

Court File No. CV-09-8241-00CL

**FRASER PAPERS INC./PAPIERS FRASER INC. and
FPS CANADA INC.**

MONITOR'S TWENTIETH REPORT

August 11, 2011



**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 WITH
RESPECT TO FRASER PAPERS INC./PAPIERS FRASER INC. AND FPS CANADA INC.

Applicants

**TWENTIETH REPORT
SUBMITTED BY PRICEWATERHOUSECOOPERS INC.
IN ITS CAPACITY AS FORMER MONITOR OF THE APPLICANTS**

INTRODUCTION

1. In accordance with the Applicants' Amended Consolidated Plan of Compromise and Arrangement dated January 27, 2011 (as amended, the "**Plan**"), the Sanction Order dated February 10, 2011 (the "**Sanction Order**") and an Order of the Court dated May 20, 2011 (the "**Dissolution Order**"), the Final Determination Date occurred on June 22, 2011, the Applicants' CCAA Proceedings have been terminated and the remaining Applicants, namely Fraser Papers Inc./Papiers Fraser Inc. ("**FPI**") and FPS Canada Inc. ("**FPS**"), have been dissolved.
2. The purpose of this, the Monitor's Twentieth Report, is to provide stakeholders with information on the following matters:
 - a. the Applicants' activities prior to the Final Determination Date;
 - b. the completion of the claims process;

- c. the Applicants' actual receipts and disbursements and variance analysis for the period from April 11 to June 22, 2011;
 - d. the finalized Distribution Pool and distribution to Affected Creditors;
 - e. the remaining assets to be realized;
 - f. the termination of the CCAA Proceedings and dissolution of FPI and FPS; and
 - g. the termination of the Chapter 15 Proceedings.
3. Unless otherwise stated, all monetary amounts contained herein are expressed in U.S. Dollars.
4. Capitalized terms used herein and not otherwise defined herein are as defined in the Plan, the Sanction Order, the Affidavit of Glen McMillan sworn May 13, 2011 (the "**McMillan May Affidavit**") and the Monitor's prior reports, as applicable. This report should be read in conjunction with the McMillan May Affidavit as certain information contained therein has not been reproduced in this report to avoid duplication.
5. The Monitor has based this report, in part, on information it has obtained from the Applicants, but has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of such information and, accordingly, the Monitor expresses no opinion or other form of assurance in respect of such information contained in this report.
- A. THE APPLICANTS' ACTIVITIES PRIOR TO THE FINAL DETERMINATION DATE**
6. Since April 20, 2011, the Applicants have continued the wind down of their activities in anticipation of the termination of the CCAA Proceedings.

Termination of the Benefit Plans

7. Pursuant to an Order of the Court dated April 20, 2011 authorizing and directing him to do so, Mr. Glen McMillan, Chief Restructuring Officer (“**Mr. McMillan**” or the “**CRO**”) of the Applicants executed resolutions to terminate the following remaining Benefit Plans:
 - a. the Fraser Papers Inc. Defined Contribution Pension Plan (the “**DC Plan**”);
 - b. the Fraser Papers Inc. Supplemental Employee Retirement Plan;
 - c. the Fraser Papers Inc. Deferred Stock Unit Plan for Non-Employee Directors;
 - d. the Fraser Papers Inc. Stock Option Plan;
 - e. the Fraser Papers Inc. Management Deferred Share Unit Plan; and
 - f. the FPS Health and Welfare Plan and the FPS Health and Welfare Trust.
8. Subsequent to the execution of the resolution terminating the DC Plan, the Applicants’ have filed the necessary documents with each of the New Brunswick Superintendent of Pensions and the Canada Revenue Agency (“CRA”) for approval.

Resignation of CRO and Expanded Role of the Monitor

9. The Plan was approved by the Applicants’ creditors on February 8, 2011 and sanctioned by the Court on February 10, 2011. The Plan became effective on February 15, 2011 (the “**Plan Implementation Date**”). As of the Plan Implementation Date, FPI and FPS were the only remaining Applicants in the CCAA Proceedings. The other corporate entities had been sold.

