

**Court File No. CV-15-10961-00CL**

**Nelson Education Ltd.  
Nelson Education Holdings Ltd.**

**THIRD REPORT OF THE MONITOR**

**August 4, 2015**

**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  
NELSON EDUCATION LTD. AND NELSON EDUCATION HOLDINGS LTD.

**THIRD REPORT TO THE COURT  
SUBMITTED BY FTI CONSULTING CANADA INC.,  
IN ITS CAPACITY AS MONITOR**

**INTRODUCTION**

1. On May 12, 2015, Nelson Education Ltd. and Nelson Education Holdings Ltd. (together, “**Nelson**”) made an application (the “**Initial Application**”) under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) and an initial order (the “**Initial Order**”) was made by the Honourable Mr. Justice Newbould of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), granting, *inter alia*, a stay of proceedings against Nelson until June 10, 2015, (the “**Stay Period**”) and appointing Alvarez & Marsal Canada Inc. (together with its affiliates, “**A&M**”) as monitor of Nelson. The proceedings commenced by Nelson under the CCAA will be referred to herein as the “**CCAA Proceedings**”.

2. The Initial Order provided for a “comeback date” of May 29, 2015 (the “**Comeback Date**”). On the Comeback Date, Royal Bank of Canada (“**RBC**”)<sup>1</sup> sought the appointment of FTI Consulting Canada Inc. (“**FTI**”) in place of A&M. Pursuant to the Order of the Honourable Mr. Justice Newbould, FTI was appointed as Monitor (the “**Monitor**”).
3. Pursuant to the Order of the Honourable Mr. Justice Newbould granted on June 8, 2015 (the “**Amended Initial Order**”), the Stay Period was extended to July 17, 2015. In accordance with the provisions of the Amended Initial Order, notice of the CCAA Proceedings was published in The Globe and Mail on June 18, 2015.
4. Pursuant to the Order of the Honourable Mr. Justice Newbould granted on June 29, 2015 (the “**Extension Order**”), the Stay Period was extended to August 31, 2015.
5. On May 15 and 19, 2015, Nelson served motion materials on the Service List (the “**Sale Approval Motion**”), which motion materials were subsequently filed with the Court on July 6, 2015, for an Order *inter alia* approving the sale of substantially all of the property and assets of Nelson as contemplated by an asset purchase agreement (the “**APA**”) to be entered into between Nelson Education Ltd. as Seller and 682534 N.B. Inc. as Purchaser if the Approval and Vesting Order (the “**AVO**”) sought by Nelson is granted. The Monitor understands that the Purchaser is a special purpose vehicle through which the lenders under the First Lien Credit Agreement (the “**First Lien Lenders**”) would acquire the business and assets of Nelson if the AVO is granted and the transaction contemplated by the APA (the “**FLL Transaction**”) closes.

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<sup>1</sup> RBC is Administrative Agent and Collateral Agent (the “Second Lien Agent”) pursuant to a Second Lien Credit Agreement dated as of July 5, 2007 (the “Second Lien Credit Agreement”), a lender under the Second Lien Credit Agreement, a lender under the First Lien Credit Agreement dated as of July 5, 2007 (the “First Lien Credit Agreement”) and the provider of cash management services

6. The Monitor has to date filed two reports in respect of various aspects of the CCAA Proceedings<sup>2</sup>. This report is the Monitor's third report, the purpose of which is to inform the Court on the following:
  - (a) The receipts and disbursements of Nelson for the period June 27 to July 17, 2015;
  - (b) Nelson's revised and extended cash flow forecast for the period July 18 to October 30, 2015 (the "**July 24 Forecast**");
  - (c) An update on two unsolicited enquiries from parties expressing an interest in the acquisition of Nelson as reported in the Monitor's Second Report; and
  - (d) The Monitor's motion (the "**August 13 Fee Approval Motion**") for an Order approving:
    - (i) The activities of the Monitor as described in the Monitor's First, Second and Third Reports;
    - (ii) The fees and disbursements of the Monitor and its legal counsel for the period from May 29, 2015 to July 26, 2015.

#### **TERMS OF REFERENCE**

7. In preparing this report, the Monitor has relied upon unaudited financial information of Nelson, Nelson's books and records, certain financial information prepared by Nelson and discussions with various parties (the "**Information**").
8. Except as described in this Report:

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<sup>2</sup> In addition to the reports filed by the Monitor, A&M filed a pre-filing report dated May 11, 2015 (the "**Pre-Filing Report**") and a supplement to the Pre-Filing Report dated May 26, 2015.

- (a) The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook;
  - (b) The Monitor has not examined or reviewed financial forecasts and projections referred to in this report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
9. Future oriented financial information reported or relied on in preparing this report is based on management's assumptions regarding future events; actual results may vary from forecast and such variations may be material.
10. The Monitor has prepared this Report in connection with the Sale Approval Motion and the August 13 Fee Approval Motion. The Report should not be relied on for other purposes.
11. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. For the purposes of this Report, a US to Canadian dollar exchange rate of \$0.80 has been used for the conversion of US\$ denominated amounts where necessary.
12. Capitalized terms not otherwise defined herein have the meanings defined in the Amended Initial Order, the affidavit of Mr. Greg Nordal sworn May 11, 2015 filed in support of the Initial Application (the "**Nordal May 11 Affidavit**"), in the affidavit of Mr. Dean Mullett of A&M sworn May 11, 2015 and filed in support of the Sale Approval Motion (the "**Mullett Affidavit**") or in the previous reports of the Monitor.

**RECEIPTS & DISBURSEMENTS FOR THE PERIOD TO JULY 17, 2015**

13. Nelson's actual cash flow on a consolidated basis for the period from June 27 to July 17, 2015, was approximately \$1.8 million better than the July 6 Forecast, as summarized below:

	<b>Forecast</b>	<b>Actual</b>	<b>Variance</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Receipts:</b>			
Sales Receipts	3,456	4,593	1,137
Other Receipts	662	371	(291)
<b>Total Receipts</b>	<b>4,118</b>	<b>4,964</b>	<b>846</b>
<b>Disbursements:</b>			
Operating Expenses	3,107	2,980	127
Payroll & Benefits	1,445	1,393	52
KERP	332	332	0
Other Expenses	812	204	608
Capex and Plate	520	482	38
Professional Fees	917	785	132
Financing Charges	0	0	0
<b>Total Disbursements</b>	<b>7,133</b>	<b>6,176</b>	<b>957</b>
<b>Net Operating Cash Flow</b>	<b>(3,015)</b>	<b>(1,212)</b>	<b>1,803</b>
<b>Beginning Cash Balance</b>	<b>17,584</b>	<b>17,584</b>	<b>0</b>
Net Operating Cash Flow	(3,015)	(1,212)	1,803
<b>Ending Cash Balance</b>	<b>14,569</b>	<b>16,372</b>	<b>1,803</b>

14. Explanations for the key variances in actual receipts and disbursements as compared to the July 6 Forecast are as follows:

- (a) The favourable variance of approximately \$0.8 million in sales receipts is believed to be a timing variance as a result of collections being received earlier than forecast;

- (b) The favourable variance of approximately \$0.1 million in operating expenses comprises of a permanent favourable variance of approximately \$0.2 million in paper, print and binding spend offset by an adverse timing variance of approximately \$0.1 million in royalties;
- (c) The favourable variance of approximately \$0.6 million in other expenses is a permanent variance arising primarily from lower than projected spend on facility costs, sales and marketing expenses and non-restructuring professional fees and foreign exchange gains; and
- (d) The favourable variance of approximately \$0.1 million in professional fees is believed to be primarily timing in nature and expected to reverse in future periods.

#### **THE JULY 24 FORECAST**

15. The July 24 Forecast is attached hereto as Appendix A. The July 24 Forecast shows a net cash inflow of approximately \$21.1 million in the period July 18 to October 30, 2015, and is summarized below:

	<b>\$000</b>
<b>Receipts:</b>	
Sales Receipts	63,290
Other Receipts	640
<b>Total Receipts</b>	<b>63,930</b>
<b>Disbursements:</b>	
Operating Expenses	21,195
Payroll & Benefits	9,977
KERP	0
Other Expenses	7,073
Capex and Plate	2,515
Professional Fees	2,082
Financing Charges	0
<b>Total Disbursements</b>	<b>42,842</b>
<b>Net Operating Cash Flow</b>	<b>21,088</b>
<b>Beginning Cash Balance</b>	16,372
Net Operating Cash Flow	21,088
<b>Ending Cash Balance</b>	<b>37,460</b>

16. There are no significant changes in the key underlying assumptions of the July 24 Forecast as compared to the July 6 Forecast.

