
- Arranging for the preparation and filing of the AGIF trust return for the year ended December 31, 2013;
- Maintaining estate bank accounts, overseeing and accounting for the Applicants' receipts and disbursements pursuant to the Transition Order, and providing professional fee invoices to the CPS for review and discussion;
- Preparing and filing monthly GST/HST returns and various other statutory returns; and
- Responding to enquiries from Unitholders and other stakeholders, including addressing questions or concerns of parties who contacted the Monitor or the CPS on the toll-free hotline number established by the Monitor.

9.0 THE STAY EXTENSION

9.1 The Applicants are requesting an extension of the Stay Period to September 26, 2014. Monitor supports an extension of the Stay Period to September 26, 2014 and believes that the Applicants have acted and continue to act in good faith and with due diligence.

9.2 The Monitor believes that an extension of the Stay Period until September 26, 2014 is appropriate, as it will allow additional time for the Monitor, in consultation with the Applicants, to continue working towards a resolution of the Unresolved Claims and to implement the process contemplated by the Meeting Order, including seeking the recognition by the U.S. Court of the Meeting Order, preparing for and attending the

Unitholders' Meeting, reporting to the Court on the Affected Creditors' Meeting and the Unitholders' Meeting and, if appropriate, implementing the Plan. The proposed Stay extension date of September 26, 2014 is being requested based on the expected timeline to implement the process contemplated by the Meeting Order and to return to this Court for the CCAA Sanction Motion.

10.0 THE MONITOR'S COMMENTS AND RECOMMENDATIONS

10.1 The Monitor believes that the Plan is advantageous to the Affected Creditors and the Unitholders. The Monitor also believes that the Arctic Glacier Parties have acted and continue to act in good faith and with due diligence and have not breached any requirements under the CCAA or any Order of the Court. Accordingly, the Monitor recommends that this Honourable Court grant the requested Meeting Order, that the Affected Creditors be deemed to vote unanimously in favour of a resolution approving the Plan, and that the Unitholders vote in favour of the Plan.

10.2 The Applicants have not operated their business since July 2012. Therefore, the Applicants and the Monitor have not prepared an extended cash flow forecast. The Monitor, on behalf of the Applicants, intends to continue to satisfy any amounts properly incurred in respect of the ongoing administration of the estate from the funds being held by the Monitor in the estate bank accounts. The Monitor continues to anticipate that such amounts will be primarily limited to fees and expenses of the Directors and Trustees, insurance-related expenses, taxes, professional fees and expenses, and any incidental fees and costs. The funds held by the Monitor in its estate bank accounts will be sufficient to satisfy such disbursements.

10.3 For the reasons set out in this Fifteenth Report, the Monitor hereby respectfully recommends that this Honourable Court grant the relief being requested by the Applicants in their Notice of Motion.

*****

All of which is respectfully submitted to this Honourable Court this 14th day of May, 2014.

Alvarez & Marsal Canada Inc., in its capacity
as Monitor of Arctic Glacier Income Fund,
Arctic Glacier Inc., Arctic Glacier International Inc. and
the other Applicants listed on Appendix "A".

Per: Richard A. Morawetz, Senior Vice President