10. Pursuant to the Sanction Order, all of the directors of FPI and FPS resigned effective on the Plan Implementation Date, which left Mr. McMillan as the only remaining officer of FPI and FPS and the last remaining employee of FPI.
11. In May 2011, Mr. McMillan advised the Monitor that he would resign as CRO of the Applicants effective June 3, 2011. As the only remaining employee continuing to accrue benefits in the DC Plan, Mr. McMillan's resignation would allow for the termination of the DC Plan.
12. Pursuant to the Dissolution Order and with the Monitor's consent, the Monitor was granted authority to undertake and complete the administrative functions and activities of the Applicants it deemed necessary to complete the CCAA Proceedings, including becoming the sole signing authority on behalf of the Applicants from the date of Mr. McMillan's resignation as the CRO.
13. Mr. McMillan resigned effective June 3, 2011 and all remaining funds held by the Applicants were transferred to the Monitor. The Monitor has made a number of disbursements from these funds since then, principally related to paying administrative costs and professional fees in respect of the CCAA Proceedings.

B. COMPLETION OF CLAIMS PROCESS

14. At the date of the Monitor's Nineteenth Report, approximately \$29.5 million in disputed creditor claims were unresolved. In addition, the proofs of claim in respect of the Quebec pension plans remained unresolved as the plan administrators of the Quebec Hourly and Quebec Salaried Pension Plans had not filed their final proofs of claim in respect of their pension claims under these plans. These Unresolved Claims have all now been resolved as follows:

- a. **Disputed Claims** – disputed claims that were filed by MGP Papier, the SCEP and CEP in the total amount of approximately \$29.5 million were settled in the total amount of approximately \$9.8 million; and
 - b. **Quebec Pension Plan** - the plan administrators under the Quebec Hourly and Quebec Salaried Pension Plans filed final proofs of claim in respect of their pension claims under these plans in the amounts of \$24.6 million and \$17.3 million, respectively, which were accepted by the Applicants and the Monitor.
15. The dissolution of FPI on June 22, 2011 (as set out in more detail below) and the filing of FPI's terminal corporate tax return resulted in a pre-filing tax liability in the amount of \$527,000 owing to CRA (or \$526,500 net of the Implementation Payment). This claim was admitted, because prior to the filing of FPI's terminal corporate tax return in 2011, CRA had no basis to file its proof of claim for that amount.
 16. Seven employees were terminated in conjunction with the Brookfield Transaction resulting in an increase in Restructuring Claims in the amount of approximately \$157,001, net of their respective Implementation Payments.
 17. Following the completion of the Claims Process, Proven Distribution Claims (net of the Implementation Payments made on or after the Plan Implementation Date) having a value of \$351,769,706 were accepted by the Monitor for distribution purposes, as shown in the table below:

Final Claims Analysis		
Total Allowed Unsecured Claims at Plan Implementation	\$	342,002,383
Resolution of Unresolved/Disputed Claims		10,153,242
Restructuring Claims Post Plan Implementation		157,001
Total Allowed Unsecured Claims	\$	352,312,626
Implementation Payments		(542,920)
Final Net Allowed Unsecured Claims	\$	351,769,706

C. APPLICANTS' ACTUAL RECEIPTS AND DISBURSEMENTS AND VARIANCE ANALYSIS FOR THE PERIOD FROM APRIL 11 TO JUNE 22, 2011

18. Pursuant to the Applicants' April 20, 2011 motion requesting an extension of the stay period, the Applicants filed a cash flow forecast for the eight week period from April 11 to May 31, 2011 (the "**Eight Week CFF**"). This Eight Week CFF was subsequently updated (the "**Updated Eight Week CFF**") and attached as an appendix to the Monitor's Nineteenth Report. At the time the Updated Eight Week CFF was filed with the Court, the Applicants had expected that all receipts would be collected and the CCAA Proceedings would terminate prior to May 31, 2011.
19. At a hearing on May 20, 2011, the Applicants advised the Court that they would not be able to finalize the CCAA Proceedings prior to May 31, 2011, and requested a further extension to the stay of proceedings. As all receipts were expected to be collected prior to May 31, 2011, the Applicants did not revise the Updated Eight Week CFF.
20. Set out below is a comparison of the actual receipts and disbursements for the ten week period to June 22, 2011, as compared to the Updated Eight Week CFF:

