

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF MAPLE BANK GmbH

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

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

BETWEEN:

ATTORNEY GENERAL OF CANADA

Applicant

- and -

MAPLE BANK GmbH

Respondent

**MOTION RECORD
(Re: Interim Distribution)
(Returnable November 18, 2016)**

Date: November 16, 2016

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its assets.

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Appendix "B" Claims Procedure Order dated June 8, 2016
Appendix "C" Third Report of KPMG Inc., dated June 2, 2016 (without
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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF MAPLE BANK GmbH

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

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

BETWEEN:

ATTORNEY GENERAL OF CANADA

Applicant

and

MAPLE BANK GmbH

Respondent

NOTICE OF MOTION

KPMG Inc., in its capacity as the Court-appointed Liquidator (the “**Liquidator**”) in respect of the winding up of the business in Canada (the “**Business**”) of Maple Bank GmbH (“**Maple Bank**”) and its assets (the “**Assets**”) as defined in section 618 of the *Bank Act* (the “**Bank Act**”) will make a Motion to Regional Senior Justice Morawetz, on Friday, November 18, 2016 at 8:30 a.m. or as soon after that time as the motion can be heard, at 330 University Avenue, 8th Floor, Toronto, Ontario.

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

THE MOTION IS FOR:

1. An Order substantially in the form attached as Schedule “A” to this Notice of Motion (the “**Interim Distribution Order**”):
 - (i.) if required, abridging the time for service of the Notice of Motion and the Motion Record and validating service so that the Motion is properly returnable on the proposed date and dispensing with the requirement for any further service thereof;
 - (ii.) approving the Third Report of the Liquidator dated June 2, 2016 (the "**Third Report**") and the Ninth Report of the Liquidator dated November 16, 2016 (the “**Ninth Report**”) and the activities of the Liquidator as set out in the Third Report and the Ninth Report;
 - (iii.) authorizing and directing the Liquidator to make a distribution, in full, to creditors of Maple Bank, Toronto Branch (as defined below), with proven Claims, inclusive of statutory interest in the amount of 5% (the "**Distribution**") in accordance with section 158.1(2) of the *Winding-Up and Restructuring Act* (“**WURA**”) and a partial distribution to the GIA (as defined below) of a portion of the estimated surplus of funds, which have been realized by the Liquidator from the liquidation and/or sale of the Assets and the Business (the “**Partial Distribution**” and collectively with the Distribution, the “**Interim Distribution**”) on, or after December 19, 2016 (the “**Interim Distribution Date**”);
 - (iv.) approving the proposed form of notice to creditors of the Toronto Branch to be published in the National Edition of the Globe and Mail and the International Edition of The Wall Street Journal prior to making the Interim Distribution giving notice of the Interim Distribution by the Interim Distribution Date, substantially in the form of the draft notice appended as Schedule “A” to the Interim Distribution Order;

- (v.) approving the conversion of the amounts held by the Liquidator to be distributed as part of the Interim Distribution to the Association of German Banks' Deposit Protection Fund / the Compensation Scheme of German Private Banks (the "**GDPF**") and the GIA from Canadian dollars to Euros, or alternatively approving the purchase of a derivative financial product that will hedge the foreign exchange risk ("**FX Risk**") for the GDPF and the GIA prior to the Interim Distribution Date;
- (vi.) approving the receipts and disbursements of the Toronto Branch for the period from February 16, 2016 to October 31, 2016; and
- (vii.) such other relief as counsel may advise and this Court may permit.

THE GROUNDS FOR THE MOTION ARE

Background

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

The Interim Distribution

5. On June 8, 2016, this Court issued an order (the "**Claims Procedure Order**") approving a claims procedure (the "**Claims Procedure**") to be used as part of these WURA proceedings;
6. Pursuant to the Claims Procedure, creditors were provided in excess of 90 days to file their Claims with the Liquidator. It has now been in excess of five months since the Claims Procedure was commenced. As of the date of this Notice of Motion, there is relative certainty that the total universe of claims has been identified;
7. In accordance with the Claims Procedure, the GIA submitted a proof of claim made on behalf of Maple Bank GmbH totalling \$791.3 million (the "**GIA Claim**") for the payment of certain term loans and other operational funding provided to the Toronto Branch. If this claim is proven and admitted (which it has not yet been), the Toronto Branch would be insolvent;
8. If the GIA claim is not proven, the Toronto Branch will have an estimated total surplus of funds realized from the liquidation and/or sale of the Assets and the Business of the Toronto Branch of approximately \$574.3 million (the "**Estimated Surplus**");
9. The Liquidator has discussed the GIA Claim and the Interim Distribution with the GIA. In this regard, the Liquidator has reached an agreement with the GIA pursuant to which the GIA Claim, to the extent that it is valid, shall, upon receipt of the Partial Distribution as approved as part of the Interim Distribution, and without prejudice to its right to receive for the German Estate the assets of the Toronto Branch that remain after payment of all Proven Claims, be permanently reduced to the extent of any such distribution made to the GIA in respect of the GIA Claim. The GIA has further agreed that such corresponding portion of the GIA Claim shall be extinguished and released by such distribution. In addition, the remaining portion of the GIA Claim, to the extent that it is valid, after taking into account the Interim Distribution, shall be capped at an amount (which amount may from time to time increase or decrease) that results in the Toronto Branch having assets in excess of its liabilities. Accordingly, Creditors with existing proven Claims will receive 100% of their Claim amounts, plus interest to the date of the Interim Distribution;

10. Reasonable reserves (collectively, the “**Claims Reserves**”) will be established to provide for: (i) Claims that have been filed but not yet proven/accepted (“**Unproven Claims**”); and (ii) possible future Claims, including interest thereon until distributions are made in respect of these Claims;
11. The Liquidator recommends that the Court approve the Interim Distribution on the basis *inter alia* that: (i) the Asset realization process is substantially complete and the Liquidator is holding cash or equivalents in excess of \$1.5 billion; (ii) the reserve for Future Potential Claims is considerable at \$50 million; and (iii) pursuant to the WURA, interest is accruing on Claims at 5% per annum, which is significant given the value of certain of the largest Claims and the corresponding current low interest rate environment;

The Euro Conversion

12. The Toronto Branch’s two largest stakeholders reside in Germany, namely the GDPF, as the assigned claimant of German depositors with proven claims of \$686.1 million (plus accrued interest) and the GIA for the Estimated Surplus;
13. The Liquidator is supportive of the request made by the GDPF and the GIA to reduce the FX Risk for these two parties;
14. The Liquidator is seeking the approval of the Court to: (i) convert the amounts payable to the GDPF and the Estimated Surplus distribution to the GIA on behalf of the German Estate to Euros; or (ii) purchase an alternative derivative financial product that will hedge the FX Risk until the Interim Distribution Date once the Interim Distribution is approved, subject, in each case, to the approval of the GDPF or the GIA, respectively;

Miscellaneous

15. Sections 74, 75, 76, 158.1 of the WURA;
16. Rules 1.04, 1.05, 2.03, 3.02(1), 16 and 37 of the *Rules of Civil Procedure*;
17. The Claims Procedure Order;
18. The Winding-Up Order; and
19. Such further and other grounds as counsel may advise and the Court may permit.

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

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

November 16, 2016

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TAB 1A

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

THE HONOURABLE REGIONAL) FRIDAY, THE 18th
SENIOR JUSTICE MORAWETZ)
) DAY OF NOVEMBER , 2016

IN THE MATTER OF MAPLE BANK GmbH

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

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

BETWEEN:

ATTORNEY GENERAL OF CANADA

Applicant

and

MAPLE BANK GmbH

Respondent

INTERIM DISTRIBUTION ORDER

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

- (a) abridging the time for service of the Notice of Motion and the Motion Record, herein, if required, and validating service so that the Motion is properly returnable on the proposed date and dispensing with the requirement for any further service thereof;
- (b) approving the Third Report of the Liquidator dated June 2, 2016 (the “**Third Report**”) and the Ninth Report of the Liquidator dated November 16, 2016 (the “**Ninth Report**”) and the activities of the Liquidator as set out in the Third Report and the Ninth Report;
- (c) authorizing and directing the Liquidator to make a distribution, in full, to creditors of Maple Bank, Toronto Branch (the “**Toronto Branch**”) with proven claims, inclusive of statutory interest in the amount of 5% per annum in accordance with section 158.1(2) of the WURA (the “**Distribution**”) and a partial distribution to the German Insolvency Administrator (the “**GIA**”), on behalf of the German Estate of a portion of the estimated surplus funds (the “**Estimated Surplus**”), which have been realized by the Liquidator from the liquidation and/or sale of the Assets and the Business of the Toronto Branch (the “**Partial Distribution**”, collectively with the Distribution, the “**Interim Distribution**”) on, or after December 19, 2016 (the “**Interim Distribution Date**”);
- (d) approving the notice to creditors of the Toronto Branch to be published in the National Edition of the Globe and Mail and the International Edition of the Wall Street Journal giving notice of the Interim Distribution by the Interim Distribution Date, substantially in the form of the notice attached as Schedule “A”, hereto (the “**Interim Distribution Notice**”);
- (e) approving the conversion of the amounts held by the Liquidator to be distributed as part of the Interim Distribution to the Association of German Banks’ Deposit Protection Fund / the Compensation Scheme of German Private Banks (the “**GDPF**”) and the GIA from Canadian dollars to Euros, or alternatively approving the purchase of a derivative financial product that will hedge the foreign exchange

risk (“**FX Risk**”) for the GDPF and the GIA prior to the Interim Distribution Date, subject, in each case, to the approval of the GDPF or the GIA, respectively;

- (f) approving the Receipts and Disbursements (“**R&D**”) for the Toronto Branch for the period from February 16, 2016 to October 31, 2016; and
- (g) such further relief as may be required in the circumstances and which this Court deems as just and equitable,

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

ON READING the Third Report and the Ninth Report, on being advised that the GIA consents to this Order, and on hearing the submissions of counsel for the Liquidator, counsel for BMO, counsel for the GIA and no one else appearing although served as evidenced by the Affidavit of Frances Dunne sworn November •, 2016, filed,

Service / Approval of the Activities of Liquidator

1. **THIS COURT ORDERS**, that the time for service of the Notice of Motion and the Motion Record is validated so that the Motion is properly returnable today and hereby dispenses with further service thereof, including without limitation, any prescribed notice requirements under the WURA.
2. **THIS COURT ORDERS** that the Third Report and the Ninth Report and the activities of the Liquidator as set out in the Third Report and the Ninth Report, respectively, be and are hereby approved.

