

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. c-36, AS AMENDED, AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SINO-FOREST CORPORATION**

Court File No. CV-11-431153-00CP

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**

B E T W E E N :

**THE TRUSTEES OF THE LABOURERS' PENSION FUND OF CENTRAL AND EASTERN CANADA, THE TRUSTEES OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 793 PENSION PLAN FOR OPERATING ENGINEERS IN ONTARIO, SJUNDE AP-FONDEN, DAVID GRANT and ROBERT WONG**

Plaintiffs

- and -

**SINO-FOREST CORPORATION, ERNST & YOUNG LLP, BDO LIMITED (formerly known as BDO MCCABE LO LIMITED), ALLEN T.Y. CHAN, W. JUDSON MARTIN, KAI KIT POON, DAVID J. HORSLEY, WILLIAM E. ARDELL, JAMES P. BOWLAND, JAMES M.E. HYDE, EDMUND MAK, SIMON MURRAY, PETER WANG, GARRY J. WEST, POYRY (BEIJING) CONSULTING COMPANY LIMITED, CREDIT SUISSE SECURITIES (CANADA), INC., TD SECURITIES INC., DUNDEE SECURITIES CORPORATION, RBC DOMINION SECURITIES INC., SCOTIA CAPITAL INC., CIBC WORLD MARKETS INC., MERRILL LYNCH CANADA INC., CANACCORD FINANCIAL LTD., MAISON PLACEMENTS CANADA INC., CREDIT SUISSE SECURITIES (USA) LLC and MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (successor by merger to Bank of America Securities LLC)**

Defendants

Proceedings under the *Class Proceedings Act, 1992*

## **MOTION RECORD**

(Motion Returnable April 20, 2015)

DATE: April 7, 2015

**CLYDE & CO CANADA LLP**

Lawyers / Avocats  
Suite 2500  
401 Bay Street  
Toronto, Ontario  
M5H 2Y4

**Mary Margaret Fox**  
(LSUC #20591V)  
**Paul Emerson**  
(LSUC #45647R)

Tel.: (416) 366-4555  
Fax: (416) 366-6110

Lawyers for the Applicant, Chubb Insurance  
Company of Canada

**TO: RICKETTS, HARRIS LLP**

Barristers and Solicitors  
Suite 816  
181 University Avenue  
Toronto, Ontario  
M5H 2X7

**Gary Luftspring / Sam Sasso**

Tel.: (416) 364-6211  
Fax: (416) 364-1697

Lawyers for Travelers Insurance Company of Canada

**AND**

**TO: THE ATTACHED SERVICE LIST**

**AND**

**TO: McMILLAN LLP**

Lawyers  
Suite 4400, Brookfield Place  
181 Bay Street  
Toronto, Ontario  
M5J 2T3

**Markus Koehnen**

Tel.: (416) 865-7218

Fax: (416) 865-7048

Lawyers for George Ho, Alfred C.T. Hung,  
Albert Ip and Simon Yeung

**AND**

**TO: LERNERS LLP**

Lawyers  
Suite 2400  
130 Adelaide Street West  
Toronto, Ontario  
M5H 3P5

**William E. Peppall**

Tel.: (416) 601-2352

Fax: (416) 867-2415

Lawyers for William P. Rosenfeld

**AND**

**TO: BABIN BESSNER SPRY LLP**

Lawyers

Suite 101

65 Front Street East

Toronto, Ontario

M5E 1B5

**Edward J. Babin**

Tel.: (416) 637-3294

Fax: (416) 637-3243

Lawyers for Kee Y. Wong

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT  
OF SINO-FOREST CORPORATION**

**SERVICE LIST  
(as at February 2015)**

<b>TO: BENNETT JONES LLP</b> 3400 One First Canadian Place, P.O. Box 130 Toronto, Ontario M5X 1A4	<b>AND GOWLING LAFLEUR HENDERSON LLP</b> <b>TO:</b> 1 First Canadian Place 100 King Street West, Suite 1600 Toronto, Ontario M5X 1G5
Robert W. Staley Tel: 416.777.4857 Fax: 416.863.1716 Email: staleyr@bennettjones.com	Derrick Tay Tel: 416.369.7330 Fax: 416.862.7661 Email: derrick.tay@gowlings.com
Kevin Zych Tel: 416.777.5738 Email: zychk@bennettjones.com	Clifton Prophet Tel: 416.862.3509 Email: clifton.prophet@gowlings.com
Derek J. Bell Tel: 416.777.4638 Email: belld@bennettjones.com	Jennifer Stam Tel: 416.862.5697 Email: jennifer.stam@gowlings.com
Raj S. Sahni Tel: 416.777.4804 Email: sahnir@bennettjones.com	Ava Kim Tel: 416.862.3560 Email: ava.kim@gowlings.com
Jonathan Bell Tel: 416.777.6511 Email: bellj@bennettjones.com	Lawyers for the Monitor
Sean Zweig Tel: 416.777.6254 Email: zweigs@bennettjones.com	
Lawyers for the Applicant, Sino-Forest Corporation	

AND **FTI CONSULTING CANADA INC.**  
TO: T-D Waterhouse Tower  
79 Wellington Street West  
Toronto-Dominion Centre, Suite 2010,  
P.O. Box 104  
Toronto, Ontario M5K 1G8

Greg Watson  
Tel: 416.649.8100  
Fax: 416.649.8101  
Email: greg.watson@fticonsulting.com

Jodi Porepa  
Tel: 416.649.8070  
Email: Jodi.porepa@fticonsulting.com

Monitor

AND **BAKER MCKENZIE LLP**  
TO: Brookfield Place  
2100-181 Bay Street  
Toronto, Ontario M5J 2T3

John Pirie  
Tel: 416.865.2325  
Fax: 416.863.6275  
Email: john.pirie@bakermckenzie.com

David Gadsden  
Tel: 416.865.6983  
Email: david.gadsden@bakermckenzie.com

Lawyers for Poyry (Beijing) Consulting  
Company Limited

AND **AFFLECK GREENE MCMURTY LLP**  
TO: 365 Bay Street, Suite 200  
Toronto, Ontario M5H 2V1

Peter Greene  
Tel: 416.360.2800  
Fax: 416.360.8767  
Email: pgreene@agmlawyers.com

Kenneth Dekker  
Tel: 416.360.6902  
Fax: 416.360.5960  
Email: kdekker@agmlawyers.com

David Villaincourt  
Tel: 416.360.8100  
Fax: 416.360.5960  
Email: dvillaincourt@agmlawyers.com

Lawyers for BDO

AND **TORYS LLP**  
TO: 79 Wellington Street West  
Suite 3000, Box 270  
Toronto-Dominion Centre  
Toronto, Ontario M5K 1N2

John Fabello  
Tel: 416.865.8228  
Fax: 416.865.7380  
Email: jfabello@torys.com

David Bish  
Tel: 416.865.7353  
Email: dbish@torys.com

Andrew Gray  
Tel: 416.865.7630  
Email: agray@torys.com

Lawyers for the Underwriters named in Class  
Actions

AND **LENCZNER SLAGHT ROYCE SMITH  
TO: GRIFFIN LLP**  
Suite 2600, 130 Adelaide Street West  
Toronto, Ontario M5H 3P5

Peter H. Griffin  
Tel: 416.865.9500  
Fax: 416.865.3558  
Email: pgriffin@litigate.com

Peter J. Osborne  
Tel: 416.865.3094  
Fax: 416.865.3974  
Email: posborne@litigate.com

Linda L. Fuerst  
Tel: 416.865.3091  
Fax: 416.865.2869  
Email: lfuerst@litigate.com

Shara Roy  
Tel: 416.865.2942  
Fax: 416.865.3973  
Email: sroy@litigate.com

Lawyers for Ernst & Young LLP

AND **MERCHANT LAW GROUP LLP**  
TO: Saskatchewan Drive Plaza  
100-2401 Saskatchewan Drive  
Regina, Saskatchewan S4P 4H8

E.F. Anthony Merchant, Q.C.  
Tel: 306.359.7777  
Fax: 306.522.3299  
tmerchant@merchantlaw.com

Lawyers for the Plaintiffs re Saskatchewan  
action

AND **GOODMANS LLP**  
TO: 333 Bay Street, Suite 3400  
Toronto, Ontario M5H 2S7

Benjamin Zarnett  
Tel: 416.597.4204  
Fax: 416.979.1234  
Email: bzarnett@goodmans.ca

Robert Chadwick  
Tel: 416.597.4285  
Email: rchadwick@goodmans.ca

Brendan O'Neill  
Tel: 416.979.2211  
Email: boneill@goodmans.ca

Caroline Descours  
Tel: 416.597.6275  
Email: cdescours@goodmans.ca

Lawyers for Ad Hoc Committee of Bondholders

AND **ONTARIO SECURITIES COMMISSION**  
TO: Suite 1900, 20 Queen Street West  
Toronto, Ontario M5H 3S8

Hugh Craig  
Senior Litigation Counsel  
Tel: 416.593.8259  
Email: hcraig@osc.gov.on.ca

AND **OSLER, HOSKIN & HARCOURT LLP**  
TO: 1 First Canadian Place  
100 King Street West  
Suite 6100, P.O. Box 50  
Toronto, Ontario M5X 1B8

Larry Lowenstein  
Tel: 416.862.6454  
Fax: 416.862.6666  
Email: llowenstein@osler.com

Edward Sellers  
Tel: 416.862.5959  
Email: esellers@osler.com

Geoffrey Grove  
Tel: (416) 862-4264  
Email: ggrove@osler.com

Lawyers for the Board of Directors of Sino-  
Forest Corporation

AND **SISKINDS LLP**  
TO: 680 Waterloo Street  
P.O. Box 2520  
London, Ontario N6A 3V8

A. Dimitri Lascaris  
Tel: 519.660.7844  
Fax: 519.672.6065  
Email: dimitri.lascaris@siskinds.com

Charles M. Wright  
Tel: 519.660.7753  
Email: Charles.wright@siskinds.com

Lawyers for an Ad Hoc Committee of  
Purchasers of the Applicant's Securities,  
including the Representative Plaintiffs in the  
Ontario Class Action against the Applicant

AND **COHEN MILSTEIN SELLERS & TOLL PLC**  
TO: 1100 New York, Ave., N.W.  
West Tower, Suite 500  
Washington, D.C. 20005

Steven J. Toll  
Tel: 202.408.4600  
Fax: 202.408.4699  
Email: stoll@cohenmilstein.com

Matthew B. Kaplan  
Tel: 202.408.4600  
Email: mkaplan@cohenmilstein.com

Attorneys for the Plaintiff and the Proposed Class  
re New York action

AND **KOSKIE MINSKY LLP**  
TO: 20 Queen Street West, Suite 900  
Toronto, Ontario M5H 3R3

Kirk M. Baert  
Tel: 416.595.2117  
Fax: 416.204.2899  
Email: kbaert@kmlaw.ca

Jonathan Ptak  
Tel: 416.595.2149  
Fax: 416.204.2903  
Email: jptak@kmlaw.ca

Garth Myers  
Tel: 416.595.2102  
Fax: 416.977.3316  
Email: gmyers@kmlaw.ca

Lawyers for an Ad Hoc Committee of Purchasers  
of the Applicant's Securities, including the  
Representative Plaintiffs in the Ontario Class  
Action against the Applicant



AND **COHEN MILSTEIN SELLERS & TOLL**  
TO: **PLC**  
88 Pine Street, 14<sup>th</sup> Floor  
New York, NY 10005

Richard S. Speirs  
Tel: 212.838.7797  
Fax: 212.838.7745  
Email: rspeirs@cohenmilstein.com

Stefanie Ramirez  
Tel: 202.408.4600  
Email: sramirez@cohenmilstein.com

Attorneys for the Plaintiff and the Proposed  
Class re New York action

AND **THOMPSON HINE LLP**  
TO: 335 Madison Avenue – 12<sup>th</sup> Floor  
New York, New York 10017-4611

Yesenia D. Batista  
Tel: 212.908.3912  
Fax: 212.344.6101  
Email: yesenia.batista@thompsonhine.com

Irving Apar  
Tel: 212.908.3964  
Email: irving.apar@thompsonhine.com

Curtis L. Tuggle  
3900 Key Center, 127 Public Square  
Cleveland, Ohio 44114  
Tel: 216.566.5904  
Fax: 216.566.5800  
Email: Curtis.tuggle@thompsonhine.com

Lawyers for Senior Note Indenture Trustee

AND **LAW DEBENTURE TRUST COMPANY OF**  
TO: **NEW YORK**  
400 Madison Avenue – 4<sup>th</sup> Floor  
New York, New York 10017

James D. Heaney  
Tel: 646-747-1252  
Fax: 212-750-1361  
Email: james.heaney@lawdeb.com

Senior Note Indenture Trustee

AND **THE BANK OF NEW YORK MELLON**  
TO: Global Corporate Trust  
101 Barclay Street – 4<sup>th</sup> Floor East  
New York, New York 10286

David M. Kerr, Vice President  
Tel: 212.815.5650  
Fax: 732.667.9322  
Email: david.m.kerr@bnymellon.com

Convertible Note Indenture Trustee

AND **THE BANK OF NEW YORK MELLON**  
TO: 320 Bay Street, 11<sup>th</sup> Floor  
Toronto, Ontario M5H 4A6

George Bragg  
Tel: 416.933.8505  
Fax: 416.360.1711 / 416.360.1737  
Email: George.bragg@bnymellon.com

Convertible Note Indenture Trustee

AND **THE BANK OF NEW YORK MELLON**  
TO: 12/F Three Pacific Place  
1 Queen's Road East, Hong Kong

Marelize Coetzee, Vice President  
Relationship Manager, Default Administration  
Group – APAC  
Tel: 852.2840.6626  
Mobile: 852.9538.5010  
Email: marelize.coetzee@bnymellon.com

Grace Lau  
Email: grace.lau@bnymellon.com

Convertible Note Indenture Trustee

AND **WARDLE DALEY BERNSTEIN LLP**  
TO: 2104 - 401 Bay Street, P.O. Box 21  
Toronto Ontario M5H 2Y4

Peter Wardle  
Tel: 416.351.2771  
Fax: 416.351.9196  
Email: pwardle@wdblaw.ca

Simon Bieber  
Tel: 416.351.2781  
Email: sbieber@wdblaw.ca

Erin Pleet  
Tel: 416.351.2774  
Email: eplet@wdblaw.ca

Lawyers for David Horsley

AND **LINKLATERS LLP**  
TO: 10<sup>th</sup> Floor, Alexandra House  
18 Chater Road  
Hong Kong China

Melvin Sng  
Tel: 852 2901 5234  
Fax: 852 2810 8133  
Email: Melvin.Sng@linklaters.com

Lawyers for Sino-Forest Corporation (Hong  
Kong)

AND **LINKLATERS LLP**  
TO: 10<sup>th</sup> Floor, Alexandra House  
18 Chater Road  
Hong Kong China

Hyung Ahn  
Tel: 852 2842 4199  
Fax: 852 2810 8133  
Email: hyung.ahn@linklaters.com

Samantha Kim  
Tel: 852.2842 4197  
Email: Samantha.Kim@Linklaters.com

Jon Gray  
Tel: 852.2842.4188  
Email: Jon.Gray@linklaters.com

Lawyers for Sino-Forest Corporation (U.S.)

AND **APPLEBY GLOBAL**  
TO: Jayla Place, Wickham's Cay 1  
P.O. Box 3190, Road Town  
Tortola VG1110 BVI

Eliot Simpson  
Tel: 284.852.5321  
Fax: 284.494.7279  
Email: esimpson@applebyglobal.com

Andrew Willins  
Tel: 284 852 5323  
Email: awillins@applebyglobal.com

Andrew Jowett  
Tel: 284 852 5316  
Email: ajowett@applebyglobal.com

Lawyers for Sino-Forest Corporation (BVI)

AND **KING AND WOOD MALLESONS**  
TO: 9th Floor, Hutchison House  
Central, Hong Kong Island  
Hong Kong (SAR)

Helena Huang  
Tel: 852.2848.4848  
Email: Helena.huang@kingandwood.com

Tata Sun  
Tel: 852.2848.4848  
Email: tata.sun@kingandwood.com

Lawyers for Sino-Forest Corporation (PRC)

AND **THORNTON GROUT FINNIGAN LLP**  
TO: Suite 3200, 100 Wellington Street West  
P. O. Box 329, Toronto-Dominion Centre  
Toronto, Ontario M5K 1K7

James H. Grout  
Tel: 416.304.0557  
Fax: 416.304.1313  
Email: jgrout@tgf.ca

Lawyers for the Ontario Securities Commission

AND **McCARTHY TETRAULT LLP**  
TO: Suite 2500, 1000 De La Gauchetiere St.  
West  
Montreal, Québec, H3B 0A2

Alain N. Tardif  
Tel: 514.397.4274  
Fax : 514.875.6246  
Email: atardif@mccarthy.ca

Mason Poplaw  
Tel: 514.397.4155  
Email: mpoplaw@mccarthy.ca

Céline Legendre  
Tel: 514.397.7848  
Email: clegendre@mccarthy.ca

Lawyers for Ernst & Young LLP

AND **CHAITONS LLP**  
TO: 5000 Yonge Street, 10<sup>th</sup> Floor  
Toronto, Ontario M2N 7E9

Harvey G. Chaiton  
Tel: 416.218.1129  
Fax: 416.218.1849  
Email: Harvey@chaitons.com

Lawyers for the Law Debenture Trust  
Company of New York

AND **RUETER SCARGALL BENNETT LLP**  
TO: 250 Yonge Street  
Suite 2200  
Toronto, Ontario M5B 2L7

Robert Rueter  
Tel: 416.869-3363  
Email: robert.rueter@rslawyers.com

Sara J. Erskine  
Tel: 416.597-5408  
Email: sara.erskine@rslawyers.com

Jason Beitchman  
Tel: 416.597.5416  
Email: Jason.beitchman@rslawyers.com

Lawyers for Allan Chan

AND **PALIARE ROLAND ROSENBERG  
ROTHSTEIN LLP**  
TO: 155 Wellington Street, 35<sup>th</sup> Floor  
Toronto, Ontario M5V 3H1

Ken Rosenberg  
Tel: 416.646.4304  
Fax: 416.646.4301  
Email: ken.rosenberg@paliareroland.com

Massimo (Max) Starnino  
Tel: 416.646.7431  
Email: max.starnino@paliareroland.com

Lawyers for an Ad Hoc Committee of Purchasers  
of the Applicant's Securities, including the  
Representative Plaintiffs in the Ontario Class  
Action against the Applicant

AND **ERNST & YOUNG LLP**  
TO: 222 Bay Street, P.O. Box 251  
Toronto, Ontario M5K 1J7

Mike P. Dean  
Tel: 416-943-2134  
Fax: 416-943-3300  
Email: Mike.P.Dean@ca.ey.com

AND **FASKEN MARTINEAU LLP**  
TO: 333 Bay Street, Suite 2400,  
Bay-Adelaide Centre, Box 20  
Toronto, Ontario M5H 2T6

Stuart Brotman  
Tel: 416.865.5419  
Fax: 416.364.7813  
Email: sbrotman@fasken.com

Conor O'Neill  
Tel: 416 865 4517  
Email: coneill@fasken.com

Canadian Lawyers for the Convertible Note  
Indenture Trustee (The Bank of New York  
Mellon)

AND **LAPOINTE ROSENSTEIN**  
TO: **MARCHAND MELANÇON,**  
**S.E.N.C.R.L.**  
1250, boul. René-Lévesque Ouest, bureau  
1400  
Montréal (Québec) Canada H3B 5E9

Bernard Gravel  
Tel: 514.925.6382  
Fax: 514.925.5082  
Email: bernard.gravel@lrmm.com

Bruno Floriani  
Tel: 514.925.6310  
Email: bruno.floriani@lrmm.com

Québec counsel for Pöyry (Beijing)  
Consulting Company Ltd.