Comparison of Forecast to Actual Cash Flow For the Period from April 11 to June 22, 2011			
(US \$000)	Actual	Forecast	Variance
			Fav/(Unfav)
Receipts:			
Collection of Accounts Receivable	23	142	(119)
Health & Welfare Trust Refund	1,653	1,586	67
GST/HST Refunds	673	406	267
Collection of Other Deposits	308	210	98
Total Receipts	2,657	2,344	313
Disbursements:			
Liability Insurance Premiums	387	380	(7)
General, Admin. & Professional Fees	1,007	1,061	54
Employee Costs	82	103	21
Payments to Creditor Trusts re: Setup Costs	31	30	(1)
Bank Charges	3	8	5
Other	154	-	(154)
Total Disbursements	1,664	1,582	(82)
Net Cash Flow	993	762	231
Opening Cash	2,582	2,577	(5)
Unclaimed Implementation Payments and Reserve	76	-	(76)
F/X Loss	(47)	-	47
Closing Cash Balance	3,603	3,339	264

21. As shown in the table above, the Applicants' actual net cash flow for the period from April 11 to June 22, 2011 was \$993,000, approximately \$231,000 better than the forecast. The primary reasons for the variances are as follows:

- a. \$313,000 favourable variance in cash receipts principally due to:
 - i) the refund from the FPS Health and Welfare Trust ("HWT") was approximately \$67,000 greater than expected;
 - ii) the collection of GST/HST refunds was approximately \$267,000 greater than expected, primarily due to an income tax refund in the amount of approximately CAD\$153,000 which was not included in the Updated Eight Week CFF, as well as greater than forecasted GST/HST refunds in the amount of CAD\$94,000;
 - iii) the collection of other deposits was approximately \$98,000 greater than expected, primarily due to various insurance premiums refunds that were not included in the Updated Eight Week CFF; and

- iv) these favourable collection variances were partially offset by an unfavourable variance in Accounts Receivable collections due to the delay in the receipt of the forecasted reimbursement from the Federal Government's Pulp and Paper Green Transformation Program ("**PPGTP**") in the amount of CAD\$115,000; and
 - b. a net \$82,000 unfavourable variance in disbursements principally due to:
 - i) the establishment of a reserve in the amount of approximately \$77,000 to fund final operating expenses and professional fees and expenses in respect of the termination of the CCAA Proceedings and a payment in respect of rent in the amount of CAD \$55,000 for the period from March 2010 to June 2011 related to the Applicants' corporate office in Toronto, which was not included in the Updated Eight Week Forecast; and
 - ii) these unfavourable variances in disbursements were partially offset by lower than forecasted employee costs and professional fees and expenses.
22. At the time the Implementation Payments were made, \$14,500 was set aside as a reserve to cover potential Implementation Payments in respect of unresolved claims. Only \$4,500 of this amount was ultimately required. The balance of this reserve and \$1,500 in respect of unclaimed Implementation Payments (which is discussed in more detail in paragraph 27) has now been made available for distribution to all creditors, which amount was not included in the Eight Week CFF. In addition, at the time of the Interim Cash Distribution, \$64,024 was set aside as a reserve to cover potential Interim Cash Distributions in respect of unresolved claims. This reserve was ultimately not required and has been included in the final cash allocated to the Beneficiaries.

23. As a result of the foregoing, as at June 22, 2011, the Monitor had cash balances in the amount of \$3,603,316 that were available for distribution to the three Trusts (i.e. the Creditor Trust, the NB Hourly Trust and the NB Salaried Trust) and PBGC (collectively, the “**Beneficiaries**”).

D. FINALIZED DISTRIBUTION POOL AND DISTRIBUTION TO AFFECTED CREDITORS

24. As described above, all Unresolved Claims have now been finally determined for distribution purposes and, pursuant to the terms of the Plan, the Final Determination Date occurred on June 22, 2011.

Distribution Pool

25. On the Final Determination Date, the assets remaining in the Distribution Pool consisted of the following:
- a. cash in the amount of \$3,603,316, as set out above;
 - b. promissory notes of Twin Rivers Paper Company (“**Twin Rivers**”) in the amount of \$44,361,986 (as detailed in the Monitor’s Eighteenth report); and
 - c. 2,401,960 common shares in Twin Rivers (as detailed in the Monitor’s Twelfth Report).
26. Pursuant to the terms of the Plan, on the Final Determination Date, the Monitor made a final allocation to each Affected Creditor in the Unsecured Creditor Class with a Proven Distribution Claim of their Pro Rata Share of the assets remaining in the Distribution Pool (“**Allocated Assets**”). The Allocated Assets were delivered to the Beneficiaries as set out in the Distribution Schedule below:

