No. CI 12-01-76323

THE QUEEN'S BENCH
WINNIPEG CENTRE

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 ARCTIC GLACIER INCOME FUND, ARCTIC GLACIER INC., ARCTIC GLACIER INTERNATIONAL INC. AND THE ADDITIONAL APPLICANTS LISTED ON SCHEDULE "A" HERETO (COLLECTIVELY, "THE APPLICANTS")

FOURTEENTH REPORT OF THE MONITOR
ALVAREZ & MARSAL CANADA INC.
JANUARY 29, 2014

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1.0 INTRODUCTION

1.1 Pursuant to an order of The Court of Queen's Bench (Winnipeg Centre) (the "**Court**") dated February 22, 2012 (the "**Initial Order**"), Alvarez & Marsal Canada Inc. was appointed as Monitor (the "**Monitor**") in respect of an application filed by Arctic Glacier Income Fund ("**AGIF**"), Arctic Glacier Inc. ("**AGI**"), Arctic Glacier International Inc. ("**AGII**") and those entities listed on **Appendix "A"**, (collectively, and including Glacier Valley Ice Company L.P., the "**Applicants**" or the "**Arctic Glacier Parties**") seeking certain relief under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). The proceedings commenced by the Applicants under the Initial Order are referred to herein as the "**CCAA Proceedings**". The CCAA Proceedings were subsequently recognized as a foreign main proceeding by the United States Bankruptcy Court for the District of Delaware (the "**U.S. Court**").

1.2 The Monitor has previously filed thirteen reports with this Honourable Court. Capitalized terms not otherwise defined in this report (the "**Fourteenth Report**") are as defined in the orders previously granted by, or in the reports previously filed by the Monitor with, this Honourable Court.

1.3 The Sale Transaction for substantially all of the Applicants' business and assets closed on July 27, 2012 (the "**Closing**"). The business formerly operated by the Applicants continues to be carried on by the Purchaser. In anticipation of the Closing, the Applicants sought and obtained the Transition Order dated July 12, 2012 (the "**Transition Order**"). Among other things, the Transition Order provides that, on and after the Closing, the Monitor is empowered and authorized, to take such additional actions and execute such documents, in the name of and on behalf of the Applicants, as the Monitor considers

necessary in order to perform its functions and fulfill its obligations as Monitor, or to assist in facilitating the administration of these CCAA Proceedings.

1.4 The Monitor continues to hold significant funds for distribution. On September 5, 2012, this Honourable Court issued an order approving a claims process (the "**Claims Process**") and, among other things, authorizing, directing and empowering the Monitor to take such actions as contemplated by the Claims Process (the "**Claims Procedure Order**"). The Claims Procedure Order provided for a Claims Bar Date of October 31, 2012. The U.S. Court recognized the Claims Procedure Order by Order dated September 14, 2012.

1.5 The Claims Procedure Order contemplated a further order of the Court to provide an appropriate process for resolving disputed Claims. Accordingly, on March 7, 2013, this Honourable Court issued an order (the "**Claims Officer Order**") to that effect. A copy of the Claims Officer Order is attached as **Appendix "B"**. The Claims Officer Order, among other things, provided that, in the event that a dispute raised in a Notice of Dispute is not settled within a time period or in a manner satisfactory to the Monitor, in consultation with the Applicants and the applicable Creditor, the Monitor shall refer the dispute raised in the Notice of Dispute to either a Claims Officer or to the Court.

1.6 The stay of proceedings provided for in the Initial Order (the "**Stay**"), as extended by subsequent orders, currently expires on February 7, 2014 (the "**Stay Period**").

1.7 The Monitor's Thirteenth Report to Court dated October 10, 2013 (the "**Thirteenth Report**") was filed with this Honourable Court in support of the Monitor's motion returnable October 16, 2013 seeking, among other things, an order (the "**Canadian Approval Order**") in respect of and facilitating the proposed settlement of the Indirect

Purchaser Claim (the "**Indirect Purchaser Settlement**"); an order approving the proposed settlement of the Desert Mountain Motion and related matters; and an order extending the Stay. A copy of the Thirteenth Report without appendices is attached as **Appendix "C"**.

1.8 The purpose of this Fourteenth Report is to:

i. Provide information in support of the Monitor's motion returnable February 5, 2014 seeking:

a) An order extending the Stay Period to May 30, 2014; and

b) An order approving this Fourteenth Report and the Monitor's activities described herein; and

ii. Provide an update in respect of matters relating to the Applicants' estates, including an update in respect of the proposed settlement of the Indirect Purchaser Claim, since the date of the Thirteenth Report.

1.9 Further information regarding these CCAA Proceedings can be found on the Monitor's website at http://www.amcanadadocs.com/arcticglacier.

2.0 TERMS OF REFERENCE

2.1 In preparing this Fourteenth Report, the Monitor has necessarily relied upon unaudited financial and other information supplied, and representations made, by certain former senior management of the Arctic Glacier Parties ("**Senior Management**"). Although this information has been subject to review, the Monitor has not conducted an audit or otherwise attempted to verify the accuracy or completeness of any of the information of the Applicants. Accordingly, the Monitor expresses no opinion and does not provide any

other form of assurance on or relating to the accuracy of any information contained in this Fourteenth Report, or otherwise used to prepare this Fourteenth Report.

2.2 Certain of the information referred to in this Fourteenth Report consists of financial forecasts and/or projections or refers to financial forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with standards set by the Canadian Institute of Chartered Accountants, has not been performed. Future-oriented financial information referred to in this Fourteenth Report was prepared based on estimates and assumptions provided by Senior Management. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, and such variations could be material.

2.3 The information contained in this Fourteenth Report is not intended to be relied upon by any investor in any transaction with the Applicants or in relation to the units of AGIF.