Approval of the Interim Distribution/Notice/Conversion

3. **THIS COURT ORDERS** that the Liquidator is hereby authorized and directed to make:
 - (i) the Distribution to creditors of the Toronto Branch with proven Claims, inclusive of statutory interest in the amount of 5% per annum in accordance with section 158.1(2) of the WURA; and
 - (ii) the Partial Distribution to the GIA, on behalf of the German Estate of a portion of the Estimated Surplus on, or after the Interim Distribution Date.

4. **THIS COURT ORDERS** that the Interim Distribution Notice be and is hereby approved.

5. **THIS COURT ORDERS** that the conversion of the amounts held by the Liquidator to be distributed as part of the Interim Distribution to the GDPF and the GIA from Canadian dollars to Euros, or alternatively the purchase of a derivative financial product that will hedge the FX Risk for the GDPF and the GIA prior to the Interim Distribution Date be and is hereby approved, subject, in each case, to the approval of the GDPF or the GIA, respectively.

Approval of the Liquidator's R&D

6. **THIS COURT ORDERS** that the R&D for the Toronto Branch for the period from February 16, 2016 to October 31, 2016 be and is hereby approved.

General

7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, the Republic of Germany, including the assistance of the Amtsgericht Frankfurt am Main [Insolvency Court] to give effect to this Order and to assist the Liquidator and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Liquidator, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Liquidator and its agents in carrying out the terms of this Order.

Schedule "A"

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

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

PLEASE TAKE NOTICE that this notice is being published pursuant to an Order of the Superior Court of Justice of Ontario [Commercial List] made November 18, 2016 (the "**Interim Distribution Order**"). The Interim Distribution Order provides for the approval of (i) a distribution to Maple Bank's creditors who have submitted a proof of claim that has been accepted and admitted by the Liquidator; and, (ii) a partial distribution of a portion of the estimated surplus of Maple Bank to the German insolvency administrator of Maple Bank GmbH on or after December 19, 2016 (the "**Interim Distribution Date**"). This notice is provided to advise all creditors of Maple Bank of the distribution on or after the Interim Distribution Date and to request that any creditor that has not yet filed a proof of claim with the Liquidator to do so forthwith to ensure that their claim is submitted to the Liquidator **PRIOR TO THE INTERIM DISTRIBUTION DATE** for consideration by the Liquidator. Creditors who have already submitted a Proof of Claim are **NOT** required to re-submit a Proof of Claim as a result of this notice. Creditors can obtain the Order and a Proof of Claim package from the website of the Liquidator (<http://www.kpmg.com/ca/maplebank>) or by contacting the Liquidator by telephone (416) 777- 3091, by fax (416) 777-3364 or by email (svnededic@kpmg.ca).

Proofs of Claim must be submitted to the Liquidator for any claim against Maple Bank, whether unliquidated, contingent or otherwise, in each case where the claim (i) arose on or prior to February 16, 2016 (the "**Winding-Up Date**"), or (ii) arose after the Winding-Up Date as a result of the termination, repudiation or disclaimer of any lease, contract, employment agreement or other agreement. Please consult the Proof of Claim package for more details.

Completed Proofs of Claim must be received by the Liquidator by 4:00 p.m. (Eastern Standard Time) on December 16, 2016. It is your responsibility to ensure that the Liquidator receives your Proof of Claim by the above-noted time and date.

TAKE NOTE THAT FAILURE TO SEND IN A PROOF OF CLAIM BY DECEMBER 16, 2016 WILL RESULT IN DISTRIBUTIONS BEING MADE WITHOUT REGARD TO ANY CLAIM NOT SUBMITTED BY THAT DATE.

DATED at Toronto this _____ day of _____, 2016.

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

Attention: Sven Dedic: svnededic@kpmg.ca
Fax: (416) 777-3364
Phone: (416) 777-3091

ATTORNEY GENERAL OF CANADA – Applicant

- and -

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

MAPLE BANK GmbH., – Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]**

(PROCEEDING COMMENCED AT TORONTO, ONTARIO)

INTERIM DISTRIBUTION ORDER

GOWLING WLG (CANADA) LLP

Barristers and Solicitors
1 First Canadian Place
100 King Street West, Suite 1600
Toronto, ON M5X 1G5

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Tel: (416) 862-3509

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Lawyers for KPMG Inc. in its capacity as the Court-appointed
Liquidator of the business in Canada of Maple Bank GmbH
and its assets as defined in section 618 of the *Bank Act*.

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

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

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

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF MOTION

GOWLING WLG (CANADA) LLP
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Lawyers for KPMG Inc., in its capacity as Liquidator of
the business in Canada of Maple Bank GmbH and its
assets.

TAB 2

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF MAPLE BANK GmbH

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

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

BETWEEN:

ATTORNEY GENERAL OF CANADA

Applicant

and

MAPLE BANK GmbH

Respondent

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

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

1. INTRODUCTION AND PURPOSE OF THE NINTH REPORT

BACKGROUND

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

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

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

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

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

TERMS OF REFERENCE AND DISCLAIMER

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

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

PURPOSE OF THE NINTH REPORT

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

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

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

2. CLAIMS PROCEDURE UPDATE

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

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

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

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

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

⁽¹⁾ All Proofs of Claim are unsecured.

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

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

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

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

⁽¹⁾ All Proofs of Claim are unsecured.

3. PROPOSED INTERIM DISTRIBUTION OF PROCEEDS AND CREDITOR NOTICE

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

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

Assets

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

Assets available for distribution	\$	1,446.6
--	-----------	----------------

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

Notes:

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

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

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

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

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

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

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

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

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

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

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

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

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

Notes:

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

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

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

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

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

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

Notes:

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

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

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

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

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

Interim Distribution Notice

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

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

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

5. ACTIVITIES OF THE LIQUIDATOR

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

Preservation and Safeguarding of Assets

Physical and Remote Access

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

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

Books and Records

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

Cash Control, Forecasting, Monitoring and Reporting

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

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

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

Attending to Toronto Branch Operating Matters

Employees

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

Office Lease and Other Services

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

Tax Returns

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

Development and Execution of the Marketing Process

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

Monitor and Realize Upon Other Assets

U.S. Assets

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

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

Derivative Settlements

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

Structured Loans Portfolio

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

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

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

CED Portfolio

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

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

Selection of an Investment Manager

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

OSFI Approval

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

Sale of Artwork

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

Intercompany Balances

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

Communications and Other Interactions with Stakeholders

The GIA

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

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

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

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

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

Other Stakeholders

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

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

Discussion with Canadian, U.S. and German counsel

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

Reporting to Court as Necessary

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

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

6. RECEIPTS AND DISBURSEMENTS

Summary of Receipts and Disbursements

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

In the matter of the winding up of Maple Bank GmbH (Toronto Branch) Statement of Receipts and Disbursements For the period February 16 to October 31, 2016 Amounts in \$CAD millions	
Receipts	CAD Total⁽¹⁾
CED and Securities	490.7
Structured Loan Portfolio	355.7
MBS Business	138.8
Related Party Settlements	99.5
Settlement of Brokerage Account	63.8
Derivative Instruments	45.8
Miscellaneous/Other	1.7
Total Receipts	1,196.0
Disbursements	
Payroll	2.4
General and Administrative	1.0
Occupancy	0.3
Transfer to CMHC	0.3
Total Operating Disbursements	3.9
Professional Fees	4.9
Net Receipts in excess of Disbursements	1,187.2
Opening Cash Balance	317.4
Closing Cash and Cash Equivalents Balance	1,504.6
Total Cash⁽²⁾	263.2
Liquid Securities held with RBC	1,241.4
Total Cash and Cash Equivalents	1,504.6

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

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

Analysis of Receipts

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

CED and Securities

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

Structured Loan

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

MBS Business

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

Related Party Settlements

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

Settlement of Brokerage Account

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

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

Derivative Instruments

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

Other and Miscellaneous

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

Analysis of Disbursements

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

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

7. LIQUIDATOR'S RECOMMENDATIONS

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

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

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

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

Per: _____
Philip Reynolds
Senior Vice President

TAB 2A

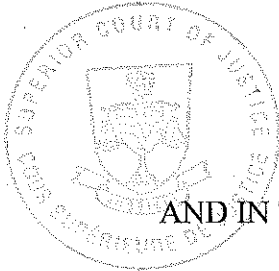
**This is Appendix “A” to the
Ninth Report of the Liquidator**

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE REGIONAL)
SENIOR JUSTICE MORAWETZ)
)

TUESDAY, THE 16TH
DAY OF FEBRUARY, 2016



IN THE MATTER OF MAPLE BANK GmbH

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

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

BETWEEN:

ATTORNEY GENERAL OF CANADA

Applicant

and

MAPLE BANK GmbH

Respondent

WINDING-UP ORDER

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

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

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

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof, including without limitation, the prescribed notice requirements of section 26 of *WURA*.

WINDING-UP

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

APPOINTMENT

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

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

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

LIQUIDATOR'S POWERS

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

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

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

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

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

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

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

COOPERATION WITH THE GERMAN INSOLVENCY ADMINISTRATOR

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

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

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

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

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

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

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE LIQUIDATOR

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

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

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

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

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

NO INTERFERENCE WITH LIQUIDATOR

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

CONTINUATION OF SERVICES

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

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

PREMISES

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

Liquidator and the applicable lessor from time to time.

NO PROCEEDINGS AGAINST THE LIQUIDATOR

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

NO PROCEEDINGS AGAINST MAPLE BANK OR THE BUSINESS AND THE ASSETS

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

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

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

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

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

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

LIQUIDATOR'S ACCOUNTS

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

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

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

CASH MANAGEMENT AND PAYMENTS

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

EMPLOYEES

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

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

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

PRIVACY MATTERS

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

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

possession.

LIMITATION ON THE LIQUIDATOR'S LIABILITY

29. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Liquidator under *WURA* or as an officer of this Court, the Liquidator shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or willful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Liquidator by the *WURA* or any applicable legislation.
30. **THIS COURT ORDERS** that the Liquidator may act on the advice or information obtained from any actuary, accountant, financial advisor, investment dealer, solicitor, attorney, valuer or other expert or professional person, and the Liquidator shall not be responsible for any loss, depreciation or damage occasioned by acting in good faith in reliance thereon.

CALL FOR CLAIMS

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

SERVICE AND NOTICE

- f) **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol

(which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL 'www.kpmg.com/ca/maplebank'.