Fraser Papers Inc. & Subsidiaries Distribution Schedule							
Beneficiaries	Final Net Allowed Claims ¹	Pro Rata Share of Final Distribution	Distribution (USD)				
			Total Cash \$ 4,089,292	Interim Cash Distribution (Excl. Reserve) ² \$ 485,976	Final Cash Distribution \$ 3,603,316	Twin Rivers Promissory Notes \$ 44,361,986	Twin Rivers # of Common Shares 2,401,960
NB Hourly Trust	110,138,769	31.309907299%	1,280,353	156,752	1,123,601	\$ 13,889,697	752,051
NB Salaried Trust	24,256,574	6.895583546%	281,981	34,523	247,458	\$ 3,059,018	165,629
PBGC	112,489,660	31.978211294%	1,307,682	160,098	1,147,585	\$ 14,186,169	768,104
General Creditor Trust	104,884,703	29.816297860%	1,219,275	134,603	1,084,672	\$ 13,227,102	716,176
Total	351,769,706	100.00%	\$ 4,089,292	\$ 485,976	3,603,316	\$ 44,361,986	2,401,960
Notes: 1. Final Net Allowed Claims are net of the Implementation Payments made to Affected Creditors. 2. A Reserve in the amount of \$64,024 was included in the Interim Cash Distribution (paid March 1, 2011) which was ultimately not distributed to creditors. This cash has now been included in the Final Cash Distribution							

27. The Final Allowed Claims in the Distribution Schedule above are net of individual Implementation Payments (the lesser of \$500 and each creditor's Proven Distribution Claim) made to Affected Creditors with Proven Distribution Claims on February 25, 2011 (the Implementation Payment Date) and any subsequent payments to creditors with Restructuring Claims and/or Unresolved Claims that were subsequently resolved. In accordance with the terms of the Plan, all of the Implementation Payments were made in U.S. dollars.
28. The final cash allocated to the Beneficiaries in the amount of \$3,603,316 includes three Implementation Payments in the amount of \$1,500 that were returned to the Monitor by Affected Creditors that had withdrawn their claims after the Plan Implementation Date. Pursuant to the terms of the Plan, these Affected Creditors are deemed to have released their interest in such Implementation Payments and, as a result, the unclaimed or undeposited Implementation Payments were included in the Distribution Pool for distribution to the Beneficiaries.
29. On the Final Determination Date, Twin Rivers issued new Share Certificates and Promissory Notes to the Beneficiaries in the amounts shown in the Distribution Schedule above. As reported in the Monitor's Twelfth Report, broad distribution of the Promissory Notes and the Common Shares to each of the 1,031 Affected

Creditors remaining after the Implementation Payments were paid, would result in Twin Rivers being deemed a public company, resulting in significant additional financial reporting and other costs. Therefore, the terms of the Promissory Notes and Common Shares prohibit their wide distribution to individual creditors. In addition, pursuant to the terms of the Common Shares and Promissory Notes, they cannot be sold to a third party without the consent of Twin Rivers.

E. REMAINING ASSETS TO BE REALIZED

30. With the exception of the accounts receivable related to the Federal Government's PPGTP (the "**PPGTP Refund**") in the amount of CAD\$115,000, all of the receipts forecasted in the Updated Eight Week CFF have now been collected.
31. As reported in the Monitor's Ninth Report, Twin Rivers, which purchased the Specialty Paper Business, has claimed the PPGTP Refund on behalf of the Applicants and any refund Twin Rivers receives will be forwarded to PricewaterhouseCoopers Inc. ("**PwC**") upon receipt for distribution to the Beneficiaries.
32. Pursuant to the Dissolution Order, any residual property of FPI received after the date of dissolution of FPI is to be delivered to PwC for distribution to the Beneficiaries in accordance with the terms of the Plan.

Letters of Credit

33. As detailed in the Monitor's previous reports, prior to commencement of the CCAA Proceedings, the Applicants had posted letters of credit ("**L/C's**") for the benefit of two workers compensation insurance companies in the amount of approximately \$4.9 million in respect of certain U.S. Workers Compensation Obligations, which the Applicants had roughly estimated totalled less than \$1.5

million in the aggregate. Under the terms of the Plan, the Applicants paid cash to Brookfield of approximately \$4.4 million in relation to this L/C liability.