2.4 Unless otherwise stated, all monetary amounts contained in this Fourteenth Report are expressed in United States dollars, which is the Applicants' common reporting currency.

3.0 THE CLAIMS PROCESS

3.1 In this section, all capitalized terms not defined elsewhere have the meaning ascribed to them in the Claims Procedure Order and Claims Officer Order.

Summary of Claims Received and Status of Claims Process

3.2 As reported in the Thirteenth Report, the Monitor received 83 Proofs of Claim, including the Deemed Proven Claims of the DOJ and the Direct Purchaser Claimants, and received 4 DO&T Proofs of Claim.

3.3 The Claims against the Arctic Glacier Parties received by the Monitor are summarized, by category, in the table below.

THE ARCTIC GLACIER PARTIES - PROOF OF CLAIM SUMMARY		
	Claims Received	
	Claim Amount ($000's) (note 1)	**No. of Claims**
Claims from current and former management (primarily regarding Change of Control Payments)	10,203	8
Claims from current and former Board members (primarily regarding Change of Control Payments)	3,835	7
Claims from litigation claimants potentially covered by insurance	9,313	28
Claims from litigation claimants not covered by insurance	479,188	3
Claims from government agencies (excluding CRA and IRS)	2,658	24
Canada Revenue Agency marker claim	-	1
Internal Revenue Service marker claim	-	1
Indemnity claims - antitrust litigation	-	3
DOJ Deemed Proven Claim	7,032	1
Direct Purchasers' Deemed Proven Claim	10,000	1
Other Claims	25,323	6
Grand Total	**547,552**	**83**

Note 1 - Amounts shown are combined US$ and CDN$ (blended currency) and assume a US$/CDN$ exchange rate at par. While this is not reflective of the current exchange rate between U.S. and Canadian dollars, the majority of the value of the Claims received is in U.S. dollars.

3.4 Of the 83 Claims summarized in the table above, as of January 29, 2014, 20 Claims, in the collective amount of approximately $12.95 million, have been withdrawn by the respective Claimants, as shown in the table in paragraph 3.5.

3.5 The Monitor has issued 37 Notices of Revision or Disallowance (the "**Notices of Disallowance**"). Pursuant to the Claims Procedure Order, Claimants could file a Notice of Dispute within 21 Calendar Days following deemed receipt of a Notice of Disallowance (the "**Dispute Period**"). The Dispute Period for 30 of the 37 Notices of Disallowance has now expired, with no Notice of Dispute having been received. This reflects an additional five Notices of Disallowance for which the Dispute Period has expired since the date of the Thirteenth Report. Accordingly, 50 of the 83 Proofs of Claim received in the Claims Process, totalling approximately $21.3 million, have either been withdrawn or disallowed on a final basis. In addition to the 2 Deemed Proven Claims referred to above, there are 19 Accepted Claims resulting in a total of 21 Proven Claims in the amount of $30.5 million. The status of the Claims, including the remaining 12 unresolved Claims as at January 29, 2014 is set out in the table below:

THE ARCTIC GLACIER PARTIES - STATUS OF CLAIMS PROCESS AS AT JANUARY 29, 2014		
	Claims Received	
	Claim Amount ($000's) (note 1)	**No. of Claims**
Deemed Proven Claims	17,032	2
Accepted Claims (note 2)	13,513	19
Proven Claims	**30,545**	**21**
Claims withdrawn	12,954	20
Claim amounts compromised (note 3)	3,026	-
Disallowed Claims, Dispute Period expired	8,344	30
Claims Withdrawn or Disallowed on a Final Basis	**24,324**	**50**
Claims entirely disallowed, Notice of Dispute received	13,934	2
Claim partially disallowed, Notice of Dispute received (note 4)	12,259	1
Disputed Claims	**26,193**	**3**
Claims Disallowed, Dispute Period not yet expired	**718**	**2**
Claims for which Notices of Disallowance drafted and sent to insurance adjuster for confirmation	-	2
Outstanding Insurance Claims	**-**	**2**
IPP Claim - Provisionally Settled	**463,578**	**1**
Outstanding government Claim (subject to indemnification obligation) (note 5)	2,194	1
Indemnity Claims - antitrust litigation	-	3
Other Claims	**2,194**	**4**
Grand Total	**547,552**	**83**

Note 1 - Amounts shown are combined US$ and CDN$ (blended currency) and assume a US$/CDN$ exchange rate at par. While this is not reflective of the current exchange rate between U.S. and Canadian dollars, the majority of the value of the Claims received is in U.S. dollars.

Note 2 - The amount of these Claims as filed was $16.5 million.

Note 3 - These Claims are counted as Accepted Claims above. To date, 15 Claims have been compromised.

Note 4 - This Claim is the Claim of Ms. Johnson who delivered a Notice of Dispute that does not provide a liquidated Claim amount and states that the amount of the Claim is "to be determined upon full disclosure". The amount of Ms. Johnson's Claim in the table above remains unchanged from the Tenth Report where it was noted that the actual Claim filed by Ms. Johnson apears to be significantly greater than the face amount set out on the Proof of Claim.

Note 5 - The outstanding government Claim was filed by the State of California Franchise Tax Board, in the amount of approximately $2.194 million. The former owners of certain of the Applicants' California operations acknowledged their indemnification obligations to the Applicants in respect of any amounts that may be owing in respect of this Claim. In support of the indemnity, $100,000 is being held in escrow. The former owners are currently disputing the assessment underlying the Claim with the State of California Franchise Tax Board.