AND **DAVIS LLP**  
TO: 1 First Canadian Place, Suite 6000  
PO Box 367  
100 King Street West  
Toronto, Ontario M5X 1E2

Susan E. Friedman  
Tel: 416.365.3503  
Fax: 416.777.7415  
Email: sfriedman@davis.ca

Bruce Darlington  
Tel: 416.365.3529  
Fax: 416.369.5210  
Email: bdarlington@davis.ca

Brandon Barnes  
Tel: 416.365.3429  
Fax: 416.369.5241  
Email: bbarnes@davis.ca

Lawyers for Kai Kat Poon

AND **CLYDE & COMPANY**  
TO: 390 Bay Street, Suite 800  
Toronto, Ontario M5H 2Y2

Mary Margaret Fox  
Tel: 416.366.4555  
Fax: 416.366.6110  
Email: marymargaret.fox@clydeco.ca

Paul Emerson  
Tel: 416.366.4555  
Email: paul.emerson@clydeco.ca

Lawyers for ACE INA Insurance and Chubb  
Insurance Company of Canada

AND **RICKETTS, HARRIS LLP**  
TO: Suite 816, 181 University Ave  
Toronto ON M5H 2X7

Gary H. Luftspring  
Tel: 647.288.3362  
Fax: 647.260.2220  
Email: GLuftspring@rickettsharris.com

Lawyers for Travelers Insurance Company of  
Canada

AND **DAVIES WARD PHILLIPS &  
TO: VINEBERG LLP**  
155 Wellington Street West  
Toronto, ON M5V 3J7

Jay Swartz  
Tel: 416.863.5520  
Fax: 416.863.0871  
Email: [jswartz@dwpv.com](mailto:jswartz@dwpv.com)

James Doris  
Tel: 416.367.6919  
Fax: 416.863.0871  
Email: [jdoris@dwpv.com](mailto:jdoris@dwpv.com)

Canadian Counsel for the Plaintiff and the  
Proposed Class re New York action

**CLYDE & COMPANY**  
390 Bay Street, Suite 800  
Toronto, Ontario M5H 2Y2

Mary Margaret Fox  
Tel: 416.366.4555  
Fax: 416.366.6110  
Email: [marymargaret.fox@clydeco.ca](mailto:marymargaret.fox@clydeco.ca)

Paul Emerson  
Tel: 416.366.4555  
Email: [paul.emerson@clydeco.ca](mailto:paul.emerson@clydeco.ca)

Lawyers for ACE INA Insurance and Chubb  
Insurance Company of Canada

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## I N D E X

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**TAB 1**

Court File No. CV-12-9667-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. c-36, AS AMENDED, AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SINO-FOREST CORPORATION**

Court File No. CV-11-431153-00CP

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

BETWEEN :

**THE TRUSTEES OF THE LABOURERS' PENSION FUND OF CENTRAL AND EASTERN CANADA, THE TRUSTEES OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 793 PENSION PLAN FOR OPERATING ENGINEERS IN ONTARIO, SJUNDE AP-FONDEN, DAVID GRANT and ROBERT WONG**

Plaintiffs

- and-

**SINO-FOREST CORPORATION, ERNST & YOUNG LLP, BDO LIMITED (formerly known as BDO MCCABE LO LIMITED), ALLEN T.Y. CHAN, W. JUDSON MARTIN, KAI KIT POON, DAVID J. HORSLEY, WILLIAM E. ARDELL, JAMES P. BOWLAND, JAMES M.E. HYDE, EDMUND MAK, SIMON MURRAY, PETER WANG, GARRY J. WEST, POYRY (BEIJING) CONSULTING COMPANY LIMITED, CREDIT SUISSE SECURITIES (CANADA), INC., TD SECURITIES INC., DUNDEE SECURITIES CORPORATION, RBC DOMINION SECURITIES INC., SCOTIA CAPITAL INC., CIBC WORLD MARKETS INC., MERRILL LYNCH CANADA INC., CANACCORD FINANCIAL LTD., MAISON PLACEMENTS CANADA INC., CREDIT SUISSE SECURITIES (USA) LLC and MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (successor by merger to Bank of America Securities LLC)**

Defendants

Proceedings under the *Class Proceedings Act, 1992*

**NOTICE OF MOTION**

**THE APPLICANT**, Chubb Insurance Company of Canada ("Chubb") will make a motion to the Court on April 20, 2015, at 8:30 a.m., or soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

**PROPOSED METHOD OF HEARING:** The motion is to be heard:

\_\_\_\_\_ in writing under subrule 37.21.1 (1) because it is....

\_\_\_\_\_ in writing as an opposed motion under subrule 37.12.1 (4);

  X   orally.

**THE MOTION IS FOR:**

1. A declaration that all funds paid out by Chubb under its policy no. 8209-4449 (the "Chubb Policy") as detailed on Exhibit C to the Affidavit of Paula Kargas sworn April 6, 2015 (the "Kargas Affidavit") constitute Loss (as defined within the Kargas Affidavit) under the Policies (as defined below).
2. An Order requiring Travelers Insurance Company of Canada ("Travelers") to reimburse Chubb in the amount of \$1,033,296.59 paid out by Chubb to or on behalf of Sino-Forest

Insureds (as defined below) over and above the Limit of Liability (as defined in the Chubb Policy) of the Chubb Policy (the "Overpayment").

3. A declaration that reimbursement by Travelers to Chubb of the Overpayment will reduce the Limit of Liability under Travelers' policy no. 101811008 (the "Travelers Policy") for all purposes and as against all persons or entities potentially covered and/or all persons seeking to assert a claim under the Travelers Policy, to the extent of the amount reimbursed.
4. Such further and other relief as counsel may advise and this Honourable Court permit.

**THE GROUNDS FOR THE MOTION ARE:**

1. The Chubb Policy is a first excess policy, affording coverage, in accordance with its terms, to Sino-Forest Corporation ("Sino-Forest"), its Subsidiaries (as defined in the Policies and hereinafter, with Sino-Forest, collectively "Sino-Forest") and their directors and officers ("Insured Persons" and, with Sino-Forest, collectively "Sino-Forest Insureds") excess to that coverage afforded by ACE-INA Policy No. DO 024464 (the "ACE Policy").
2. Above the Chubb Policy there are two further layers of coverage provided by certain Underwriters at Lloyd's, London ("Lloyd's" and the "Lloyd's Policy") and by Travelers

under the Travelers Policy (all of the ACE, Chubb, Lloyd's and Travelers' policies hereinafter collectively the "Policies").

3. With certain exceptions not material to this motion, the Chubb Policy, the Lloyd's Policy and the Travelers Policy follow form to the ACE Policy, meaning that they adopt and incorporate the Insuring Agreements, definitions and other terms and provisions of the ACE Policy.
4. The Limit of Liability of the ACE Policy (the "ACE Limit") was exhausted in approximately January 2014.
5. In this Court's Order dated July 23, 2014 approving the settlement made by David Horsley with the Plaintiffs in various securities class actions and with Sino-Forest's Litigation Trustee (the "Horsley Settlement Approval Order" and the "Horsley Settlement"), this Court declared that all amounts paid by ACE reduced the ACE Limit to the extent thereof for all purposes.
6. After exhaustion of the ACE Limit, responsibility for payment of Loss to or on behalf of the Sino-Forest Insureds transferred to Chubb.
7. For reasons explained in the Kargas Affidavit, timing issues at Chubb resulted in the Overpayment by Chubb of its Limit of Liability (the "Chubb Limit").

8. All amounts paid by Chubb constitute Loss under the Policies. The amounts constituting the Overpayment would have, but for the Overpayment, been the responsibility of Lloyd's.
9. Chubb unsuccessfully sought to recover the Overpayment from Lloyd's under the Lloyd's Policy, the Limit of Liability (the "Lloyd's Limit") of which has now nearly exhausted, precluding reimbursement from Lloyd's.
10. Travelers requires protection from this Court in the form of the Order sought herein in order to reimburse Chubb for the Overpayment out of the Travelers Policy.
11. Such further grounds as counsel may advise and this Honourable Court may permit.

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

1. The Affidavit of Paula Kargas sworn April 6, 2015 and exhibits thereto.

2. Such further and other material as counsel may advise and this Honourable Court permit.

DATE: April 7, 2015

**CLYDE & CO CANADA LLP**

Lawyers / Avocats  
Suite 2500  
401 Bay Street  
Toronto, Ontario  
M5H 2Y4

**Mary Margaret Fox**

(LSUC #20591V)

**Paul Emerson**

(LSUC #45647R)

Tel.: (416) 366-4555

Fax: (416) 366-6110

Lawyers for the Applicant, Chubb Insurance  
Company of Canada

**TO: RICKETTS, HARRIS LLP**

Barristers and Solicitors  
Suite 816  
181 University Avenue  
Toronto, Ontario  
M5H 2X7

**Gary Luftspring / Sam Sasso**

Tel.: (416) 364-6211

Fax: (416) 364-1697

Lawyers for Travelers Insurance Company of Canada

**AND**

**TO: THE ATTACHED SERVICE LIST**

**AND**

**TO: McMILLAN LLP**  
Lawyers  
Suite 4400, Brookfield Place  
181 Bay Street  
Toronto, Ontario  
M5J 2T3

**Markus Koehnen**

Tel.: (416) 865-7218  
Fax: (416) 865-7048

Lawyers for George Ho, Alfred C.T. Hung,  
Albert Ip and Simon Yeung

**AND**

**TO: LERNERS LLP**  
Lawyers  
Suite 2400  
130 Adelaide Street West  
Toronto, Ontario  
M5H 3P5

**William E. Peppall**

Tel.: (416) 601-2352  
Fax: (416) 867-2415

Lawyers for William P. Rosenfeld

**AND**

**TO: BABIN BESSNER SPRY LLP**  
Lawyers  
Suite 101  
65 Front Street East  
Toronto, Ontario  
M5E 1B5

**Edward J. Babin**

Tel.: (416) 637-3294  
Fax: (416) 637-3243

Lawyers for Kee Y. Wong



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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT  
OF SINO-FOREST CORPORATION**

**SERVICE LIST  
(as at February 2015)**

**TO: BENNETT JONES LLP**  
3400 One First Canadian Place,  
P.O. Box 130  
Toronto, Ontario M5X 1A4

Robert W. Staley  
Tel: 416.777.4857  
Fax: 416.863.1716  
Email: staleyr@bennettjones.com

Kevin Zych  
Tel: 416.777.5738  
Email: zychk@bennettjones.com

Derek J. Bell  
Tel: 416.777.4638  
Email: belld@bennettjones.com

Raj S. Sahni  
Tel: 416.777.4804  
Email: sahnir@bennettjones.com

Jonathan Bell  
Tel: 416.777.6511  
Email: bellj@bennettjones.com

Sean Zweig  
Tel: 416.777.6254  
Email: zweigs@bennettjones.com

Lawyers for the Applicant, Sino-Forest Corporation

**AND GOWLING LAFLEUR HENDERSON LLP**  
**TO:** 1 First Canadian Place  
100 King Street West, Suite 1600  
Toronto, Ontario M5X 1G5

Derrick Tay  
Tel: 416.369.7330  
Fax: 416.862.7661  
Email: derrick.tay@gowlings.com

Clifton Prophet  
Tel: 416.862.3509  
Email: clifton.prophet@gowlings.com

Jennifer Stam  
Tel: 416.862.5697  
Email: jennifer.stam@gowlings.com

Ava Kim  
Tel: 416.862.3560  
Email: ava.kim@gowlings.com

Lawyers for the Monitor

AND **FTI CONSULTING CANADA INC.**  
TO: T-D Waterhouse Tower  
79 Wellington Street West  
Toronto-Dominion Centre, Suite 2010,  
P.O. Box 104  
Toronto, Ontario M5K 1G8

Greg Watson  
Tel: 416.649.8100  
Fax: 416.649.8101  
Email: greg.watson@fticonsulting.com

Jodi Porepa  
Tel: 416.649.8070  
Email: Jodi.porepa@fticonsulting.com

Monitor

AND **BAKER MCKENZIE LLP**  
TO: Brookfield Place  
2100-181 Bay Street  
Toronto, Ontario M5J 2T3

John Pirie  
Tel: 416.865.2325  
Fax: 416.863.6275  
Email: john.pirie@bakermckenzie.com

David Gadsden  
Tel: 416.865.6983  
Email: david.gadsden@bakermckenzie.com

Lawyers for Poyry (Beijing) Consulting  
Company Limited

AND **AFFLECK GREENE MCMURTY LLP**  
TO: 365 Bay Street, Suite 200  
Toronto, Ontario M5H 2V1

Peter Greene  
Tel: 416.360.2800  
Fax: 416.360.8767  
Email: pgreene@agmlawyers.com

Kenneth Dekker  
Tel: 416.360.6902  
Fax: 416.360.5960  
Email: kdekker@agmlawyers.com

David Villaincourt  
Tel: 416.360.8100  
Fax: 416.360.5960  
Email: dvillaincourt@agmlawyers.com

Lawyers for BDO

AND **TORYS LLP**  
TO: 79 Wellington Street West  
Suite 3000, Box 270  
Toronto-Dominion Centre  
Toronto, Ontario M5K 1N2

John Fabello  
Tel: 416.865.8228  
Fax: 416.865.7380  
Email: jfabello@torys.com

David Bish  
Tel: 416.865.7353  
Email: dbish@torys.com

Andrew Gray  
Tel: 416.865.7630  
Email: agray@torys.com

Lawyers for the Underwriters named in Class  
Actions

AND **LENCZNER SLAGHT ROYCE SMITH  
TO: GRIFFIN LLP**  
Suite 2600, 130 Adelaide Street West  
Toronto, Ontario M5H 3P5

Peter H. Griffin  
Tel: 416.865.9500  
Fax: 416.865.3558  
Email: pgriffin@litigate.com

Peter J. Osborne  
Tel: 416.865.3094  
Fax: 416.865.3974  
Email: posborne@litigate.com

Linda L. Fuerst  
Tel: 416.865.3091  
Fax: 416.865.2869  
Email: lfuerst@litigate.com

Shara Roy  
Tel: 416.865.2942  
Fax: 416.865.3973  
Email: sroy@litigate.com

Lawyers for Ernst & Young LLP

AND **MERCHANT LAW GROUP LLP**  
TO: Saskatchewan Drive Plaza  
100-2401 Saskatchewan Drive  
Regina, Saskatchewan S4P 4H8

E.F. Anthony Merchant, Q.C.  
Tel: 306.359.7777  
Fax: 306.522.3299  
tmerchant@merchantlaw.com

Lawyers for the Plaintiffs re Saskatchewan  
action

AND **GOODMANS LLP**  
TO: 333 Bay Street, Suite 3400  
Toronto, Ontario M5H 2S7

Benjamin Zarnett  
Tel: 416.597.4204  
Fax: 416.979.1234  
Email: bzarnett@goodmans.ca

Robert Chadwick  
Tel: 416.597.4285  
Email: rchadwick@goodmans.ca

Brendan O'Neill  
Tel: 416.979.2211  
Email: boneill@goodmans.ca

Caroline Descours  
Tel: 416.597.6275  
Email: cdescours@goodmans.ca

Lawyers for Ad Hoc Committee of Bondholders

AND **ONTARIO SECURITIES COMMISSION**  
TO: Suite 1900, 20 Queen Street West  
Toronto, Ontario M5H 3S8

Hugh Craig  
Senior Litigation Counsel  
Tel: 416.593.8259  
Email: hcraig@osc.gov.on.ca

**AND OSLER, HOSKIN & HARCOURT LLP**

TO: 1 First Canadian Place  
100 King Street West  
Suite 6100, P.O. Box 50  
Toronto, Ontario M5X 1B8