34. As detailed in the Monitor's Eighteenth Report, Brookfield agreed to assume responsibility for managing the Workers Compensation Obligations and related L/C's on behalf of the Beneficiaries. To the extent that the cash paid to Brookfield is not required to pay Workers Compensation Obligations or administer the L/Cs, as the L/C's are released by the insurance companies Brookfield will deliver cash to PwC for distribution in accordance with the Distribution Schedule above.
35. The Monitor understands that, to date, there has been no reduction in the L/C's and it is up to the two Workers Compensation providers who hold the L/C's to determine when and how much can be released.

Miscellaneous Assets

36. As detailed in paragraph 31 above, any residual property of FPI received after the date of dissolution of FPI is to be delivered to PwC for distribution to the Beneficiaries in accordance with the terms of the Plan.
37. On the Final Determination Date, a reserve was created in the amount of \$76,907 (CAD\$75,000) to cover professional fees associated with the termination of the CCAA Proceedings and any post-closing matters relating to the Plan. To the extent that funds in the reserve are not required, the balance of the reserve will be remitted to PwC for distribution to the Beneficiaries.
38. In addition, there is typically a delay between the provision of professional services and the rendering of invoices in respect of such professional services. To ensure that all professional fees in respect of the CCAA Proceedings were paid in full prior to the final distribution of the Distribution Pool, counsel to the

Applicants, the Monitor and its counsel made estimates of their fees and expenses in respect of the period to the Final Determination Date. These accrued fees and expenses were paid in advance of the Final Determination Date.

39. To the extent that the final invoices in respect of the professional services of counsel to the Applicants and the Monitor and its counsel are less than the amount accrued and paid to these professionals, the professionals will remit the unused portion of these funds to PwC for distribution to the Beneficiaries.

F. TERMINATION OF THE CCAA PROCEEDINGS AND DISSOLUTION OF FPI AND FPS

40. Pursuant to the terms of the Plan, the Final Determination Date occurred on June 22, 2011.
41. Pursuant to the Sanction Order, the CCAA Proceedings were terminated on June 23, 2011 when the Monitor filed its Monitor's Second Certificate with the Court certifying that the Final Determination Date had occurred and that the Monitor had fulfilled its duties under the Claims Order, the Vesting Order and the Plan. PwC was also discharged in its capacity as Monitor of the Applicants upon the filing of the Monitor's Second Certificate with the Court. A copy of the Monitor's Second Certificate is attached as Appendix A.
42. Pursuant to the Dissolution Order, the Director of the Companies Branch ("**Director**") under the *Canada Business Corporations Act* (the "**CBCA**") issued a certificate of dissolution on the Final Determination Date dissolving FPI. A copy of this Certificate of Dissolution is attached as Appendix B.
43. In addition, the Director under the CBCA issued a certificate of dissolution dissolving FPS on June 23, 2011. A copy of this Certificate of Dissolution is attached as Appendix C.

G. TERMINATION OF THE CHAPTER 15 PROCEEDINGS

44. Pursuant to an Order of the U.S. Court dated June 6, 2011, the U.S. Court authorized the termination of the Applicants' Chapter 15 Proceedings in the United States upon the Monitor's Second Certificate being filed with the U.S. Court. A copy of this Order is attached as Appendix D.
45. A copy of the Monitor's Second Certificate was filed with the U.S. Court on July 8, 2011, thereby terminating the Applicants' Chapter 15 Proceedings in the United States.

H. GENERAL

46. As the Monitor has been discharged, the Monitor will not be issuing any further reports. Further updates for Affected Creditors on the status of the Twin Rivers Promissory Notes and Common Shares and any future cash distributions, will be made available on the Fraser Papers General Creditor's Trust Website at www.pwc.com/car-FPCreditorsTrust. Affected Creditors can also use this website to notify PwC of any change in address or email address.

Dated at Toronto, Ontario this 11th day of August, 2011.

PricewaterhouseCoopers Inc.
in its capacity as former Monitor of
Fraser Papers Inc. et al



John McKenna
Senior Vice President



Appendix A

**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 PROPOSED PLAN OF
COMPROMISE OR ARRANGEMENT WITH RESPECT TO
FRASER PAPERS INC./PAPIERS FRASER INC. AND FPS
CANADA INC.