### **UNSOLICITED INTEREST**

17. Paragraphs 75 to 77 of the Monitor's Second Report stated:

“75. Since its appointment, the Monitor has received two unsolicited enquiries from parties expressing an interest in the acquisition of Nelson. One of the parties had been contacted during the SISP and had passed on the opportunity. The other is the party that had contacted A&M in January 2015 but decided not to proceed.

76. As discussed later in this Report, the Monitor is of the view that reopening the SISP at this time is not likely to result in a transaction at a value sufficient to repay the First Lien Debt and that parties reconsidering their decision to



not participate in the SISP does not, in and of itself, justify reopening the process.

77. Notwithstanding, Nelson has agreed to provide the two parties the opportunity to conduct due diligence while preparing for the Sale Approval Motion.”

18. Each of the two parties was contacted with respect to the opportunity. Both parties have confirmed that they have no interest in pursuing the opportunity further.

### **THE AUGUST 13 FEE APPROVAL MOTION**

19. The Monitor respectfully seeks an Order approving:
- (a) The activities of the Monitor as described in the Monitor’s First, Second and Third Reports;
  - (b) The fees and disbursements of the Monitor and its legal counsel for the period from May 29, 2015 to July 26, 2015
20. The Monitor has been paid its fees and disbursements at their standard rates and charges by Nelson from time to time as part of the costs of the CCAA Proceedings.
21. Paragraph 24 of the Amended Initial Order states:

“THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.”

22. The Monitor and Norton Rose Fulbright Canada LLP (the “**Monitor’s Counsel**”) have maintained records of their professional time and costs. The Monitor now seeks approval of its fees and disbursements of the fees and disbursements of the Monitor’s Counsel for the period May 29, 2015 to July 26, 2015 (the “**Period**”).
23. The total fees and disbursements of the Monitor during the Period amount to \$277,058.95 (the “**Monitor Fees and Disbursements**”), including \$251,584.50 for fees and \$25,474.45 for disbursements (all excluding applicable taxes). The time spent by the Monitor’s personnel in the Period is more particularly described in the affidavit of Nigel Meakin of the Monitor, sworn August 4, 2015 in support of the Monitor’s request for approval of the Monitor Fees and Disbursements. A copy of the affidavit of Mr. Meakin is attached hereto as Appendix B.
24. The total fees and disbursements of the Monitor’s Counsel during the Period amount to \$103,972.71 (the “**Monitor’s Counsel Fees and Disbursements**”), including invoiced fees of \$103,706.50 and disbursements of \$266.21 (all excluding applicable taxes). The time spent by the Monitor’s Counsel’s personnel in the Period is more particularly described in the affidavit of Orestes Pasparakis, a partner of the Monitor’s Counsel, sworn August 4, 2015 in support of the Monitor’s request for approval of the Monitor’s Counsel Fees and Disbursements. A copy of the affidavit of Mr. Pasparakis is attached hereto as Appendix C.
25. The Monitor respectfully submits that the Monitor’s Fees and Disbursements and the Monitor’s Counsel Fees and Disbursements are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Orders issued in the CCAA Proceedings. Accordingly, the Monitor respectfully seeks the approval of the Monitor Fees and Disbursements and the Monitor’s Counsel Fees and Disbursements.

The Monitor respectfully submits to the Court this, its Third Report.

Dated this 4<sup>th</sup> day of August, 2015.

FTI Consulting Canada Inc.  
In its capacity as Monitor of  
Nelson Education Ltd. and Nelson Education Holdings Ltd.



Nigel D. Meakin  
Senior Managing Director



Toni Vanderlaan  
Senior Managing Director

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# Appendix A

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## The July 24 Forecast

**Nelson Education Ltd.**

Cash flow forecast for the 15-week period July 20, 2015 to October 30, 2015

(Unaudited, in '000s CAD)

Week Ending, Friday:	Week 4 7/24/2015 Forecast	Week 5 7/31/2015 Forecast	Week 6 8/7/2015 Forecast	Week 7 8/14/2015 Forecast	Week 8 8/21/2015 Forecast	Week 9 8/28/2015 Forecast	Week 10 9/4/2015 Forecast	Week 11 9/11/2015 Forecast	Week 12 9/18/2015 Forecast	Week 13 9/25/2015 Forecast	Week 14 10/2/2015 Forecast	Week 15 10/9/2015 Forecast	Week 16 10/16/2015 Forecast	Week 17 10/23/2015 Forecast	Week 18 10/30/2015 Forecast	Total
<b>Receipts</b>																
Sales receipts	3,052	3,162	3,180	3,298	4,346	5,085	4,365	6,312	4,461	2,116	5,015	6,040	5,999	4,014	2,844	63,290
Other receipts	41	221	-	-	150	-	-	-	150	-	-	-	78	-	-	640
<b>Total Receipts</b>	<b>3,093</b>	<b>3,382</b>	<b>3,180</b>	<b>3,298</b>	<b>4,496</b>	<b>5,085</b>	<b>4,365</b>	<b>6,312</b>	<b>4,611</b>	<b>2,116</b>	<b>5,015</b>	<b>6,040</b>	<b>6,077</b>	<b>4,014</b>	<b>2,844</b>	<b>63,930</b>
<b>Disbursements</b>																
Operating expenses	632	284	326	360	6,204	477	566	535	4,952	527	753	2,106	2,224	813	437	21,196
Payroll & benefits	1,145	14	1,345	5	1,140	5	1,340	5	1,140	5	1,340	5	1,140	5	1,340	9,977
KERP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	372	703	245	91	412	1,158	146	128	364	1,257	298	287	263	501	848	7,074
Capital expenditures and plate spend	168	182	294	157	164	244	128	108	108	188	152	152	152	152	146	2,514
Professional fees	361	240	165	200	165	140	140	115	115	115	65	65	65	65	65	2,081
Financing charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Disbursements</b>	<b>2,678</b>	<b>1,423</b>	<b>2,375</b>	<b>813</b>	<b>8,085</b>	<b>2,024</b>	<b>2,321</b>	<b>910</b>	<b>6,680</b>	<b>2,092</b>	<b>2,608</b>	<b>2,615</b>	<b>3,845</b>	<b>1,536</b>	<b>2,837</b>	<b>42,842</b>
<b>Net Operating Cash Flow</b>	<b>415</b>	<b>1,959</b>	<b>805</b>	<b>2,485</b>	<b>(3,589)</b>	<b>3,061</b>	<b>2,044</b>	<b>5,402</b>	<b>(2,069)</b>	<b>24</b>	<b>2,407</b>	<b>3,425</b>	<b>2,232</b>	<b>2,478</b>	<b>8</b>	<b>21,087</b>
Beginning Cash Balance	16,373	16,788	18,747	19,552	22,036	18,447	21,509	23,553	28,955	26,886	26,910	29,317	32,742	34,974	37,452	16,373
Net Cash Flow	415	1,959	805	2,485	(3,589)	3,061	2,044	5,402	(2,069)	24	2,407	3,425	2,232	2,478	8	21,087
<b>Ending Cash Balance</b>	<b>16,788</b>	<b>18,747</b>	<b>19,552</b>	<b>22,036</b>	<b>18,447</b>	<b>21,509</b>	<b>23,553</b>	<b>28,955</b>	<b>26,886</b>	<b>26,910</b>	<b>29,317</b>	<b>32,742</b>	<b>34,974</b>	<b>37,452</b>	<b>37,460</b>	<b>37,460</b>

To be read in conjunction with the attached Notes and Summary of Assumptions.