3.6 As previously reported, many of the Proofs of Claim received did not assert a specific dollar value and/or stated that the Claim is an estimate and is subject to revision. Of the 12 claims that have not yet been resolved, 6 do not assert a specific dollar value. As the Monitor continues to work to resolve these claims, it is clarifying the maximum amount of these claims to assess appropriate reserves in conjunction with the development of a Plan of Arrangement ("**Plan**"). As such, the amounts of the Proofs of Claim received set out in the table above are subject to further refinement and revision.

3.7 As discussed in further detail below, since the date of the Thirteenth Report, settlements have been finalized with respect to the two claims filed by the New York Workers' Compensation Board (together, the "**NYWCB Claims**"), the Desert Mountain Claim, and the Board Claims and the Management Claims (collectively, the "**Settled Claims**"), all of which were reported in the Thirteenth Report as being provisionally settled. The Indirect Purchaser Claim remains provisionally settled.

3.8 The following table presents a summary of the current status of the administration of the Claims Process, and shows the Settled Claims of $34.495 million and reflects the settlement amount contemplated in respect of the Indirect Purchaser Claim, assuming that the latter is approved by the U.S. Court and implemented as anticipated.

THE ARCTIC GLACIER PARTIES - STATUS OF CLAIMS ASSUMING THE PROVISIONAL "IPP" SETTLEMENT IS FINALIZED		
	Claims Received	
	Claim Amount ($000's) (note 1)	**No. of Claims**
Deemed Proven Claims	17,032	2
Accepted Claims	17,463	20
Proven Claims	**34,495**	**22**
Claims withdrawn	-	20
Disallowed Claims, Dispute Period expired	-	30
Claims Withdrawn or Disallowed on a Final Basis	**-**	**50**
Claims entirely disallowed, Notice of Dispute received	13,934	2
Claim partially disallowed, Notice of Dispute received (note 2)	12,259	1
Disputed Claims	**26,193**	**3**
Claims Disallowed, Dispute Period not yet expired	**718**	**2**
Claims for which Notices of Disallowance drafted and sent to insurance adjuster for confirmation	-	2
Outstanding Insurance Claims	**-**	**2**
Outstanding government Claim (subject to indemnification obligation) (note 3)	2,194	1
Indemnity Claims - antitrust litigation	-	3
Other Claims	**2,194**	**4**
Grand Total	**63,600**	**83**

Note 1 - Amounts shown are combined US$ and CDN$ (blended currency) and assume a US$/CDN$ exchange rate at par. While this is not reflective of the current exchange rate between U.S. and Canadian dollars, the Monitor notes that the vast majority of the funds held in the estate bank accounts are held in U.S. dollars and a number of significant Claims will be paid in Canadian dollars.

Note 2 - This Claim is the Claim of Ms. Johnson who delivered a Notice of Dispute that does not provide a liquidated Claim amount and states that the amount of the Claim is "to be determined upon full disclosure". The amount of Ms. Johnson's Claim in the table above remains unchanged from the Tenth Report where it was noted that the actual Claim filed by Ms. Johnson apears to be significantly greater than the face amount set out on the Proof of Claim.

Note 3 - The outstanding government Claim was filed by the State of California Franchise Tax Board, in the amount of approximately $2.194 million. The former owners of certain of the Applicants' California operations acknowledged their indemnification obligations to the Applicants in respect of any amounts that may be owing in respect of this Claim. In support of the indemnity, $100,000 is being held in escrow. The former owners are currently disputing the assessment underlying the Claim with the State of California Franchise Tax Board.

Update on Significant Claims Since the Thirteenth Report

3.9 The Thirteenth Report identified the following significant Claims against the Arctic Glacier Parties, namely: the Desert Mountain Claim, the Change of Control Claims, the Canadian Direct Purchasers' Claim, the Indirect Purchaser Claimants' Claim, the McNulty Claim and the Johnson Claim. An update in respect of these Claims (other than the Canadian Direct Purchasers' Claim which was accepted as a Proven Claim prior to the date of the Thirteenth Report) is provided below.

The Desert Mountain Claim

3.10 As described in previous Monitor's Reports, Desert Mountain was the Applicants' former landlord for a facility located in Tolleson, Arizona. The principal of Desert Mountain, Mr. Robert Nagy, is the former Chief Executive Officer of AGI and a former trustee of AGIF.

3.11 Desert Mountain submitted a Proof of Claim and a DO&T Proof of Claim in the Claims Process (collectively, the "**Desert Mountain Proofs of Claim**"). The Desert Mountain Proofs of Claim sought payment of $12.5 million, plus certain other amounts, pursuant to a purchase option contained in the Arizona Lease (the "**Purchase Option**"). Desert Mountain also filed and served a notice of motion in the CCAA Proceedings dated October 15, 2012, seeking payment of the Purchase Option from either the Purchaser and/or the Applicants (the "**Desert Mountain Motion**"). The Monitor's Ninth Report dealt exclusively with the Desert Mountain Proofs of Claim, the Desert Mountain Motion, the Purchase Option and the Arizona Lease.

3.12 In addition to the Desert Mountain Proofs of Claim and the Desert Mountain Motion, Mr. Nagy filed a personal claim in the Claims Process (the "**Nagy Proof of Claim**"). The Nagy Proof of Claim included a claim for $500,000 in respect of Mr. Nagy's personal guarantee of the Arizona Lease, a claim for CDN$48,000 in respect of a life insurance policy related to the Arizona Lease (collectively, as to those amounts only, the "**Guarantee Proof of Claim**"), as well as a claim for a retirement benefit owed to Mr. Nagy and the cost to replace other post-retirement benefits previously provided to Mr. Nagy (together, the "**Nagy Personal Claim**").

