

**CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL**

No: 500-11-048114-157

**SUPERIOR COURT
(Commercial Division)**

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

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

**BLOOM LAKE GENERAL PARTNER
LIMITED, QUINTO MINING CORPORATION,
8568391 CANADA LIMITED, CLIFFS QUEBEC
IRON MINING ULC, WABUSH IRON CO.
LIMITED, WABUSH RESOURCES INC.**

Petitioners

-and-

**THE BLOOM LAKE IRON ORE MINE
LIMITED PARTNERSHIP, BLOOM LAKE
RAILWAY COMPANY LIMITED,
WABUSH MINES, ARNAUD RAILWAY
COMPANY, WABUSH LAKE RAILWAY
COMPANY LIMITED**

Mises-en-cause

-and-

FTI CONSULTING CANADA INC.

Monitor

-and-

**MICHAEL KEEPER, TERENCE WATT,
DAMIEN LEBEL AND NEIL JOHNSON**

PETITIONERS-Mises-en-cause

-and-

**UNITED STEELWORKERS, LOCAL 6254,
UNITED STEELWORKERS, LOCAL 6285**

Mises-en-cause

-and-

**MORNEAU SHEPELL
Mise-en-cause**

**MOTION FOR AN ORDER FOR LEGAL COSTS OF SALARIED/NON-UNION
EMPLOYEES AND RETIREES**

(Sections 11 and 11.52 of the *Companies' Creditors Arrangement Act*)

TO THE HONOURABLE MR. JUSTICE STEPHEN W. HAMILTON, J.S.C., OR TO ONE OF THE HONOURABLE JUDGES SITTING IN THE COMMERCIAL DIVISION IN AND FOR THE JUDICIAL DISTRICT OF MONTRÉAL, THE PETITIONERS-MISES-EN-CAUSE RESPECTFULLY SUBMIT THE FOLLOWING:

INTRODUCTION

1. Pursuant to the Order of the Honourable Mr. Stephen W. Hamilton dated June 22, 2015 (the "**Representation Order**"), Michael Keeper, Terence Watt, Damien Lebel and Neil Johnson are the court-appointed representatives (the "**Representatives**") of all Salaried/Non-union employees and retirees of the Wabush CCAA Parties (the "**Salaried Members**") in the CCAA proceedings and Koskie Minsky LLP ("**KM**") and Nicholas Scheib are the Representative Counsel of the Salaried Members;
2. Through Representative Counsel, the Representatives hereby request that this Honourable Court exercise its discretion under section 11 of the *Companies' Creditors Arrangement Act*, R.S.C. c. C-36, (the "**CCAA**") to approve the future legal costs of the Representatives for the period from July 1, 2017 and on-going;

BACKGROUND

3. On May 20, 2015, Wabush Iron Co. Limited, Wabush Resources Inc., Wabush Mines, Arnaud Railway Company, and Wabush Lake Railway Company Limited (collectively, the "**Wabush CCAA Parties**") obtained protection from their creditors under the CCAA. FTI Consulting Inc. was appointed as Monitor;
4. On June 22, 2015, as part of the Representation Order, the legal costs of the Representatives incurred from the inception of these CCAA proceedings to June 22, 2015 were ordered to be paid by the Wabush CCAA Parties in an amount as set out in the June 22, 2015 Order;
5. On October 28, 2016, by Order of Mr. Justice Hamilton, the legal costs of the Representatives incurred prior to October 1, 2016 that were incurred in excess of the amount ordered in the June 22, 2015 Court Order, and the Representatives' legal costs for the period from October 1, 2016 until January 31, 2017, inclusive, were directed to be paid by the Wabush CCAA Parties;