**Nelson Education Ltd.**  
**Cash Flow Forecast**  
**Notes and Summary of Assumptions**

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In the Matter of the CCAA Proceedings of Nelson Education Ltd. ("Nelson Education") and Nelson Education Holdings Ltd. ("Holdings", together with Nelson Education, the "Company").

**Disclaimer**

In preparing this cash flow forecast (the "Forecast"), the Company has relied upon unaudited financial information and has not attempted to further verify the accuracy or completeness of such information. The Forecast includes assumptions discussed below with respect to the requirements and impact of a filing under the Companies' Creditors Arrangement Act ("CCAA"). Since the Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved during the Forecast period will vary from the Forecast, even if the assumptions materialize, and such variations may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.

**Overview:**

The Forecast assumes disbursements are made in accordance with the normal payment terms for the Companies' creditors and consistent with the Companies' historical practice. The Company, with assistance from its Financial Advisor, has prepared the Forecast based primarily on historical results and Management's current expectations. The Forecast is presented in thousands of Canadian dollars.

**Assumptions**

1) **Opening Position**

The opening cash balance as at July 20, 2015.

2) **Receipts**

Receipts from sales are estimated based on current accounts receivable collections and Management's current sales forecast for both the Higher Education ("HE") and Kindergarten to Grade 12 ("K-12") businesses. Sales taxes are included in forecast receipts. Other receipts include monthly reimbursements from Cengage Learning USA ("Cengage") for certain expenses Nelson incurs on Cengage's behalf.

3) **Operating Expenses**

Operating expenses include Paper, Print, and Binding ("PP&B") costs which are forecast based on current accounts payable and Management's current cost of sales forecast for both the HE and K-12 businesses.

Operating expenses also include royalty payments to authors for Indigenous content originally created/published by Nelson and royalty payments to Cengage or other affiliated companies in the U.S. for agency products (i.e. products originally created/published by third parties).

4) **Payroll & benefits**

Disbursements include payroll, payroll taxes and employee benefits for salaried and hourly employees, and are forecast based on historical run-rates. All employees are paid a salary and are entitled to participate in the Company's benefit program, defined contribution pension plan and incentive plan. All employees are paid bi-weekly, two weeks in arrears. The Company offers all of its employees comprehensive medical and dental benefits through Sun Life Financial.

5) **Other expenses**

These disbursements include insurance, facility costs, sales tax remittance, service agreements with Cengage, selling, general and administrative expenses, marketing expenses, travel and entertainment and other ongoing operating expenses.

6) **Capital Expenditures and Plate Spend**

Capital expenditures are based on expected license renewals and hardware upgrades for laptops, cell phones and network equipment. In addition, ongoing capital expenditures includes maintenance costs required for Nelson's facility, warehouse equipment and general infrastructure.

Plate spend comprises a significant capital outlay for the development of new content and material that generates revenue for a number of future fiscal periods. The cost of plate spend is based on the accumulation of costs, either external invoices paid to third-party vendors, or for internal labour and associated costs, as an allocation of time spent on a project based on actual hours incurred. Plate spend is tracked at the ISBN level (title by title). For cash flow purposes only cash paid to third-party vendors is captured above. Internal labour costs are forecast in the payroll and benefits line item.

7) **Professional Fees**

These disbursements include payments to Nelson's financial advisors and legal counsel and the Monitor and its legal counsel. The Forecast does not include payment of ordinary course professional fees of First or Second Lien Lenders' financial or legal advisors.

8) **Financing Charges**

The forecast assumes that no payment will be made in respect of interest or fees for the First or Second Lien Lenders.

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# Appendix B

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## Affidavit of Nigel Meakin

**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  
NELSON EDUCATION LTD. AND NELSON EDUCATION HOLDINGS LTD.

**AFFIDAVIT OF NIGEL D. MEAKIN  
(sworn August 4, 2015)**

I, Nigel D. Meakin, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY** that:

1. I am a Senior Managing Director of FTI Consulting Canada Inc. ("FTI") and, as such, I have knowledge of the matters hereinafter deposed to except where stated to be on information and belief, and where so stated, I verily believe it to be true.
2. On May 12, 2015, Nelson Education Ltd. and Nelson Education Holdings Ltd. (together, "Nelson") made an application (the "**Initial Application**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") and an initial order (as subsequently amended, the "**Initial Order**") was made by the Honourable Mr. Justice Newbould of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), granting, *inter alia*, a stay of proceedings against Nelson until June 10, 2015, (the "**Stay Period**") and appointing Alvarez & Marsal Canada Inc. (together with its affiliates, "**A&M**") as monitor of Nelson. The proceedings commenced by Nelson under the CCAA will be referred to herein as the "**CCAA Proceedings**".
3. On May 29, 2015 FTI was appointed as Monitor (the "**Monitor**") in place of A&M pursuant to the Order of the Honourable Mr. Justice Newbould.
4. The Monitor and counsel to the Monitor have been paid their fees and disbursements at their standard rates and charges by the Applicants from time to time as part of the costs of the CCAA Proceedings.



5. Pursuant to paragraph 24 of the Initial Order the Monitor and its legal counsel are required to pass their accounts with the Court from time to time.
6. The total fees and disbursements of the Monitor in the period from May 29, 2015 to July 26, 2015 (the “**Period**”) amount to \$277,058.95 (the “**Monitor Fees and Disbursements**”), including fees of \$251,584.50 and disbursements of \$25,474.45 (all excluding applicable taxes). Attached hereto and marked as **Exhibit "A"** to this, my Affidavit, is a summary of the invoices rendered by the Monitor during the Period (the “**Accounts**”). True copies of the Accounts are attached as **Exhibit “B”** to this my Affidavit.
7. The activities undertaken and services provided by the Monitor in connection with the administration of the CCAA Proceedings are described the Monitor’s Reports filed with the Court. Contemporaneously with the filing of this Affidavit, the Monitor is filing its Third Report to the Court and is seeking approval of the activities of the Monitor with respect to its conduct as set out in the First, Second and Third Reports in a motion returnable August 13, 2015.
8. In the course of performing its duties, personnel of the Monitor have expended a total of 332.8 hours during the Period. Attached as **Exhibit “C”** to this my Affidavit is a schedule setting out a summary of the individual staff involved in the administration of the proceedings and the hours and applicable average rates per person claimed by the Monitor for the Period. The average hourly rate billed by the Monitor during the Period is \$755.96. A schedule of the descriptions of the services provided by the Monitor’s staff is attached as **Exhibit “D”** to this my affidavit.
9. The Monitor requests that this Honourable Court approve its Accounts for the Period, in the total amount of \$277,058.95 (excluding applicable taxes).
10. Norton Rose Fulbright Canada LLP, counsel to the Monitor (“**Monitor’s Counsel**”), has rendered services throughout the CCAA Proceedings in a manner consistent with the instructions of the Monitor.
11. The total fees for services and disbursements provided by Monitor’s Counsel during the period May 29, 2015 to July 26, 2015, amount to \$103,972.71 (the “**Monitor’s Counsel Fees and Disbursements**”), including fees of \$103,706.50 and disbursements of \$266.21 (all excluding applicable taxes). The time spent by Monitor’s Counsel’s personnel is more particularly described in the Affidavit of Orestes Pasparakis, a partner of the Monitor’s Counsel, sworn August 4, 2015

in support of the Monitor's request for approval of the Monitor's Counsel Fees and Disbursements.

