

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL

SUPERIOR COURT
(Commercial Division)

NO: 500-11-042345-120

IN THE MATTER OF THE PLAN OF
COMPROMISE OR ARRANGEMENT OF:

AVEOS FLEET PERFORMANCE INC./AVEOS
PERFORMANCE AÉRONAUTIQUE
-and-
AERO TECHNICAL US, INC.

Debtors

-and-

FTI CONSULTING CANADA INC.

Monitor

-and-

THE SUPERINTENDANT OF FINANCIAL
INSTITUTIONS

Petitioner

-and-

CRÉDIT SUISSE AG., CAYMAN ISLANDS
BRANCH, as Fondé de Pouvoir

and

WELLS FARGO BANK NATIONAL
ASSOCIATION, as Fondé de Pouvoir

and

AVEOS HOLDING COMPANY as Fondé de
Pouvoir

and

AON HEWITT, as administrator of the Aveos
Fleet Performance Inc. pension plans

and

The former retired employees of Aveos
Fleet Performance Inc.

Mis en cause

CONTESTATION
(TO THE SUPERINTENDANT OF FINANCIAL INSTITUTIONS' MOTION
FOR A DECLARATORY JUDGMENT)

TO THE HONOURABLE JUSTICE MARK SHRAGER, J.S.C., SITTING IN COMMERCIAL DIVISION, IN AND FOR THE JUDICIAL DISTRICT OF MONTRÉAL, THE MIS EN CAUSE, CRÉDIT SUISSE AG., CAYMAN ISLANDS BRANCH (“CREDIT SUISSE”), AS ADMINISTRATIVE AGENT, IN CONTESTATION TO PETITIONER’S MOTION, STATES AS FOLLOWS:

1. It admits paragraphs 1 to 41 of the Petitioner’s Motion for a Declaratory Judgment (the “**Motion**”);
2. It admits paragraph 42 of the Motion, but further adds that said securities are more fully described at paragraph 36 of the Agreed Statement of Facts communicated herewith as **Exhibit CS-1**;
3. With regard to paragraphs 43 to 58 of the Motion, it relies on the sections of the PBSA and the PBSR quoted by the Petitioner and denies anything that is not in strict conformity therewith;
4. It denies paragraphs 59 to 61 of the Motion and adds that even if the present CCAA process was considered to be a liquidating CCAA, this should have no bearing on the qualification of the Petitioner’s rights;
5. It denies paragraph 62 of the Motion and adds that a deemed trust is not a mechanism for undoing an existing security interest but rather a device for going back in time and seeking out an asset that was not, at the moment the claim secured by it came due, subject to any competing interest. In short, the deemed trust provision cannot be effective unless it is first determined that there is some unencumbered asset out of which the trust may be deemed, which is clearly not the case in the present matter;
6. It denies paragraph 63 of the Motion and further adds that what would be contrary to the law is to deprive a secured creditor from the benefit of its guarantees on the basis of the existence of a deemed trust which does not create rights that supersede those of a secured creditor;
7. It ignores the paragraph 64 of the Motion;
8. It denies paragraph 65 of the Motion;
9. It denies, as drafted, paragraph 66 of the Motion and further adds that in or out of a context of liquidation, the rights of a secured creditor should rank ahead the rights of the beneficiary of a deemed trust created by the PBSA;

AND FOR FURTHER CONTESTATION, THE MIS EN CAUSE, CREDIT SUISSE, ADDS:

10. The trust created by Section 8 PBSA is ineffective since all the elements which are necessary to create a true trust are not existing in this case;

11. The deemed trust created by the PBSA is ineffective in an insolvency context since the two complementary elements in order for such trust to be recognized in an insolvency context do not co-exist in the present case, namely, a statutory provision creating the trust and second, a CCAA provision confirming – or explicitly preserving – its effective operation;
12. Finally, even out of an insolvency context, the right of a secured creditor should rank above the rights of the beneficiary of a deemed trust;

WHEREFORE, THE CREDITOR, CRÉDIT SUISSE, RESPECTFULLY PRAYS THIS HONOURABLE COURT TO :

GRANT the Contestation of the Mis en cause, Crédit Suisse AG., Cayman Islands Branch,

DISMISS the Petitioner's Motion for a Declaratory Judgment;

DECLARE that from the total of the money held by the Debtor or the Monitor, the amount of \$2,804,450.00 to which reference is made in the Petitioner's Motion constitutes assets of the Debtor, charged by the security of the Secured Lenders which shall therefore be remitted to the Secured Creditors within five (5) days of the judgment to be rendered on the Petitioner's Motion;

THE WHOLE with costs.

