

N° ..... 500-11-042345-120 .....

Cour SUPERIOR COURT  
Commercial Division  
DISTRICT DE MONTRÉAL

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

AVEOS FLEET PERFORMANCE INC./  
AVEOS PERFORMANCE AÉRONAUTIQUE  
INC.

and  
AERO TECHNICAL US, INC.  
Insolvent Debtors

and

FTI CONSULTING CANADA INC.  
Monitor

and  
THE SUPERINTENDANT OF FINANCIAL  
INSTITUTIONS

Petitioner  
BD-0093

WRITTEN REPRESENTATIONS OF THE  
MIS EN CAUSE AON HEWITT  
(Art. 2, 20, 46 C.P.C.)

ORIGINAL

Mtre Claude Tardif – Our file 10,402/S

Rivest Schmidt

Société en nom collectif

Avocats

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CANADA

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

N°: 500-11-042345-120

**SUPERIOR COURT**  
Commercial Division

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

**AVEOS FLEET PERFORMANCE INC./  
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**FTI CONSULTING CANADA INC.**

Monitor

and

**THE SUPERINTENDANT OF FINANCIAL  
INSTITUTIONS**

Petitioner

and

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

and

**CRÉDIT SUISSE AG' CAYMAN ISLAND  
BRANCH, as fondé de Pouvoir**

and

**AVEOS HOLDING COMPANY, as fondé de Pouvoir**

and

**BREOF/BELMONT BAN L.P.**

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

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**WRITTEN REPRESENTATIONS OF THE MIS EN CAUSE AON HEWITT  
(Art. 2, 20, 46 C.C.P.)**

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1. The mis en cause Aon Hewitt Inc. ("Aon Hewitt") was appointed as the replacement administrator of the Retirement Plan for Employees of Aveos (the "Plan") by the Office of the Superintendent of Financial Institutions ("OSFI") effective April 5, 2012;
2. The Plan was subsequently terminated on May 19, 2012 by OSFI and as a result, Aon Hewitt filed the Actuarial Wind-Up Report as at May 19, 2012 (the "Wind-Up Report") with OSFI and the Canada Revenue Agency ("CRA") on December 19, 2012 (Exhibit R-7);
3. As indicated in the Wind-Up Report, \$2,804,450 in special payments is owed to the Plan according to subsection 29(6) of the Pension Benefit Standards Act (1985) for the period February to December 2012;
4. On April 26, 2013, OSFI filed a Motion for Declaratory Judgment asking the Court to declare that the aggregate amount of special payments that are accrued or due to the Plan for a total amount of \$2,804,450 is subject to a statutory deemed trust created by section 8(2) of the Pension Benefit Standards Act (1985);
5. Aon Hewitt, as administrator of the Plan, has the duty to administer the pension plan and the pension fund and file the required documents;

6. Aon Hewitt agrees with the statement of facts and law included in the Motion for Declaratory Judgment and wants to assist the Petitioner in obtaining the relief sought in his Motion;
7. To do so, Aon Hewitt is producing a report which purposes will be to:
  - a) Summarize the contribution requirements previously disclosed in the previous Wind-Up Report and its impact on the financial position of the Plan; and
  - b) Illustrate the impact of the outstanding special payments for the period February to December 2012 on the pension amounts and lump sum payments to be made to plan participants.

as appears from a copy of this report filed in support hereof as exhibit MC-1;

8. Aon Hewitt supports the Motion of the Petitioner and asks the Court to:  
**GRANT** the Motion for Declaratory Judgment as per its conclusions.

Montreal, this 14<sup>th</sup> of June 2013

  
RIVEST SCHMIDT  
Attorneys for AON HEWITT

N° ..... 500-11-042345-120 .....

Cour **SUPERIOR COURT**  
Commercial Division  
DISTRICT DE **MONTREAL**

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

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

and  
**FTI CONSULTING CANADA INC.**  
Monitor

and  
**THE SUPERINTENDANT OF FINANCIAL**  
**INSTITUTIONS**  
BD-0098  
**Pettifonef**