THE ACTIVITIES OF THE REPRESENTATIVES AND REPRESENTATIVE COUNSEL

6. Since the appointment of Representatives and Representative Counsel, the Representatives and Representative Counsel have played a significant role in representing and advising the Salaried Members, including, but not limited to:
 - (a) the Wabush CCAA Parties have commenced a Sales and Investment Solicitation Process (“SISP”) to sell the assets of the Wabush CCAA Parties;
 - (b) the Wabush CCAA Parties have commenced a Claims Process; and
 - (c) the Newfoundland and Labrador Superintendent of Pensions appointed the actuarial consulting firm of Morneau Shepell to wind up the Wabush pension plans;
7. The SISP, Claims Process, and the pension wind up process are still ongoing;
8. There has not yet been any distributions to creditors;
9. The Representatives and Representative Counsel have been actively involved in the following:
 - (a) reviewing numerous motions and Monitor’s Reports, and advising the Representatives and individual employees and retirees on issues in the SISP;
 - (b) representing Salaried Members in the motion to the CCAA court, and on a motion for leave to appeal to the Québec Court of Appeal, opposing the termination of health and life insurance benefits by the company;
 - (c) preparing employee and retiree claims in respect of the total loss of their health benefits and life insurance, and the 25% reductions to their monthly pension benefits for submission in the claims process, including the assertion of deemed trust priorities for Salaried Plan beneficiaries pursuant to the Newfoundland and Labrador *Pension Benefits Act*, 1997, S.N.L. 1996, c. P-4.01;
 - (d) arranging and attending on-site meetings in Sept-Iles and Wabush in March, 2016 to give presentations to Salaried Members on the status of the CCAA proceedings, and answering questions about the terminated OPEBs, the pension plan wind up process and the CCAA process;
 - (e) preparing and conducting a webinar for those Salaried Members who were unable to attend the on-site meetings in Sept-Iles and Wabush due to the distances some members would have to travel to these towns, and posting the recording on the KM website;

- (f) in July 2016, attending second on-site meetings organized by Morneau Shepell at the request of the Representatives, in Sept-Iles and Wabush, to further explain the pension plan wind up process and the CCAA process; and
 - (g) dealing with a large number of salaried employee and retiree inquiries and questions with respect to claims calculations, the ongoing employment of the remaining active employees, and reporting to the employees and retirees on numerous individual issues relating to the CCAA proceedings;
10. In addition to continuing the above-described work, Representative Counsel has also undertaken the following on behalf of the Salaried Members over the period from October 1, 2016 to May 18, 2017, which work is on-going:
- (a) preparing the Salaried Members Claim for their terminated health benefits, life insurance benefits and supplemental pension benefits, which the actuary has calculated at approximately \$1,483,182.35 (subject to on-going negotiations with the Monitor);
 - (b) reviewing the wind-up report prepared by Morneau Shepell for the Wabush Mines Salaried Pension Plan setting out the wind-up deficiency and the amount owing to the Salaried Pension Plan by Wabush Mines of \$27,450,000;
 - (c) reviewing and addressing the Monitor's lengthy Motion for Directions regarding Pension Matters dated December 15, 2016 and its Amended Motion for Directions dated April 13, 2017 in which the Monitor seeks orders from the CCAA court that would render the bulk of the Salaried Members' pension deficit claims as unsecured claims, except for a *de minimus* amount as a deemed trust claim in relation to the amounts owing for unpaid current service costs and special payments as of the CCAA filing date, and including:
 - (i) legal research analyses of the issues presented by the Monitor, both as to the procedural elements and substantive positions;
 - (ii) discussions with the five other pension stakeholders, namely:
 - 1) Morneau Shepell;
 - 2) the Superintendent of Pensions of Newfoundland & Labrador;
 - 3) United Steelworkers International and Locals 6254 and 6285;
 - 4) Office of the Superintendent of Financial Institutions (OSFI); and
 - 5) Retraite Québec,in order to determine those parties' positions, the commonalities of interests, and the presentation of the pension parties' positions in an efficient and coordinated manner;
 - (iii) corresponding with the Monitor, its counsel, and counsel to the CCAA parties and other creditors' counsel to discuss the procedural framework to address and resolve the issues in the Monitor's motion;

