

*[Handwritten signature]*

2022 012 4092

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR

GENERAL DIVISION

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF an application of the Roman Catholic Episcopal Corporation of St. John's

AND IN THE MATTER OF the *Companies'* Creditors Arrangement Act, RSC 1985, c C-36, as amended

INTERIM DISTRIBUTION ORDER

UPON IT APPEARING THAT Roman Episcopal Corporation of St. John's (the "Corporation") has applied for an order pursuant to section 11 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), among other things: (i) approving an interim distribution to various "Accepted Abuse Claimants" and "General Claimants" (each as defined in the Eighteenth Report defined below) in the amounts set out in the Eighteenth Report of Ernst & Young Inc., in its capacity as Court-appointed monitor of the Corporation (in such capacity, the "Monitor") dated October 2, 2024 (the "Eighteenth Report"); (ii) authorizing the Corporation to make further distributions to certain "Testamentary Claimants" (as defined in the Eighteenth Report) upon the presentation to the Monitor of satisfactory testamentary documentation; and (iii) providing for certain reserves and holdbacks in relation to the Estimated Distribution Pool (as set out in the Eighteenth Report).

AND UPON HEARING Geoffrey Spencer, counsel for the Corporation; Maurice Chiasson, K.C. and Joe Thorne, counsel for the Monitor; Geoffrey Budden, K.C. and Clifton Prophet, Representative Counsel; and such other counsel as may appear.

AND UPON reading the material as filed by counsel, including the Eighteenth Report;

IT IS HEREBY ORDERED:

SERVICE AND DEFINITIONS

1. The time for service of this application is hereby abridged, service of the application is validated and further service is dispensed with.

	Filed	08 OCT 24	Ky
--	-------	-----------	----

2. Unless otherwise indicated or defined herein, capitalized terms used in this Order shall have the meaning ascribed to them in the Eighteenth Report.

#### INTERIM DISTRIBUTION

3. The Corporation is hereby authorized, directed and empowered to make an interim cash distribution from the Estimated Distribution Pool to each Accepted Abuse Claimant and General Claimant for their *pro rata* share of their Proven Claim as set out in the Eighteenth Report, save and except for certain Testamentary Claimants identified in paragraph 4 below.

4. The Corporation is hereby authorized, directed and empowered to make an interim cash distribution from the Estimated Distribution Pool to the estate of any Testamentary Claimant for their *pro rata* share of the Proven Claim of such Testamentary Claimant on presentation of satisfactory testamentary documentation to the Corporation and the Monitor.

5. The Corporation, or any other person facilitating distributions pursuant to this Order shall be entitled to deduct and withhold from any such distribution to any Accepted Abuse Claimant or General Claimant such amounts as may be required to be deducted or withheld under any applicable law and to remit such amounts to the appropriate governmental authority or other person entitled thereto as may be required by such law.

6. Any Accepted Abuse Claimant or General Claimant, whose address as indicated: (a) in the filed Proof of Claim or otherwise advised by the Abuse Claimant or General Claimant in writing, or (b) on file with the Corporation on the date of the interim distribution, is not a Canadian address will be treated as a non-resident of Canada for purposes of any applicable non-resident withholding tax on payments hereunder, subject to receipt by either the Corporation, or the Monitor, of information satisfactory to the Corporation and the Monitor (in their sole discretion, acting reasonably) that such Accepted Abuse Claimant or General Claimant is not a non-resident. Notwithstanding any withholding or deduction, each person receiving a distribution will have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental authority (including income and other tax obligations) on account of such distribution.

7. The Corporation shall be entitled to make distributions described in this Order from the Estimated Distribution Pool maintained in the trust accounts of its legal counsel, McInnes Cooper, to Claimant Counsel on behalf of any Accepted Abuse Claimant, represented by Claimant Counsel, and directly to any Accepted Abuse Claimant or General Claimant who is not represented by

counsel, by way of wire transfer in accordance with such instructions as may be provided by Claimant Counsel or any Accepted Abused Claimant or General Claimant, as the case may be.

8. Where a wire transfer is not possible for any reason, the Corporation may make any distribution described in this Order by way of direct deposit or cheque sent by prepaid ordinary mail to the address set forth on such Accepted Abuse Claimant's or General Claimant's Proof of Claim or, in the discretion of the Corporation, acting reasonably, the last known address of the Accepted Abuse Claimant or General Claimant.

9. The Corporation is hereby authorized, directed and empowered to take any further steps as it deems necessary or desirable to complete the distributions described in this Order.

**RESERVES**

10. The Corporation, with the assistance of the Monitor, shall maintain the reserves and holdbacks from the Estimated Distribution Pool, each as set out in the Eighteenth Report (the "Reserves") to provide for the following:

- (a) pro rata payments to Abuse Claimants upon final resolution of appeals in relation to their Abuse Claims;
- (b) amounts necessary to pay the reasonable fees and disbursements of counsel to the Corporation, the Monitor and its counsel, and the Financial Advisor to Representative Counsel in connection with these continuing proceedings;
- (c) amounts necessary to continue any litigation in relation to any insurance policies for the benefit of the Corporation in relation to Abuse Claims;
- (d) amounts held in escrow in relation to various outstanding real estate transactions;
- (e) amounts necessary to establish and maintain the Counselling Fund; and
- (f) amounts necessary to establish and maintain a general contingency reserve in relation to these proceedings.