3.13 A resolution of the Desert Mountain Proofs of Claim, the Desert Mountain Motion, the Guarantee Proof of Claim, and all issues related to the Purchase Option and the Arizona Lease was achieved as between the Applicants, the Monitor, Desert Mountain and Mr. Nagy (the "**Desert Mountain Settlement**") following attendance at a Judicially Assisted Dispute Resolution conference before the Honourable Mr. Justice Martin held on June 19, 2013. During the course of negotiating the Desert Mountain Settlement, the parties also agreed on a resolution of the Nagy Personal Claim.

3.14 The Desert Mountain Settlement was attached to the Thirteenth Report and provided for, among other things, a payment of $1.25 million to be made to Desert Mountain within 7 days of Court approval of the Desert Mountain Settlement and for the automatic withdrawal of the Desert Mountain Proofs of Claim and the Guarantee Proof of Claim from the Claims Process. The settlement also provided that the Desert Mountain Motion would be abandoned with prejudice and without costs to any party and that Desert Mountain would take all steps necessary to dismiss, with prejudice and without costs to any party, its appeal (the "**Recognition Order Appeal**") of the Order of the U.S. Court

dated July 17, 2012, recognizing the Amended and Restated Approval and Vesting Order of the Court dated July 12, 2012.

3.15 The Desert Mountain Settlement was approved by this Honourable Court by Order dated October 16, 2013. The $1.25 million payment required by the Desert Mountain Settlement was made on October 22, 2013.

3.16 On October 24, 2013, the United States District Court for the District of Delaware approved the Stipulation of Dismissal of Appeal filed by Desert Mountain in respect of the Recognition Order Appeal. Accordingly, the Desert Mountain Proofs of Claim and the quantum of the Nagy Proof of Claim have been fully and finally resolved.

Claims Arising from a Change of Control of AGI

3.17 Eight former Senior Management employees of the Applicants (the "**Management Claimants**") filed Claims in the Claims Process (the "**Management Claims**") totalling approximately CDN$10.2 million, and seven Directors of AGI and/or Trustees of AGIF, as well as the Corporate Secretary of the Applicants (collectively, the "**Board Claimants**") filed claims totalling approximately CDN$2.4 million (the "**Board Claims**").

3.18 A summary of the Management Claims and the Board Claims, the Monitor's analysis of same and the proposed resolution of such Claims was set out in paragraphs 4.55 through 4.71 of the Thirteenth Report. A resolution was reached in respect of the Management Claims whereby they would be accepted for an aggregate amount of approximately CDN$8.8 million (the "**Revised Management Change of Control Claims**").

3.19 In addition, as part of a resolution of the Board Claims, the Board Claimants agreed to file revised Proofs of Claim for reduced amounts totalling approximately CDN$1.54 million (the "**Revised Board Claims**"). The Board Claimants continue to maintain their Claims for indemnity and for meeting fees in the event that those fees are not paid in the ordinary course consistent with past practice.

3.20 Although the Monitor, in consultation with the Applicants, has the ability to accept, revise or disallow Claims pursuant to the Claims Procedure Order, in light of the nature of the Management Claims and the Board Claims and the inquiries made by unitholders, the Monitor believed it was appropriate to disclose the proposed resolution of these Claims prior to accepting them in the revised amounts. As such, the Thirteenth Report advised that the Monitor intended to accept the Revised Management Change of Control Claims and the Revised Board Claims unless, by October 30, 2013 (20 days following the date of the Thirteenth Report), a stakeholder of the Applicants sought formal relief from the Court by filing with the Court and serving on the Service List an application and supporting materials objecting to the Monitor's recommended treatment of the Management Claims and the Board Claims and setting out the basis for such objection. No such relief was sought by any stakeholder. Accordingly, the Monitor has accepted the Revised Management Claims and the Revised Board Claims on a final basis.

Indirect Purchaser Claim

3.21 As described in previous Monitor's Reports, the putative class representative for the Indirect Purchaser Claimants ("**Class Counsel**") filed the Indirect Purchaser Claim in the amount of "at least" $463.58 million. The Indirect Purchaser Claim states that it was filed

on behalf of a class of U.S. retail purchasers of packaged ice who are located in 16 different U.S. states.

3.22 As described at paragraphs 4.23 to 4.38 of the Thirteenth Report, the Monitor, Class Counsel and the Applicants resolved the issues raised by the Indirect Purchaser Claim and negotiated a settlement agreement between the Monitor, the Applicants and Class Counsel (the "**Settlement Parties**") on behalf of the putative class (the "**Settlement Class**") of indirect purchasers of packaged ice (the "**Proposed Settlement Agreement**").

3.23 On October 16, 2013, this Honourable Court granted an Order (the "**Canadian Approval Order**"), among other things:

i. authorizing the CPS (on behalf of the Applicants) and the Monitor to enter into the Proposed Settlement Agreement;

ii. providing that should final approval of the Proposed Settlement Agreement be granted by the U.S. Court, the Indirect Purchaser Claim shall be deemed to be accepted by the Monitor in an amount not to exceed $3,950,000, which amount shall constitute the maximum amount of the Proven Claim of the Indirect Purchaser Claimants against the Applicants; and

iii. granting the Class Counsel Charge.

A copy of the Canadian Approval Order is attached as **Appendix "D"**.

3.24 As described in the Thirteenth Report, the Proposed Settlement Agreement is subject to approval by the U.S. Court. On November 18, 2013, the U.S. Court conducted the first of the two required hearings to obtain U.S. Court approval. At the November 18, 2013 hearing, there were no objections and the U.S. Court granted the Preliminary Approval

Order, which, among other things, recognized and enforced the Canadian Approval Order, conditionally certified the Settlement Class for settlement purposes only and approved the form and manner of notice to members of the Settlement Class ("**Settlement Class Members**"). A copy of the U.S. Preliminary Approval Order is attached as **Appendix "E"**.