Montréal, June 20, 2013



BLAKE, CASSELS & GRAYDON LLP
Attorneys for the creditor
**CRÉDIT SUISSE AG. CAYMAN ISLANDS
BRANCH**

EXHIBIT CS-1

CANADA

**PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

No: 500-11-042345-120

SUPERIOR COURT

Commercial Division
(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, R.S.C.
1985, c. C-36)

**IN THE MATTER OF THE PROPOSED PLAN OF
COMPROMISE AND ARRANGEMENT OF:**

**AVEOS FLEET PERFORMANCE INC./
AVEOS PERFORMANCE AÉRONAUTIQUE INC.
and
AERO TECHNICAL US, INC.**

Insolvent Debtors/Respondents

and

FTI CONSULTING CANADA INC.

Monitor

and

**THE ATTORNEY GENERAL OF CANADA
[OSFI]**

Petitioner

and

**CRÉDIT SUISSE AG, CAYMAN ISLAND BRANCH,
as Fondé de Pouvoir**

and

**WELLS FARGO BANK NATIONAL ASSOCIATION,
as Fondé de Pouvoir**

and

**AVEOS HOLDING COMPANY as Fondé de
Pouvoir**

Respondents

and

**AON HEWITT, as administrator of the Aveos
Fleet Performance Inc. pension plans**

and

**The former and retired employees of Aveos
Fleet Performance Inc.**

Mis en cause

**AGREED STATEMENT OF FACTS
ON THE MOTION FOR DECLARATORY JUDGMENT
OF THE ATTORNEY GENERAL OF CANADA**

TO THE HONOURABLE JUSTICE MARK SCHRAGER, J.S.C., SITTING IN COMMERCIAL DIVISION, IN AND FOR THE JUDICIAL DISTRICT OF MONTRÉAL, THE PARTIES RESPECTFULLY SUBMIT THE FOLLOWING AGREED CHRONOLOGICAL STATEMENT OF FACTS:

I. FACTS RELATING TO THE NON-UNION PENSION PLAN

1. The Retirement Plan for Employees of Aveos that is the object of the motion (the "Plan") is a defined benefit pension plan. It was established by Aveos Fleet Performance Inc. (the "Company" or "Aveos") effective October 16, 2007;
2. An initial application for registration of a defined benefit plan was filed with the Office of the Superintendent of Financial Institutions ("OSFI") on September 5, 2008 and an amended application was filed on December 4, 2008, as appears from the September 5, 2008 cover letter to OSFI, the initial Application for Registration of a Pension Plan, and the revised Application for Registration of a Pension Plan attached en lasse as Exhibit R-1;
3. Thereafter, OSFI registered and assigned the Plan federal registration number 57573 and the Plan is governed by the *Pensions Benefits Standards Act* ("PBSA") and regulations thereunder;
4. The Plan covers all non-unionized employees of the Company who were employed by Air Canada as of October 15, 2007, who participated in the Air Canada Pension Plan or the Pension Plan for Air Canada Management Employees Formerly Employed by Canadian Airlines International Limited (the "Air Canada Plans"), and who became employed by the Company effective October 16, 2007;
5. Thereafter, assets and liabilities of the Air Canada Plans in respect of these employees were transferred from the Air Canada Plans to the Plan;
6. The Plan also provides pension benefits to former non-unionized employees of the Company who were hired after October 16, 2007 and who met the eligibility criteria under the Plan terms;
7. Contributions from both the Company and employees were required to be made to the Plan;