11. Any further payments to Accepted Abuse Claimants or General Claimants from the Reserves shall be subject to the further order of this Court.

## GENERAL

12. Notwithstanding:

- (a) the pendency of these proceedings or the termination of these proceedings;
- (b) any application for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended (the "BIA") in respect of the Corporation and any bankruptcy order issued pursuant to any such application;
- (c) any assignment in bankruptcy made in respect of the Corporation,

any distributions made pursuant to this Order are final and irreversible and shall be binding upon any trustee in bankruptcy that may be appointed in respect of the Corporation, and shall not be void or voidable by creditors of the Corporation, nor shall any such distributions constitute or be deemed to be fraudulent preferences, assignments, fraudulent conveyances, transfers-at-undervalue or other reviewable transactions under the BIA or any other applicable federal or provincial law, nor shall they constitute conduct which is oppressive, unfairly prejudicial to or which unfairly disregards the interests of any person, and shall, upon the receipt thereof, be free of all claims, liens, security interests, charges or other encumbrances granted by or relating to the Corporation.

13. The Monitor shall not incur any liability in connection with assisting the Corporation with respect to the distributions contemplated herein, whether in its personal capacity or in its capacity as the Monitor of the Corporation.

14. In carrying out the terms of this Order, the Monitor, whether in its personal capacity or in its capacity as the Monitor of the Corporation:

- (a) shall have all the protections provided to it as an officer of the Court, including the protections granted pursuant to the CCAA and other orders granted in these CCAA proceedings, including the stay of proceedings, in its favour; and
- (b) shall incur no liability or obligation as a result of carrying out any duties or work in connection with this Order, save and except for any gross negligence or willful misconduct on its part.



15. In carrying out the terms of this Order:

- (a) by causing the Corporation to distribute any funds or in making any payments hereunder; and
- (b) any payments or deliveries made in accordance with this Order that are made or assisted by the Monitor,

shall not constitute a "distribution" and the Monitor shall not constitute a "legal representative" or "representative" of the Corporation or "other person" for the purposes of Section 159 of the *Income Tax Act*, R.S.C. 1985, c. 1 (5<sup>th</sup> Suppl.), or Section 270 of the *Excise Tax Act*, R.S.C. 1985, c. E-15, or any other similar federal, provincial or territorial tax legislation in the Provinces or Territories that the Corporation conducted business in (collectively, the "Statutes"), and the Monitor in providing any assistance with making any such payment or deliveries of funds in accordance with this Order is not "distributing", nor shall it be considered to have "distributed", such funds or assets for the purposes of the Statutes, and the Monitor shall not incur any liability under the Statutes for making any payments or deliveries in accordance with this Order or failing to withhold amounts, ordered or permitted hereunder, and the Monitor not have any liability for any of the Corporation's tax liabilities regardless of how or when such liabilities may have arisen, and is hereby forever released, remised and discharged from any claims against the Monitor under or pursuant to the Statutes or otherwise at law, arising as a result of the distributions and deliveries in accordance with this Order, and any claims of such nature are hereby forever barred.

16. The activities and conduct of the Monitor in the CCAA proceedings, as disclosed in its reports to the Court up to the date of this Order, including, without limitation, in relation to conducting and administering the claims procedure, be and are hereby ratified and approved.

17. The Monitor has satisfied all of its obligations as disclosed in its reports to the Court up to and including the date of this Order, and all claims against the Monitor arising from or relating to the actions, activities, and conduct of the Monitor up to and including the date of this Order are hereby forever barred.

18. Notwithstanding any other provision of this Order, the Monitor shall remain entitled to seek advice, directions or assistance from the Court in respect of the interpretation and implementation

of this Order and the performance by the Corporation of its obligations under this Order and any other matters that pertain to the distributions authorized by this Order.

19. This Order is effective from the date that it is made and is enforceable without any need for entry and filing.

20. Notwithstanding any other provision of this Order, the Corporation shall not be required to make any payment to any Abuse Claimant, General Claimant or Testamentary Claimant until the appeal period set out in the CCAA has expired.

21. This Order shall have full force and effect in all provinces and territories in Canada and also outside Canada and against all persons served with the within motion.

22. This Court requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United Kingdom or the United States to give effect to this Order and to assist the Corporation and the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Corporation and the Monitor and their respective agents as may be necessary or desirable to give effect to this Order or to assist the Corporation and the Monitor and their respective agents in carrying out the terms of this Order.

23. Each of the Corporation and the Monitor be at liberty and are 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.

DATED at St. John's, in the Province of Newfoundland and Labrador, this 08 day of October, 2024.

\_\_\_\_\_

**COURT OFFICER**