**EXHIBIT MC-1**

**ORIGINAL**

Mtre Claude Tardif – Our file 10,402/S

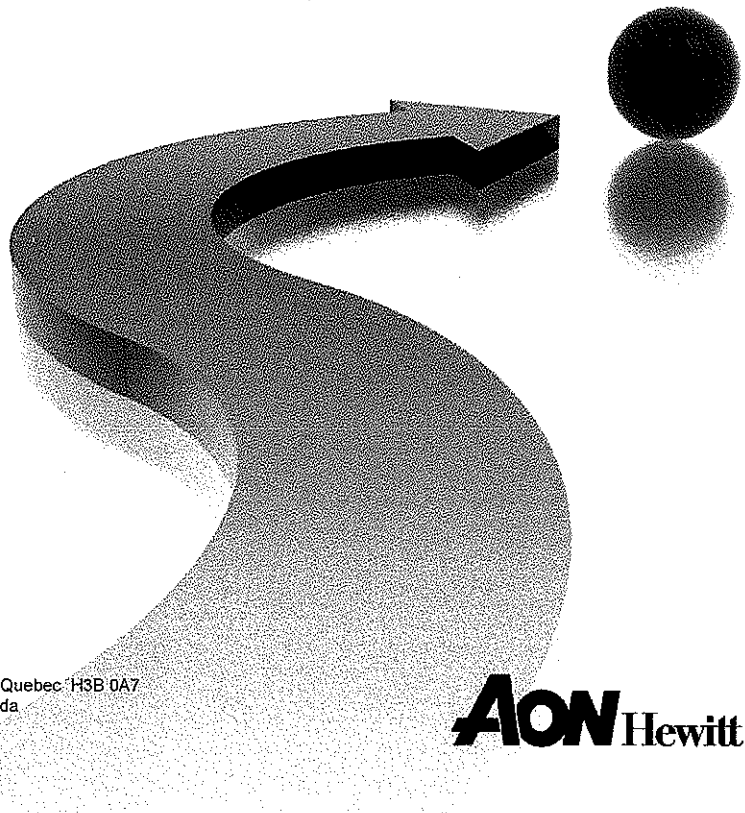
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Aon Hewitt

# Retirement Plan for Employees of Aveos

*Report on the Impact of Outstanding Special Payments for the  
Period February to December 2012*

*June 12, 2013*



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**AON**Hewitt



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## Background

Aon Hewitt Inc. ("Aon Hewitt") was appointed replacement administrator of the Retirement Plan for Employees of Aveos (the "Plan") by the Office of the Superintendent of Financial Institutions ("OSFI") effective April 5, 2012.

The Plan was subsequently terminated on May 19, 2012 by OSFI and as a result, Aon Hewitt filed the Actuarial Wind-Up Report as at May 19, 2012 (the "Wind-Up Report") with OSFI and the Canada Revenue Agency ("CRA") on December 19, 2012 (Exhibit R-7).

As indicated in the Wind-Up Report, \$2,804,450 in special payments is owing to the Plan according to subsection 29(6) of the Pension Benefit Standards Act (1985) for the period February to December 2012.

On April 26, 2013, OSFI filed a Motion for Declaratory Judgment asking the Court to declare that the aggregate amount of special payments that are accrued or due to the Plan in an amount of \$2,804,450 are subject to a statutory deemed trust created by section 8(2) of the Pension Benefit Standards Act (1985).

The purposes of this report are to:

- Summarize the contribution requirements previously disclosed in our Wind-Up Report and its impact on the financial position of the Plan; and
- Illustrate the impact of the outstanding special payments for the period February to December 2012 on the pension amounts and lump sum payments to be made to plan participants.

## Contribution Requirement and Impact on Financial Position

As at May 19, 2012, (the "Wind-Up Date"), the financial position of the Plan was established as follows, on a wind-up basis <sup>(1)</sup>, without considering the outstanding special payments for the period February to December 2012:

	(\$)
Total Assets	64,303,700
Total Liabilities	94,051,900
<b>Surplus / (Deficit)</b>	<b>(29,748,200)</b>
Adjusted Solvency Ratio	68.54%

The Adjusted Solvency Ratio shows the percentage of the accrued pension a member would receive should the assets have been distributed on the Wind-Up Date.

As of the date of this report, special payments for the period February 2012 to December 2012 accrued and owed to the Plan have not been remitted to the pension fund. The monthly special payments of \$254,950 were determined in accordance with the schedule disclosed in section 5 of the Plan's Actuarial

<sup>(1)</sup> For the purposes of this report, we assumed that Scenario 1 disclosed in the Wind-Up Report would be acceptable to OSFI. Please refer to the Wind-Up Report for detailed information on data, assumptions, plan provisions and specific results.





Valuation as at December 31, 2010 (Exhibit R-5). The following table shows the breakdown of the special payments for the period February to May 2012 and June to December 31, 2012:

	(\$)
Special Payments for the period February to May 2012	1,019,800
Special Payments for the period June to December 2012	1,784,650
<b>Total</b>	<b>2,804,450</b>

As at the Wind-Up Date, the financial position of the Plan on a wind-up basis would have been as follow, should the outstanding special payments for the period February to December 2012 have been accounted for:

	(\$)
Total Assets	67,108,150
Total Liabilities	94,051 900
<b>Surplus / (Deficit)</b>	<b>(26,943,750)</b>
Adjusted Solvency Ratio	71.54%

As a result of the additional contribution of \$2,804,450, the Adjusted Solvency Ratio of the plan would increase to 71.54% from 68.54%, a 4.38% improvement, which would serve to increase the pension and lump sum payments made to plan participants.

## Impact on Members Benefits

The tables presented in Appendix A show the impact that the additional contribution of \$2,804,450 would have on the pension or the lump sum amounts for some active and retired members as at the Wind-Up Date.

