

**SUPERIOR COURT  
(Commercial Division)**

CANADA  
PROVINCE OF QUEBEC  
DISTRICT OF MONTRÉAL

NO: 500-11-042345-120

DATE: November 12, 2012

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**PRESIDING: THE HONOURABLE MARK SCHRAGER, J.S.C.**

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

**AVEOS FLEET PERFORMANCE INC. / AVEOS PERFORMANCE AÉRONAUTIQUE  
INC.**

and

**AERO TECHNICAL US, INC.**

Insolvent Debtors/Petitioners

and

**FTI CONSULTING CANADA INC.**

Monitor

and

**INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS  
(IAMAW),**

Respondent

and

**THE ATTORNEY GENERAL OF CANADA,**

Respondent

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**SECOND ORDER FOR DIRECTIONS AND AUTHORIZATIONS PERTAINING TO  
THE PAYMENT OF CERTAIN SUMS TO EMPLOYEES**

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[1] **ON READING** Petitioners' *Amended Second Motion for Directions and Authorizations Pertaining to the payment of Certain Sums to Employees* (the "**Motion**") pursuant to Sections 6(5), 11 and 36(7) of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "**CCAA**"), the affidavit of Jonathan Solursh filed in support thereof, the Seventeenth Report of the Monitor FTI Consulting Canada Inc., relying upon the submissions of counsel and being advised that the interested parties were given prior notice of the presentation of the Motion;

[2] **SEEING** the provisions of the CCAA;

**WHEREFORE, THE COURT:**

[3] **GRANTS** the *Amended Second Motion for directions and authorizations pertaining to the payment of certain sums to employees* (the "**Motion**");

[4] **DECLARES** that all capitalized terms not otherwise defined in the Motion shall have the meaning ascribed to them in the Initial Order dated March 19, 2012, as amended and restated, granted by the Honourable Mark Schragger, J.S.C., in the present matter;

[5] **DECLARES** that the time for service of the Motion is abridged to the time actually given and service of the Motion and supporting material is good, valid and sufficient, and the service thereof is hereby dispensed with;

[6] **ORDERS** the Petitioners to pay, on or before December 21, 2012, to their employees and former employees, all accrued and unpaid vacation pay, overtime wages and other priority amounts up to the amount of their remaining priority claim contemplated at sections 81.3 and 81.4 of the *Bankruptcy and Insolvency Act* (the "**BIA**") (but not exceeding \$2,000 less the amount received pursuant to the Order of this Court dated April 5, 2012), in the aggregate and total sum of approximately \$400,000 (the "**Remaining Priority Payments**"), and employer payroll contributions thereon estimated not to exceed \$41,000, which payments will be subject to the following terms, conditions and modalities;

[7] **ORDERS AND DECLARES** that the Petitioners shall be authorized to ascertain if an amount would be repayable under section 45 of the *Employment Insurance Act* if the Remaining Priority Payments were paid to an employee or former employee who is a claimant and, if so, to deduct the amount from the Remaining Priority Payments otherwise payable to the claimant under the preceding paragraph and remit it to the Receiver General as repayment of an overpayment of benefits;

[8] **ORDERS AND DECLARES** that the payments to be made to each employee and former employee of the Petitioners, to the extent of a maximum of \$2,000 each, shall be deemed to constitute the payment due and payable by the Petitioners or by any other Person legally bound to make such payments pursuant to subsection 6(5) and subsection 36(7) of the CCAA, and shall be deemed as a payment for the purposes of the priorities contemplated at section 81.3 and 81.4 of the BIA, such that no further priority claims can be asserted by employees and former employees against the Petitioners or any other Person

legally bound to make such payments and such that said priorities will be deemed to have been discharged in the event of a bankruptcy or receivership of the Petitioners, to the extent of the amount paid to each such employee;

- [9] **ORDERS AND DECLARES** that, in the event that employees and former employees or any other Person become entitled by subrogation to assert claims as a result of a receivership or bankruptcy of the Petitioners, they will not be entitled to any priority claims against the Property of the Petitioners save and except in the case of any employee or former employee who receives payment in an aggregate amount less than \$2,000;
- [10] **DECLARES** that notwithstanding: (i) these proceedings and any declaration of insolvency made herein, (ii) any petition for a receiving order filed pursuant to the BIA in respect of the Petitioners and any receiving order allowing such petition or any assignment in bankruptcy made or deemed to be made in respect of the Petitioners, (iii) any receivership of the Petitioners, and (iv) the provisions of any federal or provincial statute, the payments or disposition of Property made by the Petitioners pursuant to this order, do not and will not constitute settlements, fraudulent preferences, fraudulent conveyances or other challengeable or reviewable transactions or conduct meriting an oppression remedy under any applicable law;
- [11] **DECLARES** that payments to be made pursuant to this order shall be valid and enforceable and have full effect as to the priorities applicable as against all Property of the Petitioners and opposable to all Persons, including, without limitation, any trustee in bankruptcy, receiver, receiver and manager or interim receiver of the Petitioners and the Attorney General of Canada, for all purposes;
- [12] **AUTHORIZES** *de bene esse* Petitioners to pay the overtime wages in the aggregate amount of approximately \$3,500 for the last pay period to the seven former employees who had reached the maximum of 100 hours accumulated in their individual overtime bank;
- [13] **DECLARES** that, except as otherwise provided herein, the order rendered herein will not prejudice the rights, recourses and remedies of the employees and former employees against the Petitioners' former directors and any insurers;
- [14] **THE WHOLE WITHOUT COSTS** save and except in the event of a contestation, in which case, with costs against the contesting party.

  
MARK SCHRAGER, J.S.C.

Hearing date: November 12, 2012

**COPIE CONFORME**  
  
Julie Guss  
officier adjoint