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

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

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

RECOGNITION

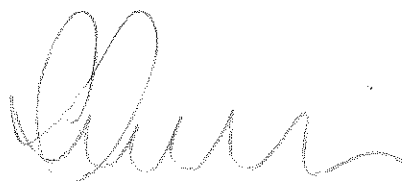
33. **THIS COURT ORDERS** that this Order and any other orders in these proceedings shall have full force and effect in all Provinces and Territories in Canada.
34. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in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

wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Liquidator is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

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

ADVICE AND DIRECTIONS

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



**C. Irwin
Registrar**

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

FEB 16 2016



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

Court File No. CV-16-11290-0002

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

WINDING-UP ORDER

John J. Lucki

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

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

Solicitor for the Applicant,
The Attorney General of Canada

TAB 2B

**This is Appendix “B” to the
Ninth Report of the Liquidator**

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE REGIONAL)
SENIOR JUSTICE MORAWETZ)

WEDNESDAY, THE 8TH
DAY OF JUNE, 2016

IN THE MATTER OF MAPLE BANK GMBH

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

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

BETWEEN:



THE ATTORNEY GENERAL OF CANADA

Applicant

- and -

MAPLE BANK GMBH

Respondent

CLAIMS PROCEDURE ORDER

THIS MOTION, made by KPMG Inc., in its capacity as the liquidator (the “**Liquidator**”) in respect of the winding up of the business in Canada (the “**Business**”) of Maple Bank GmbH (the “**Toronto Branch**”) and its related assets as defined under section 618 of the *Bank Act* (the “**Assets**”), for an Order substantially in the form included in the Motion Record of the Liquidator was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the third report of the Liquidator dated June 2, 2016, and on hearing the submissions of counsel for the Liquidator, the German Insolvency Administrator, Canada Mortgage and Housing Corporation and the other parties in attendance, no one appearing for the other parties served with the Motion Record of the Liquidator, although duly served as appears from the affidavit of service of Frances Dunne sworn June 2, 2016, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record filed by the Liquidator in support of this Motion be and it is hereby abridged such that the Motion is properly returnable today.

LIQUIDATOR'S ROLE

2. **THIS COURT ORDERS** that the Liquidator, in addition to its prescribed rights and obligations under the WURA (as hereinafter defined) and under the Winding-Up Order of this Court dated February 16, 2016 (the "**Winding-Up Order**"), is hereby directed and empowered to take such other actions and fulfill such other roles as are authorized by this Order.

THE CLAIMS PROCESS

3. **THIS COURT ORDERS** that the following terms shall have the following meanings ascribed thereto:
 - (a) "**Acknowledgment of Claim**" means the notice, in substantially the form attached as Schedule "E" hereto, advising a Creditor that the Liquidator has acknowledged the Creditor's Claim as set out in the Proof of Claim and will be used in determining any distribution made to the Creditors of Maple Bank;
 - (b) "**Business Day**" means a day, other than a Saturday or a Sunday, on which banks

are generally open for business in Toronto, Ontario;

(c) **“Claim”** means:

- (i) any right of any Person against the Toronto Branch in connection with any indebtedness, liability or obligation of any kind of the Toronto Branch, whether liquidated, unliquidated, fixed, certain, ascertained, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, or unknown, by guarantee, surety or otherwise and whether or not such right is executory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing on or prior to the Winding-Up Date or which would have been claims provable in bankruptcy had the Toronto Branch become bankrupt on the Winding-Up Date, and any indebtedness, liability or obligation of any kind arising out of the liquidation of the Business and the Assets, including without limiting the generality of the foregoing the termination, repudiation or disclaimer of any lease, contract, employment agreement or other agreement after the Winding-Up Date (each a **“Claim”**, and collectively, the **“Claims”**); and,
- (ii) any right of any Person against the Principals of the Toronto Branch that relates to the Claims for which the Principals of the Toronto Branch are by law liable to pay in such capacity.

(d) **“Claims Officer”** means Kevin McElcheran, as designated by the Liquidator and

approved by the Court;

- (e) **“Court”** means the Ontario Superior Court of Justice [Commercial List];
- (f) **“Creditor”** means any Person having a Claim;
- (g) **“Dispute Notice”** means a written notice to the Liquidator, in substantially the form attached as Schedule **“F”** hereto, delivered to the Liquidator by a Creditor who has received a Notice of Disallowance, of its intention to dispute such Notice of Disallowance and provide further evidence to support its claim;
- (h) **“Disputing Creditor”** means a Creditor that has delivered to the Liquidator a Dispute Notice within the time periods provided for in the Dispute Notice;
- (i) **“E-Service Protocol”** means the E-Service Protocol adopted by the Commercial List and adopted by reference in the Winding-Up Order;
- (j) **“Instruction Letter”** means the instruction letter from the Liquidator to the Creditors, in substantially the form attached as Schedule **“B”** hereto;
- (k) **“Known Creditors”** means:
 - (i) those Creditors which the books and records of the Toronto Branch disclose were owed monies by the Toronto Branch as of the Winding-Up Date and which monies remain unpaid in whole or in part;
 - (ii) any Person who commenced a legal proceeding against the Toronto Branch which legal proceeding was commenced and served upon the Toronto Branch prior to the Winding-Up Date;
 - (iii) any Person who is party to a lease, contract, employment agreement or other agreement of the Toronto Branch which was terminated or disclaimed by the Liquidator between the Winding-Up Date and the date

of this Order; and

- (iv) any other Creditor actually known to the Liquidator as at the date of this Order;
- (l) **“Notice of Disallowance”** means the notice, in substantially the form attached as Schedule **“D”** hereto, advising a Creditor that the Liquidator has revised or rejected all or part of such Creditor’s Claim as set out in the Proof of Claim;
- (m) **“Notice to Creditors”** means the notices to Creditors for publication in the newspapers listed in paragraph 5(b) in substantially the form attached as Schedule **“A”** hereto;
- (n) **“Person”** means any individual, partnership, joint venture, trust, corporation, bank, credit union, foreign bank, unincorporated organization, government or agency or instrumentality thereof, or any other juridical entity howsoever designated or constituted;
- (o) **“Principal”** means all current and former officers of the Toronto Branch;
- (p) **“Proof of Claim”** means the form of Proof of Claim in substantially the form attached as Schedule **“C”** hereto;
- (q) **“Proof of Claim Document Package”** means a document package that includes a copy of the Instruction Letter, a Proof of Claim, and such other materials as the Liquidator may consider appropriate or desirable;
- (r) **“Proven Claim”** has the meaning ascribed to that term in paragraph 4 of this Order;
- (s) **“Secured Claim”** means any Claim or portion thereof that is secured by a security interest, pledge, mortgage, lien, hypothec or charge on any property of

the Toronto Branch, but only to the extent of the value of the security in respect of the Claim;

- (t) “**Winding-Up Date**” means February 16, 2016;
- (u) “**Winding-Up Order**” has the meaning ascribed to that term in paragraph 2 of this Order; and
- (v) “**WURA**” means *Winding-Up and Restructuring Act*, R.S.C. 1985, c. W-11, as amended.

DETERMINATION OF PROVEN CLAIM

4. **THIS COURT ORDERS** that the amount and status of every Claim of a Creditor as finally determined in accordance with the forms and procedures hereby authorized (a “**Proven Claim**”), including any determination as to the nature, amount, value, priority or validity of any Claim, including any Secured Claim, shall be final for all purposes, including without limitation, for any distribution made to creditors of the Toronto Branch.

NOTICE TO CREDITORS

5. **THIS COURT ORDERS** that:
- (a) the Liquidator shall no later than five (5) Business Days following the making of this Order, post a copy of the Proof of Claim Document Package on its website, and deliver to each of the Known Creditors (for which it has an address) a copy of the Proof of Claim Document Package;
 - (b) the Liquidator shall no later than ten (10) days following the making of this Order, cause to be published on or before June 18, 2016, the Notice to Creditors in The National Edition of *The Globe and Mail*, and the International Edition of

The Wall Street Journal providing notice that, *inter alia*, all Creditors must file the Proof of Claim with the Liquidator by 4:00 p.m. (Eastern Standard Time) on September 19, 2016 ; and

- (c) the Liquidator shall deliver, as soon as reasonably possible, following receipt of a request therefore a copy of the Proof of Claim Document Package to any Person claiming to be a Creditor and requesting such material.

PROOFS OF CLAIM

6. THIS COURT ORDERS that:

- (a) the Liquidator may, where it is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Order as to completion and execution of Proofs of Claim; and
- (b) any Claims denominated in any currency other than Canadian dollars shall, for the purposes of this Order, be converted to, and constitute obligations in, Canadian dollars, such calculation to be effected by the Liquidator using the Bank of Canada noon spot rate on the Winding-Up Date. The rate of exchange on that date for the Canadian Dollar/U.S. Dollar was US \$1/CAD \$1.3860 and for the Canadian Dollar/EURO was EURO 1/CAD \$ 1.5439.

REVIEW OF PROOFS OF CLAIM

- 7. **THIS COURT ORDERS** that the Liquidator shall review all Proofs of Claims filed and, subject to consulting with the German Insolvency Administrator, shall accept or disallow (in whole or in part) the amount and/or status of the Claim set out therein. At any time, the Liquidator may request additional information with respect to the Claim, and may request that the Creditor file a revised Proof of Claim. The form of Notice of

Disallowance is attached hereto as Schedule “D”.

8. **THIS COURT ORDERS** that where a Claim has been accepted by the Liquidator pursuant to the Acknowledgement of Claim, substantially in the form of the Acknowledgement of Claim attached hereto as Schedule “E”, such Claim shall constitute such Creditor’s Proven Claim for distribution in accordance with sections 76 and 158.1 of WURA, as applicable.
9. **THIS COURT ORDERS** that where a Claim has been disallowed (in whole or in part), the disallowed Claim (or disallowed portion thereof) shall not be a Proven Claim unless the Creditor has disputed the disallowance and proven the disallowed Claim (or portion thereof) in accordance with paragraphs 10 to 15 of this Order.