Danny Boutin, FCIA, FSA  
Associate Partner

Aon Hewitt  
700 De La Gauchetière Street West, Suite 1800  
Montreal, Quebec H3B 0A7

June 2013

Registration numbers: Office of the Superintendent of Financial Institutions: 57573  
Canada Revenue Agency: 1198944



## Appendix A

### Active Members

Age as at the Wind-Up Date	Total Credited Service	Accrued/Amounts		No/Deemed Trust		With/Deemed Trust		Impact of Additional Contribution	
		Annual/Accrued Pension Payable at Early Retirement Age if Eligible otherwise at Pensionable Age	Lump Sum Payment	Annual/Accrued Pension Payable at Early Retirement Age if Eligible otherwise at Pensionable Age	Lump Sum Payment	Annual/Accrued Pension Payable at Early Retirement Age if Eligible otherwise at Pensionable Age	Lump Sum Payment	Annual/Accrued Pension Payable at Early Retirement Age if Eligible otherwise at Pensionable Age	Lump Sum Payment
54	33.83	\$ 57,143	\$ 1,162,400	\$ 39,165	\$ 796,709	\$ 40,880	\$ 831,581	\$ 1,714	\$ 34,872
57	23.25	\$ 39,808	\$ 779,700	\$ 27,284	\$ 534,406	\$ 28,479	\$ 557,797	\$ 1,194	\$ 23,391
51	32.08	\$ 23,286	\$ 495,600	\$ 15,960	\$ 339,684	\$ 16,659	\$ 354,552	\$ 699	\$ 14,868
48	23.17	\$ 16,208	\$ 430,300	\$ 11,109	\$ 294,928	\$ 11,596	\$ 307,837	\$ 486	\$ 12,909
44	17.25	\$ 29,708	\$ 263,500	\$ 20,362	\$ 180,603	\$ 21,253	\$ 188,508	\$ 891	\$ 7,905
44	13.58	\$ 18,823	\$ 147,100	\$ 12,901	\$ 100,822	\$ 13,466	\$ 105,235	\$ 565	\$ 4,413
38	8.17	\$ 12,404	\$ 75,300	\$ 8,502	\$ 51,611	\$ 8,874	\$ 53,870	\$ 372	\$ 2,259
33	9.42	\$ 14,048	\$ 72,200	\$ 9,629	\$ 49,486	\$ 10,050	\$ 51,652	\$ 421	\$ 2,166



## Appendix A

### Retired Members

Age as at the Wind-Up Date	Accrued Amounts			No Deemed Trust			With Deemed Trust			Impact of Deemed Trust Contribution		
	Amount of Annual Pension Payable	Annual Bridging Benefit	Defined Benefit Liability as at Wind-Up Date	Amount of Annual Pension Payable	Annual Bridging Benefit	Defined Benefit Liability as at Wind-Up Date	Amount of Annual Pension Payable	Annual Bridging Benefit	Defined Benefit Liability as at Wind-Up Date	Amount of Annual Pension Payable	Annual Bridging Benefit	Defined Benefit Liability as at Wind-Up Date
56	\$ 57,572	\$ -	\$ 1,154,100	\$ 39,460	\$ -	\$ 791,020	\$ 41,187	\$ -	\$ 825,643	\$ 1,727	\$ -	\$ 34,623
65	\$ 52,676	\$ -	\$ 898,900	\$ 36,104	\$ -	\$ 616,106	\$ 37,684	\$ -	\$ 643,073	\$ 1,580	\$ -	\$ 26,967
61	\$ 43,745	\$ 6,238	\$ 832,000	\$ 29,983	\$ 4,276	\$ 570,253	\$ 31,295	\$ 4,463	\$ 595,213	\$ 1,312	\$ 187	\$ 24,960
56	\$ 32,879	\$ 8,817	\$ 712,000	\$ 22,535	\$ 6,043	\$ 488,005	\$ 23,522	\$ 6,308	\$ 509,365	\$ 986	\$ 265	\$ 21,360
58	\$ 35,234	\$ 6,525	\$ 703,800	\$ 24,149	\$ 4,472	\$ 482,385	\$ 25,206	\$ 4,668	\$ 503,499	\$ 1,057	\$ 196	\$ 21,114
60	\$ 21,870	\$ 4,865	\$ 415,600	\$ 14,990	\$ 3,335	\$ 284,852	\$ 15,646	\$ 3,481	\$ 297,320	\$ 656	\$ 146	\$ 12,468
67	\$ 21,060	\$ -	\$ 319,800	\$ 14,435	\$ -	\$ 219,191	\$ 15,066	\$ -	\$ 228,785	\$ 632	\$ -	\$ 9,594
51	\$ 14,183	\$ -	\$ 290,900	\$ 9,721	\$ -	\$ 199,383	\$ 10,146	\$ -	\$ 208,110	\$ 425	\$ -	\$ 8,727