3.25 The Monitor has been advised by its U.S. counsel, the Applicants' noticing agent, Kurtzman Carson Consultants LLC, and the claims administrator, UpShot Services LLC ("**UpShot**"), that Notice of the Proposed Settlement Agreement has been published and provided in the form and manner approved by the U.S. Court in the Preliminary Approval Order.

3.26 The deadline by which Settlement Class Members must indicate their intention not to be bound by the Proposed Settlement Agreement and to object to the U.S. final approval order is February 20, 2014. As of the date of this Report, the Monitor is not aware of anyone seeking to opt out of the Settlement Class.

3.27 The second hearing to obtain final U.S. Court approval is scheduled for February 27, 2014. If final approval is obtained, the claims administration process for the Settlement Class will begin.

3.28 In connection with seeking the U.S. Court's final approval of the Proposed Settlement Agreement,[1] the Settlement Parties will file a joint motion with the U.S. Court on or before February 6, 2014, seeking, among other things, the following forms of relief:

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[1] A summary of certain terms of the Proposed Settlement Agreement was provided at paragraph 4.32 of the Thirteenth Report.

i. Approval of the Proposed Settlement Agreement on a final basis;

ii. Establishment of the procedures by which Settlement Class Members must file Claim Forms and approval of the form and manner of notice thereof;

iii. Approval of the audit and challenge procedures described in the Proposed Settlement Agreement;

iv. Subject to the occurrence of the Payment Trigger Date, authorization for the Monitor to distribute the Net Settlement Amount to UpShot for ultimate distribution to the holders of Approved Claims; and

v. Approval of the release and exculpation provisions contained in the Proposed Settlement Agreement.

3.29 As more fully described in the Thirteenth Report, the Proposed Settlement Agreement is the result of several months of vigorous and protracted, good faith, arms'-length negotiations between the Monitor, the Applicants, and Class Counsel, and, as a result, the Monitor believes that the settlement embodied in the Proposed Settlement Agreement represents a fair and reasonable resolution of the Indirect Purchaser Claim.

3.30 The Monitor has been in regular contact, through discussions and meetings, with the Applicants' U.S. antitrust counsel and is of the view that the total consideration to be given in exchange for the full and final resolution of the Indirect Purchaser Claim is less than the amount that the Monitor and the Applicants would expend in litigating the Indirect Purchaser Claim before the Special Claims Officer. This view is shared by the Monitor's own independent U.S. antitrust counsel. Additionally, the Proposed Settlement Agreement provides a degree of certainty with respect to costs and timing that cannot be

achieved through continuing litigation before the Special Claims Officer, which was estimated to last at least several more years and reflects the inherent risk in continuing litigation. As such, the Monitor has concluded that entry into the Proposed Settlement Agreement represents a sound exercise of business judgment.

3.31 The Settlement Parties will request that the U.S. Court approve a deadline (and related notice procedures) of June 12, 2014 for Settlement Class Members to file Claim Forms (the "**Submission Deadline**"). The Monitor is of the view that the proposed notice procedures, through publication in *USA Today* and *Parade Magazine* and on various websites related to the Indirect Purchaser Claim (including the websites maintained by the Monitor, UpShot and Class Counsel and the MDL docket), constitute good and sufficient notice in the circumstances. Additionally, the Monitor is of the view that the Submission Deadline is fair and reasonable under the circumstances and provides Settlement Class Members with sufficient time to transmit Claim Forms to UpShot.

3.32 In the motion for final approval, the Settlement Parties will request that the U.S. Court approve certain audit and challenge procedures, substantially as described below:

i. The Settlement Parties shall each have the right to audit the information provided in the Claim Forms submitted by each Claimant who submits a Claim or Claims in excess of $50.00, and to challenge UpShot's determinations regarding, among other things, approval or denial of each such Claim Form and the amount UpShot proposes to pay to each such holder of an Approved Claim.

ii. Within fourteen (14) days of having received the Claim Forms and UpShot's Claims Report, the Settlement Parties shall meet and confer regarding any issues that the Monitor, the Applicants or Class Counsel believe need to be raised with

UpShot. If Class Counsel, the Applicants, and the Monitor cannot resolve these issues within twenty (20) days of having received the Claims Report, then Class Counsel, the Applicants, and/or the Monitor may provide written notice of their intent to audit UpShot's determinations with respect to a particular Claim or Claims.

iii. All audits shall be presented to UpShot and the decision of UpShot shall be final; provided, however, that any dispute relating to UpShot's performance of its duties may be referred to the U.S. Court if it cannot be resolved consensually by the Settlement Parties and UpShot.

iv. Class Counsel, the Applicants, and/or the Monitor may invoke their audit rights by providing written notice to each other and to UpShot. The notice shall identify the Claim or Claims that are the subject of the audit, and may be accompanied by supporting papers of no more than two (2) pages (excluding exhibits) for each Claim being audited. Within fourteen (14) days of receipt of the notice and supporting papers, the non-auditing party may submit a written response of no more than two (2) pages (excluding exhibits) for each Claim being audited. The Claims Administrator shall decide any audits presented to it within ten (10) days of final submission.

3.33 The Monitor has been advised by U.S. counsel that the audit and challenge procedures are customary in agreements of this nature, and is of the view that such procedures are in the best interests of the Applicants, and are fair and reasonable in the circumstances. The audit and challenge procedures, if approved by the U.S. Court, will help ensure that only holders of *bona fide* claims receive a distribution from the Net Settlement Amount.