Applicants

**MONITOR'S SECOND CERTIFICATE
(Final Determination Date)**

WHEREAS pursuant to the Order of this Court dated June 18, 2009, PricewaterhouseCoopers Inc. was appointed as the monitor (the "**Monitor**") of Fraser Papers Inc./Papiers Fraser Inc., FPS Canada Inc., Fraser Papers Holdings Inc., Fraser Timber Limited, Fraser Papers Limited and Fraser N.H. LLC (collectively, the "**Applicants**");

WHEREAS pursuant to the Supplemental Meeting Order dated February 1, 2011 supplementing the Meeting Order of this Court dated December 3, 2010, as amended by the Order (Amending Meeting Order) dated December 17, 2010, the Applicants filed the Amended Consolidated Plan of Compromise and Arrangement of the Applicants dated January 27, 2011, as amended (the "**Amended Plan**"), which Amended Plan has been approved by the Required Majority and sanctioned by this Honourable Court on February 10, 2011; and the Plan Implementation Date has occurred;

WHEREAS pursuant to the Sanction Order, this Court approved the discharge of the Monitor, which discharge is to be effective upon the filing by the Monitor with this Court of a certificate certifying completion of the Monitor's duties contemplated in paragraph 32 of the Sanction Order; and

WHEREAS all capitalized terms used but not otherwise defined in this Certificate shall have the meanings ascribed to them in the Amended Plan.

THE MONITOR HEREBY CERTIFIES that:

1. The Final Determination Date occurred and the Final Determination Date is June 22, 2011;
2. The Monitor has substantially completed the duties contemplated by paragraph 32 of the Sanction Order;
3. Upon the filing of this Monitor's Second Certificate, the Monitor's final discharge shall have become effective pursuant to the terms of the Sanction Order and the CCAA Proceedings shall be terminated; and
4. This Certificate is delivered by the Monitor on June 23, 2011.

**PricewaterhouseCoopers Inc., in its capacity
as Monitor of Fraser Papers Inc./Papiers
Fraser Inc. and FPS Canada Inc. and not in
its personal capacity**

Per: John McKenna
Name: John McKenna
Title: Senior Vice President

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 WITH RESPECT
TO FRASER PAPERS INC./PAPIERS FRASER INC. AND FPS CANADA INC.

Court File No.: CV-09-8241-00CL

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

Proceeding commenced at Toronto

**MONITOR'S SECOND CERTIFICATE
(Final Determination Date)**

Goodmans LLP
Barristers & Solicitors
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Robert Chadwick (LSUC# 35165K)
Derek Bulas (LSUC# 47760W)
Tel: 416-979-2211
Fax: 416-979-1234

Lawyers for PricewaterhouseCoopers
Inc., in its capacity as Monitor



Appendix B



2011-06-27

Corporations Canada
9th floor, Jean Edmonds Towers South
365 Laurier Avenue West
Ottawa, Ontario K1A 0C8

Corporations Canada
9e étage, Tour Jean Edmonds sud
365, avenue Laurier ouest
Ottawa (Ontario) K1A 0C8

THORNTON GROUT FINNIGAN LLP
KYLA E.M. MAHAR
100 WELLINGTON STREET WEST
SUITE 3200, P.O. BOX 329
TORONTO ON M5K 1K7
Canada

Corporation Number:
Numéro de société : **424882-1**

Request Received:
Date de réception de la
demande : **2011-06-22**

Request ID:
Numéro de la demande **4491049**

Your Reference:
Votre référence :

Please find attached the **Certificate of Dissolution** issued under the *Canada Business Corporations Act* (CBCA) for **Fraser Papers Inc. / Papiers Fraser Inc.** Please ensure that it is kept with the corporate records.

Vous trouverez ci-joint le **certificat de dissolution** émis en vertu de la *Loi canadienne sur les sociétés par actions* (LCSA) relativement à **Fraser Papers Inc. / Papiers Fraser Inc.** Veuillez vous assurer de le conserver avec les livres de la société.

Please note that you are required to notify Corporations Canada in writing if the information regarding the person who has been granted custody of the documents and records of the corporation changes within the next six years.

Veillez noter que si l'information concernant la personne qui s'est vu confier la garde des livres et des documents change au cours des six prochaines années, vous devez aviser Corporations Canada par écrit de ces changements.