- (iv) preparation of submissions to the CCAA Court as to the Salaried Members' positions on the jurisdictional issues raised in the Monitor's motion and the orders it seeks from the CCAA Court;
 - (v) preparation of submissions to the CCAA Court as to the Salaried Members' positions on the balance of the issues raised in the Monitor's motion and the orders it seeks from the CCAA Court;
- (d) conducting discussions with the Monitor and counsel to the Wabush CCAA Parties to work toward a consensual resolution of numerous potential claims of certain employees post-filing and certain active employees in respect of issues involving employer contributions to the Contributory Pension Plan for Salaried Members and the wind-up of that plan;
 - (e) discussions with lawyers to the Department of Justice of the Government of Newfoundland and Labrador regarding the status of the Government's Reference to the Newfoundland and Labrador Court of Appeal brought on March 27, 2017 and next steps regarding same;
 - (f) reviewing and responding to various motions;
 - (g) discussions with the Monitor and other stakeholders regarding issues in the CCAA proceedings; and
 - (h) participating in the proceedings throughout and case conference(s) with the CCAA court;
11. As a consequence of the on-going CCAA proceedings and its direct prejudicial impact on the Salaried Members' pensions and health and life insurance benefits, and the extension of the Stay Period to June 30, 2017 which is expected to be further extended to November 30, 2017, this motion seeks coverage for the future costs of the Salaried Members from July 1, 2017 to November 30, 2017;
12. The anticipated events that will require legal representation and advice for the Representatives and non-USW employees and retirees include, but is not limited to:
- (a) finalizing the actuarial methodology and the OPEB claim amounts for the claims process;
 - (b) finalizing issues with respect to severance and other claims of certain terminated employees;
 - (c) reviewing and advising with respect to the Monitor's Pension Motion (set for hearing on June 28 and 29, 2017) and the future decision of this Court;
 - (d) responding to individual employee and retiree inquiries regarding pensions and other CCAA-related matters;

- (e) reviewing and advising on a future Monitor's Report pertaining to related party transactions;
 - (f) reviewing and advising with respect to the MFC Royalty litigation;
 - (g) reviewing and advising on a future distribution motion(s); and
 - (h) reviewing and advising on all other applicable issues in the CCAA proceeding;
13. Accordingly, the Representatives request approval for the funding of their reasonable legal costs in the on-going CCAA proceedings from the Wabush CCAA Parties for the period from July 1, 2017 to November 30, 2017, in the amount of \$40,000 per month to a cap of \$200,000, which is the same amount as in the order issued on May 31, 2017;

The Reference by the Newfoundland and Labrador government in the Newfoundland Court of Appeal

14. On March 27, 2017, the Newfoundland government directed a Reference for interpretations of the Newfoundland and Labrador *Pension Benefits Act* to the Newfoundland Court of Appeal under section 13 of the Newfoundland *Judicature Act*, RSNL 1990 c. J-4 (the "**NL Reference**"). A copy of the Lieutenant-Governor in Council SPC2017-013 is attached hereto as **Exhibit P-1**;
15. The Monitor, the company, Newfoundland Superintendent of Pensions, Pension Plan Administrator, Town of Sept-Iles, the USW, and Representative Counsel are Interveners in the Reference. With the exception of the Representatives, all of the above Interveners appear to have resources for the funding of their legal costs with respect to the Reference.
16. In the Order of this Court dated May 31, 2017, this Court limited funding for the costs of the Representatives with respect to the NL Reference up to and including the case conference of June 9, 2017;
17. On June 9, 2017, the Newfoundland Court of Appeal held a case conference to address the scheduling of the Reference and other matters, including an application brought by the Monitor raising objections about certain aspects of the Reference. At the end of the full-day hearing on June 9, 2017 before a three-judge panel of the Newfoundland Court of Appeal, the Court issued a Ruling on Application for Directions and a revised a timetable for the filing of submissions and the perfection of the Reference. Attached hereto is **Exhibit P-2** is a copy of the Ruling on Application for Directions dated June 9, 2017;
18. The Representatives of the non-USW employees and retirees have requested that Representative Counsel participate in the NL Reference to protect and advance the interests and rights of the non-USW employees and retirees. Representative Counsel intends to apply for funding for the costs of the Representatives with respect to the NL Reference under section 18 of the Newfoundland *Judicature Act*. Accordingly, at this time, Representative Counsel does not seek as part of this motion funding for

representing the non-USW employees and retirees with respect to legal advice and representation relating to the NL Reference;