8. The Company was the sponsor and administrator of the Plan from inception until April 5, 2012, as detailed below, when OSFI removed the Company as administrator and named Aon Hewitt as the replacement Plan administrator;
9. As required by the PBSA, actuarial valuation reports for the Plan were prepared by an actuary and filed with OSFI annually;
10. The actuarial valuation report for the Plan as at December 31, 2010, dated June 2011 was prepared by Aon Hewitt Inc. and filed with OSFI in June, 2011 (the "2010 Valuation Report") filed as Exhibit R-2;
11. The 2010 Valuation Report revealed that as at December 31, 2010 the Plan was 79.4% funded on a solvency basis, and had an adjusted solvency deficiency of \$15,297,000. As a result, annual special payments totaling \$3,059,400 were required to be paid into the Plan fund in monthly installments in the amount of \$254,950;
12. Until the 2010 Valuation Report was filed, Aveos continued to fund in accordance with the report filed the preceding year with respect to the Plan. Aveos made in September 2011 a catch up payment for the deficiency in payments made to the Plan for the first six months of 2011 in accordance with the 2010 Valuation Report. Aveos also made the special payment owed for that month. The 2011 Valuation Report that valued the Plan as at December 31, 2011 was due to be filed by June 30, 2012;
13. Special payments in the amount of \$254,950 continued to be paid by the Company to the Plan fund in accordance with the 2010 Valuation Report until the last payment made on March 1, 2012 for the month of January, 2012;
14. In the days leading up to the Initial Order, Aveos employed approximately 2,620 employees working from approximately ten facilities across Canada and operated three main divisions, namely the Airframe, Engine and Component Divisions;
15. Approximately 88% of its workforce in Canada was unionized and represented by the International Association of Machinists and Aerospace Workers (the "Union");
16. On the eve of the Initial Order, Aveos ceased the operations of its Airframe Division and notified all other of its employees not to report to work as of March 19, 2012;
17. On March 19, 2012, Aveos and Aero Technical US, Inc. ("Aero US" and together with Aveos, the "Debtors") made an application under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") and an Initial order (the "Initial Order") was made by the Honourable Mr. Justice Schragger of the Superior Court of Quebec (Commercial Division) (the "Court"), granting, inter alia, a stay of proceedings against the Debtors until April 5, 2012, (as extended from time to time thereafter, the "Stay Period") and appointing FTI Consulting Canada Inc. as monitor of the Debtors (the "Monitor");

18. According to the Initial Order, a charge of \$5,000,000.00 was granted in favour of the Debtors' directors, which was reduced to \$2,000,000.00 by the Order of May 8, 2012. Paragraph 19 of the Initial Order suspended the making of special payments to the Debtors pension plans, including the Plan, but allowed for the making of normal cost contributions;
19. On March 19 and 20, 2012, all of the Debtors' directors resigned from their positions;
20. On the day following the issuance of the Initial Order, Aveos ceased the operations of its two other divisions, the Engine and Component Divisions, and terminated the employment of its remaining workforce save for a very limited number of key employees;
21. On March 20, 2012, the Court approved the appointment of Jonathan Solursh to act as Chief Restructuring Officer of the Debtors (collectively with R.e.l. Group Inc., the "CRO"), who developed and implemented, with the support of the Union and the Secured Lenders (defined below), a Court approved divestiture process (the "Divestiture Process");
22. By letter dated April 5, 2012, OSFI appointed Aon Hewitt Inc. as the replacement administrator of the Plan effective April 5, 2012, as appears from a letter produced under Exhibit R-3;
23. The Divestiture Process was approved by this Court on April 20, 2012 and has already resulted in numerous Court approved transactions; practically all if not all of the Debtors' assets have now been sold;
24. By way of letters dated May 10, 2012, the CRO informed OSFI that accruals would cease in respect of the Plan and another Aveos pension plan, being a Defined Contribution Plan ("DC Plan") effective May 19, 2012, as appears from said letters produced en liasse under Exhibit R-4. The letter respecting the Plan informed OSFI that the the Plan had no future.
25. Aveos also had a defined benefit pension plan for union members ("DB Union Plan");
26. On May 14, 2012, legal representative for IAMAW informed legal counsel for OSFI that "that there are no longer any active IAMAW members in the (DB Union) Plan. In light of the circumstances, the IAMAW hereby requests that the (DB Union) Plan for IAMAW members be terminated and wound-up." This request was reaffirmed on May 23, 2012 following OSFI's receipt of information that two union employees were still engaged by Aveos;
27. OSFI terminated both the Plan and the DC Plan effective May 19, 2012 and terminated the DB Union Plan effective May 25, 2012, as appears from the letters issued by the OSFI on May 25, 2012 and produced en liasse under Exhibit R-5;