DISPUTE NOTICE

10. **THIS COURT ORDERS** that any Creditor who intends to dispute a Notice of Disallowance shall file a Dispute Notice with the Liquidator as soon as reasonably possible but in any event such that such Dispute Notice shall be received by the Liquidator on or before 4:00 p.m. (Eastern Standard) on the day that is fourteen (14) days after the Liquidator sends the Notice of Disallowance in accordance with paragraph 7 of this Order. The filing of a Dispute Notice with the Liquidator within the time limited therefore shall constitute an application to have the amount or status of such Claim determined as set out in paragraphs 13 to 15 hereof. The form of the Dispute Notice is attached, hereto, as Schedule “F”.
11. **THIS COURT ORDERS** that where a Creditor that receives a Notice of Disallowance fails to file a Dispute Notice with the Liquidator within the time limited therefore, the amount and status of such Creditor’s Claim shall be deemed to be as set out in the Notice of Disallowance and such amount and status, if any, shall constitute such Creditor’s

Proven Claim.

RESOLUTION OF CLAIMS

12. **THIS COURT ORDERS** that as soon as practicable after the delivery of the Dispute Notice to the Liquidator, the Disputing Creditor and the Liquidator shall attempt to resolve and settle the Disputing Creditor's Claim.
13. **THIS COURT ORDERS** that in the event that the dispute between the Disputing Creditor and the Liquidator is not settled within a time period or in a manner satisfactory to the Liquidator, the Liquidator may refer the dispute to a Claims Officer for determination, or in the alternative may bring the dispute before the Court for determination. If the Liquidator refers the dispute to a Claims Officer for determination, then (i) the Claims Officer shall determine the manner, if any, in which evidence may be brought before the Claims Officer by the parties as well as any other matters, procedural or substantive, which may arise in respect of the Claim Officer's determination of a Disputing Creditor's Claim, and (ii) the provisions of paragraphs 13 to 15 of this Order shall apply to the determination by the Claims Officer.
14. **THIS COURT ORDERS** that the Claims Officer shall, by no later than thirty (30) days from the referral of such claim to the Claims Officer by the Liquidator (or such other period as the Claims Officer and the Liquidator may agree), notify the Creditor and the Liquidator in writing of the Claims Officer's determination of the amount and status of such Creditor's Claim.
15. **THIS COURT ORDERS** that the Claims Officer's determination of any Creditor's Proven Claim as set out herein shall be final and binding, unless within ten (10) days of the date of the Claims Officer's determination the Disputing Creditor, or the Liquidator, as the case may be, serves and files with the Court a notice of motion, along with

supporting affidavit evidence, in the case of the Disputing Creditor, and a further report from the Liquidator, if required, to appeal the Claims Officer's determination.

NOTICE OF TRANSFEREES

16. **THIS COURT ORDERS** that if, after the Winding-Up Date, the holder of a Claim on the Winding-Up Date, or any subsequent holder of the whole of a Claim transfers or assigns the whole of such Claim to another Person the Liquidator shall not be obligated to give notice to, or to otherwise deal with a transferee or assignee of a Claim as the Creditor in respect thereof unless and until an actual notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received by the Liquidator, and thereafter such transferee or assignee shall for the purposes hereof constitute the "Creditor" in respect of such Claim. Any such transferee or assignee of a Claim, and such Claim, shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Order prior to receipt by the Liquidator of satisfactory evidence of such transfer or assignment.

17. **THIS COURT ORDERS** that if, after the Winding-Up Date, the holder of a Claim on the Winding-Up Date, or any subsequent holder of the whole of a Claim, transfers or assigns the whole of such Claim to more than one Person or part of such Claim to another Person or Persons, such transfer or assignment shall not create a separate Claim or Claims and such Claim shall continue to constitute and be dealt with as a single Claim notwithstanding such transfer or assignment, and the Liquidator shall in each such case not be bound to recognize any such transfer or assignment and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and then only to and with the Person last holding such Claim in whole as the Creditor in respect of such Claim, provided such Creditor may by notice in writing to the Liquidator direct that

subsequent dealings in respect of such Claim, but only as a whole, shall be with a specified Person and in such event, such Creditor, such transferee or assignee of the Claim and the whole of such Claim shall be bound by any notices given or steps taken in respect of such Claim by or with respect to such Person in accordance with this Order.

18. **THIS COURT ORDERS** that nothing contained in this Order, or the Claims Procedure, shall in any way amend, change, or derogate from the requirements imposed on the Liquidator to consult with, and obtain the approval of, the German Insolvency Administrator as provided for in paragraph 8 of the Winding-Up Order dated February 16, 2016.

SERVICE AND NOTICE

19. **THIS COURT ORDERS** that the Liquidator be at liberty to deliver the Proof of Claim Document Package, and any letters, notices or other documents to Creditors or other interested Persons, pursuant to the E-Service Protocol and the service of documents in accordance with the E-Service Protocol shall be valid and effective service. Subject to Rule 17.05 of the *Rules of Civil Procedure*, this Order shall constitute an order for substituted service pursuant to Rule 16.04. Subject to Rule 3.01(d) and paragraph 21 of the E-Service Protocol, service of documents in accordance with the E-Service Protocol will be effective on transmission.
20. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the E-Service Protocol is not practical, the Liquidator is at liberty to serve, or distribute any documents or materials by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, or facsimile transmission to such Persons at the address as last shown on the records of the Toronto Branch and that any such service or notice by courier, personal delivery or facsimile transmission shall be deemed to be

received on the next Business Day following the date of forwarding thereof, or if sent by ordinary mail, on the third Business Day after mailing. Notwithstanding anything to the contrary in this paragraph 20, Disallowances of Claims shall also be sent only by registered mail or by courier.

21. **THIS COURT ORDERS** that any notice or other communication (including, without limitation, Proofs of Claim and Dispute Notices) to be given under this Order by a Creditor to the Liquidator shall be in writing in substantially the form, if any, provided for in this Order and will be sufficiently given only if given pursuant to the E-Service Protocol, or if not practicable, by prepaid ordinary mail, courier, personal delivery or facsimile transmission addressed to:

KPMG Inc., in its Capacity as Court-Appointed Liquidator of the Business in
Canada of Maple Bank GmbH (Toronto Branch)

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

Attention: Sven Dedic
Telephone: (416) 777-3091
E-mail: sdedic@kpmg.ca
Fax: (416) 777-3364

Any such notice or other communication by a Creditor shall be deemed received only upon actual receipt thereof during normal business hours on a Business Day.

MISCELLANEOUS

22. **THIS COURT ORDERS** that this Order has no application to any claim that may be asserted by the Liquidator or its counsel, or agents in respect of the winding up of the Toronto Branch.
23. **THIS COURT ORDERS** that the German Insolvency Administrator, as appointed over

the estate of Maple Bank GmbH (Frankfurt), shall not be obligated or required to file a Proof of Claim, on behalf of Maple Bank GmbH (Frankfurt), with the Liquidator in accordance with paragraph 6(b), hereof, in order to be entitled to a distribution or release of surplus assets of the Toronto Branch in accordance with section 158.1(2) of WURA.

24. **THIS COURT ORDERS AND REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, the Republic of Germany, including the assistance of the Amtsgericht Frankfurt am Main [Insolvency Court] to give effect to this Order and to assist the Liquidator and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory or administrative bodies are hereby respectfully requested to make such orders and to provide such orders and to provide such assistance to the Liquidator, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Liquidator in any foreign proceeding, or to assist the Liquidator and their respective agents in carrying out the terms of this Order.

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

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

JUN 08 2016

PER / PAR: 

SCHEDULE "A"

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

**RE: NOTICE OF CLAIMS PROCEDURE FOR MAPLE BANK PURSUANT TO THE
WINDING-UP AND RESTRUCTURING ACT (the "WURA")**

PLEASE TAKE NOTICE that this notice is being published pursuant to an Order of the Superior Court of Justice of Ontario [Commercial List] made June 8, 2016 (the "Claims Procedure Order"). Maple Bank's creditors should have received Proof of Claim packages by mail, if those creditors are known to KPMG Inc. in its capacity as court-appointed liquidator of the business in Canada of Maple Bank and its assets as defined in section 618 of the *Bank Act* (the "Liquidator"), and if the Liquidator has a current address. Creditors may also obtain the Order and a Proof of Claim package from the website of the Liquidator, at <http://www.kpmg.com/ca/maplebank> or by contacting the Liquidator by telephone (416) 777- 3091 or by fax (416) 777-3364 .

Proofs of Claim must be submitted to the Liquidator for any claim against Maple Bank, whether unliquidated, contingent or otherwise, in each case where the claim (i) arose on or prior to February 16, 2016 (the "Winding-Up Date"), or (ii) arose after the Winding-Up Date as a result of the termination, repudiation or disclaimer of any lease, contract, employment agreement, or other agreement. Please consult the Proof of Claim package for more details.

Completed Proofs of Claim must be received by the Liquidator by 4:00 p.m. (Eastern Standard Time) on September 19, 2016. It is your responsibility to ensure that the Liquidator receives your Proof of Claim by the above-noted time and date.

TAKE NOTE THAT FAILURE TO SEND IN A PROOF OF CLAIM BY SEPTEMBER 19, 2016 WILL RESULT IN DISTRIBUTIONS BEING MADE WITHOUT REGARD TO ANY CLAIM NOT SENT IN BY THAT DATE.

DATED at Toronto this _____ day of _____, 2016.

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

Attention: Sven Dedic: sdedic@kpmg.ca
Fax: (416) 777-3364
Phone: (416) 777-3091

SCHEDULE "B"

**INSTRUCTION LETTER FOR THE CLAIMS PROCEDURE
OF MAPLE BANK GmbH, TORONTO BRANCH**
(also known as Maple Bank – Toronto Branch)
(hereinafter referred to as "Maple Bank")

A. CLAIMS PROCEDURE

By Order of the Superior Court of Justice of Ontario [Commercial List] made June 8, 2016 under the *Winding-Up and Restructuring Act* (the "WURA"), KPMG Inc. in its capacity as court-appointed liquidator of the business in Canada of Maple Bank and its assets as defined in section 618 of the *Bank Act* (the "Liquidator") has been authorized to conduct a claims procedure under WURA (the "Claims Procedure").

The Claims Procedure is intended for any Person with: (i) any claims of any kind or nature whatsoever, against Maple Bank, that arose on or prior to February 16, 2016 (the "Winding-Up Date"), unliquidated, contingent or otherwise; and (ii) any claim arising after the Winding-Up Date to and including as a result of the termination, repudiation or disclaimer of any lease, contract, employment agreement or other agreement (collectively, the "Claims"). Please review the enclosed material for the complete definition of Claim and Secured Claim.