12. To the best of my knowledge, the rates charged by the Monitor and Monitor's Counsel are comparable to the rates charged for the provision of similar services by other large restructuring firms and law firms in the Toronto market.
13. I verily believe that the fees and disbursements incurred by the Monitor and Monitor's Counsel are fair and reasonable in the circumstances.
14. This Affidavit is sworn in connection with a motion for an Order of this Honourable Court approving the fees and disbursements of the Monitor and those of its legal counsel all as described herein and for no improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, on August 4, 2015

  
Commissioner for taking affidavits

  
Nigel D. Meakin

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# Exhibit A

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## Summary of Invoices

This is Exhibit "A" to the Affidavit of  
Nigel. D. Meakin sworn August 4, 2015



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

**Nelson Education Ltd.**  
**Summary of FTI Invoices**  
**May 29, 2015 to July 26, 2015**

<b>Invoice #</b>	<b>Invoice Date</b>	<b>Period End Date</b>	<b>Fee</b>	<b>Expenses</b>	<b>Fees + Expenses</b>	<b>GST/HST</b>	<b>Total</b>
29001477	June 17, 2015	June 14, 2015	\$ 112,328.50	\$ 14,202.04	\$ 126,530.54	\$ 16,448.97	\$ 142,979.51
29001513	June 30, 2015	June 30, 2015	\$ 63,144.00	\$ 3,816.09	\$ 66,960.09	\$ 8,704.81	\$ 75,664.90
29001541	July 23, 2015	July 19, 2015	\$ 65,601.00	\$ 6,825.66	\$ 72,426.66	\$ 9,415.47	\$ 81,842.13
29001546	July 30, 2015	July 26, 2015	\$ 10,511.00	\$ 630.66	\$ 11,141.66	\$ 1,448.42	\$ 12,590.08
<b>TOTAL</b>			<b>\$ 251,584.50</b>	<b>\$ 25,474.45</b>	<b>\$ 277,058.95</b>	<b>\$ 36,017.67</b>	<b>\$ 313,076.62</b>

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# Exhibit B

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## Copies of Accounts

This is Exhibit "B" to the Affidavit of  
Nigel. D. Meakin sworn August 4, 2015



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



*Invoice Summary*

Nelson Education Ltd.  
1120 Birchmount Rd  
Scarborough, Ontario  
Canada M1K 5G4

June 17, 2015  
FTI Invoice No. 29001477  
FTI Job No. 442412.0002  
Terms Payment on Presentation

Current Invoice Period: Charges Posted through June 14, 2015

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<u>Name</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Total</u>
Nigel Meakin	Senior Managing Director	\$840.00	29.8	\$25,032.00
Toni Vanderlaan	Senior Managing Director	\$805.00	57.2	\$46,046.00
Craig Munro	Managing Director	\$690.00	58.9	\$40,641.00
Linda Kelly	Administrative Professional	\$115.00	5.3	\$609.50
<b>Total Hours and Fees</b>			<b>151.2</b>	<b>\$112,328.50</b>
Business Meals				\$275.40
Admin				\$6,739.71
Lodging				\$1,940.14
Transportation				\$5,246.79
<b>Total Expenses</b>				<b>\$14,202.04</b>
<b>HST Registration No. 835718024RT0001</b>				<b>\$16,448.97</b>
<b>Invoice Total for Current Period</b>				<b>\$142,979.51</b>



## Invoice Summary

Nelson Education Ltd.  
1120 Birchmount Rd  
Scarborough, Ontario  
Canada M1K 5G4

June 30, 2015  
FTI Invoice No. 29001513  
FTI Job No. 442412.0002  
Terms Payment on Presentation

Current Invoice Period: Charges Posted through June 30, 2015

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Name	Title	Rate	Hours	Total
Nigel Meakin	Senior Managing Director	\$840.00	6.5	\$5,460.00
Toni Vanderlaan	Senior Managing Director	\$805.00	50.4	\$40,572.00
Craig Munro	Managing Director	\$690.00	24.8	\$17,112.00
<b>Total Hours and Fees</b>			<b>81.7</b>	<b>\$63,144.00</b>
Admin				\$3,788.64
Transportation				\$27.45
<b>Total Expenses</b>				<b>\$3,816.09</b>
HST Registration No. 835718024RT0001				\$8,704.81
<b>Invoice Total for Current Period</b>				<b>\$75,664.90</b>



**Invoice Summary**

Nelson Education Ltd.  
1120 Birchmount Rd  
Scarborough, Ontario  
Canada M1K 5G4

July 23, 2015  
FTI Invoice No. 29001541  
FTI Job No. 442412.0002  
Terms Payment on Presentation

Current Invoice Period: Charges Posted through July 19, 2015

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<b>Name</b>	<b>Title</b>	<b>Rate</b>	<b>Hours</b>	<b>Total</b>
Nigel Meakin	Senior Managing Director	\$840.00	33.0	\$27,720.00
Toni Vanderlaan	Senior Managing Director	\$805.00	20.4	\$16,422.00
Craig Munro	Managing Director	\$690.00	31.1	\$21,459.00
<b>Total Hours and Fees</b>			<b>84.5</b>	<b>\$65,601.00</b>
Admin				\$3,936.06
Other/Miscellaneous				\$2,889.60
<b>Total Expenses</b>				<b>\$6,825.66</b>
<b>HST Registration No. 835718024RT0001</b>				<b>\$9,415.47</b>
<b>Invoice Total for Current Period</b>				<b>\$81,842.13</b>





*Invoice Summary*

Nelson Education Ltd.  
1120 Birchmount Rd  
Scarborough, Ontario  
Canada M1K 5G4

July 30, 2015  
FTI Invoice No. 29001546  
FTI Job No. 442412.0002  
Terms Payment on Presentation

Current Invoice Period: Charges Posted through July 26, 2015

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<b>Name</b>	<b>Title</b>	<b>Rate</b>	<b>Hours</b>	<b>Total</b>
Craig Munro	Managing Director	\$690.00	15.2	\$10,488.00
Linda Kelly	Administrative Professional	\$115.00	0.2	\$23.00
<b>Total Hours and Fees</b>			<b>15.4</b>	<b>\$10,511.00</b>
<b>Admin</b>				<b>\$630.66</b>
<b>Total Expenses</b>				<b>\$630.66</b>
<b>HST Registration No. 835718024RT0001</b>				<b>\$1,448.42</b>
<b>Invoice Total for Current Period</b>				<b>\$12,590.08</b>

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# Exhibit C

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## Summary of Staff Hours

This is Exhibit "C" to the Affidavit of  
Nigel. D. Meakin sworn August 4, 2015



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

**Nelson Education Ltd.**  
**Summary of FTI Invoices**  
**May 29, 2015 to July 26, 2015**

<b>Professional</b>	<b>Title</b>	<b>Hours</b>	<b>Hourly Rate</b>	<b>Total</b>
Nigel Meakin	Senior Managing Director	69.30	\$ 840.00	\$ 58,212.00
Toni Vanderlaan	Senior Managing Director	128.00	\$ 805.00	\$ 103,040.00
Craig Munro	Managing Director	130.00	\$ 690.00	\$ 89,700.00
Linda Kelly	Administrative Professional	5.50	\$ 115.00	\$ 632.50
<b>TOTAL</b>		<b>332.80</b>		<b>\$ 251,584.50</b>
		<b>Average Hourly Rate</b>	<b>\$ 755.96</b>	

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# Exhibit D

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## Schedule of Description of Services