Larry Lowenstein  
Tel: 416.862.6454  
Fax: 416.862.6666  
Email: llowenstein@osler.com

Edward Sellers  
Tel: 416.862.5959  
Email: esellers@osler.com

Geoffrey Grove  
Tel: (416) 862-4264  
Email: ggrove@osler.com

Lawyers for the Board of Directors of Sino-Forest Corporation

**AND SISKINDS LLP**

TO: 680 Waterloo Street  
P.O. Box 2520  
London, Ontario N6A 3V8

A. Dimitri Lascaris  
Tel: 519.660.7844  
Fax: 519.672.6065  
Email: dimitri.lascaris@siskinds.com

Charles M. Wright  
Tel: 519.660.7753  
Email: Charles.wright@siskinds.com

Lawyers for an Ad Hoc Committee of Purchasers of the Applicant's Securities, including the Representative Plaintiffs in the Ontario Class Action against the Applicant

**AND COHEN MILSTEIN SELLERS & TOLL PLC**

TO: 1100 New York, Ave., N.W.  
West Tower, Suite 500  
Washington, D.C. 20005

Steven J. Toll  
Tel: 202.408.4600  
Fax: 202.408.4699  
Email: stoll@cohenmilstein.com

Matthew B. Kaplan  
Tel: 202.408.4600  
Email: mkaplan@cohenmilstein.com

Attorneys for the Plaintiff and the Proposed Class re New York action

**AND KOSKIE MINSKY LLP**

TO: 20 Queen Street West, Suite 900  
Toronto, Ontario M5H 3R3

Kirk M. Baert  
Tel: 416.595.2117  
Fax: 416.204.2899  
Email: kbaert@kmlaw.ca

Jonathan Ptak  
Tel: 416.595.2149  
Fax: 416.204.2903  
Email: jptak@kmlaw.ca

Garth Myers  
Tel: 416.595.2102  
Fax: 416.977.3316  
Email: gmyers@kmlaw.ca

Lawyers for an Ad Hoc Committee of Purchasers of the Applicant's Securities, including the Representative Plaintiffs in the Ontario Class Action against the Applicant

AND **COHEN MILSTEIN SELLERS & TOLL**  
 TO: **PLC**  
 88 Pine Street, 14<sup>th</sup> Floor  
 New York, NY 10005

Richard S. Speirs  
 Tel: 212.838.7797  
 Fax: 212.838.7745  
 Email: rspeirs@cohenmilstein.com

Stefanie Ramirez  
 Tel: 202.408.4600  
 Email: sramirez@cohenmilstein.com

Attorneys for the Plaintiff and the Proposed  
 Class re New York action

AND **THOMPSON HINE LLP**  
 TO: 335 Madison Avenue – 12<sup>th</sup> Floor  
 New York, New York 10017-4611

Yesenia D. Batista  
 Tel: 212.908.3912  
 Fax: 212.344.6101  
 Email: yesenia.batista@thompsonhine.com

Irving Apar  
 Tel: 212.908.3964  
 Email: irving.apar@thompsonhine.com

Curtis L. Tuggle  
 3900 Key Center, 127 Public Square  
 Cleveland, Ohio 44114  
 Tel: 216.566.5904  
 Fax: 216.566.5800  
 Email: Curtis.tuggle@thompsonhine.com

Lawyers for Senior Note Indenture Trustee

AND **LAW DEBENTURE TRUST COMPANY OF**  
 TO: **NEW YORK**  
 400 Madison Avenue – 4<sup>th</sup> Floor  
 New York, New York 10017

James D. Heaney  
 Tel: 646-747-1252  
 Fax: 212-750-1361  
 Email: james.heaney@lawdeb.com

Senior Note Indenture Trustee

AND **THE BANK OF NEW YORK MELLON**  
 TO: Global Corporate Trust  
 101 Barclay Street – 4<sup>th</sup> Floor East  
 New York, New York 10286

David M. Kerr, Vice President  
 Tel: 212.815.5650  
 Fax: 732.667.9322  
 Email: david.m.kerr@bnymellon.com

Convertible Note Indenture Trustee

AND **THE BANK OF NEW YORK MELLON**  
 TO: 320 Bay Street, 11<sup>th</sup> Floor  
 Toronto, Ontario M5H 4A6

George Bragg  
 Tel: 416.933.8505  
 Fax: 416.360.1711 / 416.360.1737  
 Email: George.bragg@bnymellon.com

Convertible Note Indenture Trustee

AND **THE BANK OF NEW YORK MELLON**  
 TO: 12/F Three Pacific Place  
 1 Queen's Road East, Hong Kong

Marelize Coetzee, Vice President  
 Relationship Manager, Default Administration  
 Group – APAC  
 Tel: 852.2840.6626  
 Mobile: 852.9538.5010  
 Email: marelize.coetzee@bnymellon.com

Grace Lau  
 Email: grace.lau@bnymellon.com

Convertible Note Indenture Trustee

AND **WARDLE DALEY BERNSTEIN LLP**  
 TO: 2104 - 401 Bay Street, P.O. Box 21  
 Toronto Ontario M5H 2Y4

Peter Wardle  
 Tel: 416.351.2771  
 Fax: 416.351.9196  
 Email: pwardle@wdblawn.ca

Simon Bieber  
 Tel: 416.351.2781  
 Email: sbieber@wdblawn.ca

Erin Pleet  
 Tel: 416.351.2774  
 Email: epleet@wdblawn.ca

Lawyers for David Horsley

AND **LINKLATERS LLP**  
 TO: 10<sup>th</sup> Floor, Alexandra House  
 18 Chater Road  
 Hong Kong China

Melvin Sng  
 Tel: 852 2901 5234  
 Fax: 852 2810 8133  
 Email: Melvin.Sng@linklaters.com

Lawyers for Sino-Forest Corporation (Hong Kong)

AND **LINKLATERS LLP**  
 TO: 10<sup>th</sup> Floor, Alexandra House  
 18 Chater Road  
 Hong Kong China

Hyung Ahn  
 Tel: 852 2842 4199  
 Fax: 852 2810 8133  
 Email: hyung.ahn@linklaters.com

Samantha Kim  
 Tel: 852.2842 4197  
 Email: Samantha.Kim@Linklaters.com

Jon Gray  
 Tel: 852.2842.4188  
 Email: Jon.Gray@linklaters.com

Lawyers for Sino-Forest Corporation (U.S.)

AND **APPLEBY GLOBAL**  
 TO: Jayla Place, Wickham's Cay 1  
 P.O. Box 3190, Road Town  
 Tortola VG1110 BVI

Eliot Simpson  
 Tel: 284.852.5321  
 Fax: 284.494.7279  
 Email: esimpson@applebyglobal.com

Andrew Willins  
 Tel: 284 852 5323  
 Email: awillins@applebyglobal.com

Andrew Jowett  
 Tel: 284 852 5316  
 Email: ajowett@applebyglobal.com

Lawyers for Sino-Forest Corporation (BVI)

AND **KING AND WOOD MALLESONS**  
 TO: 9th Floor, Hutchison House  
 Central, Hong Kong Island  
 Hong Kong (SAR)

Helena Huang  
 Tel: 852.2848.4848  
 Email: Helena.huang@kingandwood.com

Tata Sun  
 Tel: 852.2848.4848  
 Email: tata.sun@kingandwood.com

Lawyers for Sino-Forest Corporation (PRC)

AND **THORNTON GROUT FINNIGAN LLP**  
 TO: Suite 3200, 100 Wellington Street West  
 P. O. Box 329, Toronto-Dominion Centre  
 Toronto, Ontario M5K 1K7

James H. Grout  
 Tel: 416.304.0557  
 Fax: 416.304.1313  
 Email: jgrout@tgf.ca

Lawyers for the Ontario Securities Commission

AND **McCARTHY TETRAULT LLP**  
 TO: Suite 2500, 1000 De La Gauchetiere St.  
 West  
 Montreal, Québec, H3B 0A2

Alain N. Tardif  
 Tel: 514.397.4274  
 Fax : 514.875.6246  
 Email: atardif@mccarthy.ca

Mason Poplaw  
 Tel: 514.397.4155  
 Email: mpoplaw@mccarthy.ca

Céline Legendre  
 Tel: 514.397.7848  
 Email: clegendre@mccarthy.ca

Lawyers for Ernst & Young LLP

AND **CHAITONS LLP**  
 TO: 5000 Yonge Street, 10<sup>th</sup> Floor  
 Toronto, Ontario M2N 7E9

Harvey G. Chaiton  
 Tel: 416.218.1129  
 Fax: 416.218.1849  
 Email: Harvey@chaitons.com

Lawyers for the Law Debenture Trust  
 Company of New York

AND **RUETER SCARGALL BENNETT LLP**  
 TO: 250 Yonge Street  
 Suite 2200  
 Toronto, Ontario M5B 2L7

Robert Rueter  
 Tel: 416.869-3363  
 Email: robert.rueter@rslawyers.com

Sara J. Erskine  
 Tel: 416.597-5408  
 Email: sara.erskiner@rslawyers.com

Jason Beitchman  
 Tel: 416.597.5416  
 Email: Jason.beitchman@rslawyers.com

Lawyers for Allan Chan

AND **PALIARE ROLAND ROSENBERG  
 ROTHSTEIN LLP**  
 TO: 155 Wellington Street, 35<sup>th</sup> Floor  
 Toronto, Ontario M5V 3H1

Ken Rosenberg  
 Tel: 416.646.4304  
 Fax: 416.646.4301  
 Email: ken.rosenberg@paliareroland.com

Massimo (Max) Starnino  
 Tel: 416.646.7431  
 Email: max.starnino@paliareroland.com

Lawyers for an Ad Hoc Committee of Purchasers  
 of the Applicant's Securities, including the  
 Representative Plaintiffs in the Ontario Class  
 Action against the Applicant

AND **ERNST & YOUNG LLP**  
 TO: 222 Bay Street, P.O. Box 251  
 Toronto, Ontario M5K 1J7

Mike P. Dean  
 Tel: 416-943-2134  
 Fax: 416-943-3300  
 Email: Mike.P.Dean@ca.ey.com

AND **FASKEN MARTINEAU LLP**  
 TO: 333 Bay Street, Suite 2400,  
 Bay-Adelaide Centre, Box 20  
 Toronto, Ontario M5H 2T6

Stuart Brotman  
 Tel: 416.865.5419  
 Fax: 416.364.7813  
 Email: sbrotman@fasken.com

Conor O'Neill  
 Tel: 416 865 4517  
 Email: coneill@fasken.com

Canadian Lawyers for the Convertible Note  
 Indenture Trustee (The Bank of New York  
 Mellon)



AND **LAPOINTE ROSENSTEIN**  
 TO: **MARCHAND MELANÇON,**  
**S.E.N.C.R.L.**  
 1250, boul. René-Lévesque Ouest, bureau  
 1400  
 Montréal (Québec) Canada H3B 5E9

Bernard Gravel  
 Tel: 514.925.6382  
 Fax: 514.925.5082  
 Email: bernard.gravel@lrmm.com

Bruno Floriani  
 Tel: 514.925.6310  
 Email: bruno.floriani@lrmm.com

Québec counsel for Pöyry (Beijing)  
 Consulting Company Ltd.

AND **CLYDE & COMPANY**  
 TO: 390 Bay Street, Suite 800  
 Toronto, Ontario M5H 2Y2

Mary Margaret Fox  
 Tel: 416.366.4555  
 Fax: 416.366.6110  
 Email: marymargaret.fox@clydeco.ca

Paul Emerson  
 Tel: 416.366.4555  
 Email: paul.emerson@clydeco.ca

Lawyers for ACE INA Insurance and Chubb  
 Insurance Company of Canada

AND **DAVIS LLP**  
 TO: 1 First Canadian Place, Suite 6000  
 PO Box 367  
 100 King Street West  
 Toronto, Ontario M5X 1E2

Susan E. Friedman  
 Tel: 416.365.3503  
 Fax: 416.777.7415  
 Email: sfriedman@davis.ca

Bruce Darlington  
 Tel: 416.365.3529  
 Fax: 416.369.5210  
 Email: bdarlington@davis.ca

Brandon Barnes  
 Tel: 416.365.3429  
 Fax: 416.369.5241  
 Email: bbarnes@davis.ca

Lawyers for Kai Kat Poon

AND **RICKETTS, HARRIS LLP**  
 TO: Suite 816, 181 University Ave  
 Toronto ON M5H 2X7

Gary H. Luftspring  
 Tel: 647.288.3362  
 Fax: 647.260.2220  
 Email: GLuftspring@rickettsharris.com

Lawyers for Travelers Insurance Company of  
 Canada

AND **DAVIES WARD PHILLIPS &  
TO: VINEBERG LLP**  
155 Wellington Street West  
Toronto, ON M5V 3J7

Jay Swartz  
Tel: 416.863.5520  
Fax: 416.863.0871  
Email: [jswartz@dwpv.com](mailto:jswartz@dwpv.com)

James Doris  
Tel: 416.367.6919  
Fax: 416.863.0871  
Email: [jdoris@dwpv.com](mailto:jdoris@dwpv.com)

Canadian Counsel for the Plaintiff and the  
Proposed Class re New York action

**CLYDE & COMPANY**  
390 Bay Street, Suite 800  
Toronto, Ontario M5H 2Y2

Mary Margaret Fox  
Tel: 416.366.4555  
Fax: 416.366.6110  
Email: [marymargaret.fox@clydeco.ca](mailto:marymargaret.fox@clydeco.ca)

Paul Emerson  
Tel: 416.366.4555  
Email: [paul.emerson@clydeco.ca](mailto:paul.emerson@clydeco.ca)

Lawyers for ACE INA Insurance and Chubb  
Insurance Company of Canada

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. c-36, AS AMENDED  
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SINO-FOREST CORPORATION**

**THE TRUSTEES OF THE LABOURER'S PENSION FUND OF  
CENTRAL AND EASTERN CANADA et al**  
Plaintiffs

**v. SINO-FOREST CORPORATION et al**  
Defendants

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at Toronto

Proceeding under the *Class Proceedings Act, 1992*

**NOTICE OF MOTION**

**CLYDE & CO CANADA LLP**

Lawyers / Avocats  
Suite 2500  
401 Bay Street  
Toronto, Ontario  
M5H 2Y4

**Mary Margaret Fox**

(LSUC #20591V)

**Paul Emerson**

(LSUC #45647R)

Telephone: (416) 366-4555

Facsimile: (416) 366-6110

Lawyers for the Applicant,  
The Chubb Insurance Company of Canada

**TAB 2**

Court File No. CV-12-9667-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. c-36, AS AMENDED, AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SINO-FOREST CORPORATION**

Court File No. CV-11-431153-00CP

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

BETWEEN :

**THE TRUSTEES OF THE LABOURERS' PENSION FUND OF CENTRAL AND EASTERN CANADA, THE TRUSTEES OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 793 PENSION PLAN FOR OPERATING ENGINEERS IN ONTARIO, SJUNDE AP-FONDEN, DAVID GRANT and ROBERT WONG**

Plaintiffs

-and-

**SINO-FOREST CORPORATION, ERNST & YOUNG LLP, BDO LIMITED (formerly known as BDO MCCABE LO LIMITED), ALLEN T.Y. CHAN, W. JUDSON MARTIN, KAI KIT POON, DAVID J. HORSLEY, WILLIAM E. ARDELL, JAMES P. BOWLAND, JAMES M.E. HYDE, EDMUND MAK, SIMON MURRAY, PETER WANG, GARRY J. WEST, POYRY (BEIJING) CONSULTING COMPANY LIMITED, CREDIT SUISSE SECURITIES (CANADA), INC., TD SECURITIES INC., DUNDEE SECURITIES CORPORATION, RBC DOMINION SECURITIES INC., SCOTIA CAPITAL INC., CIBC WORLD MARKETS INC., MERRILL LYNCH CANADA INC., CANACCORD FINANCIAL LTD., MAISON PLACEMENTS CANADA INC., CREDIT SUISSE SECURITIES (USA) LLC and MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (successor by merger to Bank of America Securities LLC)**

Defendants

Proceedings under the *Class Proceedings Act, 1992*

**AFFIDAVIT OF PAULA KARGAS  
(SWORN APRIL 6, 2015)**

**I, PAULA KARGAS**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am the Specialty Claims Supervisor with the Applicant, Chubb Insurance Company of Canada ("Chubb"). Since May 2013, I have been responsible for the Sino-Forest matter at Chubb and, as such, except as hereinafter stated, have knowledge of the matters to which I hereinafter depose.

**The Insurance Tower**

2. ACE-INA issued Policy No. DO 024464 (the "ACE Policy") covering Sino-Forest Corporation ("Sino-Forest"), its Subsidiaries (as defined in the Policies and hereinafter, with Sino-Forest, collectively "Sino-Forest") and their directors and officers ("Insured Persons" and, with Sino-Forest, collectively "Sino-Forest Insureds").

3. Chubb issued first excess Policy No. 8209-4449 covering the Sino-Forest Insureds (the "Chubb Policy"). In accordance with its terms, coverage under the Chubb Policy is excess to that coverage afforded by the ACE Policy.

4. In total, the directors' and officers' liability policies covering the Sino-Forest Insureds afford, in accordance with their terms, Limits of Liability ("Limits") totalling CDN\$62,000,000 as set out below:

<u>Level</u>	<u>Insurer</u>	<u>Policy No.</u>	<u>Limit of Liability (SCdn.)</u>
Primary	ACE	DO 024464	\$15,000,000
First Excess	Chubb	8209-4449	\$15,000,000 excess \$15,000,000
Second Excess	Lloyd's, London	XTFF0373	\$15,000,000 excess \$30,000,000
Third Excess	Travelers	101811008	\$15,000,000 excess \$45,000,000
Side A Excess	ACE	as above	\$1,000,000 (Independent Directors only) excess \$60,000,000
Side A Excess	Chubb	as above	\$1,000,000 (Independent Directors only) excess \$61,000,000

All Policies and the insurers identified above are sometimes hereinafter referred to as the "Insurance Tower".