General

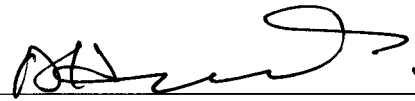
19. Representative Counsel has provided the Representatives with regular reporting and an understanding and opportunity to participate in the CCAA proceedings in an organized and efficient manner on behalf of the Salaried Members who require representation in an adversarial proceeding that directly affects their rights and retirement income on which they base their livelihoods. Representative Counsel has also ensured that the Representatives and Salaried Members' interests are represented, and have also responded, and continue to respond, to a large number of inquiries from individual employees and retirees on various issues that impact them in the CCAA proceedings;
20. The Representatives have reviewed these motion materials and they approve and support the relief sought herein;
21. The shutdown of Wabush Mines and the CCAA proceeding is a highly sensitive matter given the losses imposed on the Québec and Newfoundland employees and retirees and their families, and is regularly reported in the media;
22. Legal representation and funding for the Salaried Members' legal costs has ensured, and will continue to ensure, that the Salaried Members' rights and claims in respect of the amounts owing in respect of their registered pension plans and their OPEBs are protected and advanced throughout these adversarial proceedings, thereby helping to mitigate the on-going prejudicial effects of the CCAA proceedings on the Salaried Members;
23. Representative Counsel has also ensured the uniformity of claims submissions and has avoided to the extent possible a multiplicity of claims being submitted by numerous individuals. This will also ensure that the Salaried Members' submissions about their relative priority of such claims, vis-à-vis other creditors in these CCAA proceedings, continue to be put before the Court in a uniform, and cost-effective manner. Representative Counsel provides a single voice for Salaried Members in the CCAA proceedings, ensuring that an important and large creditor is effectively represented;
24. The Representatives and Representative Counsel have also worked closely with the other above-mentioned pension interests in order to develop consistent positions and to streamline the issues before this Court;
25. Consistent with the Representation Order and, in accordance with section 11.52 of the CCAA, it is respectfully submitted that the funding for the next tranche of legal costs of the Salaried Members for the period from July 1, 2017 to November 30, 2017 also be paid by the Wabush CCAA Parties upon the rendering of sufficiently detailed accounts (subject to reasonable redaction due to solicitor-client privilege) to the Wabush CCAA Parties, and subject to the invoices being approved by the Monitor;

FOR THESE REASONS THE PETITIONERS-MISES-EN-CAUSE ASK THAT THIS HONOURABLE COURT:

- [A] **GRANT** the present Motion;
- [B] **ISSUE** an Order in the form of the Draft Order communicated herewith as **Exhibit P-3**; and
- [C] **DECLARE** that service and notice of this motion was good and sufficient;

THE WHOLE without costs, save and except in case of contestation.

Toronto, June 16, 2017



Andrew J. Hatnay and Amy Tang
KOSKIE MINSKY LLP

Representative Counsel for the Petitioners-Mises-en-cause Michael Keeper, Terence Watt, Damien Lebel and Neil Johnson, the Representatives of the Salaried Members.

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
(Commercial Division)

No.: 500-11-048114-157

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

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

BLOOM LAKE GENERAL
PARTNER LIMITED, QUINTO MINING
CORPORATION, 8568391 CANADA LIMITED,
CLIFFS QUEBEC IRON MINING ULC,
WABUSH IRON CO. LIMITED, WABUSH
RESOURCES INC.

Petitioners

-and-

THE BLOOM LAKE IRON ORE
MINE LIMITED PARTNERSHIP,
BLOOM LAKE RAILWAY
COMPANY LIMITED, WABUSH MINES, -
ARNAUD RAILWAY COMPANY, WABUSH
LAKE RAILWAY COMPANY
LIMITED

Mises-en-cause

-and-

FTI CONSULTING CANADA INC.