3.34 As described at paragraph 4.32(i) of the Thirteenth Report, the Proposed Settlement Agreement is structured to allow the Monitor to make a single payment of the Net Settlement Amount to UpShot for ultimate distribution to holders of Approved Claims. The Monitor's obligation to make such payment is subject to certain conditions set forth in Section 8.2 of the Proposed Settlement Agreement, including that the U.S. Approval Order becomes final and that all audits and challenges have been resolved. The Monitor has been advised by U.S. counsel that these provisions of the Proposed Settlement Agreement are customary in agreements of this nature, and is of the view that they are in the best interests of the Applicants, and are fair and reasonable in the circumstances.

3.35 As described at paragraph 4.32(v) of the Thirteenth Report, in exchange for the satisfaction of the Indirect Purchaser Claim in the manner contemplated by the Proposed Settlement Agreement, the Proposed Settlement Agreement provides for a comprehensive release and exculpation of the Applicants, and their current or former directors, officers, and employees, the CPS, the Monitor, and certain other parties. The Monitor has been advised by U.S. counsel that the releases and exculpations contained in the Proposed Settlement Agreement are customary in agreements of this nature, and is of the view that they are in the best interests of the Applicants, and fair and reasonable under the circumstances.

3.36 In its next report, the Monitor will advise the Court about the outcome of the February 27, 2014 hearing before the U.S. Court and the status of the claims process for the Settlement Class.

Claim Submitted by Martin McNulty

3.37 As stated in previous reports of the Monitor, the Monitor received a Proof of Claim from Martin McNulty, a former employee of the Applicants, in the amount of $13.61 million (the "**McNulty Claim**"). The McNulty Claim relates to outstanding litigation against the Applicants, Reddy Ice, Home City and certain former employees of the Applicants, pending in the Michigan Court.

3.38 The McNulty Claim alleges that AGIF, AGI and AGII engaged in an unlawful conspiracy and enterprise with certain individuals and competing distributors of packaged ice to boycott his employment in the packaged ice industry (the tortious interference with prospective economic advantage claim). Mr. McNulty also alleges that the named Arctic Glacier Parties violated the RICO Act by allegedly blackballing him from finding employment in the packaged ice industry in retaliation for his cooperation with the U.S. authorities in their investigations of the industry, as well as offering Mr. McNulty bribes to stop cooperating with the government (the RICO claim).

3.39 After receiving information previously sealed by the Michigan Court, and after consulting with the CPS on behalf of the Applicants, the Monitor issued a Notice of Disallowance with respect to the McNulty Claim on September 12, 2013. The Monitor disallowed the McNulty Claim in its entirety because the evidence available to the Monitor does not support Mr. McNulty's allegations.

3.40 On September 19, 2013, in accordance with the Claims Procedure Order, Mr. McNulty filed a Dispute Notice with the Monitor. The Dispute Notice did not provide any new or additional information with respect to the McNulty Claim. On December 9, 2013, in

response to a request by the Monitor, Mr. McNulty provided further information supplementing his Dispute Notice to the Monitor.

3.41 Through discussions with Mr. McNulty's counsel, the Monitor has explored whether a consensual resolution to the McNulty Claim could be achieved. No resolution has been reached to date.

3.42 As such, the Monitor, in consultation with the Applicants and Mr. McNulty's counsel, concluded that the dispute raised in the Dispute Notice was not settled within a satisfactory time period or in a satisfactory manner. Therefore, in accordance with the Claims Officer Order, on November 22, 2013, the Monitor referred the McNulty Claim to Claims Officer the Honourable Jack Ground for adjudication.

3.43 On December 3, 2013, counsel for Mr. McNulty wrote to Claims Officer Ground, asking him not to hear the McNulty Claim on the basis, among other reasons, that Mr. McNulty's claims should be resolved in the United States by an adjudicator familiar with the applicable U.S. law.

3.44 On December 6, 2013, the Monitor wrote to Claims Officer Ground in response to the December 3, 2013 correspondence, stating, among other things, that his appointment as Claims Officer was valid in all respects as a proper exercise of the authority granted to the Monitor pursuant to paragraph 11 of the Claims Officer Order. The Monitor also informed Claims Officer Ground that it intended to have further discussions with counsel for the Applicants and Mr. McNulty to explore whether issues relating to the referral of the McNulty Claim could be resolved on a consensual basis.

3.45 The Monitor, counsel for the Monitor, counsel for Mr. McNulty and counsel for the Applicants have had further discussions in an attempt to resolve procedural issues surrounding the McNulty Claim and to develop an agreed-upon case management procedure. Those discussions are continuing and will be reported on in a subsequent report. Should a resolution not be achieved, it is likely that the procedural dispute will be brought before the Court.

Claim Submitted by Peggy Johnson

3.46 As previously reported, the Johnson Claim is for: (i) royalties allegedly owing in respect of sales by the Applicants of certain products sold under the trade name "Arctic Glacier" for the years 2000 to 2012 inclusive, (ii) approximately CDN$10.5 million in respect of the alleged termination of a royalty agreement, and (iii) CDN$500,000 in relation to the alleged extinguishment of a license, all plus interest. Ms. Johnson claims at least CDN$12,259,000, based on certain assumptions regarding royalties.

3.47 On April 12, 2013, the Monitor issued a Notice of Disallowance with respect to the Johnson Claim, revising it to CDN$33,958, solely in relation to the Claim for royalties described above, and disallowed the remainder of the Claim. On May 2, 2013, Ms. Johnson provided a Dispute Notice in response to the Monitor's Notice of Disallowance. The Dispute Notice states that the amount of the Johnson Claim is "to be determined upon full disclosure".

3.48 In accordance with the Claims Officer Order, on August 19, 2013, the Monitor referred the Johnson Claim to Claims Officer Ground for adjudication.