B. CREDITORS SUBMITTING A PROOF OF CLAIM

If you believe that you have a Claim against Maple Bank, you will have to file a Proof of Claim with the Liquidator. **It is important that the Proof of Claim form be correctly completed and delivered to the Liquidator by September 19, 2016.** The following points are set out to assist you:

- (a) The Proof of Claim form must be completed in its entirety.
- (b) Ensure you include your complete name and address, where all notices or correspondence regarding your claim are to be forwarded.
- (c) If the form is completed by some person on behalf of the creditor, that person must state his or her authority and the capacity in which he or she is acting.
- (d) You are required to provide a calculation of the claim and all supporting documentation.

- (e) The amount of your claim should be calculated to the date of the Winding-Up Date, or as of the date of the termination, repudiation or disclaimer of any lease, contract, employment agreement, or other agreement.
- (f) In Section D chose the appropriate subsection(s) (i), (ii), (iii), (iv) or (v) which properly applies to the status of your claim.
- (g) Ensure the form is dated, witnessed and signed in the appropriate places.
- (h) Mail the completed Proof of Claim form together with Schedule A to:

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

Attention: Sven Dedic: sdedic@kpmg.ca
Fax: (416) 777-3364
Phone: (416) 777-3091

- (a) Additional Proof of Claim forms and other information, including the Order creating the Claims Procedure, can be obtained from the Liquidator's website at <http://www.kpmg.com/ca/maplebank>, or by contacting the Liquidator at the telephone and fax numbers indicated above and providing particulars as to your name, address and facsimile number.
- (b) **THE PROOF OF CLAIM MUST BE RECEIVED BY THE LIQUIDATOR BY 4:00 P.M. (EASTERN STANDARD TIME) ON SEPTEMBER 19, 2016.**
- (c) **IT IS YOUR RESPONSIBILITY TO ENSURE THAT THE LIQUIDATOR RECEIVES YOUR PROOF OF CLAIM BY THE ABOVE-NOTED TIME AND DATE. FAILURE TO SUBMIT A PROPERLY COMPLETED PROOF OF CLAIM BY SEPTEMBER 19, 2016 WILL RESULT IN DISTRIBUTIONS BEING MADE BY THE LIQUIDATOR WITHOUT REGARD TO THAT CLAIM.**

SCHEDULE "C"

**PROOF OF CLAIM RELATING TO
MAPLE BANK GmbH, TORONTO BRANCH**
(also known as Maple Bank – Toronto Branch)
(hereinafter referred to as "Maple Bank")

Please read carefully the enclosed Instruction Letter **BEFORE COMPLETING** this Proof of Claim.

A. PARTICULARS OF CREDITOR:

1. Full Legal Name of Creditor: _____

(the "Creditor"). (Full legal name should be the name of the original Creditor of Maple Bank, notwithstanding whether an assignment of a Claim, or a portion thereof, has occurred following February 16, 2016 (the "Winding-Up Filing Date").

2. Full Mailing Address of the Creditor (the original Creditor not the Assignee):

3. Has the Claim been sold or assigned by the Creditor to another party [check (X) one]?

Yes No

B. PARTICULARS OF ASSIGNEE(S) (IF ANY):

4. Full Legal Name of Assignee(s): _____

(If Claim has been assigned, insert full legal name of assignee(s) of Claim (If all or a portion of the Claim has been sold). If there is more than one assignee, please attach a separate sheet with the required information.)

5. Full Mailing Address of Assignee(s): _____

6. Telephone Number of Assignee(s): _____
7. E-Mail Address: _____
8. Facsimile Number: _____
9. Attention (Contact Person): _____

C. PROOF OF CLAIM:

I, _____ [name of Creditor or Representative
of the Creditor], of _____
(city and province)

do hereby certify:

(a) that I [check (X) one]

am the Creditor of Maple Bank; OR

am _____ (state position or title) of

(name of creditor)

(b) that I have knowledge of all the circumstances connected with the Claim referred to below;

(c) the Creditor asserts its claim against Maple Bank; and

(d) Maple Bank was/were and still is/are indebted to the Creditor as specified in the calculation (or affidavit) attached and marked as Schedule "A", after deducting any counterclaims' to which Maple Bank is entitled. (the attached calculation, or affidavit must include all evidence in support of the claim):

(i) CLAIM ARISING ON OR PRIOR TO THE WINDING-UP DATE:

\$ _____ CAD.

(ii) INTERIM PERIOD CLAIM:

\$ _____ CAD

(Interim Period Claim against Maple Bank arising from the termination, repudiation or disclaimer of any lease, contract, employment agreement or other agreement after the Winding-Up Date to and including June 8, 2016.)

(iii) SUBSEQUENT PERIOD CLAIM:

\$ _____ CAD

(Subsequent Period Claim against Maple Bank arising from the termination, repudiation or disclaimer of any lease, contract, employment agreement or other agreement after June 8, 2016.)

TOTAL CLAIM: \$ _____ [total (i) plus (ii) plus (iii)] CAD

(Claims in a foreign currency are to be converted to Canadian Dollars at the Bank of Canada noon spot rate as at the Winding-Up Filing Date. The Canadian Dollar/U.S. Dollar rate of exchange on that date was US \$1/CAD \$1.3860 and the Canadian Dollar/EURO was EURO 1/ CAD \$ 1.5439.)

D. NATURE OF CLAIM

(check (X) one and complete appropriate category)

(I) EMPLOYEE CLAIM OF

\$ _____

That in respect of this debt, I do not hold any security and

(Check (X) appropriate description)

Regarding the amount of \$ _____

I do not claim a right to a priority.

That in respect of this debt, I do not hold any security and

(Set out on an attached sheet details to support priority claim.)

Regarding the amount of \$ _____

I claim a right to be treated as a preferred creditor pursuant to section 158.1(1)(b) of the WURA.

(II) SECURED CLAIM OF

\$ _____

That in respect of this debt, I hold security valued at \$ _____

particulars of which are as follows: _____

(III) UNSECURED CLAIM OF

\$ _____

(IV) HER MAJESTY IN RIGHT OF CANADA CLAIM OF

\$ _____

(V) HER MAJESTY IN RIGHT OF PROVINCE CLAIM OF

\$ _____

E. PARTICULARS OF CLAIM:

Other than as already set out herein the particulars of the undersigned's total Claim are attached.

(Provide all particulars of the Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim, name of any guarantor which has guaranteed the Claim, and amount of invoices, particulars of all credits, discounts, etc. claimed, description of the security, if any, granted by Maple Bank to the Creditor and estimated value of such security, and particulars of any interim period claim. If an affidavit is attached it must have been made by a person qualified to take affidavits.)

Date at _____ this _____ day of _____, 2016.

Witness

Creditor

Phone Number:

Fax Number:

E-mail Address:

THIS PROOF OF CLAIM MAY BE SUBMITTED TO THE LIQUIDATOR BY PREPAID ORDINARY MAIL, COURIER, PERSONAL DELIVERY OR ELECTRONIC OR FACSIMILE TRANSMISSION AT THE FOLLOWING ADDRESS:

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

Attention: Sven Dedic: sdedic@kpmg.ca
Fax: (416) 777-3364
Phone: (416) 777-3091

SCHEDULE "D"

MAPLE BANK GMBH, TORONTO BRANCH

**REFERENCE NUMBER [GB]
NOTICE OF DISALLOWANCE**

TO: [insert name of creditor]

KPMG in its capacity as Court-appointed liquidator of the business in Canada of Maple Bank GmbH and its assets as defined in Section 618 of the *Bank Act* hereby gives you notice that it has reviewed your Claim and has revised or rejected your Claim as follows:

		The Proof of Claim as Submitted	The Claim as Accepted
A.	Claim relating to facts existing on or prior to February 16, 2016.		
B.	Interim Period Claim arising after February 16, 2016 to and including June 8, 2016.		
C.	Subsequent Period Claim arising after June 8, 2016.		
D.	Total Claim		

D. Reasons for Disallowance or Revision:

[insert explanation]

If you do not agree with this Notice of Disallowance, please take notice of the following:

1. If you dispute this Notice of Disallowance, you must, no later than 4:00 p.m. (Eastern Standard Time) on [INSERT DATE, being fourteen (14) days after the Notice of Disallowance is sent by the Liquidator (see paragraph 10 of the Claims Procedure Order)], notify the Liquidator by delivery of a Dispute Notice in accordance with the accompanying Instruction Letter. The form of Dispute Notice is enclosed.

If you do not deliver a Dispute Notice, your Claim shall be deemed to be as set out in this Notice of Disallowance.

2. **IF YOU FAIL TO TAKE ACTION WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF DISALLOWANCE WILL BE BINDING UPON YOU.**

DATED at Toronto, this _____ day of _____, 2016.

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

Attention: Sven Dedic: sdedic@kpmg.ca
Fax: (416) 777-3364
Phone: (416) 777-3091

SCHEDULE "E"

**ACKNOWLEDGEMENT OF CLAIM RELATING TO MAPLE BANK GmbH
(TORONTO BRANCH)**

(also known as Maple Bank – Toronto Branch)
(hereinafter referred to as "Maple Bank")

TO: [FULL NAME AND ADDRESS OF CREDITOR]

PARTICULARS OF CLAIM:

KPMG Inc. in its capacity as Court-appointed liquidator of the business in Canada of Maple Bank and its assets as defined in Section 618 of the *Bank Act* has reviewed your Proof of Claim submitted on ●, 2016 and agrees with the amount claimed by you, being \$●. In accordance with the Claims Procedure Order, your claim in the amount of \$● is a Proven Claim, and as such no further action is required by you.

The Claim or Claims described above are, collectively, the "Acknowledged Claim" and will be used in determining any distribution made to creditors of Maple Bank.

DATED at Toronto, this _____ day of _____, 2016.

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

Attention: Sven Dedic: sdedic@kpmg.ca
Fax: (416) 777-3364
Phone: (416) 777-3091

SCHEDULE "F"

DISPUTE NOTICE

We hereby give you notice of our intention to dispute the Notice of Disallowance bearing Reference Number _____ and dated _____ issued in respect of our claim.