5. With certain exceptions not relevant to this motion, the three policies excess to the ACE Policy all follow form to it, meaning that they adopt and incorporate all of the Insuring Agreements, definitions, terms and conditions of the ACE Policy.

6. For purposes of this motion, the defined terms Defense Costs and Loss are relevant. These read (in relevant part) as follows:

- ACE Policy, Section III.D:

"**Defense Costs** means reasonable and necessary costs, charges, fees and expenses incurred by any **Insured** in defending **Claims** and the premium for appeal, attachment or similar bonds arising out of covered judgments, but with no obligation to furnish such bonds. **Defense Costs** do not include wages, salaries, fees or other compensation of the **Insured Persons** or **Company** employees." (hereinafter "Defense Costs")

- ACE Policy, Section III.I:

"**Loss** means the damages, judgments, any award of pre-judgment and post-judgment interest, settlements and **Defense Costs** which the **Insured** becomes legally obligated to pay on account of any **Claim** first made against any **Insured** during the **Policy Period** or, if elected, the **Extended Reporting Period**, for **Wrongful Acts** to which this **Policy** applies. **Loss** does not include:..." (hereinafter "Loss")



7. As well, it is important to appreciate that the Limits of all Policies in the Insurance Tower are self-depleting; specifically, payment of Defense Costs reduces the Limit available under each.

### **Exhaustion of the ACE Policy**

8. Commencing in approximately the summer of 2011, certain Sino-Forest Insureds requested coverage from ACE for various Claims (as defined by the ACE Policy) made against them. Accounts rendered by defence counsel retained by Sino-Forest Insureds and by experts and other professionals retained by them with ACE's consent (hereinafter "Defence Accounts") were presented to ACE, reviewed by ACE or its coverage counsel for compliance with ACE's litigation management guidelines, and paid, to the extent of what ACE's review confirmed constituted Loss under the ACE Policy.

9. By approximately January 2014, ACE had paid out the ACE Limit of \$15,000,000 in respect of Defence Accounts. The Horsley Settlement Approval Order (as defined in the Notice of Motion herein) declared that the ACE Limit was reduced accordingly, which exhausted the ACE Policy.

### **Payment of Loss under the Chubb Policy**

10. Upon exhaustion of the ACE Policy, the Chubb Policy was engaged. I was responsible for assessment and payment of Loss under the Chubb Policy for Claims made against the Sino-Forest Insureds.

11. As noted above, Loss has two components - settlement amounts (damages if a Claim is tried, both referred to as "Indemnity Payments") and Defense Costs.

12. In this case the only Indemnity Payment made by Chubb was the \$5,000,000 which Chubb contributed to the Horsley Settlement. Paragraph 24 of the Horsley Settlement Approval Order declared that this amount (as well as all Defense Costs paid to that date by Chubb) constituted covered Loss and reduced the Chubb Limit for all purposes, to the extent thereof. A true copy of the Horsley Settlement Approval Order is attached hereto as Exhibit "A".

13. All other amounts paid by Chubb since that date were in respect of Defense Costs.

14. Timing issues resulted in Chubb paying \$1,033,296.59 to or on behalf of the Sino-Forest Insureds over and above the \$15,000,000 Limit of Liability of the Chubb Policy (the "Overpayment").

15. In order to understand how the Overpayment occurred, it is necessary to understand the process followed by Chubb for assessment and payment of Defense Costs, described briefly below.

16. Payment of Defense Costs by Chubb involves two steps – assessment of covered Loss and payment of covered Loss.

(i) *Assessment*

17. The first step involves Defence Accounts being reviewed for compliance with Chubb's own litigation management guidelines (the "Chubb Guidelines"). A true copy of the Chubb Guidelines delivered to counsel for the Sino-Forest Insureds is attached hereto as Exhibit "B". This review is concluded by a separate unit known as the Litigation Cost Management Group ("LCMG"). With very few exceptions, all Defence Accounts, including accounts rendered by experts and other professionals retained by defence counsel, are sent to LCMG for review for compliance with the Chubb Guidelines. The LCMG then reports back to Chubb's claims handler, indicating the amount payable as covered Loss.

(ii) *Payment*

18. It was in this phase of Chubb's processes that the Overpayment occurred. Quite simply, the Overpayment was a result of a timing issue resulting from Chubb's internal processes. As a result of the Overpayment, Chubb's processes have been changed. The description below applies to the internal processes before the correction.

19. When payment by cheque is processed, Chubb's claim specific financial system, which is available to the responsible claims handler, automatically updates itself to indicate the declining policy balance.

20. Wire transfers were processed differently, in that they are paid through Chubb's Finance staff. The claim specific financial system was not automatically updated. Rather, it was manually updated after the wire transfer was processed. At such time as the claim specific financial system was updated to reflect the wire transfer payment, Chubb "reimbursed" itself from the Chubb Policy for the amount of the wire transfer.

21. As is apparent, to the extent that the claim specific financial system was not updated concurrently with a wire transfer payment having been made by internal finance, the claim specific financial record available to the Chubb claims handler was not accurate, in that the balance remaining on the Chubb Limit would not reflect the fact of the wire transfer payment having been made.

### **The Overpayment**

22. In this case, three wire transfers were made by Chubb's Finance staff on July 23 and August 12, 2014, totalling \$1,500,780.84, but internal "reimbursement" did not occur contemporaneously. Unaware of this, I received and paid (in accordance with the above process), various Defence Accounts believing that (by reference to the claim specific financial system) there were sufficient funds remaining in the Chubb Limit. When the Chubb Limit was (I thought) exhausted, I so advised Lloyd's, which assumed payment of further Defence Accounts.

23. The Overpayment was discovered thereafter, when Chubb's Finance department found itself unable to "reimburse" Chubb from the Chubb Policy for the amount of the wire transfers.

### **Request for Reimbursement**

24. When the Overpayment was brought to my attention I sought reimbursement from Lloyd's on the basis that, had the Chubb Policy exhausted on payment of the Chubb Limit as it should have, the Defence Accounts representing the Overpayment would have been payable by Lloyd's. Unfortunately, the initial financial information and documentation provided to Lloyd's in support of my request contained certain inaccuracies and was not as clear as it could have been, such that Lloyd's expressed reluctance to reimburse Chubb without further information.

25. By the time that Chubb's records were triple-checked and the detailed information above in respect of Chubb's internal processes was provided to Lloyd's, Chubb was advised by David Cherepacha, coverage counsel for Lloyd's, and I verily believe, that the Lloyd's Limit (as defined in the Notice of Motion) had been reduced to a balance insufficient to cover the Overpayment. It is therefore necessary for Chubb to seek reimbursement from Travelers.

26. In order to satisfy Travelers, the Insurance Tower, and this Court that all amounts paid by Chubb constitute, as I believe, covered Loss, and the precise amount of the Overpayment, I have had a further and detailed spreadsheet prepared by Chubb Finance and have reviewed it thoroughly (the "Chubb Payments Spreadsheet").

27. A copy of the Chubb Payments Spreadsheet has been provided to the Insurance Tower. The version of the Chubb Payments Spreadsheet provided to the Insurance Tower shows (from left to right) the name of the firm rendering the Defence Account (all such firms being defence

counsel approved by the Insurance Tower or experts or other professionals retained by such defence counsel), the invoice number, invoice date, the currency in which the account was rendered, the invoiced amount, the audited amount (i.e., the result of the LCMG review), the amount paid by Chubb in Canadian dollars, and the date upon which payment was made. It also shows a number of instances in which, as a result of further discussions between defence counsel, Chubb, or Chubb's coverage counsel, Paul Emerson, on my instructions, the amount determined to constitute covered Loss was agreed to be increased and paid.

28. In the interests of protecting any privileged information belonging to the Sino-Forest Insureds, I instructed our counsel to prepare a redacted copy of the Chubb Payments Spreadsheet, which is attached hereto as Exhibit "C".

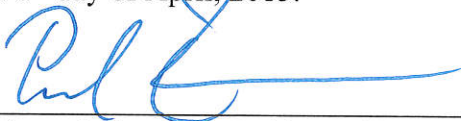
29. I am advised by Travelers' coverage counsel, Gary Luftspring, and verily believe, that Travelers is not opposed to Chubb's request, is currently in the process of reviewing the Chubb Payments Spreadsheet and will be confirming its position well in advance of the return date of this motion.

30. In summary, the Overpayment was the result of the timing issues produced by Chubb's internal processes as described above, which is regrettable. Chubb has subsequently revised its processes so that this will not reoccur. There can be no question, however, that (1) all amounts paid by Chubb as detailed on Exhibit "C" were paid to defence counsel retained by Sino-Forest Insureds, or experts/professionals retained by them; (2) all such amounts were "vetted" by Chubb's LCMG and/or by Chubb's coverage counsel on instructions from me; and (3), that

Chubb was, and still is, satisfied that all such amounts constituted covered Loss under the Chubb Policy and the Policies.

31. Chubb therefore respectfully requests that this Court grant the declarations and the Order requested in the Notice of Motion, permitting Travelers to reimburse Chubb for the Overpayment.

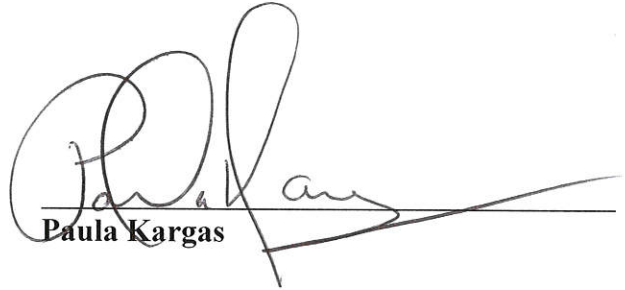
SWORN before me at the City  
Toronto, in the Province of Ontario,  
this 6<sup>th</sup> day of April, 2015.



\_\_\_\_\_  
A Commissioner for Taking Affidavits

Paul D. Emerson

)  
)  
)

  
\_\_\_\_\_  
**Paula Kargas**

Court File No. CV-12-9667-00CL  
IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. c-36, AS AMENDED  
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SINO-FOREST CORPORATION

Court File No. CV-11-431153-00CP  
THE TRUSTEES OF THE LABOURER'S PENSION FUND OF  
CENTRAL AND EASTERN CANADA et al  
Plaintiffs  
v.  
SINO-FOREST CORPORATION et al  
Defendants

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at Toronto

Proceeding under the *Class Proceedings Act*, 1992

**AFFIDAVIT OF PAULA KARGAS  
(Sworn April 6, 2015)**

**CLYDE & CO CANADA LLP**

Lawyers / Avocats  
2500 - 401 Bay Street  
Toronto, Ontario  
M5H 2Y4

**Mary Margaret Fox**  
(LSUC #20591V)

**Paul Emerson**  
(LSUC #456647R)

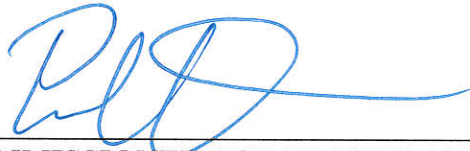
Telephone: (416) 366-4555  
Facsimile: (416) 366-6110

Lawyers for the Applicant,  
The Chubb Insurance Company of Canada



**TAB A**

**THIS IS EXHIBIT "A" REFERRED TO IN THE  
AFFIDAVIT OF PAULA KARGAS  
SWORN BEFORE ME, THIS 6<sup>th</sup>  
DAY OF APRIL, 2015.**



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**A COMMISSIONER FOR TAKING AFFIDAVITS**

Court File No.: CV-12-9667-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE REGIONAL  
SENIOR MR. JUSTICE MORAWETZ

THURSDAY, THE 24th  
DAY OF JULY, 2014

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985,  
c. C-36, AS AMENDED, AND IN THE MATTER OF A PLAN OF COMPRISE OR  
ARRANGEMENT OF SINO-FOREST CORPORATION

Court File No.: CV-11-431153-00CP

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

THE TRUSTEES OF THE LABOURERS' PENSION FUND OF CENTRAL AND EASTERN  
CANADA, THE TRUSTEES OF THE INTERNATIONAL UNION OF OPERATING  
ENGINEERS LOCAL 793 PENSION PLAN FOR OPERATING ENGINEERS IN ONTARIO,  
SJUNDE AP-FONDEN, DAVID GRANT and ROBERT WONG

Plaintiffs

- and -

SINO-FOREST CORPORATION, ERNST & YOUNG LLP, BDO LIMITED (formerly known  
as BDO MCCABE LO LIMITED), ALLEN T.Y. CHAN, W. JUDSON MARTIN, KAI KIT  
POON, DAVID J. HORSLEY, WILLIAM E. ARDELL, JAMES P. BOWLAND, JAMES M.E.  
HYDE, EDMUND MAK, SIMON MURRAY, PETER WANG, GARRY J. WEST, PÖYRY  
(BEIJING) CONSULTING COMPANY LIMITED, CREDIT SUISSE SECURITIES  
(CANADA), INC., TD SECURITIES INC., DUNDEE SECURITIES CORPORATION, RBC  
DOMINION SECURITIES INC., SCOTIA CAPITAL INC., CIBC WORLD MARKETS INC.,  
MERRILL LYNCH CANADA INC., CANACCORD FINANCIAL LTD., MAISON  
PLACEMENTS CANADA INC., CREDIT SUISSE SECURITIES (USA) LLC and MERRILL  
LYNCH, PIERCE, FENNER & SMITH INCORPORATED (successor by merger to Banc of  
America Securities LLC)

Defendants

Proceeding under the *Class Proceedings Act, 1992*

**ORDER**

**THIS MOTION**, made by the Ad Hoc Committee of Purchasers of the Applicant's Securities, including the plaintiffs in the action commenced against Sino-Forest Corporation ("Sino-Forest" or the "Applicant") in the Ontario Superior Court of Justice, bearing (Toronto) Court File No, CV-11-431153-00CP (the "Ontario Plaintiffs" and the "Ontario Class Action", respectively) in their own and proposed representative capacities, for an order giving effect to the Horsley Release and the Horsley Settlement, and as provided for in section 11.2 of the Plan of Compromise and Reorganization of the Applicant under the Companies' Creditors Arrangement Act ("CCAA") dated December 3, 2012 (the "Plan"), such Plan having been approved by this Honourable Court by Order dated December 10, 2012 (the "Sanction Order"), was heard on July 24, 2014, at the Court House, 393 University Avenue, Toronto, Ontario;

**WHEREAS** the Ontario Plaintiffs, the US Class Action plaintiffs, David J. Horsley ("Horsley") and the Litigation Trust entered into Minutes of Settlement dated March 10, 2014;

**AND WHEREAS** this Honourable Court issued the Sanction Order approving the Plan containing the framework and providing for the implementation of a Named Third Party Defendant Settlement and a Named Third Party Defendant Release pursuant to Section 11.2 of the Plan;

**AND WHEREAS** the Ontario Plaintiffs and Horsley wish to effect a settlement pursuant to section 11.2 of the Plan;

**AND WHEREAS** Enforcement Staff of the Ontario Securities Commission ("OSC") has commenced proceedings against Horsley regarding his conduct and involvement with Sino-Forest Corporation, including allegations made against Horsley in its Notice of Hearing and Statement of Allegations (the "OSC Proceedings");

**AND WHEREAS** any settlement agreement between the Ontario Plaintiffs and Horsley is conditional upon approval by the OSC of a settlement of the OSC Proceedings between Horsley and OSC Enforcement Staff, including, among other things, a permanent ban on Horsley from acting as a director or officer of a public issuer of securities;

**AND WHEREAS** this Honourable Court approved the form of notice to Securities Claimants and others of this Motion, and the plan for distribution of such notice to Securities Claimants and others potentially affected by the relief sought therein (the "Notice Program") by Order dated June 5, 2014 (the "Notice Order");

**AND ON READING** the materials filed and on hearing the submissions of counsel;

#### **Notice and Definitions**

1. **THIS COURT ORDERS** that capitalized terms not otherwise defined in this order shall have the meanings attributed to those terms in **Appendix "A"**.
2. **THIS COURT FINDS** that all applicable parties have adhered to and acted in accordance with the Notice Order and that the procedures provided in the Notice Order have provided good and sufficient notice of the hearing of this Motion, and that all Persons shall be and are hereby forever barred from objecting to the Horsley Settlement and the Horsley Release.

#### **Representation**

3. **THIS COURT ORDERS** that the Ontario Plaintiffs are hereby recognized and appointed as representatives on behalf of the Securities Claimants in these insolvency proceedings in respect of the Applicant (the "CCAA Proceedings") and in the Ontario Class Action, including for the purposes of and as contemplated by section 11.2 of the Plan, and more particularly the Horsley Settlement and Horsley Release.
4. **THIS COURT ORDERS** that Koskie Minsky LLP, Siskinds LLP and Paliare Roland Rosenberg Rothstein LLP are hereby recognized and appointed as counsel for the Securities Claimants for all purposes in these proceedings and as contemplated by section 11.2 of the Plan, and more particularly the Horsley Settlement and Horsley Release ("CCAA Representative Counsel").
5. **THIS COURT ORDERS** that the steps taken by CCAA Representative Counsel pursuant to the Orders of this Court dated May 8, 2012 (the "Claims Procedure Order") and July 25, 2012 (the "Mediation Order") are hereby approved, authorized and validated as of the date thereof and that CCAA Representative Counsel is and was authorized to negotiate and support

the Plan on behalf of the Securities Claimants, to negotiate the Horsley Settlement, to bring this motion before this Honourable Court to approve the Horsley Settlement and the Horsley Release and to take any other necessary steps to effectuate and implement the Horsley Settlement and the Horsley Release, including bringing this Motion and any other necessary motion before the court, and as contemplated by section 11.2 of the Plan.