This is Exhibit "D" to the Affidavit of  
Nigel. D. Meakin sworn August 4, 2015



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

**Nelson Education Ltd.**  
**Schedule of Time Charges**  
**May 29, 2015 to July 26, 2015**

Date	Invoice #	Name	Hours	Rate	Amount	Narrative
06/01/15	29001477	Craig Munro	14.50	690.00	\$ 10,005.00	Travel from Vancouver to Toronto. Review Initial Application materials and background information. Meeting with N. Meakin and T. Vanderlaan regarding planning. Meeting with Monitor counsel. Meeting with company counsel. Set up Monitor's website. Meeting with company and A&M. Review cash flow.
06/01/15	29001477	Linda Kelly	3.50	115.00	\$ 402.50	Create Monitor website for filing. Post documents to the Monitor's website. Work with IT to develop email address and phone numbers.
06/01/15	29001477	Nigel Meakin	8.50	840.00	\$ 7,140.00	Numerous calls, discussions, and meetings. Review of documents. Planning discussion. Meeting with Monitor's counsel. Meeting with company counsel. Follow up calls and meeting with management. Follow up discussion and planning.
06/01/15	29001477	Toni Vanderlaan	8.50	805.00	\$ 6,842.50	Meeting with A&M to review monitoring procedures and cash flow update. Review and approve disbursements. Review cash flow model. Website set up correspondence.
06/02/15	29001477	Linda Kelly	0.30	115.00	\$ 34.50	Upload documents to the Monitor's website.
06/02/15	29001477	Nigel Meakin	9.00	840.00	\$ 7,560.00	Numerous calls, discussions, and meetings. Review of documents. Meeting with A&M in respect of sales process. Calls and discussions with counsel. Meeting with TGF and second lien lenders. Call with counsel to the company. Email with company management. Call with first lien lenders.
06/02/15	29001477	Toni Vanderlaan	8.50	805.00	\$ 6,842.50	Review variance analysis. Prepare wording for Monitor's report on cash monitoring. Review draft cash flow. Review draft report. Update website. Set up voice message mailbox. Review and approve wire payments. Correspondence with A&M regarding cash flows. Edit variance analysis.
06/03/15	29001477	Craig Munro	8.00	690.00	\$ 5,520.00	Post documents to the Monitor's website. Create voicemail for Monitor's hotline.
06/03/15	29001477	Linda Kelly	0.40	115.00	\$ 46.00	Numerous calls, discussions, and meetings. Review of documents. Call with company management. Call with TGF. Discussions and planning.
06/03/15	29001477	Nigel Meakin	6.00	840.00	\$ 5,040.00	Review of Monitor's Report. Discussion with FTI media specialist. Follow up call with A&M.
06/03/15	29001477	Toni Vanderlaan	5.50	805.00	\$ 4,427.50	Review revised cash flow projections. Revise wording in model. Call with S. Aubert and G. Karpel regarding revised cash flow. Revise and finalize Monitor's Report.
06/04/15	29001477	Craig Munro	7.50	690.00	\$ 5,175.00	Upload documents to the Monitor's website.
06/04/15	29001477	Linda Kelly	0.50	115.00	\$ 57.50	Numerous calls, discussions, and meetings. Review of documents.
06/04/15	29001477	Nigel Meakin	4.00	840.00	\$ 3,360.00	Calls to potential purchasers. Follow up on various requests for information. Discussions with counsel.
06/04/15	29001477	Toni Vanderlaan	2.50	805.00	\$ 2,012.50	Upload documents to the Monitor's website.
06/05/15	29001477	Linda Kelly	0.30	115.00	\$ 34.50	Numerous calls, discussions, and meetings. Review of documents.
06/05/15	29001477	Nigel Meakin	2.00	840.00	\$ 1,680.00	Respond to memo from TGF outlining various concerns. Follow up on transaction information. Calls with potential purchasers. Planning call with management in respect of operation restructuring and improvements. Follow up with FTI debt specialists.
06/05/15	29001477	Toni Vanderlaan	7.50	805.00	\$ 6,037.50	Travel from Vancouver to Toronto. Review correspondence and cash flow materials.
06/07/15	29001477	Craig Munro	5.00	690.00	\$ 3,450.00	Meeting with S. Aubert. Tour of office, warehouses, and print shop. Review payroll register. Review cash flow and attend meeting with S. Aubert regarding queries.
06/08/15	29001477	Craig Munro	6.00	690.00	\$ 4,140.00	Upload documents to the Monitor's website.
06/08/15	29001477	Linda Kelly	0.30	115.00	\$ 34.50	Emails and calls regarding status updates and open issues.
06/08/15	29001477	Nigel Meakin	0.30	840.00	\$ 252.00	Conference call with counsel to discuss form of order. Attendance at court. Collect website court materials. Emails with counsel. Calls to potential purchasers. Follow up on outstanding information. Planning update call with N. Meakin.
06/08/15	29001477	Toni Vanderlaan	6.50	805.00	\$ 5,232.50	Review weekly disbursements. Follow up with S. Aubert regarding queries. Email exchange with G Karpel.
06/09/15	29001477	Craig Munro	2.50	690.00	\$ 1,725.00	Calls and emails with Norton Rose Fulbright. Calls and emails with Thornton Grout Finnigan. Call with Goodmans. Review of information for investigation. Review Notice to Creditors. Calls to interested parties.
06/09/15	29001477	Toni Vanderlaan	6.20	805.00	\$ 4,991.00	Travel from Toronto to Vancouver. Review payroll and other disbursement requests. Review correspondence. Follow up with G. Karpel. Email update to N. Meakin. Review cash flow.
06/10/15	29001477	Craig Munro	4.00	690.00	\$ 2,760.00	Continued review of information in respect of sales process. Calls with Thornton Grout Finnigan. Email correspondence with Norton Rose Fulbright.
06/10/15	29001477	Toni Vanderlaan	5.50	805.00	\$ 4,427.50	Email with N. Meakin regarding enquiry from DJM. Review cash flow and variance report. Respond to email. Review variance report from G. Karpel. Review disbursements from S. Aubert. Review analysis of YOY and actual to budget for FY15.
06/11/15	29001477	Craig Munro	2.90	690.00	\$ 2,001.00	

**Nelson Education Ltd.**  
**Schedule of Time Charges**  
**May 29, 2015 to July 28, 2015**

Date	Invoice #	Name	Hours	Rate	Amount	Narrative
06/11/15	29001477	Toni Vanderlaan	4.30	805.00	\$ 3,461.50	Calls and follow up on review of sales process and assessment of next steps.
06/12/15	29001477	Craig Munro	2.50	690.00	\$ 1,725.00	Email exchange with T. Vanderlaan. Review cash flow variance analysis. Email exchange with G. Karpel.
06/12/15	29001477	Toni Vanderlaan	2.20	805.00	\$ 1,771.00	Call with Norton Rose Fulbright and N. Meakin in respect of sales process. Review of materials provided. Emails and discussions with A&M. Call with J. Yozzo to review transactions and debt multiples.
06/15/15	29001513	Toni Vanderlaan	0.60	805.00	\$ 483.00	Review Notice to Creditors.
06/16/15	29001513	Craig Munro	2.40	690.00	\$ 1,656.00	Review disbursement requests. Email S. Aubert regarding queries. Compare disbursements with projection.
06/16/15	29001513	Nigel Meakin	0.50	840.00	\$ 420.00	Attend calls and discussions.
06/16/15	29001513	Toni Vanderlaan	2.50	805.00	\$ 2,012.50	Call with G. Nordal regarding Cengage negotiations. Review of company information. Calls to interested parties. Prepare notes for report.
06/17/15	29001513	Craig Munro	2.80	690.00	\$ 1,932.00	Disbursement approval. Review variance analysis.
06/18/15	29001513	Craig Munro	1.30	690.00	\$ 897.00	Review disbursements. Email with S. Aubert regarding bonus payments. Review and respond to email from interested parties.
06/18/15	29001513	Nigel Meakin	0.50	840.00	\$ 420.00	Call with interested parties. Update call. Review correspondence.
06/18/15	29001513	Toni Vanderlaan	5.50	805.00	\$ 4,427.50	Review of information. Summary of outstanding and follow up items. Email additional questions to A&M. Planning for session with Goodmans. Meeting with Goodmans. Plan for report.
06/19/15	29001513	Nigel Meakin	0.50	840.00	\$ 420.00	Call with counsel.
06/19/15	29001513	Toni Vanderlaan	4.50	805.00	\$ 3,622.50	Prepare for meeting with second lien lenders. Attend meeting with second lien. Follow up on additional information resulting from requests by Second Liens. Review of company information.
06/22/15	29001513	Craig Munro	4.00	690.00	\$ 2,760.00	Review backup for bonus payments. Email exchange with S. Aubert. Review disbursement requests. Email update to N. Meakin and T. Vanderlaan.
06/22/15	29001513	Toni Vanderlaan	3.30	805.00	\$ 2,656.50	Call with the company on revenue reporting. Calls with J. Miller of CDG. Call with TGF and second lien lenders. Follow up on various matters Update call with Norton Rose Fulbright.
06/23/15	29001513	Craig Munro	3.60	690.00	\$ 2,484.00	Conference call with S. Aubert regarding bonus calculation spreadsheets. Review weekly disbursements.
06/23/15	29001513	Toni Vanderlaan	2.00	805.00	\$ 1,610.00	Follow up on various matters. Call with R. Chadwick. Email exchange with counsel.
06/24/15	29001513	Craig Munro	1.30	690.00	\$ 897.00	Review payroll and approve. Review other disbursement requests.
06/24/15	29001513	Toni Vanderlaan	2.50	805.00	\$ 2,012.50	Call with counsel to bondholders. Review draft report. Set up Board of Directors call.
06/25/15	29001513	Craig Munro	2.70	690.00	\$ 1,863.00	Review KERP agreements. Emails with N. Meakin and T. Vanderlaan regarding the same. Review GST and other disbursement requests.
06/25/15	29001513	Toni Vanderlaan	6.00	805.00	\$ 4,830.00	Review of legal and company materials. Plan draft report.
06/26/15	29001513	Craig Munro	2.50	690.00	\$ 1,725.00	Review weekly variance analysis. Email update with T. Vanderlaan and N. Meakin. Email to G. Karpel regarding report timing. Call with G. Karpel regarding same. Email regarding outstanding fee estimates.
06/26/15	29001513	Toni Vanderlaan	4.00	805.00	\$ 3,220.00	Follow up emails and calls regarding various matters. Draft report. Call with G. Nordal to provide status update. Correspondence with counsel.
06/29/15	29001513	Craig Munro	2.00	690.00	\$ 1,380.00	Review KERP disbursement request. Email and call with G. Karpel regarding cash flow period. Email with G. Nordal. Email regarding fee status.
06/29/15	29001513	Nigel Meakin	4.00	840.00	\$ 3,360.00	Preparation for and attendance in court. Report considerations. Call with director. Call to company. Review correspondence.
06/29/15	29001513	Toni Vanderlaan	9.00	805.00	\$ 7,245.00	Call with R. Dunn. Review of Motion Materials and company reports. Correspondence regarding the same. Draft report. Emails with counsel. Update on scheduling. Call with J. Miller of CDG.
06/30/15	29001513	Craig Munro	2.20	690.00	\$ 1,518.00	Emails regarding report timing and cash flow. Email with G. Karpel. Emails with N. Meakin and T. Vanderlaan regarding the same. Review disbursement requests.
06/30/15	29001513	Nigel Meakin	1.00	840.00	\$ 840.00	Calls and discussions. Review emails.
06/30/15	29001513	Toni Vanderlaan	10.50	805.00	\$ 8,452.50	Confirmation of findings and drafting of report.
07/01/15	29001541	Toni Vanderlaan	6.30	805.00	\$ 5,071.50	Draft report.
07/02/15	29001541	Craig Munro	0.90	690.00	\$ 621.00	Follow up with Goodmans regarding report information. Email G. Karpel regarding cash flow forecast.
07/02/15	29001541	Nigel Meakin	6.50	840.00	\$ 5,460.00	Settlement meeting. Report review.
07/02/15	29001541	Toni Vanderlaan	3.50	805.00	\$ 2,817.50	Edits to draft report. Review tables and data.