Reasons for Dispute (attach additional sheet and copies of all supporting documentation if necessary):

Name of Creditor: _____

(Signature of individual completed this Dispute)

Date

(Please Print Name)

Telephone Number: _____

E-mail Address: _____

Facsimile Number _____

Full Mailing Address: _____

**THIS FORM TO BE RETURNED BY PREPAID ORDINARY MAIL, COURIER,
PERSONAL DELIVERY OR ELECTRONIC OR FACSIMILE TRANSMISSION
AND BE RECEIVED BY THE LIQUIDATOR NO LATER THAN 4:00 P.M.
(EASTERN STANDARD TIME) ON [X] TO:**

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

Attention: Sven Dedic: sdedic@kpmg.ca
Fax: (416) 777-3364
Phone: (416) 777-3091

IN THE MATTER OF MAPLE BANK GmbH - AND IN THE MATTER OF THE WINDING-UP AND
RESTRUCTURING ACT, R.S.C. 1985, C.W-11, AS AMENDED - AND IN THE MATTER OF THE BANK
ACT, S.C. 1991, C.46, AS AMENDED
BETWEEN: **ATTORNEY GENERAL OF CANADA**, Applicant – and – **MAPLE BANK GmbH**, Respondent

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

CLAIMS PROCEDURE ORDER
(JUNE 8, 2016)

GOWLING WLG (CANADA) LLP

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

TAB 2C

**This is Appendix “C” to the
Ninth Report of the Liquidator**

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF MAPLE BANK GmbH

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

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

BETWEEN:

ATTORNEY GENERAL OF CANADA

Applicant

and

MAPLE BANK GmbH

Respondent

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

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- Appendix A - Winding-Up Order issued February 16, 2016
- Appendix B - Endorsement of Regional Senior Justice Morawetz dated February 17, 2016
- Appendix C - Proposed Claims Procedure Order

1. INTRODUCTION AND PURPOSE OF REPORT

BACKGROUND

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

Securities (“**MBS**”) business of the Toronto Branch and the corresponding mortgage pools (totaling approximately \$3.5 billion); and

- v. OSFI issuing orders under section 619 of the *Bank Act* for the taking of control of the assets of Maple Bank in respect of the Business.
4. The events described above prompted OSFI to request that the Attorney General of Canada seek a winding-up order pursuant to section 10.1 of the WURA in respect of the Toronto Branch. On February 16, 2016, this Court granted an order (the “**Winding-Up Order**”) to, among other things, (i) wind-up the Business; and (ii) appoint KPMG Inc. (“**KPMG**”) as liquidator (the “**Liquidator**”) of the Business and of the assets of the Toronto Branch as defined in section 618 of the *Bank Act* (the “**Assets**”). The Winding-Up Order and corresponding endorsement of Regional Senior Justice Morawetz both dated February 17, 2016 are attached hereto as Appendices “**A**” and “**B**”, respectively.
5. On March 2, 2016, the Liquidator filed the First Report which, among other things, outlined the protocol that was agreed to between the Liquidator and the GIA regarding the existing Chapter 15 filing under the *United States Bankruptcy Code* made by the GIA with regards to Maple Bank’s non-Toronto Branch assets in the U.S. and the assets of the Toronto Branch which reside in the U.S.
6. On March 30, 2016, the Liquidator filed its second report (the “**Second Report**”) to the Court which provided: (i) an update on the actions of the Liquidator since the granting of the Winding-Up Order; (ii) an update on the Assets and liabilities of the Toronto Branch; and (iii) details of a proposed marketing process to identify a successor issuer to the Toronto Branch’s MBS program and for the sale of all or a portion of certain other Assets (the “**Marketing Process**”).

TERMS OF REFERENCE AND DISCLAIMER

7. In preparing this report, the Liquidator has been provided with, and has relied upon, unaudited and other financial information, books and records (collectively, the “**Information**”) prepared by the Toronto Branch and/or its representatives, and discussions with its management and/or its representatives. The Liquidator has reviewed the Information for reasonableness, internal consistency and use in the context in which

it was provided and in consideration of the nature of evidence provided to the Court. However, the Liquidator has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“CAS”) pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Liquidator expresses no opinion or other form of assurance contemplated under CAS in respect of the Information.

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

PURPOSE OF THE LIQUIDATOR’S THIRD REPORT

11. The purpose of the Third Report is to provide information to this Court in respect of:
 - i. The activities of the Liquidator since the issuance of the Second Report, including ongoing communications and consultations with the GIA;
 - ii. The status of the Marketing Process;
 - iii. A proposed claims procedure for use in these proceedings;
 - iv. The proposed appointment of a Claims Officer (as defined below) in the proposed claims procedure.
 - v. The proposed appointment of Independent Cost Counsel (as defined below) to review and report to the Court on the fees and disbursements of the Liquidator and its counsel; and

- vi. The statement of receipts and disbursements of the Toronto Branch estate (the "**Estate**") for the period February 16 to May 13, 2016.

2. ACTIVITIES OF THE LIQUIDATOR

12. A detailed description of the Liquidator's activities up to and including March 30, 2016, is set out in the Second Report. Since the date of the Second Report, the Liquidator has continued to manage the orderly liquidation of the Estate as further described below.

Derivative Settlement Process

13. As described in the Second Report, the Moratorium was an event of default under all of the derivative and financial instruments to which Toronto Branch was a party.
14. As at the date of the Winding-Up Order, the Toronto Branch had entered into numerous derivative financial instruments with six counterparties. At this time, three counterparty derivative accounts have been settled, leaving three yet to be settled. The Liquidator anticipates that these settlements will be completed in the coming weeks.
15. As further outlined in the Second Report, the Liquidator received a request from a financial institution ("**Fin Co**") to confirm the ownership of approximately \$128.2 million of face value NHA MBS that were issued by the Toronto Branch but held by a custodian as at the date of the Winding-Up Order. The securities subject to the request were part of a repurchase transaction between Fin Co and the Toronto Branch. Since issuing the Second Report, the Liquidator and its Canadian counsel, through discussions with Fin Co and their respective counsel, have reviewed the facts surrounding the subject repurchase transaction, and, in consultation with the GIA and its counsel, have concluded that the Toronto Branch did not have an ownership interest in these securities.

Capital Equivalency Deposit Assets

16. As discussed in the Second Report, the *Bank Act* requires that the Toronto Branch hold Capital Equivalency Deposits ("**CED**") with an approved financial institution in Canada. At the date of the Winding-Up Order, the Toronto Branch had approximately \$467.5 million in CED at BMO Trust, which consisted primarily of municipal bonds, NHA MBS pools, Government of Canada treasury bills and Schedule 1 bankers' acceptance notes. With the terminations of the derivative instruments the CED was unhedged and the Estate was vulnerable to interest rate risk.

17. To minimize the Estate's interest rate risk exposure, the Liquidator commenced the implementation of a de-risking of the CED portfolio, by disposing of the portfolio's securities subject to risk. During the period May 5 to 15, 2016, the Liquidator liquidated and settled approximately \$371 million of CED account securities (e.g. municipal bonds, provincial bonds and NHA MBS pools) with maturity dates past December 31, 2016, and purchased Government of Canada treasury bills with one month maturities with the proceeds. As further described below, the Liquidator has solicited proposals from three financial institutions for an investment manager to invest the Toronto Branch's considerable cash holdings (including both CED and non CED cash). The Liquidator will combine this CED cash with the Toronto Branch's other cash and together these funds will be invested with the input of the investment manager, under the direction of the Liquidator.

Request for Proposals for an Investment Manager

18. As the Liquidator continues to wind down the estate of the Toronto Branch, including the CED portfolio as discussed above, the Liquidator is in possession of a significant amount of cash (in the approximate amount of \$453 million, excluding the CED holdings in the approximate amount of \$383 million) denominated in CAD, USD and EUR. In an effort to maximize Estate realizations, the Liquidator would like to retain the services of an investment manager to provide advice as to how to safely earn a no-risk return on Estate funds. In this regard, the Liquidator has prepared a Request for Proposal ("**RFP**") seeking a single investment manager for the entire cash portfolio of the Toronto Branch. The RFP was sent to three Canadian Schedule 1 chartered banks. All three banks have provided investment management proposals and the Liquidator is reviewing them. The Liquidator will provide an update on this matter to the Court in due course.

Coordination with Various Stakeholders

19. Since the date of the Second Report, the Liquidator continues to spend considerable time working with various financial, regulatory and other stakeholders including:

- i. The GIA in relation to various Estate administration matters, including the final winding-up plan as more fully described herein;
- ii. CMHC on issues relating to the MBS business, including the implementation of the Marketing Process;
- iii. OSFI as it relates to regular Estate updates, the CED portfolio and various matters;
- iv. Derivative counterparties as it relates to various settlement calculations;
- v. Mortgage loan originators and servicers on matters relating to current obligations and contractual agreements, including as it relates to any implications of the Marketing Process on their business;
- vi. Structured loan counterparties as it relates to continued loan servicing obligations and repayment timing;
- vii. Related entities as it relates to various financial transactions and intercompany account reconciliations and settlement;
- viii. Potential Successor Issuers;
- ix. Potential acquirers of the Assets;
- x. Current and former employees with respect to their continued retention by the Liquidator and claims that they may have resulting from Toronto Branch's liquidation; and
- xi. Other general stakeholders.

3. ONGOING COMMUNICATION AND CONSULTATION WITH THE GIA

20. Since the date of the Second Report, the Liquidator has continued its dialogue with the GIA and has regularly provided information and responses to its questions, as required pursuant to paragraph 8 of the Winding-Up Order.
21. Paragraph 8(c) of the Winding-Up Order required the Liquidator to provide the GIA with a Final Winding-Up Plan (the “**Winding-Up Plan**”) within 60 days of the date of the issuance of the order. Accordingly, on April 15, 2016, the Liquidator provided the GIA with a draft of the Liquidator’s Winding-Up Plan. The Liquidator subsequently attended follow up meetings in Toronto on April 18 and 19, 2016, as well as on May 19 and 20, 2016, with the GIA and its Canadian counsel to discuss both the Winding-Up Plan and other Estate matters.
22. Since the filing of the Second Report, the Liquidator has continued to communicate and consult with the GIA on general Estate matters as well as specific matters relating to:
 - i. The Winding-Up Plan;
 - ii. The Marketing Process;
 - iii. Monitoring of the Assets, including the U.S. Assets;
 - iv. Operating cash balances and the investments thereof (including the CED portfolio);
 - v. The Toronto Branch’s potential liabilities;
 - vi. The repurchase transaction with Fin Co as described earlier herein;
 - vii. The settlement of various derivative instruments;
 - viii. Tax matters;
 - ix. The proposed Claims Procedure as more fully described subsequently in this report;
 - x. The Liquidator’s cash flow projections; and

- xi. Other matters.
23. On February 29, 2016, Credit Suisse issued a derivative settlement letter and corresponding payment of approximately EUR 3.9 million. Although the settlement was for the benefit of the Toronto Branch (as the underlying derivatives were Assets of the Toronto Branch), the payment was made to Maple Bank Frankfurt, as historically this is how EUR-denominated transactions were settled.
24. Shortly after being advised by Credit Suisse of this payment to Maple Bank Frankfurt, the Liquidator requested the return of the EUR 3.9 million from the GIA. The GIA has confirmed this amount is an Asset of the Toronto Branch. The Liquidator and the GIA have reached an understanding whereby the GIA will continue to hold the EUR 3.9 million; however, in the event that the Toronto Branch's creditors do not receive full payment of their respective claims the GIA will repay the funds to the Liquidator immediately. The Liquidator has provided a form of undertaking to this effect to the GIA who is reviewing the undertaking and is expected to provide an executed copy to the Liquidator in the near term.