**Compliance with Section 11.2 of the Plan**

6. **THIS COURT ORDERS** that Horsley is a Named Third Party Defendant pursuant to the Plan.

7. **THIS COURT ORDERS** that this Order (the "Horsley Settlement Order") is a Named Third Party Defendant Settlement Order for the purpose of and as contemplated by Section 11.2 of the Plan.

8. **THIS COURT ORDERS** that the Horsley Settlement is a Named Third Party Defendant Settlement for the purpose of and as contemplated by Section 11.2 of the Plan.

9. **THIS COURT ORDERS** that the Horsley Release is a Named Third Party Defendant Release for the purpose of and as contemplated by Section 11.2 of the Plan.

**Approval of the Settlement & Release**

10. **THIS COURT ORDERS** that the Horsley Settlement and the Horsley Release are fair and reasonable in all the circumstances and for the purposes of the proceedings under both the CCAA and the *Class Proceedings Act, 1992*.

11. **THIS COURT ORDERS** that the Horsley Settlement and the Horsley Release be and hereby are approved for all purposes and as contemplated by section 11.2 of the Plan and paragraph 41 of the Sanction Order and shall be implemented in accordance with their terms, this Order, the Plan and the Sanction Order.

12. **THIS COURT ORDERS** that this Order, the Horsley Settlement and the Horsley Release are binding upon each and every Person or entity having a Horsley Claim, including those Persons who are under disability, and any requirements of rules 7.04(1) and 7.08(4) of the *Rules of Civil Procedures*, RRO 1990, Reg. 194 are dispensed.

**Release and Discharge**

13. **THIS COURT ORDERS** that upon satisfaction of all the conditions specified in section 11.2(b) of the Plan, the Monitor shall deliver to Horsley the Monitor's Horsley Settlement Certificate substantially in the form attached hereto as **Appendix "B"**. The Monitor shall thereafter file the Monitor's Horsley Settlement Certificate with the Court.

14. **THIS COURT ORDERS** that pursuant to the provisions of section 11.2(c) of the Plan, on the Horsley Settlement Date.

- (a) any and all Horsley Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled, barred and deemed satisfied and extinguished as against Horsley in accordance with section 11.2(c) of the Plan;
- (b) the Horsley Release shall be binding according to its terms on any Person;
- (c) section 7.3 of the Plan shall apply to Horsley and the Horsley Claims *mutatis mutandis*;
- (d) none of the parties in the Class Actions (including the Ontario Class Action) or any other actions in which the Horsley Claims have been or could have been asserted shall be permitted to claim from any of the other defendants that portion of any damages, restitutionary award or disgorgement of profits that corresponds with the liability of Horsley proven at trial or otherwise as may be agreed, that is subject of the Horsley Settlement ("Horsley's Proportionate Liability");
- (e) all Class Actions, including the Ontario Class Action shall be permanently stayed as against Horsley; and
- (f) the Ontario Class Action shall be dismissed against Horsley.

15. **THIS COURT ORDERS** that on the Horsley Settlement Date, any and all claims which Horsley may have had against: (i) any other current or former defendant, in the Ontario Class Action, (ii) any other current or former defendant, in any Class Actions in a jurisdiction in which this order has been recognized by a final order of a court of competent jurisdiction and not subject to further appeal, (iii) any other current or former defendants' insurers, or any affiliates thereof, or (iv) any other Persons who may claim over against the other current or former

defendants, or any affiliate thereof, or the other current or former defendants' insurers, or any affiliate thereof in respect of contribution, indemnity or other claims over which relate to the allegations made in the Class Actions, are hereby fully, finally, irrevocably and forever compromised, released, discharged, cancelled, barred and deemed satisfied and extinguished.

16. **THIS COURT ORDERS** that nothing in this order shall fetter the discretion of any court to determine Horsley's Proportionate Liability at the trial or other disposition of an action (including the Ontario Class Action) for the purposes of paragraph 15 above, whether or not Horsley appears at the trial or other disposition and Horsley's Proportionate Liability shall be determined as if Horsley were a party to the action and any determination by a court in respect of Horsley's Proportionate Liability shall only apply in that action or actions to the proportionate liability of the remaining defendants in those proceedings and shall not be binding on Horsley or the Insurers for any purpose whatsoever and shall not constitute a finding against Horsley for any purpose in any other proceeding.

17. **THIS COURT ORDERS** that, notwithstanding the first sentence of paragraph 22 of the Horsley Settlement, within thirty (30) days of the Effective Date, or at a time mutually agreed upon by Horsley and the Class Action Plaintiffs, Horsley shall attend for an interview by counsel to the Class Action Plaintiffs for a maximum of two (2) days each consisting of eight (8) hours of interview time. The remaining sentences of paragraph 22 of the Horsley Settlement remain in full force and effect.

18. **THIS COURT ORDERS** that, after all appeals or times to appeal from this Order have been exhausted, the remaining defendants to the Ontario Class Action (the "Remaining Defendants") are entitled to the following:

- (a) Production of the Documents that Horsley has agreed to preserve and produce to the Class Action Plaintiffs and the Litigation Trust pursuant to the terms of the Horsley Settlement, which production shall occur either at the same time that production is made to the Class Action Plaintiffs and the Litigation Trust or such other date as may be agreed upon by the parties or ordered by the Court in the Ontario Class Action;



- (b) A total of two (2), eight hour days of oral discovery of Horsley within the Ontario Class Action in accordance with the *Rules of Civil Procedure*, and such other and further days of oral discovery as may be agreed to by Horsley or ordered by the judge presiding over the Ontario Class Action. Any days of oral discovery in addition to two days shall be on such terms as may be agreed or that the Court considers to be just, including terms requiring one or more of the Remaining Defendants to pay some or all of Horsley's costs of attending on such further days of oral discovery;
- (c) The right to access and use the discovery evidence from any documentary or oral discovery of Horsley that is obtained pursuant to paragraphs 18(a) and (b) hereof in any other proceedings in which the Horsley Claims have been or could have been asserted or in which a Remaining Defendant may assert that Horsley's conduct or the evidence obtained from Horsley pursuant to paragraphs 18(a) and (b) hereof diminishes or eliminates the liability of that Remaining Defendant, notwithstanding the Deemed Undertaking Rule (Rule 30.1 of the *Rules of Civil Procedure*) or any other statutory or common law impediments to the use of such evidence;
- (d) The right, subject to the applicable *Rules of Civil Procedure* and the discretion of the presiding trial judge or other adjudicator in any such proceedings, to read into evidence at trial the transcripts from Horsley's examination for discovery as part of the Remaining Defendants' respective cases against the Plaintiffs, including relating to any proportionate share of the liability that Horsley is argued or alleged to have for any damages or other relief claimed by the Plaintiffs or other claimants;
- (e) Leave to serve a request to admit on Horsley in respect of documents and/or any factual matters in accordance with the *Rules of Civil Procedure*;
- (f) The right to secure Horsley's attendance at trial as a witness in accordance with the *Rules of Civil Procedure*, to be subject to cross-examination by counsel for one or more of the Remaining Defendants; and
- (g) Leave to serve *Evidence Act* notices on Horsley.

19. **THIS COURT ORDERS THAT** service on Horsley of any notices of examination, requests to inspect or admit, *Evidence Act* notices and summons referred to in paragraph 18 of this Order may be served on Peter Wardle or Simon Bieber of Wardle Daley Bernstein Bieber LLP, counsel for Horsley in respect of the Class Actions, or such other counsel Horsley may notify counsel for the Remaining Defendants in advance, and that such service shall be deemed to be sufficient service under the *Rules of Civil Procedure*.

20. **THIS COURT ORDERS** that Horsley shall appear as a witness for the plaintiffs (if requested to do so) and give evidence at the trial if any, of the Ontario Class Action. Horsley shall not seek reimbursement from the Insurers for any fees or expenses associated with this testimony.

**Effect of Settlement on Insurers**

21. **THIS COURT ORDERS AND DECLARES** that any amounts paid by Chubb Insurance Company of Canada ("Chubb") and/or Lloyd's Underwriters towards the Horsley Settlement are fair and reasonable in all the circumstances and for all purposes.

22. **THIS COURT ORDERS AND DECLARES** that the payment by Chubb and/or Lloyd's Underwriters pursuant to the Horsley Settlement does not violate the interests of any party to the Class Actions, or any other party who might have a claim against any person or entity potentially covered under the Insurance Policies.

23. **THIS COURT ORDERS AND DECLARES** that, without prejudice to the Insurers' coverage position(s) in relation to the Litigation Trust Action and their obligations, if any, to any other defendant to the Litigation Trust Action (or to any other action which has been or may be instituted by the Litigation Trust) who is potentially covered under the Sino-Forest Policies, which rights are and shall remain fully reserved, all amounts paid by Chubb and/or Lloyd's Underwriters towards the Horsley Settlement shall constitute covered Loss (as defined in the Insurance Policies).

24. **THIS COURT ORDERS AND DECLARES** that Chubb's (and / or Lloyd's Underwriters') contribution to the Horsley Settlement shall, to the extent of the amount paid, and any other amounts paid by Chubb and, before it, by ACE INA Insurance ("ACE"), on Horsley's

behalf for defence of all Claims (as defined in the Insurance Policies) against him, reduce the Limits of Liability under the Chubb Policy and the ACE Policy for all purposes, regardless of any subsequent finding by any court, tribunal, administrative body or arbitrator, in any proceeding or action, that Horsley engaged in conduct that may have triggered any exclusion, term or condition of the Chubb Policy or the ACE Policy so as to disentitle Horsley to coverage under the Chubb Policy or the ACE Policy.

25. **THIS COURT ORDERS AND DECLARES** that Chubb's contribution to the Horsley Settlement is without prejudice to the coverage positions taken by it, or any of the Insurers, in relation to the Class Actions and to any other matter or Claim (as defined in the Insurance Policies) as previously advised to Sino-Forest and its directors and officers by each of the Insurers and to all rights previously reserved by the Insurers.

26. **THIS COURT ORDERS AND DECLARES** that the Insurers whose policies afford coverage excess to that afforded by the ACE Policy and the Chubb Policy may assert any defence to any claim for coverage, by any Insured, that is not:

- (i) inconsistent with the findings of the Court or with the Horsley Settlement Order, or
- (ii) based upon the ground that ACE and Chubb have not exhausted their respective Limits of Liability under the ACE Policy and the Chubb Policy.

27. **THIS COURT ORDERS AND DECLARES** that ACE and Chubb, in respect of the coverage afforded under Endorsements No. 16 and 2 to the ACE Policy and the Chubb Policy, respectively, may assert any defence to any claim for coverage, by any Insured, that is not inconsistent with the findings of the Court or with the Horsley Settlement Order.

28. **THIS COURT ORDERS AND DECLARES** that save and except for ACE's obligations under Endorsement No. 16 to the ACE Policy, ACE shall be released from any and all claims against it under or in relation to the ACE Policy, including claims relating to or arising from the Class Actions, all commitments in relation to and/or payments made under the ACE Policy and for reimbursement of defence costs incurred by any person or entity potentially covered by or under the ACE Policy.

29. **THIS COURT ORDERS AND DECLARES** that save and except for Chubb's obligations under Endorsement No. 2 to the Chubb Policy, to the extent of any payment made by Chubb to the date of this Order, including any and all payments in relation to the Horsley Settlement, Chubb shall be released from any and all claims against it under or in relation to the Chubb Policy, including claims relating to or arising from the Class Actions, all commitments in relation to and/or payments made under the Chubb Policy and for reimbursement of defence costs incurred by any person or entity potentially covered by or under the Chubb Policy.

30. **THIS COURT ORDERS AND DECLARES** that all persons and entities provided with notice of this Motion shall be bound by the declarations made in, and the terms of, this Horsley Settlement Order.

31. **THIS COURT ORDERS AND DECLARES** that payment by Chubb and/or Lloyd's Underwriters pursuant to the Horsley Settlement constitutes "Loss" under the Insurance Policies, which has depleted the insurance limits for all purposes, regardless of whether (in the event that criminal charges are laid against Horsley in the future) any finding is made that Horsley acted dishonestly.

32. **THIS COURT ORDERS** that, subject to paragraph 2.4 of the Plan and paragraphs 28 and 29, nothing in the Horsley Settlement shall prejudice the continued claims by the plaintiffs in the Ontario Class Action, Quebec Class Action, and the US Class Action against the Insurance Policies with respect to the conduct of Sino-Forest or other persons or entities insured by the Insurers.

33. **THIS COURT ORDERS** that the cooperation of Horsley with the plaintiffs in the Ontario Class Action, Quebec Class Action, and the US Class Action pursuant to the Horsley Settlement shall not prejudice or otherwise affect the coverage that would otherwise be provided under the Insurance Policies with respect to the conduct of Sino-Forest or other persons or entities insured by the Insurers.

**Use of the Settlement Fund**

34. **THIS COURT ORDERS** that, save and except for the payment of legal fees, disbursements, administrative expenses and taxes approved by this Court, the Class Settlement Fund shall be held by the Ontario Plaintiffs in the Settlement Trust until such later date that the Ontario Plaintiffs have a Plan of Allocation approved by this Court whereby those funds will be distributed to Securities Claimants. Any process for allocation and distribution will be established by CCAA Representative Counsel together with U.S. Class Action plaintiffs' counsel and approved by further order of this Court (the "Claims and Distribution Protocol").

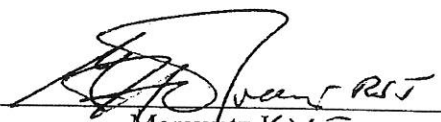
35. **THIS COURT ORDERS** that notwithstanding paragraph 34 above, the following Securities Claimants shall not be entitled to any allocation or distribution of the Class Settlement Fund: any Person or entity that is a named defendant to any of the Class Actions, their past and present subsidiaries, affiliates, officers, directors, senior employees, partners, legal representatives, heirs, predecessors, successors and assigns, and any individual who is a member of the immediate family of the following Persons: Allen T.Y. Chan a.k.a. Talc Yuen Chan, W. Judson Martin, Kai Kit Poon, David J. Horsley, William E. Ardell, James P. Boland, James M.E. Hyde, Edmund Mak, Simon Murray, Peter Wang, Garry J. West, Albert Ip, Alfred C.T. Hung, George Ho and Simon Yeung. For greater certainty, the Horsley Release shall apply to the Securities Claimants described above, other than Horsley.

**Recognition, Enforcement and Further Assistance**

36. **THIS COURT ORDERS** that this Court shall retain an ongoing supervisory role for the purposes of implementing, administering and enforcing the Horsley Settlement and the Horsley Release and matters related to the Settlement Trust including any disputes about the allocation of the Class Settlement Fund from the Settlement Trust. Any disputes arising with respect to the performance or effect of, or any other aspect of, the Horsley Settlement and the Horsley Release shall be determined by this Court, and that, except with leave of this Court first obtained, no Person or party shall commence or continue any proceeding or enforcement process in any other court or tribunal, with respect to the performance or effect of, or any other aspect of the Horsley Settlement and Horsley Release.

37. **THIS COURT ORDERS** that each of the Applicant, the Monitor, CCAA Representative Counsel and Horsley shall 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, or any further order as may be contemplated by Section 11.2 of the Plan or be otherwise required, and for assistance in carrying out the terms of such orders. Any actions previously taken in accordance with this paragraph 37 are hereby ratified by this Court.

38. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or the United States or elsewhere, to give effect to this order and to assist the Applicant, the Monitor, the CCAA Representative Counsel and Horsley 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 Applicant, the Monitor, the CCAA Representative Counsel and Horsley as may be necessary or desirable to give effect to this order, to grant representative status to the Applicant, the Monitor, the CCAA Representative Counsel and Horsley in any foreign proceeding, or to assist the Applicant, the Monitor, the CCAA Representative Counsel and Horsley and their respective agents in carrying out the terms of this order.