Monitor

-and-

MICHAEL KEEPER, TERENCE WATT,
DAMIEN LEBEL AND NEIL JOHNSON
PETITIONERS-Mises-en-cause

-and-

UNITED STEELWORKERS, LOCAL 6254,
UNITED STEELWORKERS, LOCAL 6285
Mises-en-cause

-and-

MORNEAU SHEPELL
Mise-en-cause

AFFIDAVIT

I, the undersigned Barbara Walancik, resident for the purposes hereof at 20 Queen Street West, Suite 900, in the City of Toronto, Province of Ontario, M5H 3R3, hereby solemnly declare and make oath and say the following:

1. I am an associate lawyer with the firm of Koskie Minsky LLP. I work with Andrew J. Hatnay, a partner of the firm. Koskie Minsky LLP, is the court-appointed Representative Counsel to all the non-union employees and retirees of the Wabush CCAA Parties;
2. All of the facts alleged in the present *Motion for an Order for Legal Costs of Salaried/Non-Union Employees and Retirees* are true.

SWORN BEFORE ME at Toronto,
in the Province of Ontario, on June
16, 2017.



A Commissioner Oaths/Justice of the
Peace Philip Graham



BARBARA WALANCIK

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
(Commercial Division)

No.: 500-11-048114-157

IN THE MATTER OF THE *COMPANIES'*
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LIMITED

Mises-en-cause

-and-

FTI CONSULTING CANADA INC.

Monitor

-and-

MICHAEL KEEPER, TERENCE WATT,
DAMIEN LEBEL AND NEIL JOHNSON
PETITIONERS-Mises-en-cause

-and-

UNITED STEELWORKERS, LOCAL 6254,
UNITED STEELWORKERS, LOCAL 6285
Mises-en-cause

-and-

MORNEAU SHEPELL
Mise-en-cause

NOTICE OF PRESENTATION

in support of Petitioners-Mise-en-causes' Motion for an Order for Legal Costs of Salaried/Non-Union Employees and Retirees

TO: **Me Bernard Boucher** (bernard.boucher@blakes.com)
Me Sébastien Guy (sebastien.guy@blakes.com)
BLAKE, CASSELS & GRAYDON LLP
600 de Maisonneuve West, Suite 2200
Montreal, Quebec H3A 3J2
Counsel for the Petitioners and the Mises-en-cause (i.e., Wabush CCAA Parties)

AND TO: **Me Sylvain Rigaud** (sylvain.rigaud@nortonrosefulbright.com)
NORTON ROSE FULBRIGHT CANADA LLP
1 Place Ville Marie, Suite #2500
Montreal, Quebec H3B 1R1
Counsel for the Monitor

AND TO: SERVICE LIST

TAKE NOTICE that the present *Motion for an Order for Legal Costs of Salaried/Non-Union Employees and Retirees* will be presented for adjudication before The Honourable Mr. Justice Stephen W. Hamilton, J.S.C., or another of the Honourable Justices of the Superior Court, Commercial Division, sitting in and for the district of Montreal, at the Montreal Courthouse located at 1 Notre-Dame Street East, Montreal, Québec, June 26, 2017 at a room and at a time to be determined.

GOVERN YOURSELF ACCORDINGLY.

TORONTO, June 16, 2017



KOSKIE MINSKY LLP

Attorneys for the Petitioners-Mises-en-cause Michael Keeper, Terence Watt, Damien Lebel and Neil Johnson

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
(Commercial Division)

No.: 500-11-048114-157

IN THE MATTER OF THE *COMPANIES'*
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BLOOM LAKE RAILWAY
COMPANY LIMITED, WABUSH MINES, -
ARNAUD RAILWAY COMPANY, WABUSH
LAKE RAILWAY COMPANY
LIMITED

Mises-en-cause

-and-

FTI CONSULTING CANADA INC.

Monitor

-and-

MICHAEL KEEPER, TERENCE WATT,
DAMIEN LEBEL AND NEIL JOHNSON
PETITIONERS-Mises-en-cause

-and-

UNITED STEELWORKERS, LOCAL 6254,
UNITED STEELWORKERS, LOCAL 6285
Mises-en-cause

-and-

MORNEAU SHEPELL
Mise-en-cause

LIST OF EXHIBITS

(In support of the *Motion for an Order for Future Legal Costs of Salaried/Non-Union Employees and Retirees*)

Exhibit P-1	Certified true copy of a Minute of a Meeting of the Executive Council of Newfoundland and Labrador approved by his Honour the Lieutenant-Governor dated March 3, 2017
Exhibit P-2	Ruling on Application for Directions of the Newfoundland Court of Appeal dated June 9, 2017
Exhibit P-3	Draft <i>Order for Legal Costs of Salaried/Non-Union Employees and Retirees</i> , with Schedule A