GIA Stated Objectives

25. Based on the Liquidator's dealings with the GIA to date, the Liquidator understands that the GIA is interested in being kept fully informed on the liquidation of the Assets of the Toronto Branch on an ongoing basis. The GIA has fully engaged with the Liquidator in an ongoing dialogue regarding the Final Winding-Up Plan.
26. In addition, the GIA has communicated to the Liquidator that it would like clarity, to the extent possible, with respect to two items that directly affect the Maple Bank estate in Germany (the "**German Estate**"), namely:
- i. Whether, and at what point a distribution of any excess funds or Assets from net realizations out of the Estate can be made to the GIA for the benefit of the German Estate; and
 - ii. Whether the significant cash holdings in the Estate can be converted to EUR to reduce the German Estate's foreign currency risk.

27. The Liquidator has developed the proposed claims procedure described below in consultation with the GIA (the "**Claims Procedure**"). The Liquidator believes that after a reasonable period of time following the completion of the call for claims during the Claims Procedure, the Liquidator should have greater clarity as to the quantum of the Toronto Branch's claims pool. Accordingly, at that time, the Liquidator may be in a position to provide an estimate as to a reliable claims reserve, and the Liquidator will then seek to attempt to address the above noted priorities of the GIA. The Liquidator recognizes that, at this time, and subject to the outcome of the Claims Procedure, it appears as though the Estate will be in a surplus cash position after all of the Toronto Branch's creditors are paid in full, and in accordance with the applicable provisions of the WURA, the Liquidator will be in a position to make a cash distribution to the GIA. Notably, certainty over the quantum of the claims pool (and if necessary, a reliable reserve) will also enable the Liquidator to recommend to the Court that the Liquidator be permitted to make interim and final distributions to the creditors of the Toronto Branch.

4. STATUS OF THE MARKETING PROCESS

28. The Marketing Process was initiated on April 13, 2016, by the Liquidator with significant participation by CMHC (as a key decision maker in a large part of the Marketing Process which relates to the NHA MBS business and selection of a Successor Issuer thereunder). The background and the details of the Marketing Process were described in the Second Report. The assets and Estate interests which are subject to the Marketing Process are summarized below in three streams.

Marketing Process Stream	Assets
Successor Issuer Marketing Process Stream	<ul style="list-style-type: none"> • NHA MBS business and portfolio. The primary Estate interest is the interest spread inherent in the various mortgage pools.
Maple Assets Marketing Process Stream	<ul style="list-style-type: none"> • \$117 million of NHA MBS mortgage pools. • \$35 million of CMHC insured but un-pooled mortgages. • A \$37 million warehouse loan provided to Lakeview Mortgage Funding Trust I., secured by insured mortgages. • Mortgage originating and servicing agreements in place between the Toronto Branch and various counterparties as at February 16, 2016. • Toronto Branch’s mortgage aggregation processes, policies and business.
Structured Loans Marketing Process Stream	<ul style="list-style-type: none"> • The Immigrant Investor Program notes with longer term maturities (e.g. beyond December 31, 2016).

29. The Phase 1 Bid Deadline for the receipt of non-binding letters of intent (“**LOIs**”) was May 6, 2016. On May 18 and 19, 2016, after undertaking a process to clarify certain of the LOIs and in consultation with both CMHC and the GIA, as applicable, the Liquidator notified a number of prospective purchasers who submitted LOIs that they had been invited to continue into Phase 2.

30. Phase 2 of the Marketing Process is now underway and the Liquidator is supporting prospective purchasers' due diligence efforts including:
 - i. Populating virtual data rooms;
 - ii. Responding to prospective purchasers' queries and information requests;
 - iii. Arranging meetings between Phase 2 participants and former Toronto Branch management; and
 - iv. Developing a template form of purchase and sale agreement.
31. The key remaining milestones in the Marketing Process include:
 - i. June 17, 2016 – the Phase 2 bid deadline;
 - ii. June 28, 2016 – the selection of successful bidder(s);
 - iii. June 29 to July 27, 2016 – confirmatory due diligence by successful bidder(s) and an application by the Liquidator to the Court for approval of the transaction(s); and
 - iv. August 31, 2016 – Targeted closing date for all transactions.
32. The Liquidator will provide further updates to the Court on the results of the Marketing Process in due course.

5. PROPOSED CLAIMS PROCEDURE

33. In order to determine with finality the existence and amount of any Claims (as defined in the draft Claims Procedure Order attached hereto as Appendix “C”) against the Toronto Branch, the Liquidator has developed the Claims Procedure to call for claims from all potential persons having a Claim (“**Creditors**”). The Claims Procedure has been developed in consultation with the GIA. In addition, in developing the Claims Procedure, the Liquidator has considered the nature, quantum and location of the Estate’s Creditors, as well as the likely outcome that a large distribution could inevitably be made to the German Estate if and after all the Toronto Branch’s creditors are paid in full.
34. The timing of the Claims Procedure also takes into account the status and timing of the remaining milestones in the Marketing Process. Accordingly, it is the Liquidator’s view that the commencement of the Claims Procedure at this stage in the liquidation proceedings will allow for existing and potential creditors to have greater clarity in respect of any Claims they might have against the Toronto Branch. The Liquidator is of the view that the Claims Procedure is consistent with the applicable provisions of the WURA and is also generally consistent with claims procedures that are routinely administered in insolvency cases.
35. The table below summarizes the salient aspects of the Claims Procedure. Capitalized terms in the summary that are not defined below are as defined in the draft Claims Procedure Order.

Summary of Proposed Claims Procedure		
Event	Indicative Dates / Deadline	Description of Activities
Launch	June 8, 2016	<ul style="list-style-type: none">The Claims Procedure Order is approved and issued by the Court.
Post Order on Liquidator’s Website	June 15, 2016 (i.e. 5 business days)	<ul style="list-style-type: none">The Claims Procedure Order is posted on the Liquidator’s website http://www.kpmg.com/ca/maplebank.

Summary of Proposed Claims Procedure

Event	Indicative Dates / Deadline	Description of Activities
Mail Claims Package to Known Creditors	June 15, 2016 (i.e. 5 business days)	<ul style="list-style-type: none"> • A claims package is mailed to every known creditor that is recorded in the Toronto Branch's records. • The Liquidator will mail a claims package to any creditor that requests a claim package subsequent to the Claims Procedure launch date. • The Liquidator will mail a claims package to the Canada Revenue Agency and other relevant Governmental agencies. • The Liquidator will mail a claims package to all counterparties to contracts with the Toronto Branch.
Post Notice of Claims Procedure in Newspapers	June 18, 2016 (i.e. 10 days)	<ul style="list-style-type: none"> • The Liquidator will post a notice to creditors in the National Edition of <i>The Globe and Mail</i> and International Edition of <i>The Wall Street Journal</i>.
Requested Date to File Claims (not a Claims Bar Date)	September 19, 2016 (i.e. 90 days from the posting of the notices of the Claims Procedure in the newspapers mentioned above)	<ul style="list-style-type: none"> • Creditors are requested to prove their Claims against the Toronto Branch by delivering a completed Proof of Claim form (and supporting documentation) to the Liquidator by 4:00 p.m. EST on September 19, 2016.
Claim Review Period	No limit	<ul style="list-style-type: none"> • The Liquidator will review all filed Proofs of Claim and accept or disallow (in whole or in part) the amount and/or status of each Claim as filed. • The Liquidator may request additional information to support the Claims and/or request that a creditor file a revised Proof of Claim. • The Liquidator will send an Acknowledgement of Claim as Claims are admitted. • The Liquidator will send a Notice of Disallowance where Claims are disallowed (in

Summary of Proposed Claims Procedure		
Event	Indicative Dates / Deadline	Description of Activities
		whole or in part).
Dispute Notice Deadline	14 days after a Notice of Disallowance is sent	<ul style="list-style-type: none"> • Creditors who wish to dispute the Liquidator’s determination must as soon as reasonably possible, but no later than 14 days (and by 4:00 p.m. EST on such date) after the Liquidator issues a Notice of Disallowance, file a Dispute Notice with the Liquidator. • Creditors that fail to file a Dispute Notice within this deadline will have their Claims admitted or disallowed as set out in the Notice of Disallowance issued by the Liquidator.
Claim Dispute Protocol	Variable	<ul style="list-style-type: none"> • The Liquidator and each disputing creditor shall attempt to resolve and settle the disputing creditor’s Claims at any time. • If unresolved, the Liquidator may refer disputed claims to a Claims Officer for determination. • The Claims Officer shall determine the amount and status of each disputing creditor’s Claim within 30 days of the Liquidator referring such Claim. • A Disputing Creditor, or the Liquidator can appeal any such determination to the Court within 10 days of the Claims Officer’s decision.
Distribution	To be determined	<ul style="list-style-type: none"> • To be determined by further Order of the Court.

36. Additional features of the Claims Procedure are described below.

Claims Officer

37. In order to improve the efficiency with respect to the resolution of Disputed Claims, the Claims Procedure proposes that a Claims Officer be engaged to review any Disputed

Claims that cannot be resolved in a timely period, or in a manner satisfactory to the Liquidator.

38. The Liquidator recommends that Mr. Kevin McElcheran of Kevin McElcheran Commercial Dispute Resolution be appointed as Claims Officer in respect of the initial adjudication of Disputed Claims. Mr. McElcheran is a restructuring practitioner who has over 30 years of experience and has led the restructuring practices of two prominent Canadian law firms during his career. He is the author of several texts on insolvency law including *Commercial Insolvency in Canada* published by LexisNexis and serves as an adjunct professor in the area of commercial insolvency law at Queen's University and the University of Western Ontario. Mr. McElcheran is additionally a trained mediator and a member of the Chartered Institute of Arbitrators.