28. The following table summarizes the amounts owed in respect of the Plan per month :

Aveos Non Union Pension Plan				
Monthly Period covered	Accrued on	Special payment required	Received amount	Outstanding
January 2012	January 1, 2012	254,950.00 \$	254,950.00 \$	- \$
February 2012	February 1, 2012	254,950.00 \$		254,950.00 \$
March 2012	March 1, 2012	254,950.00 \$		254,950.00 \$
April 2012	April 1, 2012	254,950.00 \$		254,950.00 \$
May 2012	May 1, 2012	254,950.00 \$		254,950.00 \$
June to December 2012	May 19, 2012	1,784,650.00 \$		1,784,650.00 \$
		3,059,400.00 \$	254,950.00 \$	2,804,450.00 \$

29. In respect of the Plan, the outstanding amount owed by the employer on the date of the Initial Order is \$509,900. An additional amount of \$2,294,550.00 is also owed by the employer upon termination of the Plan for a total of \$2,804,450.00 representing amounts owed before and at the date of termination of the Plan for outstanding special payments owing to the Plan for the period ending December 31, 2012. This amount was confirmed by Aveos' counsel, as appears from a letter dated July 13, 2012, produced as Exhibit R-6;
30. An actuarial termination report for the Plan as at May 19, 2012 has been prepared by Aon Hewitt and is dated December 19, 2012, filed as Exhibit R-7. This report confirms that \$2,804,450 in special payments is owing to the Plan in respect of amounts owed during the period January to December, 2012;
31. The termination report for the Plan shows that the Plan has a deficit (i.e., liabilities exceeds the assets of the Plan) of \$29,748,200. This report has not yet been approved by OSFI;
32. While a deemed trust attaches to normal cost, special payments and other amounts owed or accrued to a pension plan as at the date of termination, the amount required to be paid by an employer in respect of the remaining deficit is an unsecured claim;
33. Aveos has not deposited the amounts which represent the special contributions owing in a separate bank account;
34. In the event that it is determined that such amounts are payable to the Plan in priority to the security of the Respondents, including the security of the Third Party Secured Lenders detailed below, Aveos does have sufficient funds to pay these special contributions as well as all CCAA Charges;

35. All Company normal cost and employee contributions owed to the Plan have been paid into the Plan fund.

II. FACTS RELATING TO THE THIRD PARTY SECURED LENDERS' SECURITY INTEREST

36. The claims of the Third Party Secured Lenders have been documented and are secured by fixed charges as follows:
- a) A Senior Secured Credit Agreement among Aveos, Aveos Holding Company, Aero Technical Support & Services Holdings and Lehman Commercial Paper Inc. dated March 12, 2010 (the "First Lien Credit Agreement") and a Senior Secured Term Loan Agreement among Aveos, Aveos Holding Company, Aero Technical Support & Services Holdings and Lehman Commercial Paper Inc. dated March 12, 2010 (the "Second Lien Credit Agreement");
 - b) A deed of hypothec and issue of bonds (senior) in the amount of Cdn\$150,000,000 with interest at 25% per annum, entered into on March 10, 2010 before Mtre. Keri Clair-Bookalam, Notary, under number 326 of her minutes, by Aveos in favour of Lehman Commercial Paper Inc. ("Lehman"), acting as *fondé de pouvoir* under Article 2692 of the *Civil Code of Québec* (the "Civil Code") for the holders of the bonds issued thereunder, and registered at the Quebec Register of Personal and Movable Real Rights (the "RPMRR") on March 11, 2010 under number 10-0140297-0001 and at the Land Registry Office, Registration Division of Montreal (the "Land Registry") on March 11, 2010 under number 16 993 624 (the "Initial First Lien Hypothec");
 - c) A deed of assignment and substitution of *fondé de pouvoir* entered into on February 15, 2012 before Mtre. Stéphanie Martel, Notary, under number 409 of her minutes, by Lehman (as retiring agent and *fondé de pouvoir* under the Initial First Lien Hypothec), Wells Fargo Bank, National Association ("Wells Fargo") (as successor agent and *fondé de pouvoir*) and Aveos, and registered at the RPMRR on February 16, 2012 under number 12-0109061-0001 and at the Land Registry on February 16, 2012 under number 18 839 585 (the "First Lien Deed of Assignment"); the Initial First Lien Hypothec, as assigned and supplemented pursuant to the First Lien Deed of Assignment is hereinafter referred to as the "First Lien Hypothec");
 - d) A deed of hypothec and issue of bonds (junior) in the amount of Cdn\$150,000,000 with interest at 25% per annum, entered into on March 10, 2010 before Mtre. Keri Clair-Bookalam, Notary, under number 325 of her minutes, by Aveos in favour of Lehman, acting as *fondé de pouvoir* under Article 2692 of the *Civil Code* for the holders of the bonds issued thereunder, and registered at the RPMRR on March 11, 2010 under number 10-0140353-0001 and at the Land Registry on March 11, 2010 under number 16 993 628 (the "Initial Second Lien Hypothec");