  
 Morawetz *MRS*

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

JUL 3 2014

*MB*

## APPENDIX "A"

Definitions of capitalized terms used in this Order

"**Ace Policy**" means the insurance policy issued by ACE INA Insurance — Policy Number D0024464;

"**Causes of Action**" has the meaning ascribed to it in the Plan

"**CCAA**" means the *Companies' Creditors Arrangement Act*, RSC, 1985, c. C-36

"**Chubb Policy**" means the insurance policy issued by Chubb Insurance Company of Canada — Policy Number 8209-4449;

"**Class Actions**" has the meaning ascribed to it in the Plan

"**Eligible Third Party Defendant**" has the meaning ascribed to it in the Plan

"**Horsley**" means David Horsley

"**Horsley Claims**" means any and all demands, claims, actions, Causes of Action (as defined in the Plan), counterclaims, cross claims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances (as defined in the Plan), and other amounts sought to be recovered on account of any claim, indebtedness, liability, obligation, demand or cause of action of whatever nature that any Person (as defined in the Plan), including any Person (as defined in the Plan) who may have a claim for contribution and/or indemnity against or from them, and including without limitation, all present and former officers or Directors of Sino-Forest, Newco (as defined in the Plan), Newco II (as defined in the Plan), Ernst & Young (as defined in the Plan), BDO Ltd., the Underwriters (as defined in the Plan), Poyry (Beijing) Consulting Company Limited (and its affiliates), the Noteholders (as defined in the Plan), any past, present or future holder of any direct or indirect equity interest in the SFC Companies (as defined in the Plan), any past, present or future direct or indirect security holder of the SFC Companies (as defined in the Plan), any indirect or direct security holder of Newco (as defined in the Plan) or Newco II (as defined in the Plan), the Trustees (as defined in the Plan), the Transfer Agent (as defined in the Plan), the Monitor (as defined in the Plan), and each and every present and former affiliate, partner, director, officer, associate, employee, servant, agent, contractor, insurer, heir and/or assign of each of the foregoing who may or could (at any time, past, present or future) be entitled to assert against Horsley, his family, heirs or assigns, whether known or unknown, matured or unmatured, direct or derivative, foreseen or unforeseen, suspected or unsuspected, contingent, existing or hereafter arising, based on whole or in part on any act or omission, transaction, conduct, dealing or other occurrence existing or taking place on, prior to or after the date of this Release, relating to or arising out of or in connection with the SFC Companies (as defined by the Plan), the SFC Business (as defined by the Plan), Horsley's conduct or performance as a director or officer of Sino-Forest, Horsley's trading of shares in relation to Sino-Forest, Horsley's compensation from Sino-Forest, and any and all other acts and omissions of Horsley relating to the SFC Companies (as defined by the Plan) or the SFC Business (as defined by the Plan), including without limitation any claim arising out of:

1. Horsley's conduct as a director or officer of Sino-Forest, including but not limited to his conduct as the Chief Financial Officer of Sino-Forest, any statutory or common law duties he may have owed as a director or officer of Sino-Forest, any share offering, debt offering or other offering of securities, any statement in any of Sino-Forest's public disclosure or other oral statement relating to Sino-Forest, including without limitation any document released to the public or filed on SEDAR;
2. All claims or Causes of Action (as defined by the Plan) advanced or which could have been advanced in any or all of the Class Actions (as defined by the Plan), including any and all claims of fraud;
3. All claims or Causes of Action (as defined by the Plan) advanced or which could have been advanced in any or all actions commenced in all jurisdictions as of the date of this Release;
4. All Noteholder Claims (as defined by the Plan), Litigation Trust Claims (as defined by the Plan), or any claim by or on behalf of the SFC Companies (as defined by the Plan);
5. All claims or Causes of Action (as defined by the Plan) advanced or which could have been advanced by BDO Ltd,(and its affiliates), Ernst & Young (as defined by the Plan), the Underwriters (as defined by the Plan), Poyry (Beijing) Consulting Company Limited (and its affiliates), all present and former directors, officers or employees of Sino-Forest, Aird & Berlis LLP, and any and all consultants or counsel to Sino-Forest or its Independent Committee for contribution, indemnity, damages, equitable relief or other monetary recovery;
6. All claims or Causes of Action (as defined by the Plan) advanced or which could have been advanced in Court File No, CV-13-481761,

For greater certainty, Horsley Claims do not include any proceeding commenced or remedy sought by the Ontario Securities Commission or the Attorney General,

**"Class Settlement Fund"** has the meaning ascribed to it in the Horsley Settlement

**"Horsley Release"** means the Named Third Party Defendant Release described at section 11.2(c) of the Plan as applied to the Horsley Claims

**"Horsley Settlement"** means the settlement as reflected in the Minutes of Settlement executed on •, between Horsley and the plaintiffs in Ontario Superior Court Action No, CV-11-431153-00CP, Quebec Superior Court No. 200-06-000132-111, and United States New York Southern District Court, Case Number 1:12-cv-01726 (AT) and the Litigation Trust



**"Horsley Settlement Date"** means the date that the Monitor's Horsley Settlement Certificate is delivered to Horsley.

**"Insurance Policies"** has the meaning ascribed to it in the Plan

**"Insurers"** means each of the entities who issued the Insurance Policies

**"Litigation Trust"** means Cosimo Borrelli, in his capacity as the trustee for the SFC Litigation Trust, and the SFC Litigation Trust

**"The Litigation Trust Action"** means the action bearing Court File No. CV-13-481761

**"Monitor's Horsley Settlement Certificate"** is the Monitor's Named Third Party Certificate contemplated at section 11.2(b) of the Plan, applicable and with respect to the Horsley Settlement

**"Monitor's Named Third Party Settlement Certificate"** has the meaning ascribed to it in the Plan

**"Named Third Party Defendant"** has the meaning ascribed to it in the Plan

**"Named Third Party Defendant Settlement"** has the meaning ascribed to it in the Plan

**"Named Third Party Defendant Settlement Order"** has the meaning ascribed to it in the Plan

**"Named Third Party Defendant Release"** has the meaning ascribed to it in the Plan

**"Person"** has the meaning ascribed to it in the Plan

**"Quebec Class Action"** means the action styled *Guining Liu v Sino-Forest Corporation, et al*, Province of Quebec Superior Court, File No. 200-06-000132-11

**"Securities"** means common shares, notes or other securities defined in the Securities Act, RSO 1990, c. S.5, as amended

**"Securities Claimants"** means all Person and entities, wherever they may reside, who acquired any Securities of Sino-Forest Corporation including Securities acquired in the primary, secondary, and over-the-counter markets.

**"Settlement Trust"** has the meaning ascribed to it in the Horsley Settlement

**"US Class Action"** means the action styled *David Leopard, et al v. Allen TY Chan, et al.*, United States New York Southern District Court, Case Number 1:12-cv-01726 (AT)

APPENDIX "B"  
MONITOR'S HORSLEY SETTLEMENT CERTIFICATE

Court File No.: CV-12-9667-00CL

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

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985,  
c. C-36, AS AMENDED, AND IN THE MATTER OF A PLAN OF COMPRISE OR  
ARRANGEMENT OF SINO-FOREST CORPORATION

Court File No.: CV-11-431153-00CP

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**

B E T W E E N:

THE TRUSTEES OF THE LABOURERS' PENSION FUND OF CENTRAL AND EASTERN  
CANADA, THE TRUSTEES OF THE INTERNATIONAL UNION OF OPERATING  
ENGINEERS LOCAL 793 PENSION PLAN FOR OPERATING ENGINEERS IN ONTARIO,  
SJUNDE AP-FONDEN, DAVID GRANT and ROBERT WONG

Plaintiffs

- and -

SINO-FOREST CORPORATION, ERNST & YOUNG LLP, BDO LIMITED (formerly known  
as BDO MCCABE LO LIMITED), ALLEN T.Y. CHAN, W. JUDSON MARTIN, KAI KIT  
POON, DAVID J. HORSLEY, WILLIAM E. ARDELL, JAMES P. BOWLAND, JAMES M.E.  
HYDE, EDMUND MAK, SIMON MURRAY, PETER WANG, GARRY J. WEST, PÖYRY  
(BEIJING) CONSULTING COMPANY LIMITED, CREDIT SUISSE SECURITIES  
(CANADA), INC., TD SECURITIES INC., DUNDEE SECURITIES CORPORATION, RBC  
DOMINION SECURITIES INC., SCOTIA CAPITAL INC., CIBC WORLD MARKETS INC.,  
MERRILL LYNCH CANADA INC., CANACCORD FINANCIAL LTD., MAISON  
PLACEMENTS CANADA INC., CREDIT SUISSE SECURITIES (USA) LLC and MERRILL  
LYNCH, PIERCE, FENNER & SMITH INCORPORATED (successor by merger to Banc of  
America Securities LLC)

Defendants

All capitalized, terms not otherwise defined herein shall have the meanings ascribed to them in the Order of the Court dated ■ (the "Horsley Settlement Approval Order") which, among other things, approved the Horsley Settlement and Horsley Release.

Pursuant to section 11.2 of the Plan and paragraph ■ of the Horsley Settlement Approval Order, FTI Consulting Canada Inc. (the "Monitor") in its capacity as Court-appointed Monitor of SFC delivers to Horsley this certificate and hereby certifies that:

1. Each of the parties to the Horsley Settlement has confirmed that all conditions precedent thereto have been satisfied or waived;
2. All settlement funds have been paid and received; and
3. Immediately upon the delivery of this Monitor's Horsley Settlement Certificate, the Horsley Release will be in full force and effect in accordance with the Plan.

DATED at Toronto this day of \_\_\_\_\_, 2014

**FTI CONSULTING CANADA INC.**, solely  
in its capacity as Monitor of Sino-Forest  
Corporation and not in its personal capacity

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Name: Title:

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED  
AND IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF SINO-FOREST  
CORPORATION

THE TRUSTEES OF THE LABOURERS' PENSION FUND OF SINO-FOREST CORPORATION, et al.  
CENTRAL AND EASTERN CANADA. et al.

Plaintiffs

Court File No: CV-12-9667-00CL

Defendants

Court File No. CV-11-431153-00CP

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

Proceeding commenced at Toronto

Proceeding under the *Class Proceedings Act, 1992*

**ORDER**

**KOSKIE MINSKY LLP**

900-20 Queen Street West, Box 52  
Toronto ON M5H 3R3

Kirk M. Baert (LSUC No. 309420)

Jonathan Ptak (LSUC No. 45773F)

Tel: 416-595-2117 / Fax: 416-204-2889

**SISKINDS LLP**

680 Waterloo Street, P.O. Box 2520  
London ON N6A 3V8

A. Dimitri Lascaris (LSUC No. 50074A)

Tel: 519-660-7844 / Fax: 519-660-7845

**PALIARE ROLAND ROSENBERG**

**ROTHSTEIN LLP**

250 University Avenue, Suite 501  
Toronto, ON M5H 3E5

Ken Rosenberg (LSUC No. 21102H)

Massimo Starnino (LSUC No. 41048G)

Tel: 416-646-4300 / Fax: 416-646-4301

Lawyers for the plaintiffs and CCAA  
Representative Counsel

**TAB B**

**THIS IS EXHIBIT "B" REFERRED TO IN THE**  
**AFFIDAVIT OF PAULA KARGAS**  
**SWORN BEFORE ME, THIS 6<sup>th</sup>**  
**DAY OF APRIL, 2015.**



---

**A COMMISSIONER FOR TAKING AFFIDAVITS**

**CHUBB INSURANCE COMPANY OF CANADA**  
**NON-PANEL COUNSEL LITIGATION MANAGEMENT GUIDELINES**

General

We expect that one lawyer will assume primary responsibility for the case. However, we do recognize that other individuals, such as lawyers of different levels of experience, paralegals and law clerks, may be better able to provide the necessary services in a more efficient and cost effective manner. We must agree on the involvement and hourly rates of these other service providers in advance of the delivery of your bills.

We must agree, in writing, to any increase in hourly rates prior to fees appearing on the bills at the new rate.

Copies of your bills should be rendered to us on a quarterly basis in accordance with the billing criteria set forth below. Included in the summary below is an indication of the information and reports we will require with respect to this matter. We would appreciate if you could provide the following information and/or documents as soon as possible:

1. Copies of the pleadings filed in the litigation, including Motions records;
2. Your estimate of expected defence costs for the life of the case;
3. Your analysis of the case, from the perspective of both liability and damages; and
4. A summary of the present status of the matter and anticipated next steps.

Billing Criteria

Fees and expenses should accurately reflect the cost of work necessary to defend or resolve the claim. Only those reasonable and necessary fees and expenses allocable to a covered loss will be considered for payment or used to satisfy any deductible provisions on an Insured's policy.

We reserve the right to review and audit all fees and disbursements submitted by defense counsel, including the right to examine counsel's files. We also reserve the right to examine and audit all charges paid by the Insured pursuant to a self-insured retention or deductible.

- 1) All charges for services by lawyers and paralegals must be billed at the actual time incurred and in .1 hour increments. The time for each activity must be separately stated. Grouping multiple activities under a single time charge is not acceptable.
- 2) We normally pay for only one lawyer to accomplish any single task. For example, we would not pay for two or more lawyers attending examinations or court hearings without prior approval. We will not pay for any lawyer re-doing the work of another lawyer nor for duplicated entries for reviewing and analyzing documentation and legal research. We will not pay for repeated file reviews
- 3) Conferencing among lawyers in the office is generally not compensable, unless the conference is a necessary strategy meeting relating to some significant legal event, such as an upcoming trial or examination. Subject to certain exceptions, such as internal expert consultants, only the senior lawyer's time will be compensable.
- 4) We encourage the use of paralegals. Assignment of work to paralegals should not result in duplicative work by lawyers. Paralegal time will be paid at reasonable and customary rates subject to the above. Routine administrative work does not qualify as billable activity, such as photocopying, filing, typing document retrieval etc.

- 5) We require you to obtain approval from us before extraordinary expenses may be incurred. These include such items as investigative services, litigation support services, rental or purchase of computers or other equipment, videotaping of examinations, retention of experts, extensive travel, etc. Copies of the invoices for such expenses should be attached to your firm's fee statement.
- 6) Prior consultation with the file handler is required before drafting or filing any Motions not in the original litigation plan.
- 7) General overhead and administrative costs are considered part of the hourly rate. Therefore we will not pay for such costs, including but not limited to word processing time, overtime and premium charges for billings for lawyers and support staff, review and preparation of firm invoices, or charges for use of in-house conference rooms. We will agree to pay the actual cost for the reasonable and necessary use of messenger or overnight delivery service and long distance telephone services.
- 8) We require detailed billing setting forth the work performed by each individual. All billing time must be in tenth of an hour increments. "Narrative" or "Block" billing is unacceptable. Conferences, via telephone or otherwise, should specify the participants and the subject matter discussed.
- 9) When travel is necessary, we request that you utilize cost-effective travel arrangements. We will not reimburse for first-class, business-class or similar travel. Travel time will not be paid unless agreed to in advance. Automobile travel will be reimbursed at the prevailing CCRA mileage rate. Meals are only reimbursable when travelling outside of the local area (50 km radius from office, 100 km roundtrip). Taxi fares and public transportation costs in the local area will not be reimbursed.
- 10) Legal research on non-coverage cases is to be avoided. Where necessary, it must be performed by the most junior individual as possible to achieve cost efficiency without compromising quality. A copy of the research memo must be provided to the file handler. No research in excess of .5 will be accepted on any cases without prior approval.
- 11) All external expenses must be itemized in full upon presentation of the appropriate receipts.
- 12) Repeated file reviews are not billable.
- 13) Internal photocopying expenses will be reimbursed at the actual cost to the firm, up to a maximum of \$0.15 per page.
- 14) Facsimile charges, with the exception of actually incurred long distance charges are considered part of the firm's overhead and will not be reimbursed.
- 15) Postage charges are considered part of the firm's overhead and are not reimbursable
- 16) Computer assisted research is not reimbursable, with the exception of the actual billable time of the individual performing the research.

#### Reporting Criteria

It is important to us that we be kept advised of the conduct of our Insured's defence. We would therefore ask that you provide us with periodic status reports to enable us to evaluate our Insured's potential exposure.

Among the reports which we would like to be provided are:

- 1) A realistic budget estimating total costs for the life of the case, outlining the tasks to be undertaken and associated costs. We would appreciate having this budget, to the extent possible, within 30 days of your receipt of this letter. If this is not possible, please let us know what information you would require in order to be able to prepare one, and when you expect to be in possession of that information. Budget estimates should be kept current, if developments during the conduct of the matter warrant a re-evaluation of your budget, we would ask that you so advise as soon as possible.
- 2) The initial and on-going strategy for defence or settlement, including factual analysis of the issues relating to liability and damages, and a description of planned activity, along with a timetable for its completion. These reports should be updated at least quarterly to keep them current. Any insight you can provide regarding the judge, opposing counsel, or jurisdiction would be appreciated.
- 3) Copies of any and all significant pleadings.
- 4) Summaries of Examinations for Discovery.



- 5) Consideration of Alternative Dispute Resolution (“ADR”) to expedite the resolution of claims. We ask that when appropriate your status reports include your assessment of whether/when this particular matter is suitable for ADR in light of the issues involved and developments in the case.
- 6) Significant court dates, such as Discoveries, Motions, settlement conferences, ADR, pre-trial conferences and trial dates.
- 7) All settlement demands and offers, to be forwarded immediately upon receipt.

**CHUBB & SON, a DIVISION of FEDERAL INSURANCE COMPANY**

**USA LITIGATION MANAGEMENT GUIDELINES**

## Chubb Litigation Management Guidelines

The following guidelines have been developed to establish the expectations of Chubb & Son, a division of Federal Insurance Company (hereinafter "Chubb"), with respect to reasonable defense costs (as defined in the policy) of defense counsel retained to defend our insureds. Our objective, which we believe is shared, is to provide an aggressive, efficient, quality defense of claims brought against our insureds. We expect, and the policy requires, full cooperation from defense counsel responsible for the litigation as well as from the insureds. We believe that the partnership developed through adherence to these guidelines will ensure that these mutual objectives are achieved.

Defense counsel fees and expenses should accurately reflect the cost of the work necessary to defend or to resolve the claim. Only those reasonable and necessary fees and expenses allocable to a covered loss will be considered for payment or used to satisfy any self-insured retention or deductible provisions of an insured's policy.

We reserve the right to review and to audit all fees and disbursements submitted by defense counsel. This review includes the right to examine and to audit the corresponding legal file documentation.

Fees, costs or disbursements not submitted in compliance with these guidelines will not be considered for payment.

Questions regarding these guidelines should be directed to the Chubb claim representative assigned to the claim.

### I. PREFACE

Chubb expects to work with defense counsel and the insured to achieve the best result for the insured. The defense should be conducted in an efficient and economical manner consistent with defense counsel's ethical obligations. Nothing contained herein is intended to restrict, nor shall Chubb restrict, defense counsel's exercise of professional judgment in rendering legal services on behalf of the insured or otherwise interfere with any ethical obligation governing the conduct of counsel.

### MEDIA COMMUNICATION POLICY

It is Chubb's general policy not to respond to any media inquiry involving our relationships with customers, claims or matters in litigation.

Limited exceptions to this policy may be granted on a case-by-case basis when it is in Chubb's and/or its insured's best interest to discuss such subjects with the media.

Outside legal counsel, claim representatives and others are not authorized to speak to the news media in connection with any Chubb-related business matter without prior approval from Chubb. Under no circumstance, however, should our policies inhibit counsel from making immediate statements to news media with the express advice and counsel of the insured that are believed to be in the best interest of the insured. In such situations, we

## Chubb Litigation Management Guidelines

request that defense counsel address the facts of the case and refrain from making comments regarding the insurance policy, Chubb and/or any of its subsidiaries and affiliates.