The issuance of this certificate will be listed in Corporations Canada's online Monthly Transactions report. You can access the report on the Corporations Canada website.

L'émission de ce certificat sera également rapportée dans notre prochain rapport mensuel de transactions. Vous pouvez consulter le rapport dans le site Web de Corporations Canada.

If you require additional information, please contact Corporations Canada.

Si vous avez besoin de plus d'information, veuillez communiquer avec Corporations Canada.



Certificate of Dissolution

Canada Business Corporations Act

Certificat de dissolution

Loi canadienne sur les sociétés par actions

Fraser Papers Inc.
Papiers Fraser Inc.

Corporate name / Dénomination sociale

424882-1

Corporation number / Numéro de société

I HEREBY CERTIFY that the above-named corporation is dissolved under the *Canada Business Corporations Act* pursuant to the attached court order.

JE CERTIFIE que la société susmentionnée est dissoute en vertu de la *Loi canadienne sur les sociétés par actions*, conformément à l'ordonnance du tribunal ci-jointe.

Marcie Girouard

Director / Directeur

2011-06-23

Date of Dissolution (YYYY-MM-DD)

Date de dissolution (AAAA-MM-JJ)

Appendix C



2011-06-27

Corporations Canada
9th floor, Jean Edmonds Towers South
365 Laurier Avenue West
Ottawa, Ontario K1A 0C8

Corporations Canada
9e étage, Tour Jean Edmonds sud
365, avenue Laurier ouest
Ottawa (Ontario) K1A 0C8

ANNETTE FOURNIER
100 WELLINGTON STREET WEST
SUITE 3200
TORONTO ON M5K 1K7
Canada

Corporation Number:
Numéro de société : **325687-1**

Request Received:
Date de réception de la demande : **2011-06-23**

Request ID:
Numéro de la demande **4491205**

Your Reference:
Votre référence :

Please find attached the **Certificate of Dissolution** issued under the *Canada Business Corporations Act* (CBCA) for **FPS CANADA INC.** Please ensure that it is kept with the corporate records.

Vous trouverez ci-joint le **certificat de dissolution** émis en vertu de la *Loi canadienne sur les sociétés par actions* (LCSA) relativement à **FPS CANADA INC.** Veuillez vous assurer de le conserver avec les livres de la société.

Please note that you are required to notify Corporations Canada in writing if the information regarding the person who has been granted custody of the documents and records of the corporation changes within the next six years.

Veuillez noter que si l'information concernant la personne qui s'est vu confier la garde des livres et des documents change au cours des six prochaines années, vous devez aviser Corporations Canada par écrit de ces changements.

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Certificate of Dissolution

Canada Business Corporations Act

Certificat de dissolution

Loi canadienne sur les sociétés par actions

FPS CANADA INC.

Corporate name / Dénomination sociale

325687-1

Corporation number / Numéro de société

I HEREBY CERTIFY that the above-named corporation is dissolved pursuant to section 210(3) of the *Canada Business Corporations Act*.

JE CERTIFIE que la société susmentionnée est dissoute conformément à l'article 210(3) de la *Loi canadienne sur les sociétés par actions*.

Marcie Girouard

Director / Directeur

2011-06-23

Date of Dissolution (YYYY-MM-DD)

Date de dissolution (AAAA-MM-JJ)

Appendix D

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	)	Chapter 15
	)	
FRASER PAPERS INC., <u>et al.</u> , ¹	)	Case No. 09-12123(KJC)
	)	
Debtors in Foreign Proceedings.	)	Jointly Administered
	)	
	)	
	)	

**NOTICE OF FILING OF MONITOR'S SECOND CERTIFICATE AND
OCCURRENCE OF THE CCAA TERMINATION DATE**

PLEASE TAKE NOTICE THAT on May 11, 2011, Fraser Papers Inc. ("Fraser"), in its capacity as foreign representative of Fraser and its affiliated captioned debtors and participants (collectively with Fraser, the "Debtors") filed the *Debtors' Motion for Order and Final Decree Pursuant to 11 U.S.C. §§ 105, 350 and 1517 and Fed. R. Bankr. P. 3022 Closing Cases* (D.I. 256) (the "Final Decree Motion").