3.49 On November 22, 2013, the Monitor and counsel for the Monitor, the Applicants and Ms. Johnson respectively participated in a further telephonic case conference before Claims Officer Ground to discuss the procedure for the adjudication of the dispute. The parties and Claims Officer Ground have agreed on a case management procedure, including a timetable of relevant dates. The timetable requires the exchange of relevant documents on or before February 13, 2014; examinations for discovery on or before May 30, 2014; and the completion of expert reports, if any, and motions, if any, over the summer of 2014. A hearing on the merits is currently projected to be heard in the fall of 2014.

Claims Submitted by the CRA and the IRS

3.50 As set out in the Tenth Report, the CRA and the IRS filed "marker claims" in the Claims Process, which were to be quantified pending the completion and filing of the Applicants' 2012 tax returns.

3.51 The Monitor's Eleventh Report (the "**Eleventh Report**") stated that the Canadian trust return for AGIF was filed on March 31, 2013 and the Canadian 2012 corporate tax return for AGI was filed on June 28, 2013. Any exigible federal and provincial taxes were paid by the Monitor, on behalf of the Canadian Applicants. Accordingly, on August 15, 2013, the CRA withdrew its claim from the Claims Process.

3.52 As described in the Eleventh Report, on March 15, 2013, the Monitor, on behalf of the Applicants, remitted payments of approximately $9.3 million to the U.S. federal and various state taxing authorities in respect of 2012 taxes, which payments were based on a preliminary estimate of the U.S. taxes owing.

3.53 On August 29, 2013, the U.S. 2012 federal corporate tax return (the "**U.S. Federal Return**") was filed, which reflected a loss for tax purposes, with no U.S. federal taxes payable.

3.54 The U.S. 2012 state corporate tax returns were filed between August 26 and September 4, 2013 and showed total taxes payable of only approximately $1.13 million.

3.55 The March 15, 2013 U.S. tax payments exceeded the actual amounts required to be paid pursuant to the finalized tax returns by approximately $8.28 million. Accordingly, the U.S. tax returns reflected refunds in that amount owing to the Applicants ($6 million in respect of U.S. federal taxes and approximately $2.28 million in respect of U.S. state taxes). To date, the Monitor has received refunds totalling $6.66 million (including the full amount of the U.S. federal tax refund) and continues to follow up with the various state taxing authorities to attempt to collect the remaining refunds outstanding, totalling approximately $1.62 million.

3.56 On January 23, 2014, the IRS confirmed to the Monitor that it expects to accept the 2012 U.S. Federal Return as filed. On January 24, 2014, the IRS formally withdrew its marker Claim from the Claims Process.

The NYWCB Claims

3.57 The Thirteenth Report made reference to the NYWCB Claims filed against the Applicants Diamond Ice Cube Co. Inc. ("**Diamond Ice**") and Arctic Glacier New York Inc., as successor by merger with Springdale Ice Co. Inc. ("**Springdale Ice**"), in the amounts of $23,845 and $111,636 respectively. Diamond Ice and Springdale Ice and the NYWCB executed settlement agreements that provided for payments to the NYWCB.

The related payments of $14,361 and $69,658 were made on October 21, 2013 (inclusive of the former owners' contributions of $11,390 and $56,881 to the settlement amount). The Monitor has also received the executed releases from the NYWCB which provided for the withdrawal of the NYWCB Claims.

Insurance Matters

3.58 Since the date of the Thirteenth Report: (i) the Dispute Period for five Notices of Disallowance in respect of Claims covered by insurance has expired, and (ii) one additional Notice of Disallowance has been issued to a Claimant denying its claim on the basis that it is covered by insurance. The Dispute Period has yet to expire in respect of that Notice.

3.59 The Monitor has previously reported its intention to establish an insurance deductible reserve to ensure that the run-off of any litigation covered by insurance does not impede the timing of distributions from the estate. The Monitor has communicated with the Applicants' insurer who has advised that there are currently 21 insurance claims that have been settled for which there are deductible amounts outstanding and owing from the estate of approximately $192,500. The insurer has also advised that there are currently 12 open insurance claims that may be subject to a deductible. Based on its preliminary assessment, the insurer has estimated that a reserve of less than $1 million would be sufficient to cover: (i) the deductible amounts currently outstanding; (ii) deductible amounts that may become payable in respect of the currently open claims; and (iii) based on historical claim rates, deductible amounts for further claims related to the period prior to Closing that have not yet been filed. The Monitor is engaged in continuing discussions with the insurer to finalize the amount of the reserve.

4.0 THE PROPOSED PLAN OF ARRANGEMENT

4.1 As described in the Thirteenth Report, the compromises and settlements completed with respect to certain significant Claims may make it possible to streamline the process to distribute the funds being held by the Monitor to the Applicants' stakeholders. Based on recent discussions between the CPS and/or the Monitor and certain unitholders, such unitholders would prefer to see a distribution mechanism that results in a payment on account of their equity position as soon as possible, as opposed to attempting to continue their investment with a reconstituted AGIF.

4.2 Since the date of the Thirteenth Report, the Monitor has continued to work with the CPS, the Applicants, the Monitor's counsel, the Applicants' counsel, and the Applicants' tax advisor, KPMG, to develop a distribution mechanism to propose to this Honourable Court and the Applicants' stakeholders. The Monitor and the Applicants have concluded that a substantively consolidated Plan is the most efficient method of facilitating stakeholder distributions and are currently in the process of drafting such a Plan. The Plan will take into account the steps necessary to achieve the distribution in the most tax-efficient manner. It is intended that the Plan will provide for the payment of all Proven Claims in full and that a distribution to creditors holding such Proven Claims will occur as soon as possible after the expiry of the appeal period of the Order sanctioning of the Plan (if granted). To the extent possible, the Monitor and the Applicants will propose that the Court authorize an interim distribution to the unitholders of AGIF in or around the same time that the distribution to creditors with Proven Claims occurs.