- e) A deed of assignment and substitution of *fondé de pouvoir* entered into on February 15, 2012 before Mtre. Stéphanie Martel, Notary, under number 408 of her minutes, by Lehman (as retiring agent and *fondé de pouvoir* under the Initial Second Lien Hypothec), Credit Suisse AG, Cayman Islands Branch ("**Credit Suisse**") (as successor agent and *fondé de pouvoir*) and Aveos, and registered at the RPMRR on February 16, 2012 under number 12-0109068-0001 and at the Land Registry on February 16, 2012 under number 18 839 586 (as corrected pursuant to the Second Lien Deed of Correction (as defined below), the "**Second Lien Deed of Assignment**"; the Initial Second Lien Hypothec, as assigned and supplemented pursuant to the Second Lien Deed of Assignment is hereafter referred to as the "**Second Lien Hypothec**"; the First Lien Hypothec and the Second Lien Hypothec are hereinafter collectively referred to as the "**Hypothecs**";
- f) A deed of correction entered into on February 27, 2012 before Mtre. Stéphanie Martel, Notary, under number 413 of her minutes, by Lehman (as retiring agent and *fondé de pouvoir* under the Initial Second Lien Hypothec), Credit Suisse (as successor agent and *fondé de pouvoir*) and Aveos and registered at the Land Registry on February 28, 2012 under number 18 864 373 (the "**Second Lien Deed of Correction**");
- g) A 25% demand bond (senior) in the principal amount of Cdn\$150,000,000 dated as of March 12, 2010, represented by certificate No. 01, issued under the Initial First Lien Hypothec by Aveos to the order of Lehman, in its capacity as collateral agent under the First Lien Credit Agreement (in such capacity, the "**Initial First Lien Collateral Agent**") (the "**Initial First Lien Bond**");
- h) A 25% demand bond (senior) in the principal amount of Cdn\$150,000,000 dated as of February 15, 2012, represented by certificate No. 02, issued under the First Lien Hypothec by Aveos to the order of Wells Fargo, in its capacity as collateral agent under the First Lien Credit Agreement (in such capacity, the "**Successor First Lien Collateral Agent**") in substitution and replacement of the Initial First Lien Bond (the "**First Lien Bond**");
- i) A 25% demand bond (junior) in the principal amount of Cdn\$150,000,000 dated as of March 12, 2010, represented by certificate No. 01, issued under the Initial Second Lien Hypothec by Aveos to the order of Lehman, in its capacity as collateral agent under the Second Lien Credit Agreement (in such capacity, the "**Initial Second Lien Collateral Agent**") (the "**Initial Second Lien Bond**");
- j) A 25% demand bond (junior) in the principal amount of Cdn\$150,000,000 dated as of the February 15, 2012, represented by certificate No. 02, issued under the Second Lien Hypothec by Aveos to the order of Credit Suisse, in its capacity as collateral agent under the Second Lien Credit Agreement (in such capacity, the "**Successor Second Lien Collateral Agent**") in substitution and replacement of the

Initial Second Lien Bond (the “**Second Lien Bond**”; First Lien Bond and the Second Lien Bond are hereinafter collectively referred to as the “**Bonds**”);