TORONTO, June 16, 2017



KOSKIE MINSKY LLP

Attorneys for the Petitioners-Mises-en-cause Michael Keeper, Terence Watt, Damien Lebel and Neil Johnson

Exhibit P-1

Executive
Council



Newfoundland
and Labrador

*Certified to be a true copy of a Minute of a Meeting
of the Committee of the Executive Council of Newfoundland and
Labrador approved by His Honour the Lieutenant-Governor on*

2017/03/27

OC2017-103

JPS/DM
Asst Sec/SPC
SNL/DM
FIN/DM
TB/Secretary
AG
Deputy Clerk
File

MC2017-0088. JPS2017-006. SPC2017-013.

Under the authority of section 13 of the *Judicature Act*, the Lieutenant-Governor in Council hereby refers the following to the Newfoundland and Labrador Court of Appeal:

In *Arrangement relatif à Bloom Lake*, 2017 QCCS 284 (CanLII), the Quebec Superior Court stated at paragraph 89: "If the Government of Newfoundland and Labrador wishes to obtain a judgment from the courts of the province on the interpretation of the *Pension Benefits Act, 1997*, SNL1996 cP-4.01, it can refer a matter to the Court of Appeal of Newfoundland and Labrador". In that context, the following questions stated at paragraph 25 of that decision are referred:

- 1) The Supreme Court of Canada has confirmed in *Sun Indalex Finance, LLC v. United Steelworkers*, 2013 SCC 6, that, subject only to the doctrine of paramountcy, provincial laws apply in proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c.C-36. What is the scope of section 32 of the *Pension Benefits Act, 1997*, SNL1996 cP-4.01 deemed trusts in respect of:
 - a) unpaid current service costs;
 - b) unpaid special payments; and
 - c) unpaid wind-up deficits?
- 2) The Salaried Plan is registered in Newfoundland and Labrador and regulated by the *Pension Benefits Act, 1997*.
 - a) (i) Does the federal *Pension Benefits Standards Act*, R.S.C. 1985, c-32 deemed trust also apply to those members of the Salaried Plan who worked on the

Executive
Council



Newfoundland
and Labrador

*Certified to be a true copy of a Minute of a Meeting
of the Committee of the Executive Council of Newfoundland and
Labrador approved by His Honour the Lieutenant-Governor on*

2017/03/27

- railway (i.e., a federal undertaking)?
- (ii) If yes, is there a conflict with the *Pension Benefits Act, 1997* and *Pension Benefits Standards Act*? If so, how is the conflict resolved?
- b) (i) Does the *Quebec Supplemental Pension Plans Act, CQLR, c. R-15.1* also apply to those members of the Salaried Plan who reported for work in Quebec?
- (ii) If yes, is there a conflict with the *Pension Benefits Act, 1997* and the *Quebec Supplemental Pension Plans Act*. If so, how is the conflict resolved?
- (iii) Do the *Quebec Supplemental Pension Plans Act* deemed trusts also apply to Quebec Salaried Plan members?
- 3) Is the *Pension Benefits Act, 1997* lien and charge in favour of the pension plan administrator in section 32(4) of the *Pension Benefits Act, 1997* a valid secured claim in favour of the plan administrator? If yes, what amounts does this secured claim encompass?

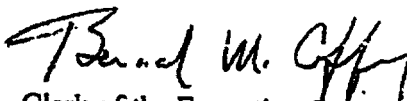

Clerk of the Executive Council

Exhibit P-2



File No. 2017 01H 0029

**IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
COURT OF APPEAL**

IN THE MATTER OF Section 13 of
Part 1 of the *Judicature Act*, RSNL
1990, c. J.-4

AND

IN THE MATTER OF Section 32 of
the *Pension Benefits Act*, 1997, SNL
1996, c. P-4.01

AND

IN THE MATTER OF a Reference
of The Lieutenant-Governor in
Council to the Court of Appeal for its
hearing, consideration and opinion on
the interpretation of the scope of s. 32
of the *Pension Benefits Act*, 1997

**RULING ON APPLICATION FOR DIRECTIONS
JUNE 9, 2017**

A handwritten signature in black ink, appearing to be 'JLB', with a checkmark below it.