Chubb and any of its subsidiaries and affiliates should not be named in any journal article, firm newsletter, video, presentation or other type of communication of a professional, promotional or educational nature without Chubb's express written permission.

All media inquiries or requests for permission from Chubb should be communicated to the claim representative and will be referred to Chubb's Public Relations Manager.

### II. CASE DEVELOPMENT

An effective and strategically sound legal defense to the matter at issue is the responsibility of defense counsel, the insured and the Chubb claim representative. This defense should be developed in a timely manner.

- A. The activities necessary to defend a given claim and bring it to an appropriate resolution should be addressed early, and the steps necessary to achieve that resolution should be jointly agreed upon among defense counsel, the insured and the Chubb claim representative.
- B. Our mutual objective should be to identify those claims for which there is liability and to discuss settlement opportunities early in the life of the case. An early resolution of litigation is desirable and the use of appropriate forms of alternative dispute resolution (ADR) is strongly encouraged.
- C. As provided for in the policy, any authority for settlement must be obtained from the Chubb claim representative.

### III. CASE STAFFING PHILOSOPHY

The law firm will designate a senior attorney to have primary responsibility for each case on which legal services are requested. The case should be staffed effectively and economically. Pursuant to these guidelines, the designated senior attorney will be an attorney on staff in the law firm who has the requisite level of expertise to effectively manage the lawsuit. Depending upon the nature of the litigation, the senior attorney may be an associate, partner or senior partner. The assignment of the senior attorney to a matter should be agreed upon by the Chubb examiner. A balance must be struck between the efficiency a more experienced lawyer at the firm brings to a given task and the advantages of having the task performed by a junior lawyer or a paralegal. Duplication of effort within the firm is to be avoided. The assignment of multiple partners or associates on a case should not occur without discussion with the Chubb claim representative.

To achieve the best efficiency and value, the roles and responsibilities of the law firm staff members should be clearly defined and appropriate to each individual's qualifications, level of experience and billing rate. Defense counsel should delegate work to subordinates wherever possible to achieve efficiency and cost-effectiveness without compromising quality.

## Chubb Litigation Management Guidelines

Defense counsel will confer with the Chubb claim representative with respect to the roles and responsibilities of the proposed members of the defense team before that selection is finalized.

### IV. REPORTING REQUIREMENTS

#### A. REPORTS

It is Chubb's expectation that defense counsel will keep the claim representative and the insured apprised of all significant developments in the case. Unless otherwise requested, reporting is required for three key events during the life of a case: acknowledgment of case referral; initial evaluation; and significant case developments as outlined below. Chubb encourages and prefers the use of email as an alternative to the use of mail, fax or other delivery services. Overnight mail, couriers and other means of express mail delivery are to be avoided unless necessary and required.

##### 1. Acknowledgment of a New Case

Upon receipt of a new case, defense counsel should send an acknowledgment letter regarding receipt of the matter, confirm that the firm has no conflicts in defending the matter, advise of the initial legal staffing of the case, raise any issues of immediate concern and offer insight that may result in the opportunity for early resolution.

##### 2. Initial Evaluation

Unless otherwise agreed with the Chubb claim representative, defense counsel should provide in a timely manner (within 60 days of the assignment of the matter to counsel) an initial report to the Chubb claim representative, either orally or in writing as may be appropriate, that provides the following information:

- a. The factual basis for the litigation, a summary of the information developed during the preliminary investigation, a preliminary evaluation of liability and damages and a discussion of the legal issues presented.

A summary of the allegations in the complaint is not necessary unless requested by the Chubb claim representative.

- b. A Litigation Plan that will:
  - 1. Identify each significant activity counsel proposes to initiate (e.g., investigation, motions, discovery, legal research, etc.);
  - 2. Identify discovery and motions that have been, or are likely to be initiated by other parties;
  - 3. Estimate the completion date for each activity;

## Chubb Litigation Management Guidelines

4. If requested, prepare a budget that estimates the cost of each activity.
- c. Discussion of the potential for early disposition of the case by settlement and recommendations with respect to arbitration, mediation or direct settlement negotiations.
- d. Discussion of when motions to dismiss or motions for judgment are appropriate and the potential success of dispositive motions prior to, or after, the commencement of discovery. If this information is unknown at the time of this report, this discussion will be presented prior to the filing of any dispositive motion
- e. An estimate of the probable trial date.

### 3. Significant Developments

Defense counsel will communicate and apprise of significant developments as soon as practicable. Examples include: deposition reports, pre-trial reports, expert reports and if applicable:

- a. Settlement opportunities and/or dispositive motions.
- b. Updated evaluation of the insured's liability and damages.
- c. An updated Litigation Plan.
- d. Trial report: Unless otherwise agreed to with the Chubb claim representative, sixty days before the scheduled trial date, defense counsel will submit a report detailing the issues, evaluating the opposition, the witnesses and the judge, summarizing the evidence to be submitted and providing an analysis of same, along with any other information requested by the Chubb claim representative.

## B. DOCUMENTATION

The Chubb claim representative should be copied on research memoranda, legal briefs, expert reports, medical reports, dispositive motion papers, deposition reports and, if requested, deposition transcripts. Additionally, counsel will provide copies of all pleadings and amended pleadings filed by or against the party being defended. The prior approval of the Chubb claim representative is required prior to entering into any release. The Chubb claim representative should be copied on all orders from the court as well as the entry of stipulations, dismissals or final judgments or papers concerning any appeal.

Defense counsel should comply with requests from Chubb for information and documents, provided, however, that any documents and/or information that are privileged or intended by the insured to be confidential shall not be disclosed, absent consent from the insured.

## Chubb Litigation Management Guidelines

### C. CONSULTATION

After submission of the Initial Report, as provided above, defense counsel and the Chubb claim representative should discuss and endeavor to agree on the proposed activities outlined in the Litigation Plan.

### V. BILLING

#### A. BILLING PROCEDURES

##### 1. Frequency of Billing

Bills will be submitted quarterly, except in instances where the fees and expenses for the quarter are below \$500.00. In those instances, the billing should be held until the next quarterly billing for that file. The final bill should be processed immediately upon the conclusion of the case.

##### 2. Billing Format

- a. Firms participating in Chubb’s panel counsel program must submit bills electronically through the Legal Solutions Suite™ software and comply with Chubb’s electronic submission format.
- b. Firms outside of Chubb’s panel counsel program are required to submit bills electronically utilizing the Legal Solutions Suite™ software format, where possible. Otherwise, bills should be e-mailed to Chubb and formatted in one of the following:
  - Word
  - .tif file extension
  - .txt file extension

Bills submitted on paper will not be considered unless an exception has been granted in advance by the Chubb claim representative.

- c. Regardless of the format, the following information must be included in your billing statement:
  1. **Heading.** The bill heading must state (a) the firm’s tax identification number, (b) the caption of the case, (c) the name of the insured and (d) the claim number.
  2. **Body.** The bill must be prepared with daily entries showing: (a) the date the work was performed, (b) the initials of the person providing the

## Chubb Litigation Management Guidelines

service, (c) a description of the work performed (single activities) and (d) the actual time in tenths of an hour (.10).

3. **End of Bill Summary.** The bill must include: (a) the full name of each timekeeper, (b) the timekeeper category (i.e. partner, associate, paralegal), (c) the hourly rate of each timekeeper and (d) the total hours and total amount charged for each timekeeper during the billing period.
4. **Task Codes.** Entries will be coded with the Litigation Task Codes as endorsed by the American Bar Association.

### B. CHARGES FOR SERVICES

1. **Time Charges - Actual Time in One-Tenth Increments.** All charges for services by attorneys and paralegals must be itemized based upon their actual time in one-tenth hour increments (.10).
2. **Single Entry Timekeeping.** The time for each activity will be separately stated. Grouping multiple activities under a single time charge greater than one-tenth of an hour ("block billing") is not acceptable. However, multiple tasks that aggregate to less than six minutes should be billed as a single entry.
3. **Description of Services.** Descriptions of services must inform of the nature, purpose or subject of the work performed, and the specific activity or project to which it relates.
4. **Compensation.** Any request for an increase in the rate of compensation must be agreed to, in writing, by Chubb.
5. **In-Firm Conferences.** Unless otherwise agreed, only the senior attorney's time will be billable.
6. **Multiple Attendees.** Unless otherwise agreed, only one timekeeper will be reimbursed for attending trial, court appearances, meetings, depositions, witness interviews, inspections and other functions. Chubb does not expect to be billed for the training and development of less experienced personnel.
7. **Depositions.** Defense counsel should consult with the Chubb claim representative before initiating and attending depositions other than that of the plaintiff(s), the insured, and other depositions already agreed upon in the Litigation Plan.
8. **Legal Research.** Defense counsel should consult with the Chubb claim representative before undertaking any legal research. In conducting legal



### Chubb Litigation Management Guidelines

research, the law firm is expected to utilize all appropriate sources reasonably available, including previously prepared briefs and memoranda. Copies of all research memoranda should be provided to the Chubb claim representative.

- 9. **Motions.** Defense counsel should consult with the Chubb claim representative before undertaking any dispositive or significant motion not previously identified and approved in the initial Litigation Plan or supplement thereto.
- 10. **Revising Standardized Forms/Pleadings.** Only the actual time spent in personalizing standardized pleadings, documents, or discovery responses should be billed, rather than the time originally spent drafting such standard language.
- 11. **Clerical, secretarial or administrative activities.** Clerical, secretarial or administrative work is not billable to Chubb. Examples include, but are not limited to, receipt and distribution of mail, new file set up, maintenance of office and attorney calendars, transcription, copying, posting, faxing, e-mailing, service of documents, court docket searches, inserting documents into and retrieving documents from the file, maintaining order in the file, date stamping documents, tabbing sub-files, routine document management, Bates labeling, routine scheduling and routine document filing with the court.
- 12. **Travel time.** The actual time spent for travel to an activity related to the defense of a matter will be reimbursed so long as the time billed is not also billed to another file.
- 13. **Deposition Transcript Summary.** Deposition transcript summaries should not be prepared without prior consultation with the claim representative. Following every deposition, defense counsel should provide a brief summary of the witness' testimony to the claim representative.

### C. INTERNAL EXPENSES

Unless otherwise agreed, Chubb will reimburse counsel for internal expenses, as follows:

- 1. **Photocopying.** Chubb will reimburse in house photocopying costs at the actual cost to the firm. A rate of seven cents (\$0.07) per page will be applied in lieu of a representation by the firm of its actual costs. In calculating actual cost, secretarial time is not to be considered.  
  
Internal Color photocopying – Chubb will reimburse the firm its actual cost up to \$1.00 per page for internal color photocopying charges.

## Chubb Litigation Management Guidelines

2. **Postage.** Chubb will not reimburse for postage. Postage is considered firm overhead.
3. **Telephone.** Telephone charges including cell phone usage and long distance charges are considered part of the firm's overhead and will not be reimbursed.
4. **Facsimile Charges.** Facsimile charges are considered part of the firm's overhead and will not be reimbursed.
5. **Messenger/Courier/Delivery/Express/Overnight Mail Services.** The use of expedited delivery services is discouraged and will be reimbursed only if its use is necessary to the defense of the case.
6. **Computer Assisted Research.** Chubb will not pay for expenses associated with the use of Westlaw, Lexis, Dialog, Information/America and other computer research databases and Internet access charges. These charges are considered to be part of the firm's overhead.
7. **Overtime.** Chubb will not pay for overtime charges. These charges are considered part of the firm's overhead.
8. **Printing documents from CD Roms.** The firm will be reimbursed at the photocopy rate set forth above
9. **Court Reporters.** Chubb utilizes the services of a national court reporting service. Please consult with the Chubb examiner for procedures for retaining court reporter services.

### D. EXTERNAL & OTHER EXPENSES

#### 1. Travel Expenses.

- (a) **Local Travel.** Travel within a 75 mile (seventy-five) radius (150 miles round trip) of the firm's office is considered local travel and is not reimbursable - unless otherwise agreed upon by Chubb.
- (b) **Long Distance Travel.** Defense Counsel will consult with the claim representative if anticipated travel will involve an overnight stay.
- (c) **Automobile Travel.** For automobile travel, the date of travel, person engaging in the travel, destination, purpose of the travel, number of miles traveled, reimbursement per mile and the total cost must be indicated on the invoice. Chubb will pay the current IRS mileage rate for personal automobile travel.
- (d) **Air Travel.** Only economy or coach airfare rates will be reimbursed. Air travel arrangements should be made as early as possible to avoid unnecessary cost. Travel agent fees are considered firm overhead.
- (e) **Meal Expenses.** While engaged in long distance travel, defense counsel's meal expenses will be reimbursed at reasonable rates. When meals involving appropriate parties to the litigation are involved (clients, witnesses, etc.), counsel will, upon request, furnish the actual restaurant receipt in support of the charges.

## Chubb Litigation Management Guidelines

- (f) **Ground Transportation.** All modes of ground transportation will be by the most economical means available.
2. **Outside Vendor Expenses.** Charges for services by outside vendors may be forwarded directly to the Chubb claim representative for payment. If external expenses are paid by the firm, the firm will be reimbursed at its actual cost. These expenses must be itemized and include (a) the name of the vendor, (b) the date incurred and (c) a specific description of the expense. Back-up documentation will be provided to Chubb upon request.
3. **Professional Services.** Counsel will consult with the Chubb claim representative prior to incurring expenses for experts, consultants, investigators, temporary attorneys, outside paralegals, or other professional services.

## VI. BILLING AND FILE REVIEW

Chubb reserves the right to review all charges for services and disbursements pertaining to the litigation, including without limitation, all charges paid by or on behalf of the insured with respect to such litigation, including those charges pursuant to self-insured retentions or deductibles under the insured's insurance policies or otherwise.

Chubb reserves the right to conduct on-site audits and to review defense counsel's files and/or bills. Said on-site audits and reviews will be completed in a manner that will not compromise the attorney-client privilege or work product protection afforded to materials in the file or communications by and between defense counsel, the insured client and Chubb.

Defense counsel and the insured agree to comply with all reasonable requests for information and documents, provided that such documents or information are not privileged or intended by the insured to be confidential. In such instance, Chubb must obtain the consent of the insured.

Chubb fully reserves all rights to decline to pay or to seek reductions and/or reimbursement with respect to charges that fail to comply with the requirements set forth herein, and which are not fully explained or documented by defense counsel after reasonable inquiry.

**TAB C**

**THIS IS EXHIBIT "C" REFERRED TO IN THE  
AFFIDAVIT OF PAULA KARGAS  
SWORN BEFORE ME, THIS 6<sup>th</sup>  
DAY OF APRIL, 2015.**



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**A COMMISSIONER FOR TAKING AFFIDAVITS**

Sino Forest Expense Tracking Sheet Claim No: 259358

Firm	Invoice Number	Invoice Date	Currency	Invoice Amount	Audited Amount	Revised Audit	Amount in CAD	DATE CHQ ISSUED/WT SENT
	2053008	11-7-2013	USD	\$ 150,000.00	\$ 150,000.00		\$ 157,434.00	2013-12-09
	Various	Various	CAD	\$ 694.69	\$ 694.69		\$ 694.69	03/18/14
	1011979	12-17-2013	CAD	\$ 207,060.20	\$ 204,196.56		\$ 204,196.56	2014-03-27
	1011766	12-17-2013	CAD	\$ 169,926.75	\$ 159,284.41		\$ 159,284.41	2014-03-27
	2140001-04	1-22-2014	USD	\$ 787.50	\$ 787.50		\$ 865.73	2014-02-26
	2140001-06	4-21-2014	USD	\$ 2,305.86	\$ 2,305.86		\$ 2,528.10	2014-05-16
	24498	10-31-2013	CAD	\$ 11,898.45	\$ 11,898.45		\$ 11,898.45	2014-03-28
	24626	11-30-2013	CAD	\$ 11,898.45	\$ 11,898.45		\$ 11,898.45	2014-01-28
	24951	2-28-2014	CAD	\$ 11,898.45	\$ 11,898.45		\$ 11,898.45	2014-03-28
	24828	1-31-2014	CAD	\$ 11,898.45	\$ 11,898.45		\$ 11,898.45	2014-08-27
	25055	3-31-2014	CAD	\$ 11,898.45	\$ 11,898.45		\$ 11,898.45	2014-08-27
	25219	4-30-2014	CAD	\$ 11,898.45	\$ 11,898.45		\$ 11,898.45	2014-08-27
	25334	5-31-2014	CAD	\$ 11,898.45	\$ 11,898.45		\$ 11,898.45	2014-08-27
	25454	6-26-2014	CAD	\$ 11,898.45	\$ 11,898.45		\$ 11,898.45	2014-08-27
	26027	7-31-2014	CAD	\$ 11,898.45	\$ 11,898.45		\$ 11,898.45	2014-08-28
	26178	8-31-2014	CAD	\$ 12,124.45	\$ 12,124.45		\$ 12,124.45	2014-09-03
	1424521	11-13-2013	CAD	\$ 33,482.75	\$ 33,482.75		\$ 33,482.75	2014-02-20
	1434410	12-23-2013	CAD	\$ 40,292.41	\$ 40,292.41		\$ 40,292.41	2014-03-26
	1441499	1-31-2014	CAD	\$ 43,459.80	\$ 24,089.34		\$ 24,089.34	2014-05-14
	Rec 1441499	1-31-2014	CAD	\$ 43,459.80	\$ 17,797.50		\$ 17,797.50	2014-08-01
	1447270	2-27-2014	CAD	\$ 121,588.55	\$ 72,385.36		\$ 72,385.36	2014-07-17
	1459341	4-23-2014	CAD	\$ 42,193.06	\$ 29,586.01		\$ 29,586.01	2014-07-17
	1447270 & 1459341	5-28-2014	CAD	\$ 40,686.00	\$ 40,686.00		\$ 40,686.00	2014-09-17
	1460621	4-30-2014	CAD	\$ 17,203.69	\$ 17,203.69		\$ 17,203.69	2014-07-17
	1467480	5-30-2014	CAD	\$ 19,800.66	\$ 18,413.59		\$ 18,413.59	2014-07-29
	1474367	6-27-2014	CAD	\$ 19,538.91	\$ 17,420.16		\$ 17,420.16	2014-07-29
	total until May 31, 2014		CAD	\$ 13,694.68	\$ 13,694.68		\$ 13,694.68	2014-08-26
	Retainer	5-14-2014	CAD	\$ 25,000.00	\$ 25,000.00		\$ 25,000.00	05/16/14
	TR00138852	12-5-2013	CAD	\$ 14,831.25	\$ 14,831.25		\$ 14,831.25	2014-01-21
	TR00139817	12-16-2013	CAD	\$ 240,082.41	\$ 240,082.41		\$ 240,082.41	2/14/2014
	6000220	9-30-2013	CAD	\$ 528,188.49	\$ 527,455.52		\$ 527,455.52	2013-12-05
	6000243	11-22-2013	CAD	\$ 694,732.89	\$ 690,795.01		\$ 690,795.01	01/15/14
	6000257	12-30-2013	CAD	\$ 512,870.23	\$ 511,778.99		\$ 511,778.99	2014-03-24
	6000287	1-12-2014	CAD	\$ 325,819.74	\$ 316,665.05		\$ 316,665.05	05/16/14
	Rec 6000287	1-12-2014	CAD	\$ 325,819.74	\$ 9,079.88		\$ 9,079.88	2014-07-29
	Rec 6000287	1-12-2014	CAD	\$ 325,819.74	\$ 9,154.69		\$ 9,154.69	2014-09-04
	6000299	2-17-2014	CAD	\$ 344,124.51	\$ 291,233.67		\$ 291,233.67	05/16/14
	Rec 6000299	2-17-2014	CAD	\$ 344,124.51	\$ 28,306.28		\$ 28,306.28	2014-07-29
	Rec 6000299	2-17-2014	CAD	\$ 344,124.51	\$ 24,584.56		\$ 24,584.56	2014-09-04
	6000312	3-12-2014	CAD	\$ 344,068.90	\$ 279,000.39		\$ 279,000.39	05/16/14
	Rec 6000312	3-12-2014	CAD	\$ 344,068.90	\$ 65,068.51		\$ 65,068.51	2014-07-29
	Rec 6000312	3-12-2014	CAD	\$ 344,068.90	\$ 65,068.51		\$ 65,068.51	2014-09-04
	6000320	3-31-2014	CAD	\$ 415,205.48	\$ 320,876.19		\$ 320,876.19	05/16/14
	Rec 6000320	3-31-2014	CAD	\$ 415,205.48	\$ 94,329.29		\$ 94,329.29	2014-07-29