- k) A pledge of bond agreement (senior) dated as of March 12, 2010 granted by Aveos in favour of Lehman, acting as the Initial First Lien Collateral Agent and as agent, mandatary and custodian for the other Creditors (as such term is defined therein), hypothecating the Initial First Lien Bond (the “**Initial First Lien Pledge**”);
- l) A pledge of bond agreement (senior) dated as of February 15, 2012 granted by Aveos in favour of Wells Fargo, acting as the Successor First Lien Collateral Agent and as agent, mandatary and custodian for the other Creditors (as such term is defined therein), hypothecating the First Lien Bond (the “**First Lien Pledge**”);
- m) A pledge of bond agreement (junior) dated as of March 12, 2010 granted by Aveos in favour of Lehman, acting as the Initial Second Lien Collateral Agent and as agent, mandatary and custodian for the other Creditors (as such term is defined therein), hypothecating the Initial Second Lien Bond (the “**Initial Second Lien Pledge**”);
- n) A pledge of bond agreement (junior) dated as of February 15, 2012 granted by Aveos in favour of Credit Suisse, acting as the Successor Second Lien Collateral Agent and as agent, mandatary and custodian for the other Creditors (as such term is defined therein), hypothecating the Second Lien Bond (the “**Second Lien Pledge**”; the First Lien Pledge and the Second Lien Pledge are hereinafter collectively referred to as the “**Pledges**”);
- o) A delivery order (senior) dated as of March 12, 2010 addressed to Lehman, acting as *fondé de pouvoir* as contemplated in Article 2692 of the Civil Code, in respect of the Initial First Lien Bond;
- p) A delivery order (senior) dated as of February 15, 2012 addressed to Wells Fargo, acting as *fondé de pouvoir* as contemplated in Article 2692 of the Civil Code, in respect of the First Lien Bond;
- q) A delivery order (junior) dated as of March 12, 2010, 2010 addressed to Lehman, acting as *fondé de pouvoir* as contemplated in Article 2692 of the Civil Code, in respect of the Initial Second Lien Bond;
- r) A delivery order (junior) dated as of February 15, 2012 addressed to Credit Suisse, acting as *fondé de pouvoir* as contemplated in Article 2692 of the Civil Code, in respect of the Second Lien Bond;
- s) A bondholder’s agreement dated as of February 15, 2012 executed by Wells Fargo, as sole bondholder under the First Lien Hypothec, addressed to Wells

Fargo (in its capacity as *fondé de pouvoir* under the First Lien Hypothec) and Aveos;

- t) A bondholder's agreement dated as of February 15, 2012 executed by Credit Suisse, as sole bondholder under the Second Lien Hypothec, addressed to Credit Suisse (in its capacity as *fondé de pouvoir* under the Second Lien Hypothec) and Aveos;
- u) An ABL general security agreement dated March 12, 2010 (as assigned and amended pursuant to the First Lien 2011 Amendment dated as of February 17, 2011 the "First Lien GSA") granted by Aveos, 3218091 Nova Scotia Company ("3218091") and Aero Technical Support & Services Holdings ("Aero Technical Holdings") (collectively, the **Loan Parties** and individually, a **Loan Party**) in favour of the Successor First Lien Collateral Agent (as successor by assignment to the Initial First Lien Collateral Agent) and registered as follows:
 - (i) under the *Personal Property Security Act* (Ontario) (the **Ontario PPSA**) against (i) Aveos on March 1, 2010 under reference file number 659508939 (registration number 20100301 1006 1590 8758), as amended on March 3, 2010 (registration number 20100303 1528 1590 8992) and on March 5, 2010 (registration number 20100305 1511 1590 9125) and as assigned on January 6, 2012 (registration number 20120106 1729 1862 8297), (ii) 3218091 on March 1, 2010 under reference file number 659508993 (registration number 20100301 1010 1590 8761), as amended on March 3, 2010 (registration number 20100303 1530 1590 8994) and on March 5, 2010 (registration number 20100305 1512 1590 9127) and as assigned on January 6, 2012 (registration number 20120106 1730 1862 8302), and (iii) Aero Technical Holdings on March 1, 2010 under reference file number 659508984 (registration number 20100301 1008 1590 8760), as amended on March 3, 2010 (registration number 20100303 1529 1590 8993) and on March 5, 2010 (registration number 20100305 1511 1590 9126) and as assigned on January 6, 2012 (registration number 20120106 1730 1862 8299);
 - (ii) under the *Personal Property Security Act* (Alberta) (the "**Alberta PPSA**") against Aveos on March 1, 2010 under registration number 10030108638, as amended on March 3, 2010 under registration number 10030327389 and as assigned on January 6, 2012 under registration number 12010632075;
 - (iii) under the *Personal Property Security Act* (British Columbia) ("**BC PPSA**") against the Company on March 1, 2010 under registration number 430943F, as amended on March 5, 2010 under registration number

440621F and as assigned on January 6, 2012 under registration number 430943F;