Currency Exchange

39. Section 5 of the WURA provides that the winding-up of an Authorized Foreign Bank shall be deemed to commence at the time of the service of the notice of presentation of the petition for winding-up, which in the case of the Toronto Branch was February 16, 2016.
40. Due to the nature of the Toronto Branch's business, a number of the liabilities of the Toronto Branch are calculated in USD and EUR.
41. The WURA has no provisions relating to currency conversion for the determination of Claims. The Liquidator understands that typically Claims are to be paid in the currency of the country in which the insolvent company is resident and that any currency conversion for the purpose of calculating Claims should be calculated as at the date of the commencement of the winding-up proceedings.
42. Pursuant to section 275 of the *Bankruptcy and Insolvency Act* (the "**BIA**") a Claim for a debt that is payable in a currency other than Canadian currency shall be converted to Canadian currency as of the date of the bankruptcy, being (i) the date of the granting of a bankruptcy order; (ii) the filing of an assignment, or (iii) the event that causes an assignment into bankruptcy.

43. The Liquidator recommends that claims payable in a foreign currency be converted to CAD at the applicable Bank of Canada nominal noon spot rates for exchanging such currencies to CAD as of February 16, 2016, such rates being for USD and EUR, \$1.3860 and \$1.5439 respectively.
44. The Liquidator is of the view that the Claims Procedure will afford a fair and reasonable opportunity for all Creditors with Claims against the Toronto Branch to file and prove their Claims. If during the Claims Procedure a reliable reserve for unpaid Claims can be determined, the Liquidator will cooperate with the GIA in seeking a further order from the Court permitting a possible interim distribution to the German Estate. Of course a similar interim and/or final distribution would be made to the Creditors.

6. REVIEW OF PROFESSIONAL FEES

45. Pursuant to the WURA, the Liquidator and its legal counsel are required to pass their accounts before a taxing officer (which includes a judge) of the Ontario Superior Court of Justice.
46. On account of the anticipated volume of accounts that will be rendered by the Liquidator and its legal counsel during the course of the liquidation of the Toronto Branch, and given that the relevant invoices contain a substantial amount of confidential and/or privileged information in relation to the administration of the Estate, the Liquidator proposes to request that the Court appoint Mr. Jonathan Wigley of the law firm Gardiner Roberts LLP as independent cost counsel (“**Independent Cost Counsel**”) for the purpose of reviewing the invoices of the Liquidator and its legal counsel with a view to having Independent Cost Counsel provide the Court with a report and assessment of the fairness and reasonableness of the relevant fees and disbursements of the Liquidator and its legal counsel.
47. Independent Cost Counsel has advised the Liquidator that his firm does not act for any stakeholders in the Toronto Branch’s liquidation. Independent Cost Counsel has previously been appointed by this Court as independent counsel for the purpose of reviewing the invoices of insolvency professionals and their counsel and providing an assessment to this Court of the fairness and reasonableness of the relevant fees and disbursements, including, without limitation, in insolvency proceedings commenced under the *BIA* in respect of Portus Group and MF Global Canada Co. and the Metcalfe & Mansfield Alternative Investment II Corp. et al. restructuring commenced under the *Companies’ Creditors Arrangement Act* (a.k.a. the Asset Backed Commercial Paper restructuring).

7. RECEIPTS AND DISBURSEMENTS

Summary of Receipts and Disbursements

48. The following table represents a summary of the total receipts and disbursements of the Estate for the period February 16 to May 13, 2016 (the "Cash Flow Period").

**In the matter of the winding up of Maple Bank GmbH (Toronto Branch)
Statement of Receipts and Disbursements
For the period February 16 to May 13, 2016
Amounts in CAD millions**

Receipts	CAD Total⁽¹⁾
Settlement of Brokerage Account	71.5
Derivative Instruments	43.4
Structured Loan Portfolio	18.4
MBS Business	2.9
Total Receipts	136.2
Disbursements	
Payroll	0.9
Occupancy	0.1
Information Technology	0.1
Transfer to CMHC	0.3
Total Disbursements	1.4
Professional Fees	-
Net Receipts in excess of Disbursements	134.8
Opening Cash Balance	318.6
Closing Cash Balance	453.4

(1) Assets held in USD and EUR are converted to CAD at varying foreign exchange rates on the date such funds are received or foreign currency denominated transactions occur.

Analysis of Receipts and Disbursements

49. Actual receipts for the Cash Flow Period are \$136.2 million, and consist primarily of the following:
- i. \$71.5 million from the closing of the Toronto Branch's Interactive Brokers ("IB") trading account of which the EURO equivalent (approximately 48.9 million EURO) is being held in a CIBC account. As

outlined in the Second Report, prior to the date of the Winding-Up Order the Toronto Branch had a trading account with IB in order to enter into derivative contracts for hedging purposes. Since all the derivative contracts were in default prior to the Liquidator being appointed this trading account was closed on April 15, 2016 and all remaining funds transferred out;

- ii. \$43.4 million related to the settlement of derivative instruments primarily comprised of the settlement on maturity of financing transactions (e.g. reverse-repo transactions) with Maple Securities USA (“MSUSA”) and Maple Securities Canada Limited (“MSCL”), related parties, which were in the normal course of business. The failure to execute these transactions may have resulted in MSUSA and/or MSCL (which are not subject to any insolvency or liquidation proceedings) defaulting on third party transactions;
 - iii. \$18.4 million related to collections on the structured loan portfolio, including the payment of outstanding loan balances from various counterparties, as well as collections related to maturing Immigrant Investor Program notes; and
 - iv. \$2.9 million in collections relating to the Toronto Branch’s in-house mortgages and the pooled unsold MBS portfolio.
50. Actual disbursements for the Cash Flow Period total approximately \$1.5 million and consist of disbursements on account of payroll, office rent, information technology costs and a transfer to CMHC in respect of NHA MBS mortgage payments received by the Toronto Branch in error.

8. LIQUIDATOR'S RECOMMENDATIONS

51. The Liquidator submits this Third Report to the Court in support of the Liquidator's Motion for the relief as set out in the Notice of Motion dated June 8, 2016 and recommends that the Court grant an order approving:
- i. The Claims Procedure and authorizing and directing the Liquidator to carry out its obligations as set out therein;
 - ii. The appointment of Kevin McElcheran of Kevin McElcheran Commercial Dispute Resolution as the Claims Officer;
 - iii. The appointment of Johnathan Wigley of Gardiner Roberts LLP as Independent Cost Counsel to the Estate for the purpose of reviewing the invoices of the Liquidator and its legal counsel in order to assist the Court with its assessment of their respective professional fees and disbursements; and
 - iv. Approving the Third Report, and the activities of the Liquidator described herein.

All of which is respectfully submitted at Toronto, Ontario this 2nd day of June, 2016.

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



Per: _____

Philip J. Reynolds
Senior Vice President

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

ATTORNEY GENERAL OF CANADA

- and - **MAPLE BANK GmbH**

Applicant

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**
Proceeding commenced at Toronto

Third Report of the Liquidator

GOWLING WLG (CANADA) LLP
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Lawyers for KPMG Inc., in its capacity as Liquidator of
the business in Canada of Maple Bank GmbH and its
assets.

TAB 2D

**This is Appendix “D” to the
Ninth Report of the Liquidator**

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

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

PLEASE TAKE NOTICE that this notice is being published pursuant to an Order of the Superior Court of Justice of Ontario [Commercial List] made November 18, 2016 (the “**Interim Distribution Order**”). The Interim Distribution Order provides for the approval of (i) a distribution to Maple Bank’s creditors who have submitted a proof of claim that has been accepted and admitted by the Liquidator; and, (ii) a partial distribution of a portion of the estimated surplus of Maple Bank to the German insolvency administrator of Maple Bank GmbH on or after December 19, 2016 (the “**Interim Distribution Date**”). This notice is provided to advise all creditors of Maple Bank of the distribution on or after the Interim Distribution Date and to request that any creditor that has not yet filed a proof of claim with the Liquidator to do so forthwith to ensure that their claim is submitted to the Liquidator **PRIOR TO THE INTERIM DISTRIBUTION DATE** for consideration by the Liquidator. Creditors who have already submitted a Proof of Claim are **NOT** required to re-submit a Proof of Claim as a result of this notice. Creditors can obtain the Order and a Proof of Claim package from the website of the Liquidator (<http://www.kpmg.com/ca/maplebank>) or by contacting the Liquidator by telephone (416) 777- 3091, by fax (416) 777-3364 or by email (svendedic@kpmg.ca).

Proofs of Claim must be submitted to the Liquidator for any claim against Maple Bank, whether unliquidated, contingent or otherwise, in each case where the claim (i) arose on or prior to February 16, 2016 (the “**Winding-Up Date**”), or (ii) arose after the Winding-Up Date as a result of the termination, repudiation or disclaimer of any lease, contract, employment agreement or other agreement. Please consult the Proof of Claim package for more details.

Completed Proofs of Claim must be received by the Liquidator by 4:00 p.m. (Eastern Standard Time) on December 16, 2016. It is your responsibility to ensure that the Liquidator receives your Proof of Claim by the above-noted time and date.

TAKE NOTE THAT FAILURE TO SEND IN A PROOF OF CLAIM BY DECEMBER 16, 2016 WILL RESULT IN DISTRIBUTIONS BEING MADE WITHOUT REGARD TO ANY CLAIM NOT SUBMITTED BY THAT DATE.

DATED at Toronto this _____ day of _____, 2016.

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

Attention: Sven Dedic: svendedic@kpmg.ca
Fax: (416) 777-3364
Phone: (416) 777-3091

ATTORNEY GENERAL OF CANADA – Applicant

- and -

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

MAPLE BANK GmbH., – Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]**

(PROCEEDING COMMENCED AT TORONTO, ONTARIO)

Liquidator's Ninth Report

GOWLING WLG (CANADA) LLP

Barristers and Solicitors
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Toronto, ON M5X 1G5

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

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

ATTORNEY GENERAL OF CANADA

- and - **MAPLE BANK GmbH**

Applicant

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto**

**MOTION RECORD
(Re: Interim Distribution Motion)
(Returnable November 18, 2016)**

GOWLING WLG (CANADA) LLP
1 First Canadian Place, Suite 1600
100 King Street West
Toronto, Ontario M5X 1G5

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