Rec 6000320	3-31-2014	CAD	\$ 415,205.48	\$ 94,329.29	\$ 94,329.29	\$ 94,329.29	2014-09-04
6000374	7-15-2014	CAD	\$ 742,736.69	\$ 734,653.57	\$ 734,653.57	\$ 734,653.57	2014-08-14
Rec 6000374	7-15-2014	CAD	\$ 742,736.69	\$ 8,083.12	\$ 8,083.12	\$ 8,083.12	2014-09-04
6000364	6-24-2014	CAD	\$ 1,047,940.55	\$ 1,046,345.89	\$ 1,046,345.89	\$ 1,046,345.89	2014-07-23
REC 6000364	6-24-2014	CAD	\$ 1,047,940.55	\$ 1,594.66	\$ 1,594.66	\$ 1,594.66	2014-09-04
6000353	6-4-2014	CAD	\$ 70,122.00	\$ 69,972.00	\$ 69,972.00	\$ 69,972.00	2014-07-04
Rec 600353	6-4-2014	CAD	\$	\$ 7,030.40	\$ 7,030.40	\$ 7,030.40	2014-09-17
Reconsideration of Various Invoices Audited by ACE		CAD	\$ 48,814.02	\$ 48,814.02	\$ 48,814.02	\$ 48,814.02	2014-03-18
Reconsideration of Various 2012 Invoices Audited by ACE							
2521376		CAD	\$ 352,732.89	\$ 352,732.89	\$ 352,732.89	\$ 352,732.89	03/18/14
2521384	10-17-2013	CAD	\$ 17,328.55	\$ 16,763.55	\$ 16,763.55	\$ 16,763.55	01/15/14
Rec 2521384		CAD	\$ 132,718.58	\$ 113,693.55	\$ 124,552.35	\$ 113,693.55	2014-01-15
2532123	11-14-2013	CAD	\$ 113,693.55	\$ 10,858.80	\$ 10,858.80	\$ 10,858.80	2014-05-20
Rec 2532123		CAD	\$ 21,934.91	\$ 16,963.90	\$ 21,767.67	\$ 16,963.90	2014-01-15
2532121	11-14-2013	CAD	\$ 19,693.90	\$ 4,803.77	\$ 4,803.77	\$ 4,803.77	2014-05-20
Rec 2532121		CAD	\$ 259,281.82	\$ 230,044.88	\$ 249,262.28	\$ 230,044.88	2014-01-15
2542088	12-9-2013	CAD	\$ 230,044.88	\$ 19,217.40	\$ 19,217.40	\$ 19,217.40	2014-05-20
2542150	12-9-2013	CAD	\$ 194,014.04	\$ 186,741.36	\$ 186,741.36	\$ 186,741.36	01/15/14
2542092	12-9-2013	CAD	\$ 13,013.08	\$ 13,013.08	\$ 13,013.08	\$ 13,013.08	2014-01-15
2558113	12-31-2013	CAD	\$ 18,814.22	\$ 17,602.86	\$ 17,602.86	\$ 17,602.86	2014-03-18
2558113	12-31-2013	CAD	\$ 115,115.34	\$ 112,455.88	\$ 112,455.88	\$ 11,455.88	2014-03-18
2558115	12-31-2013	CAD	\$ 115,115.34	\$ 112,455.88	\$ 112,455.88	\$ 101,000.00	2014-03-21
2558118	12-31-2013	CAD	\$ 28,006.55	\$ 27,491.27	\$ 27,491.27	\$ 27,491.27	2014-03-26
2565345	2-10-2014	CAD	\$ 171.76	\$ 171.76	\$ 171.76	\$ 171.76	2014-03-07
2565343	2-10-2014	CAD	\$ 199,891.07	\$ 137,372.12	\$ 137,372.12	\$ 137,372.12	2014-05-20
2565492	2-11-2014	CAD	\$ 67,292.83	\$ 38,108.32	\$ 38,108.32	\$ 38,108.32	2014-05-20
2589139	2-11-2014	CAD	\$ 298.89	\$ 171.76	\$ 171.76	\$ 171.76	2014-05-20
2589147	4-16-2014	CAD	\$ 19,747.77	\$ 11,307.42	\$ 11,307.42	\$ 11,307.42	2014-05-20
2599122	5-13-2014	CAD	\$ 238,241.80	\$ 154,592.27	\$ 154,592.27	\$ 154,592.27	2014-05-20
2610624	6-13-2014	CAD	\$ 30,871.83	\$ 15,067.08	\$ 15,067.08	\$ 15,067.08	2014-07-17
2610621	6-13-2014	CAD	\$ 86,680.99	\$ 56,603.00	\$ 56,603.00	\$ 56,603.00	2014-08-13
2622832 & part of 2622839	6-13-2014	CAD	\$ 10,236.67	\$ 9,988.07	\$ 9,988.07	\$ 9,988.67	07/17/14
2627366	7-25-2014	CAD	\$	\$ 6,257.57	\$ 6,257.57	\$ 6,257.57	2014-09-18
2614677, 2614745, 2615370, 2608636, 2608637	7-25-2014	CAD	\$ 2,821.90	\$ 2,821.90	\$ 2,821.90	\$ 2,821.90	2014-08-28
13790074	Various	CAD	\$ 284,144.57	\$ 284,144.57	\$ 284,144.57	\$ 284,144.57	2014-08-12
Conf No 13790074	2-21-2014	HK	\$ 15,120.00	\$ 15,120.00	\$ 15,120.00	\$ 2,181.81	2014-03-19
INV0094858	1-11-2013	HK	\$ 53,257.30	\$ 53,257.30	\$ 53,257.30	\$ 7,685.06	2014-03-19
INV0094857	1-11-2013	HK	\$ 119,070.80	\$ 119,070.80	\$ 119,070.80	\$ 16,550.84	2014-01-07
INV0094856	1-11-2013	HK	\$ 117,484.40	\$ 117,484.40	\$ 117,484.40	\$ 16,330.33	01/07/14
10398758; 10384711; 10387663; 10384710; 10398757	10/08/2013; 4/09/2013; 5/14/2013; 4/09/2013; 10/08/2013		\$	\$ 47,472.90	\$ 47,472.90	\$ 6,598.74	01/07/14
13798103	2-21-2014	USD	\$ 10,732.50	\$ 10,732.50	\$ 10,732.50	\$ 11,798.67	03/14/14
US14511	2-21-2014	USD	\$ 34,529.80	\$ 34,529.80	\$ 34,529.80	\$ 4,982.62	2014-03-19
		USD	\$ 86,899.40	\$ 86,899.40	\$ 86,899.40	\$ 95,531.99	2014-03-10

US15169	4-2-2014	USD	\$ 103,357.50	\$ 103,357.50	\$ 114,687.55	04/14/14
US103483	3-17-2014	USD	\$ 54,178.75	\$ 54,178.75	\$ 59,560.87	2014-02-26
US103483	3-17-2014	USD	\$ 54,178.75	\$ 54,178.75	\$ 60,117.82	2014-04-14
887038	2013-12-11	USD	\$ 35,677.50	\$ 35,677.50	\$ 39,221.70	2014-03-28
887038	2013-12-11	USD	\$ 35,677.50	\$ 35,677.50	\$ 37,963.36	2014-01-22
889342	1-30-2014	USD	\$ 6,683.84	\$ 6,478.00	\$ 7,121.52	2014-03-28
890961	2-26-2014	USD	\$ 5,145.60	\$ 5,146.60	\$ 5,656.76	2014-03-28
891649	3-10-2014	USD	\$ 30,640.12	\$ 30,474.60	\$ 33,501.95	2014-03-28
11597485	11-30-2013	CAD	\$ 24,621.23	\$ 24,621.23	\$ 24,621.23	2014-03-26
11606841	12-17-2013	CAD	\$ 15,042.36	\$ 3,197.17	\$ 3,197.17	2014-02-20
Rec 11606841		CAD	\$	\$ 11,836.52	\$ 11,836.32	2014-07-04
11618190	1-30-2014	CAD	\$ 1,079.88	\$ 1,079.88	\$ 1,079.88	2014-03-07
11627875	2-24-2014	CAD	\$ 5,649.21	\$ 5,649.21	\$ 5,649.21	2014-04-14
10401510	11-13-2013	CAD	\$ 3,591.25	\$ 3,378.75	\$ 3,378.75	05/20/14
10401511	11-13-2013	CAD	\$ 2,957.50	\$ 2,782.50	\$ 2,782.50	2014-05-20
10405711	1-23-2014	CAD	\$ 23,871.25	\$ 22,458.75	\$ 22,458.75	05/20/14
10407623	2-18-2014	CAD	\$ 31,761.26	\$ 29,042.83	\$ 29,042.83	05/20/14
10410109	3-20-2014	CAD	\$ 16,224.00	\$ 15,264.00	\$ 15,264.00	07/14/14
10413449	5-13-2014	CAD	\$ 10,900.50	\$ 10,255.50	\$ 10,255.50	07/14/14
Unknown	6-13-2014	USD	\$ 158,850.00	\$ 158,850.00	\$ 170,290.38	08/12/14
TR134145967	6-4-2014	CAD	\$ 5,410.44	\$ 5,410.44	\$ 5,410.44	2014-07-07
32400852	7-8-2013	HKD	\$ 181,150.10	\$ 165,353.40	\$ 23,083.00	07/14/14
33401188	9-17-2013	HKD	\$ 33,271.50	\$ 29,938.50	\$ 4,179.41	07/14/14
33401338	10-9-2013	HKD	\$ 19,420.06	\$ 16,690.06	\$ 2,329.93	07/14/14
120473496	3-14-2014	USD	\$ 25,000.00	\$ 25,000.00	\$ 27,483.50	03/21/14
7420	1-1-2014	CAD	\$ 21,074.50	\$ 21,074.50	\$ 2,388.21	2014-04-14
7507	1-31-2014	CAD	\$ 21,115.55	\$ 21,115.55	\$ 21,115.55	2014-04-14
7508	1-31-2014	CAD	\$ 67,407.88	\$ 67,309.63	\$ 67,309.63	2014-04-14
7162	9-30-2013	CAD	\$ 44,885.01	\$ 44,885.01	\$ 44,885.01	2013-11-15
7183	9-30-2013	CAD	\$ 160,260.96	\$ 160,225.82	\$ 160,225.82	11/15/13
7248	10-31-2013	CAD	\$ 18,701.29	\$ 18,665.13	\$ 18,665.13	12/17/13
7247	10-31-2013	CAD	\$ 304,504.27	\$ 298,997.32	\$ 298,997.32	12/17/13
Rec 7247		CAD	\$	\$ 5,288.40	\$ 5,288.40	05/16/14
7297	11-30-2013	CAD	\$ 23,364.00	\$ 23,364.00	\$ 23,364.00	05/16/14
7421	1-1-2014	CAD	\$ 261,472.61	\$ 261,472.61	\$ 261,472.61	05/16/14
7563	2-28-2014	CAD	\$ 20,206.77	\$ 20,206.77	\$ 20,206.77	05/16/14
7609	2-28-2014	CAD	\$ 119,949.08	\$ 119,895.29	\$ 119,895.29	05/16/14
7676	3-31-2014	CAD	\$ 116,603.22	\$ 116,564.02	\$ 116,564.02	05/16/14
7675	3-31-2014	CAD	\$ 28,368.52	\$ 24,620.63	\$ 24,620.63	05/16/14
Rec 7675	3-31-2014	CAD	\$	\$ 3,396.74	\$ 3,396.74	2014-09-17
7783	5-31-2014	CAD	\$ 12,723.80	\$ 12,723.80	\$ 12,723.80	2014-07-04
7063	8-31-2013	CAD	\$ 302,825.43	\$ 302,769.50	\$ 302,769.50	11/15/13
7733	4/1/2014-4/30/2014	CAD	\$ 13,401.58	\$ 13,401.58	\$ 13,401.58	2014-07-17
7835	6/02/2014-06-30/2014	CAD	\$ 9,315.72	\$ 9,315.72	\$ 9,315.72	2014-07-29
7849	6/02/2014-6/27/2014	CAD	\$ 18,729.52	\$ 18,729.52	\$ 18,729.52	2014-07-29
7883	07/02/2014-07-29-2014	CAD	\$ 39,548.76	\$ 39,548.76	\$ 39,548.76	2014-08-28
7881	07/02/2014-07/22/2014	CAD	\$ 5,248.85	\$ 5,248.85	\$ 5,248.85	2014-08-28
Rec 7881	07/02/2014-07/22/2014	CAD	\$	\$ 204.59	\$ 204.59	2014-09-17



	7881a	07/02/2014-07/31/2014	CAD	\$ 20,707.75	\$ 15,253.81	\$ 15,253.81	2014-08-28
	7800	5-31-2014	CAD	\$ 16,764.12	\$ 16,764.12	\$ 16,764.12	2014-07-04
	7064	8-31-2013	CAD	\$ 131,823.01	\$ 131,823.01	\$ 131,823.01	11/15/13
	7355	11-30-2013	CAD	\$ 430,147.42	\$ 411,446.13	\$ 430,147.42	WT 317,622.45 sent 01/14/14
	887038 Refunded 06/25/14					\$ (38,872.06)	
	Refunded 06/25/14					\$ (116,859.50)	
	Refunded 09/15/14					\$ (11,836.52)	
	Refunded 12/02/14					\$ (168,477.68)	
	Refunded 01/05/15					\$ (29,206.11)	
Total				\$ 17,571,618.71	\$ 11,961,964.92	\$ 11,033,296.59	

**Indemnity Payments**

NPT RicePoint	SINOH18082014	8-18-2014	CAD	\$ 29,216.43			2014-08-26
Koskie Minsky LLP, in trust	N/A	Paid, 8/27/2014	CAD	\$ 4,170,783.57			2014-08-27
Bennett Jones LLP, in trust	N/A	Paid, 8/27/2014	CAD	\$ 800,000.00			2014-08-27
			<b>Indemnity</b>	<b>\$ 5,000,000.00</b>			

**Total Paid: \$ 16,033,296.59**

**Total Overpayment: \$ 1,033,296.59**

Court File No. CV-12-9667-00CL  
**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, C. c-36, AS AMENDED**  
**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SINO-FOREST CORPORATION**

Court File No. CV-11-431153-00CP

**THE TRUSTEES OF THE LABOURER'S PENSION FUND OF**  
**CENTRAL AND EASTERN CANADA et al**  
Plaintiffs

v. **SINO-FOREST CORPORATION et al**  
Defendants

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

Proceeding commenced at Toronto

Proceeding under the *Class Proceedings Act*, 1992

**MOTION RECORD**  
**(Motion Returnable April 20, 2015)**

**CLYDE & CO CANADA LLP**

Lawyers / Avocats  
Suite 2500  
401 Bay Street  
Toronto, Ontario  
M5H 2Y4

**Mary Margaret Fox**  
(LSUC #20591V)

**Paul Emerson**  
(LSUC #45647R)

Telephone: (416) 366-4555  
Facsimile: (416) 366-6110

Lawyers for the Applicant,  
The Chubb Insurance Company of Canada