- (iv) under the *Personal Property Security Act* (Nova Scotia) (“NS PPSA”) against Aero Technical Holdings and 3218091 on March 1, 2010 under registration number 16325359, as amended on March 3, 2010 under registration number 16340101 and as assigned on January 6, 2012 under registration number 19030477;
 - (v) under the *Personal Property Security Act* (Manitoba) (“Manitoba PPSA”) against the Company on March 1, 2010 under registration number 201002990500, as amended on March 3, 2010 under registration number 201003181311 and as assigned on January 6, 2012 under registration number 201200425117; and
 - (vi) Under the *Personal Property Security Act* (Northwest Territories) (“NWT PPSA”) against the Company on August 30, 2011 under registration number 892844, as assigned on January 1, 2012 under registration number 922708;
- v) A Term Loan general security agreement dated March 12, 2010 (as assigned and amended pursuant to the Second Lien 2011 Amendment dated as of February 17, 2011, the “Second Lien GSA”; the First Lien GSA and the Second Lien GSA are hereinafter collectively referred to as the “GSAs”) granted by the Loan Parties in favour of the Successor Second Lien Collateral Agent (as successor by assignment to the Initial Second Lien Collateral Agent) and registered as follows:
- (i) under the Ontario PPSA against (i) Aveos on March 1, 2010 under reference file number 659509182 (registration number 20100301 1022 1590 8765), as amended on March 3, 2010 (registration number 20100303 1530 1590 8995) and on March 5, 2010 (registration number 20100305 1512 1590 9128) and as assigned on January 6, 2012 (registration number 20120106 1730 1862 8298), (ii) 3218091 on March 1, 2010 under reference file number 659509245 (registration number 20100301 1025 1590 8767), as amended on March 3, 2010 (registration number 20100303 1633 1590 9012) and on March 5, 2010 (registration number 20100305 1513 1590 9130) and as assigned on January 6, 2012 (registration number 20120106 1730 1862 8301), and (iii) Aero Technical Holdings on March 1, 2010 under reference file number 659509236 (registration number 20100301 1024 1590 8766), as amended on March 3, 2010 (registration number 20100303 1531 1590 8996) and on March 5, 2010 (registration number 20100305 1513 1590 9129) and as assigned on January 6, 2012 (registration number 20120106 1730 1862 8300);

- (ii) under the Alberta PPSA against Aveos on March 1, 2010 under registration number 10030108727, as amended on March 3, 2010 under registration number 10030327448 and as assigned on January 6, 2012 under registration number 12010632113;
- (iii) under the BC PPSA against the Company on March 1, 2010 under registration number 430946F, as amended on March 5, 2010 under registration number 440623F and as assigned on January 6, 2012 under registration number 430946F;
- (iv) under the NS PPSA against Aero Technical Holdings and 3218091 on March 1, 2010 under registration number 16325391, as amended on March 1, 2010 under registration number 16325441 and as amended on March 3, 2010 under registration number 16339962 and as assigned on January 6, 2012 under registration number 19030469;
- (v) under the Manitoba PPSA against the Company on March 1, 2010 under registration number 201002992200, as amended on March 3, 2010 under registration number 201003182610 and as assigned on January 6, 2012 under registration number 201200425214; and
- (vi) Under the NWT PPSA against the Company on August 30, 2011 under registration number 892851, as assigned on January 1, 2012 under registration number 922690.

37. A summary of the Third Party Secured Lenders security and registration dates is provided as Exhibit R-8.

Montréal, March 28, 2013


BLAKE CASSELS & GRAYDON LLP
Attorneys for Credit Suisse AG

Montréal, March 28, 2013



JOYAL, LEBLANC
Attorneys for Attorney General for Canada

Montréal, March 28, 2013



FRASER MILNER CASGRAIN LLP
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INC./ AVEOS PERFORMANCE
AÉRONAUTIQUE INC.

Montréal, March 28, 2013

NORTON ROSE CANADA LLP
Attorneys for FTI CONSULTING CANADA INC.

- (ii) under the Alberta PPSA against Aveos on March 1, 2010 under registration number 10030108727, as amended on March 3, 2010 under registration number 10030327448 and as assigned on January 6, 2012 under registration number 12010632113;
- (iii) under the BC PPSA against the Company on March 1, 2010 under registration number 430946F, as amended on March 5, 2010 under registration number 440623F and as assigned on January 6, 2012 under registration number 430946F;
- (iv) under the NS PPSA against Aero Technical Holdings and 3218091 on March 1, 2010 under registration number 16325391, as amended on March 1, 2010 under registration number 16325441 and as amended on March 3, 2010 under registration number 16339962 and as assigned on January 6, 2012 under registration number 19030469;
- (v) under the Manitoba PPSA against the Company on March 1, 2010 under registration number 201002992200, as amended on March 3, 2010 under registration number 201003182610 and as assigned on January 6, 2012 under registration number 201200425214; and
- (vi) Under the NWT PPSA against the Company on August 30, 2011 under registration number 892851, as assigned on January 1, 2012 under registration number 922690.