Filed	June 13/17	JB
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By the Court:

[1] Having heard the submissions of counsel, we are satisfied that the questions set out in the reference put by the Lieutenant-Governor in Council in Order-in-Council 2017-103, should be considered at the hearing in the language stipulated in the Order-in-Council. Whilst we are mindful of the importance of promoting judicial efficiency, we do not consider ourselves to be in a position today to determine the extent to which, if at all, we should decline to answer one or more of the questions posed or to interpret their scope.

[2] That said, we are cognizant of the concerns of some of the participants that the questions may invite the Court to opine in such a way as to impact the decisions of the Quebec CCAA Court that will determine the rights of the parties. Generally speaking, we subscribe to the view that questions posed on a reference should be treated as raising hypothetical questions and not directed at determining parties' rights.

[3] As recognized in case law, a reference is an advisory opinion provided by the Court at the request of the Lieutenant-Governor in Council. The CCAA Court in determining the matter before it may or may not advert to or apply the opinion provided by this Court. That said, the context of a reference is important. Accordingly, hypotheticals are useful to provide a context within which the questions can be considered. The record on the reference, therefore, should be limited to providing that context.

[4] The parties may, of course, make submissions as to whether the Court should decline to answer a question or part thereof, or narrow the scope of a question as part of the submissions made for purposes of the reference hearing.

**COURT
OFFICER**

REGISTRAR

AMENDED TIMETABLE FOR PERFECTION OF REFERENCE

(as of June 9, 2017)

EVENT	DEADLINE
Filing of Record	June 30, 2017
Notice of Constitutional Questions by any participant to be filed and delivered	June 30, 2017
Superintendent of Pensions of Newfoundland and Labrador to file Factum	July 26, 2017
Representative of Salaried Employees and Retirees of Wabush CCAA Parties (Koskie Minsky LLP) to file Factum	August 2, 2017
Attorney General of Canada, Attorney General of Quebec and other Intervenors to file Factums	August 23, 2017
Attorney General of Newfoundland and Labrador to file reply Factum, if any	September 8, 2017
Hearing of Reference	September 21-22, 2017

Exhibit P-3

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
(Commercial Division)

File: No: 500-11-048114-157

Montreal, June __, 2017

Presiding: The Honourable Mr. Justice Stephen W.
Hamilton, J.S.C.

**IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT, R.S.C.
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Petitioners

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MINES, ARNAUD RAILWAY COMPANY, WABUSH
LAKE RAILWAY COMPANY LIMITED**

Mises-en-cause

-and-

FTI CONSULTING CANADA INC.

Monitor

-and-

**MICHAEL KEEPER, TERENCE WATT,
DAMIEN LEBEL, and NEIL JOHNSON**

Petitioners-Mises-en-cause

-and-

**UNITED STEELWORKERS, LOCAL 6254,
UNITED STEELWORKERS, LOCAL 6285**

Mises-en-cause

-and-

MORNEAU SHEPELL
Mise-en-cause

**ORDER FOR FUTURE LEGAL COSTS OF SALARIED/NON-UNION EMPLOYEES
AND RETIREES**

1. **THE COURT**, upon reading the Petitioners'-Mises-en-cause *Motion for an Order for Future Legal Costs of Salaried/Non-union Employees and Retirees* dated June 16, 2017 and having examined the affidavit of Barbara Walancik affirmed June 16, 2017;
2. **CONSIDERING** the submissions of counsel for the Petitioners-Mises-en-cause, the submissions of counsel for the Wabush CCAA Parties, the submissions of counsel for the Monitor, and of such other counsel as were present;
3. **GIVEN** the Monitor's 7th Report and the recommendations contained therein concerning the appointment of the Representatives and Representative Counsel for the Salaried Members, as defined below;
4. **GIVEN** the Order of this Court dated June 22, 2015 approving the appointment of the Representatives and Representative Counsel for the Salaried Members;
5. **GIVEN** the *Order for Legal Costs of Salaried/Non-union Employees and Retirees* dated October 28, 2016;
6. **GIVEN** the *Order for Legal Costs of Salaried/Non-union Employees and Retirees* dated May 31, 2016; and
7. **GIVEN** the provisions of the *Companies' Creditors Arrangement Act*;