**Nelson Education Ltd.**  
**Schedule of Time Charges**  
**May 29, 2015 to July 26, 2015**

Date	Invoice #	Name	Hours	Rate	Amount	Narrative
07/03/15	29001541	Craig Munro	2.50	690.00	\$ 1,725.00	Review variance analysis. Email exchange with G. Karpel regarding queries. Draft report section for actual versus forecasted cash flow.
07/03/15	29001541	Nigel Meakin	9.50	840.00	\$ 7,980.00	Review report and related matters. Attend various calls.
07/04/15	29001541	Craig Munro	2.40	690.00	\$ 1,656.00	Review cash flow forecast. Email queries to G. Karpel. Email N. Meakin regarding report.
07/05/15	29001541	Craig Munro	2.00	690.00	\$ 1,380.00	Review draft report and provide comments. Information requests for report.
07/05/15	29001541	Nigel Meakin	6.00	840.00	\$ 5,040.00	Review report and related matters
07/05/15	29001541	Toni Vanderlaan	3.50	805.00	\$ 2,817.50	Edits to draft report tables. Attend calls with N. Meakin.
07/06/15	29001541	Craig Munro	1.30	690.00	\$ 897.00	Review revised report.
07/06/15	29001541	Nigel Meakin	6.00	840.00	\$ 5,040.00	Calls and discussions. Review report.
07/06/15	29001541	Toni Vanderlaan	3.50	805.00	\$ 2,817.50	Email correspondence and comments on updated report. Updates to schedules. Call with N. Meakin to review.
07/07/15	29001541	Craig Munro	0.90	690.00	\$ 621.00	Review disbursement requests. Cash flow review.
07/07/15	29001541	Nigel Meakin	3.00	840.00	\$ 2,520.00	Calls and discussions. Review report.
07/07/15	29001541	Toni Vanderlaan	1.80	805.00	\$ 1,288.00	Updates and review of comments in respect of report. Call with Goodmans regarding report.
07/08/15	29001541	Craig Munro	4.10	690.00	\$ 2,829.00	Review payroll. Review cash flow forecast to Oct 30. Email G. Karpel queries. Review variance analysis and email query to G. Karpel.
07/08/15	29001541	Nigel Meakin	2.00	840.00	\$ 1,680.00	Calls and discussions. Review report.
07/08/15	29001541	Toni Vanderlaan	0.80	805.00	\$ 644.00	Finalize second report.
07/09/15	29001541	Craig Munro	1.70	690.00	\$ 1,173.00	Review disbursement requests. Call with G. Karpel regarding variance analysis.
07/10/15	29001541	Craig Munro	0.30	690.00	\$ 207.00	Review disbursement requests. Follow up with G. Karpel regarding sales forecast.
07/13/15	29001541	Craig Munro	2.70	690.00	\$ 1,863.00	Review cash flow statement to Oct 30. Review sales forecast. Call with C. Kroach to review sales forecast. Review cash disbursements.
07/13/15	29001541	Toni Vanderlaan	1.20	805.00	\$ 966.00	Review of legal correspondence.
07/14/15	29001541	Craig Munro	2.90	690.00	\$ 2,001.00	Review disbursement requests. Review cash flow forecast.
07/15/15	29001541	Craig Munro	0.90	690.00	\$ 621.00	Review disbursement requests. Email update. Cash flow forecast review.
07/16/15	29001541	Craig Munro	5.90	690.00	\$ 4,071.00	Review disbursements. Compare to prior forecasts. Email to C. Kroach regarding queries. Emails regarding sales forecast. Review weekly variance report. Call with C. Kroach. Email to N. Meakin.
07/17/15	29001541	Craig Munro	2.60	690.00	\$ 1,794.00	Review support for DSO. Review forecast model. Call with C. Kroach regarding forecast and questions on model.
07/20/15	29001546	Craig Munro	3.30	690.00	\$ 2,277.00	Reviewed updated cash flow to Oct 30. Emails with N. Meakin regarding the same. Review disbursement requests. Discussions with C. Kroach regarding cash flow and bridge.
07/21/15	20283	Craig Munro	3.60	690.00	\$ 2,484.00	Review disbursement requests. Review Oct 30 cash flow and bridge.
07/22/15	20283	Craig Munro	1.60	690.00	\$ 1,104.00	Review disbursement requests. Review payroll register for disbursement. Review Oct 30 cash flow.
07/22/15	18441	Linda Kelly	0.20	115.00	\$ 23.00	Uploaded documents to the Monitor's website.
07/23/15	20283	Craig Munro	3.90	690.00	\$ 2,691.00	Prepare cash flow bridge. Review variance analysis. Review disbursement requests. Review Oct 30 cash flow.
07/24/15	20283	Craig Munro	2.80	690.00	\$ 1,932.00	Prepare bridge between report and cash flow forecast. Review week 3 variance analysis. Email to C. Kroach regarding the same.
<b>TOTAL</b>			<b>332.80</b>		<b>\$ 261,584.60</b>	

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  
NELSON EDUCATION LTD. AND NELSON EDUCATION HOLDINGS LTD.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding Commenced at Toronto

**AFFIDAVIT OF NIGEL MEAKIN**  
Sworn August 4, 2015

**Norton Rose Fulbright Canada LLP**  
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Fax: (416) 216-3930

Lawyers for FTI Consulting Canada Inc.  
in its capacity as Monitor



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# Appendix C

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## Affidavit of Orestes Pasparakis

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 NELSON EDUCATION LTD. AND  
NELSON EDUCATION HOLDINGS LTD.