37. A summary of the Third Party Secured Lenders security and registration dates is provided as Exhibit R-8.

Montréal, March 28, 2013


 BLAKE CASSELS & GRAYDON LLP
 Attorneys for Credit Suisse AG

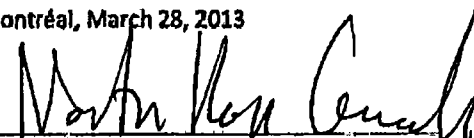
Montréal, March 28, 2013

 JOYAL, LEBLANC
 Attorneys for Attorney General for Canada

Montréal, March 28, 2013

 FRASER MILNER CASGRAIN LLP
 Attorneys for AVEOS FLEET PERFORMANCE
 INC./ AVEOS PERFORMANCE
 AÉRONAUTIQUE INC.

Montréal, March 28, 2013


 NORTON ROSE CANADA LLP
 Attorneys for FTI CONSULTING CANADA INC.

PARTIES' LIST OF EXHIBITS

Exhibit R-1:	En liasse: September 5, 2008 cover letter to OSFI, initial Application for Registration of a Pension Plan, and revised Application for Registration of a Pension Plan on December 4, 2008;
Exhibit R-2	Actuarial valuation report as at December 31, 2010, dated June 2011;
Exhibit R-3	Letter from OSFI appointing Aon Hewitt as replacement administrator dated April 5, 2012;
Exhibit R-4	Letters by Aveos to OSFI dated May 10, 2012;
Exhibit R-5	Letters issued by the OSFI terminating the plans on May 25, 2012;;
Exhibit R-6	Letter from Aveos' counsel to OSFI dated July 13, 2012;
Exhibit R-7	Actuarial wind-up report of the Plan
Exhibit R-8	Summary of the Third Party Secured Lenders Security

No. 500-11-042345-120

**SUPERIOR COURT
Commercial Division
DISTRICT OF MONTRÉAL**

IN THE MATTER OF THE PROPOSED PLAN OF COMPROMISE AND
ARRANGEMENT OF :

AVEOS FLEET PERFORMANCE INC. / AVEOS PERFORMANCE
AÉRONAUTIQUE INC.

And
AERO TECHNICAL US, INC.

Insolvent Debtors/Respondents

And
FTI CONSULTING CANADA INC.

Monitor

And
THE ATTORNEY GENERAL OF CANADA [OSFI]

Petitioner

And
CRÉDIT SUISSE AG, CAYMAN ISLAND BRANCH, as Fondé de Pouvoir
and
WELLS FARGO BANK NATIONAL ASSOCIATION, as Fondé de Pouvoir
and
AVEOS HOLDING COMPANY as Fondé de Pouvoir

Respondents

and
AON HEWITT, as administrator of the Aveos Fleet Performance Inc.
pension plans
and
The former and retired employees of Aveos Fleet Performance Inc.

Mis en cause

Roger P. Sismard

File: 548731-1

**AGREED STATEMENT OF FACTS
ON THE MOTION FOR DECLARATORY JUDGMENT
OF THE ATTORNEY GENERAL OF CANADA**

ORIGINAL



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TEL 514 878 8800
FAX 514 866 2241

BB0822

No.: 500-11-042345-120

SUPERIOR COURT
(Commercial Division)

**IN THE MATTER OF THE PLAN OF
COMPROMISE OR ARRANGEMENT OF:**

**AVEOS FLEET PERFORMANCE INC./AVEOS
PERFORMANCE AERONAUTIQUE**

-and-

AERO TECHNICAL US, INC.

Debtors

-and-

FTI CONSULTING CANADA INC.

Monitor

-and-

**THE SUPERINTENDANT OF FINANCIAL
INSTITUTIONS**

Petitioner

-and-

CRÉDIT SUISSE AG & AL

Mis en cause

**CONTESTATION
(TO THE SUPERINTENDANT OF FINANCIAL
INSTITUTIONS' MOTION FOR A DECLARATORY
JUDGMENT)
AND EXHIBIT CS-1**

ORIGINAL

BB-8098

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