PLEASE TAKE FURTHER NOTICE that, on June 6, 2011, the Court entered the *Order and Final Decree Pursuant to 11 U.S.C. §§ 105, 350 and 1517 and Fed. R. Bankr. P. 3022 Closing Cases* (D.I. 258) (the "Final Decree Order"), granting the relief sought in the Final Decree Motion.

PLEASE TAKE FURTHER NOTICE that, in accordance with the Final Decree Order, the Debtors are today filing the Monitor's Second Certificate, attached hereto as **Exhibit**

¹ These jointly administered cases are those of the following debtors: Fraser Papers Inc., FPS Canada Inc., Fraser Papers Holdings Inc., Fraser Timber Limited, Fraser Papers Limited, and Fraser N.H. LLC.

A. The CCAA Termination Date, as defined in the Final Decree Motion, occurred on June 22, 2011.

PLEASE TAKE FURTHER NOTICE that, as ordered in the Final Decree Order, upon filing the Monitor's Second Certificate, the above-captioned cases are hereby closed.

Dated: July 8, 2011
Wilmington, Delaware

MORRIS, NICHOLS, ARSHT & TUNNELL, LLP

/s/ Alissa T. Gazze

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-and-

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*Counsel to the Debtors
Fraser Papers Inc., et al.*

Exhibit A

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 PROPOSED PLAN OF
COMPROMISE OR ARRANGEMENT WITH RESPECT TO
FRASER PAPERS INC./PAPIERS FRASER INC. AND FPS
CANADA INC.

Applicants

MONITOR'S SECOND CERTIFICATE
(Final Determination Date)

WHEREAS pursuant to the Order of this Court dated June 18, 2009, PricewaterhouseCoopers Inc. was appointed as the monitor (the "**Monitor**") of Fraser Papers Inc./Papiers Fraser Inc., FPS Canada Inc., Fraser Papers Holdings Inc., Fraser Timber Limited, Fraser Papers Limited and Fraser N.H. LLC (collectively, the "**Applicants**");

WHEREAS pursuant to the Supplemental Meeting Order dated February 1, 2011 supplementing the Meeting Order of this Court dated December 3, 2010, as amended by the Order (Amending Meeting Order) dated December 17, 2010, the Applicants filed the Amended Consolidated Plan of Compromise and Arrangement of the Applicants dated January 27, 2011, as amended (the "**Amended Plan**"), which Amended Plan has been approved by the Required Majority and sanctioned by this Honourable Court on February 10, 2011; and the Plan Implementation Date has occurred;

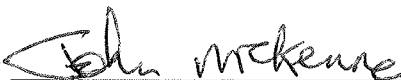
WHEREAS pursuant to the Sanction Order, this Court approved the discharge of the Monitor, which discharge is to be effective upon the filing by the Monitor with this Court of a certificate certifying completion of the Monitor's duties contemplated in paragraph 32 of the Sanction Order; and

WHEREAS all capitalized terms used but not otherwise defined in this Certificate shall have the meanings ascribed to them in the Amended Plan.

THE MONITOR HEREBY CERTIFIES that:

1. The Final Determination Date occurred and the Final Determination Date is June 22, 2011;
2. The Monitor has substantially completed the duties contemplated by paragraph 32 of the Sanction Order;
3. Upon the filing of this Monitor's Second Certificate, the Monitor's final discharge shall have become effective pursuant to the terms of the Sanction Order and the CCAA Proceedings shall be terminated; and
4. This Certificate is delivered by the Monitor on June 23, 2011.

**PricewaterhouseCoopers Inc., in its capacity
as Monitor of Fraser Papers Inc./Papiers
Fraser Inc. and FPS Canada Inc. and not in
its personal capacity**

Per: 
Name: John McKenna
Title: Senior Vice President

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 WITH RESPECT
TO FRASER PAPERS INC./PAPERS FRASER INC. AND FPS CANADA INC.

Court File No.: CV-09-8241-00CL

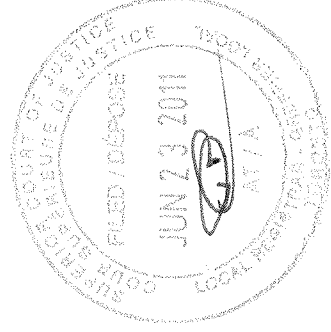
ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

MONITOR'S SECOND CERTIFICATE
(Final Determination Date)

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Lawyers for PricewaterhouseCoopers
Inc., in its capacity as Monitor