FOR THESE REASONS, THE COURT HEREBY:

8. **GRANTS** the motion of the Petitioners-Mises-en-cause (the "**Representatives**") of all salaried/non-Union employees and retirees of the Wabush CCAA Parties (namely, Wabush Iron Co. Limited, Wabush Resources Inc., Wabush Mines, Arnaud Railway company and Wabush Lake Railway Company Limited) or any person claiming an

interest under or on behalf of such employees or former employees or pensioners and surviving spouses, or group or class of them (collectively, the “**Salaried Members**”), in these CCAA proceedings, for the legal costs of the Salaried Members;

9. **ORDERS** that the legal fees, taxes and disbursements by the Representatives and by Representative Counsel for the period from July 1, 2017 to November 30, 2017 inclusive in the CCAA proceedings, shall be paid by the Wabush CCAA Parties, up to an amount of \$40,000 (CDN) per month in legal fees subject to a total cap of \$200,000 (CDN), however, such amounts shall not be in respect of the Newfoundland Reference, subject to further order of the court. Any amount that is remaining in the cap in a given month can be carried forward to be applied to increase the cap in a future month, or can be applied toward the legal fees incurred in a past month(s) that exceeded the cap in such past month(s) which has not been paid. In each case, the Representatives and Representative Counsel shall render sufficiently detailed accounts (subject to reasonable redaction due to solicitor-client privilege) to the Wabush CCAA Parties and subject to the invoices being approved by the Monitor. Notwithstanding any other provision of this Order, the Wabush CCAA Parties shall not pay any legal fees, taxes or disbursements of the Representatives and Representative Counsel in respect of any litigation that may be brought or supported by the Representatives or Representative Counsel against the directors of the Wabush CCAA parties in their personal capacity;
10. **DIRECTS** that any disagreement regarding the legal fees, taxes and disbursements of the Representatives and Representative Counsel may be remitted to this Court for determination;
11. **AUTHORIZES** the Representatives and Representative Counsel to take all steps and to perform all acts necessary or desirable to carry out the terms of this Order, including dealing with any Court, regulatory body and other government ministry, department or agency, and to take all such steps as are necessary or incidental thereto;
12. **DECLARES** that service and notice of this motion was good and sufficient and hereby dispenses with further service thereof;

13. **WITHOUT COSTS.**

June _____, 2017

STEPHEN W. HAMILTON, J.S.C.

KM-2834689v2

N° / No.: 500-11-048114-157

SUPERIOR COURT
(COMMERCIAL DIVISION)

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF:
BLOOM LAKE GENERAL PARTNER LIMITED, QUINTO MINING CORPORATION, 8568391 CANADA LIMITED, CLIFFS QUÉBEC
IRON MINING ULC, WABUSH IRON CO. LIMITED, WABUSH RESOURCES INC.,

Petitioners

- and -
THE BLOOM LAKE IRON ORE MINE LIMITED PARTNERSHIP, BLOOM LAKE RAILWAY COMPANY LIMITED, WABUSH MINES,
ARNAUD RAILWAY COMPANY, WABUSH LAKE RAILWAY COMPANY LIMITED

Mises-en-cause

- and -
FTI CONSULTING CANADA INC.

Monitor

- and -
MICHAEL KEEPER, TERENCE WATT, DAMIEN LEBEL & NEIL JOHNSON

PETITIONERS-Mises-en-cause

- and -
UNITED STEELWORKERS, LOCAL 6254, UNITED STEELWORKERS, LOCAL 6285

Mises-en-cause

- and -
MORNEAU SHEPELL

Mise-en-cause

*“Motion for an Order for Legal Costs of Salaried/Non-Union Employees and Retirees”, Affidavit, Notice of Presentation,
List of Exhibits, Exhibit P-1, P-2, P-3*

ANDREW HATNAY AND BARBARA WALANCIK

Attorneys for the Petitioners-Mises-en-cause Michael Keeper, Terence Watt, Damien Lebel and Neil Johnson

AS-0G41

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