Applicants

AFFIDAVIT OF ORESTES PASPARAKIS  
(sworn August 4, 2015)

I, **ORESTES PASPARAKIS**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a partner with the law firm of Norton Rose Fulbright Canada LLP ("**Norton Rose**"), counsel to FTI Consulting Canada Inc., in its capacity as Court-appointed Monitor of Nelson Education Ltd. and Nelson Education Holdings Ltd., and as such, have knowledge of the matters herein deposed to.
2. I hereby confirm that attached as Exhibit "A" hereto is a list of the accounts of Norton Rose for the periods indicated.
3. Attached as Exhibit "B" hereto is a summary of additional information with respect to our accounts, indicating all members of Norton Rose who worked on this matter for the period indicated, their year of call to the Bar (where applicable), their rates, and the aggregate blended rate. I confirm that the list represents an accurate summary of such information.
4. Attached as Exhibit "C" to this my affidavit are true copies of the accounts of Norton Rose for the above-noted periods. I confirm that these accounts accurately reflect the

services provided by Norton Rose in this matter for these periods and the fees and disbursements claimed by it for these periods.

**SWORN BEFORE ME** at the City of Toronto, on August 4, 2015.

  
\_\_\_\_\_  
Commissioner for taking Oaths

  
\_\_\_\_\_  
**Orestes Pasparakis**

EXHIBIT "A"

List of Accounts of Norton Rose

<u>Date of Account</u>	<u>Fees</u>	<u>Costs</u>	<u>HST/GST</u>	<u>Total</u>
July 21, 2015	\$88,464.50	\$213.97	\$11,528.20	\$100,206.67
July 28, 2015	\$15,242.00	\$52.24	\$1,988.25	\$17,282.49

This is Exhibit "A" referred to in the  
affidavit of Orestes Pasparakis  
sworn before me, this 4th  
day of August 2015  
*[Signature]*  
A COMMISSIONER, ETC.

**EXHIBIT "B"**


**Blended Rate Table for Norton Rose**

<b>Name</b>	<b>Year of Call (if applicable)</b>	<b>Billing Rate 2015</b>	<b>Number of Hours worked</b>	<b>Total Dollar Amount Billed</b>
Tony Reyes	1988	\$1000.00	0.2	\$200.00
Karen Galpern	1993	\$855.00	10.5	\$8,977.50
Orestes Pasparakis	1995	\$1025.00	56.00	\$57,400.00
Robin Penslar	N/A	\$480.00	7.5	\$3,600.00
Evan Cobb	2008	\$495.00	40.2	\$19,899.00
Alex Schmitt	2013	\$340.00	39.5	\$13,430.00
Robert Corbeil	Student	\$200.00	1.0	\$200.00

**Summary of Aggregate Fees and Disbursements  
(excluding unbilled additional fees and costs):**

Fees:	\$103,706.50
Disbursements:	\$266.21
GST/HST:	\$13,516.45
<b>Total:</b> (including GST/HST)	<b><u>117,489.16</u></b>

<b>Blended Rate:</b> (excluding Disbursements and GST)	
<b>\$ 103,706.50 ÷ 154.9 =</b>	<b><u>\$669.51</u></b>

This in Exhibit "B" referred to in the  
 affidavit of Orestes Pasparakis  
 sworn before me, this 24th  
 day of August 2015  
  
 A COMMISSIONER, ETC.

**INVOICE**

Invoice Number: 1506146  
 Date: July 21, 2015

Barristers & Solicitors / Patent & Trade-mark Agents  
 Norton Rose Fulbright Canada LLP  
 Royal Bank Plaza, South Tower, Suite 3800  
 200 Bay Street, P.O. Box 84  
 Toronto, Ontario M5J 2Z4 CANADA

T : +1 416.216.4000  
 F : +1 416.216.3930  
 nortonrosefulbright.com

FTI CONSULTING CANADA INC. AS COURT  
 APPOINTED MONITOR IN THE  
 CCAA PROCEEDINGS OF NELSON EDUCATION LTD.  
 TD South Tower  
 79 Wellington Street West  
 Toronto Ontario M5K 1G8  
 Attention: Nigel Meakin  
 Senior Managing Director

*This is Exhibit "C" referred to in the  
 affidavit of Orestes Paspourakis  
 sworn before me, this 4th  
 day of August 2015*

Client: FTI CONSULTING CANADA INC. AS COURT APPOINTED  
 MONITOR IN THE CCAA PROCEEDINGS OF NELSON  
 EDUCATION LTD.  
 Matter No: 01029574-0001  
 RE: Nelson Education Ltd. CCAA Proceedings

*[Signature]*  
**A COMMISSIONER, ETC.**  
 GST: R111340006

For professional services rendered and disbursements incurred for the period ending June 30, 2015.

FEES	88,464.50
DISBURSEMENTS (Taxable)	213.97
DISBURSEMENTS (Non Taxable)	0.00
<b>NET</b>	<b>88,678.47</b>
HST	11,528.20
<b>TOTAL FOR THIS INVOICE IN CANADIAN DOLLARS</b>	<b>\$100,206.67</b>

Please note that interest at the rate of 1.3% per annum may be charged on any invoice that is not paid in full within 30 days from the date on which it was issued.

Payable upon receipt

Banking information for wire transfer  
 RBC Financial Group, Main Branch, Royal Bank Plaza  
 Toronto, Ontario, CANADA  
 Bank 003, Transit 00002, Acc. No. 106-030-0  
 Swift Code # ROYCCAT2  
 Include invoice number on transfer order

RE: Nelson Education Ltd. CCAA Proceedings

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**FEE DETAIL**

Date	Timekeeper	Description
1/6/15	Alexander J. Schmitt	Collecting and reviewing all court materials filed to date, together with particular items in data room relating to sale process. Various emails relating to transfer of existing file and documents.
1/6/15	Orestes Pasparakis	Meetings and reviewing documents.
1/6/15	Evan Cobb	Reviewing documents in respect of Nelson Education CCAA Application. Introductory meeting with FTI. Reviewing opinions prepared by Davies regarding First Lien and Second Lien security. Meeting with counsel to Nelson Education.
2/6/15	Alexander J. Schmitt	Continuing to review court file and documents, as well as data room documentation regarding sale process.
2/6/15	Orestes Pasparakis	Meeting through the day. Reviewing Sale and Investment Solicitation Process and order.
2/6/15	Evan Cobb	Calls and meetings with counsel to RBC, counsel to the First Lien Steering Committee, and Alvarez and Marsal. Reviewing A&R Initial Order and draft Affidavit of G. Nordal. Commenting on same. Calls with counsel to Nelson Education on same. Commencing review of SISP documents provided by Alvarez & Marsal.
2/6/15	Karen Galpern	[REDACTED]
3/6/15	Orestes Pasparakis	Addressing various issues and emails. Telephone calls and reviewing report.
3/6/15	Alexander J. Schmitt	Beginning research on [REDACTED]
3/6/15	Karen Galpern	[REDACTED]
3/6/15	Evan Cobb	Conference calls regarding form of A&R Initial Order. Reviewing and summarizing board minutes. Reviewing draft of First Report.

RE: **Nelson Education Ltd. CCAA Proceedings**

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Date	Timekeeper	Description
4/6/15	Tony Reyes	Office consultation with E. Cobb regarding opinion issues.
4/6/15	Robin Penslar Levin	[REDACTED]
4/6/15	Karen Galpern	[REDACTED]
4/6/15	Alexander J. Schmitt	[REDACTED]
4/6/15	Evan Cobb	Finalizing and serving First Report of Monitor. Reviewing SISP documents. Reviewing research on [REDACTED]
4/6/15	Orestes Pasparakis	Telephone calls and emails through the day.
5/6/15	Evan Cobb	Various email correspondence regarding stay extension motion. Email correspondence regarding Cash Management Charge. Reviewing SISP summary materials provided by Goodmans.
5/6/15	Robert Corbeil	Served documents to opposing counsel and filed Monitor's Report with the Federal Court for E. Cobb.
7/6/15	Orestes Pasparakis	Working on court issues.
8/6/15	Orestes Pasparakis	Attending court and emails regarding status and next steps.
8/6/15	Evan Cobb	Conference call to finalize A&R Initial Order. Attending at motion regarding A&R Initial Order.
9/6/15	Alexander J. Schmitt	[REDACTED]
9/6/15	Orestes Pasparakis	Calls with various stakeholders and client. Reviewing materials and advising client.
9/6/15	Evan Cobb	Reviewing and commenting on newspaper notice. Various email and telephone correspondence. Conference call with RBC and counsel to RBC.
10/6/15	Orestes Pasparakis	Follow-up with clients and various stakeholders.



**RE: Nelson Education Ltd. CCAA Proceedings**

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Date	Timekeeper	Description
10/6/15	Evan Cobb	Preparing memorandum on analysis of sale process matters and RBC concerns.
10/6/15	Alexander J. Schmitt	[REDACTED]
11/6/15	Orestes Pasparakis	Emails and calls. Reviewing documents.
11/6/15	Alexander J. Schmitt	[REDACTED]
11/6/15	Evan Cobb	Reviewing updated disclosures on company website. Considering response to inbound calls from potential purchasers. Finalizing framework memo and circulating to FTI.
12/6/15	Orestes Pasparakis	Calls with D.J. Miller. Follow-up on issues.
12/6/15	Alexander J. Schmitt	[REDACTED]
13/6/15	Alexander J. Schmitt	[REDACTED]
14/6/15	Alexander J. Schmitt	[REDACTED]
15/6/15	Orestes Pasparakis	Follow-up on status.
16/6/15	Evan Cobb	Confirming court availability.
17/6/15	Orestes Pasparakis	Calls regarding next steps. Drafting emails.
18/6/15	Evan Cobb	Meetings with FTI and counsel to Nelson.
18/6/15	Orestes Pasparakis	Meeting with the Monitor and Stakeholders.
18/6/15	Alexander J. Schmitt	[REDACTED]
19/6/15	Evan Cobb	Meetings with FTI, RBC and various advisors to RBC regarding sales process and other restructuring matters.
19/6/15	Orestes Pasparakis	Meeting with stakeholders. Calls with stakeholders.
22/6/15	Orestes Pasparakis	Preparing for and meeting with clients and all notes.
24/6/15	Orestes Pasparakis	Calls regarding next steps.

FTI CONSULTING CANADA INC. AS  
COURT APPOINTED MONITOR IN THE  
CCAA PROCEEDINGS OF NELSON  
EDUCATION LTD.

01029574-0001

**RE: Nelson Education Ltd. CCAA Proceedings**

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Date	Timekeeper	Description	
25/6/15	Orestes Pasparakis	Follow-up with stakeholders.	
26/6/15	Orestes Pasparakis	Several calls regarding status and next steps.	
28/6/15	Evan Cobb	Reviewing Shareholder and Registration Rights Agreement. Considering same.	
29/6/15	Orestes Pasparakis	Preparing for and attending at Court. Numerous emails.	
30/6/15	Orestes Pasparakis	Follow up with various parties on status.	
<b>TOTAL FEES</b>			<b>CAD \$88,464.50</b>

**DISBURSEMENTS - TAXABLE**

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WestlaweCarswell computer assisted legal	176.33
Copies	3.00
External DB Search/Quicklaw	34.64
<b>TOTAL</b>	<b>CAD \$213.97</b>

**INVOICE**

Invoice Number: 1508437  
Date: July 28, 2015

Barristers & Solicitors / Patent & Trade-mark Agents  
Norton Rose Fulbright Canada LLP  
Royal Bank Plaza, South Tower, Suite 3800  
200 Bay Street, P.O. Box 84  
Toronto, Ontario M5J 2Z4 CANADA

FTI CONSULTING CANADA INC. AS COURT  
APPOINTED MONITOR IN THE  
CCAA PROCEEDINGS OF NELSON EDUCATION LTD.  
TD South Tower  
79 Wellington Street West  
Toronto Ontario M5K 1G8  
Attention: Nigel Meakin  
Senior Managing Director

T : +1 416.216.4000  
F : +1 416.216.3930  
nortonrosefulbright.com

Client: FTI CONSULTING CANADA INC. AS COURT APPOINTED  
MONITOR IN THE CCAA PROCEEDINGS OF NELSON  
EDUCATION LTD.

Matter No: 01029574-0001

GST: R111340006

RE: Nelson Education Ltd. CCAA Proceedings

For professional services rendered and disbursements incurred for the period ending July 24, 2015.	
FEES	15,242.00
DISBURSEMENTS (Taxable)	52.24
DISBURSEMENTS (Non Taxable)	0.00
NET	15,294.24
HST	1,988.25
<b>TOTAL FOR THIS INVOICE IN CANADIAN DOLLARS</b>	<b>\$17,282.49</b>

Please note that interest at the rate of 1.3% per annum may be charged on any invoice that is not paid in full within 30 days from the date on which it was issued.

Payable upon receipt

Banking information for wire transfer  
RBC Financial Group, Main Branch, Royal Bank Plaza  
Toronto, Ontario, CANADA  
Bank 003, Transit 00002, Acc. No. 106-030-0  
Swift Code # ROYCCAT2  
Include invoice number on transfer order

**RE: Nelson Education Ltd. CCAA Proceedings**

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**FEE DETAIL**

Date	Timekeeper	Description
2/7/15	Evan Cobb	Call with Bennett Jones and Goodmans regarding ancillary Approval and Vesting Order provisions as well as Stockholder and Registration Rights Agreement.
2/7/15	Orestes Pasparakis	Meeting with lien holders.
4/7/15	Evan Cobb	Reviewing and commenting on Second Report. Reviewing Asset Purchase Agreement in connection with same. Various email correspondence.
4/7/15	Orestes Pasparakis	Comments on report.
5/7/15	Orestes Pasparakis	Revising report.
6/7/15	Orestes Pasparakis	Reviewing comments.
7/7/15	Orestes Pasparakis	Reviewing report.
7/7/15	Evan Cobb	Conference call with Goodmans. Reviewing changes to Monitor's Report. Reviewing Supplemental Support Agreement.
8/7/15	Evan Cobb	Finalizing Report. Attending to Service of Report. Conference call regarding ancillary relief in Approval and Vesting Order.
8/7/15	Orestes Pasparakis	Follow-up on various issues.
10/7/15	Orestes Pasparakis	Follow-up on CCAA issues and stakeholders.
16/7/15	Orestes Pasparakis	Follow-up on status.
22/7/15	Orestes Pasparakis	Follow-up on discussions and next steps. Reviewing materials.
23/7/15	Orestes Pasparakis	Follow-up on developments. Discussion with clients.
23/7/15	Evan Cobb	Call with K. Mahar. Reviewing materials responding to Sale Approval Motion.
24/7/15	Evan Cobb	Attending at meeting with Bennett Jones, Goodmans and Thornton Grout Finnigan regarding litigation matters. Emails regarding same.
		<b>TOTAL FEES</b>
		<b>CAD \$15,242.00</b>

FTI CONSULTING CANADA INC. AS  
COURT APPOINTED MONITOR IN THE  
CCAA PROCEEDINGS OF NELSON  
EDUCATION LTD.

01029574-0001

**RE: Nelson Education Ltd. CCAA Proceedings**

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**DISBURSEMENTS - TAXABLE**

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Copies		13.00
Meals-restaurants (Canada)		39.24
	<b>TOTAL</b>	<b>CAD \$52.24</b>

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  
NELSON EDUCATION LTD. AND NELSON EDUCATION HOLDINGS LTD.

Court File No. CV-15-10961-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**AFFIDAVIT OF ORESTES PASPARAKIS  
(sworn August 4, 2015)**

**Norton Rose Fulbright Canada LLP**  
Royal Bank Plaza, South Tower, Suite 3800  
200 Bay Street, P.O. Box 84  
Toronto, Ontario M5J 2Z4 CANADA

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[Orestes.Pasparakis@nortonrosefulbright.com](mailto:Orestes.Pasparakis@nortonrosefulbright.com)

**Evan Cobb** LSUC#: 55787N  
Tel: (416) 216-1929  
Fax: (416) 216-3930

Lawyers for the Monitor,  
FTI Consulting Canada Inc.