4.3 It is the intention of the Monitor and the Applicants that, should the U.S. Court grant the final approval order with respect to the Proposed Settlement Agreement for the Indirect

Purchaser Claim with no appeal being taken, a Plan will be presented to the Court within the proposed extended Stay Period.

5.0 RECEIPTS AND DISBURSEMENTS SINCE THE THIRTEENTH REPORT

5.1 As at September 30, 2013, the Monitor was holding approximately $114.5 million on behalf of the Applicants.

5.2 During the period from October 1, 2013 to January 24, 2014 (the "**Reporting Period**"), the Applicants' net cash inflows totaled approximately $3.6 million, comprised of receipts of approximately $6.8 million and disbursements of approximately $3.2 million, the former of which is primarily comprised of U.S. federal and state tax refunds.

5.3 The disbursements of $3.2 million made during the Reporting Period are primarily comprised of the Desert Mountain Settlement payment of $1.25 million; payment of the NYWCB Claims in the amount of approximately $84,000; professional fees and expenses totaling approximately $1.56 million, which include the fees and expenses incurred by KPMG, the Monitor, its legal counsel, the CPS, the Applicants' legal counsel, and other professionals retained by the Applicants to assist with the proceedings; premiums in respect of Directors' and Officers' liability insurance of approximately $194,000; and other disbursements of approximately $120,000, including payments to the Directors and Trustees, GST/HST, taxes, and other disbursements of an administrative nature.

5.4 The Monitor is currently holding approximately $118.1 million, all of which is being held in interest-bearing bank accounts in the name of the Monitor, on behalf of the Applicants. Included in these funds is $7.08 million, which includes interest, held in a U.S. escrow account pursuant to the DOJ Stipulation.

6.0 SUMMARY OF PROSPECTIVE FINANCIAL POSITION

6.1 The following table provides an updated summary of the prospective financial position of the Applicants' estates, assuming the Indirect Purchaser Claim settlement is finalized.

THE ARCTIC GLACIER PARTIES - SUMMARY OF PROSPECTIVE FINANCIAL POSITION, ASSUMING THE "IPP" PROVISIONAL SETTLEMENT IS FINALIZED	
	Amount ($000's) (note 1)
Funds currently held by the Monitor (note 2)	**118,120**
Less:	
Proven Claims (note 3)	34,495
Funds remaining, before unresolved Claims	**83,625**
Less:	
McNulty Claim (note 4)	13,610
Johnson Claim (note 5)	12,259
Outstanding government Claim (subject to indemnification obligation) (note 6)	2,194
Claims disallowed, Dispute Period not yet expired	718
Other unresolved Claims	325
Total unresolved Claims	**29,106**
Estimated funds remaining after accounting for all Claims, assuming the "IPP" provisional settlement is finalized (not taking into account ongoing administration costs of the CCAA Proceedings and any wind-down costs, any interest to be paid on Proven Claims, the finalization of all tax matters, insurance matters and other matters detailed in this report) and any fluctuations in the exchange rate between the Canadian and United States dollars	**54,519**

Note 1 - Amounts shown are combined US$ and CDN$ (blended currency) and assume a US$/CDN$ exchange rate at par. While this is not reflective of the current exchange rate between U.S. and Canadian dollars, the Monitor notes that the vast majority of the funds held in the estate bank accounts are held in U.S. dollars and, as set out below, a number of significant Claims will be paid in Canadian dollars.

Note 2 - Comprised of appoximately CDN$654,000 and US$117.47 million. The Monitor currently does not intend to convert funds from U.S. dollars to Canadian dollars unless required in order to meet Canadian dollar obligations.

Note 3 - Comprised of approximately CDN$13.2 million and US$21.3 million.

Note 4 - Claim filed in US$.

Note 5 - Claim is in CDN$. The Notice of Dispute filed by Ms. Johnson does not provide a liquidated Claim amount and states that the amount of the Claim is "to be determined upon full disclosure". The amount of Ms. Johnson's Claim in the table above remains unchanged from the Tenth Report where it was noted that the actual Claim filed by Ms. Johnson apears to be significantly greater than the face amount set out on the Proof of Claim.

Note 6 - The outstanding government Claim was filed by the State of California Franchise Tax Board, in the amount of approximately US$2.194 million. The former owners of certain of the Applicants' California operations acknowledged their indemnification obligations to the Applicants in respect of any amounts that may be owing in respect of this Claim. In support of the indemnity, $100,000 is being held in escrow. The former owners are currently disputing the assessment underlying the Claim with the State of California Franchise Tax Board.

6.2 After accounting for all Claims, and assuming that the Indirect Purchaser Claim settlement is finalized, the estimated funds remaining total $54.5 million. This amount does not take into account ongoing administration costs of the CCAA Proceedings and any wind-down costs, any interest to be paid on the Proven Claims, the finalization of all tax matters, insurance matters, any fluctuations in the exchange rate between Canadian and U.S. dollars, and other matters detailed in this Fourteenth Report. The Monitor notes that of the $29.1 million of currently unresolved Claims, the majority relates to the McNulty Claim and the Johnson Claim, which total at least $25.9 million, as filed. The Monitor has provided an update with respect to the status of those Claims earlier in this Fourteenth Report.

7.0 ACTIVITIES OF THE MONITOR

7.1 In addition to the activities of the Monitor described above, the Monitor's activities from the date of the Thirteenth Report (October 10, 2013) have included the following:

- Continuing to participate in update conference calls between the Monitor, the Monitor's legal counsel, the Applicants' legal counsel, and the CPS to discuss the status of various outstanding matters;
- Continuing to provide for non-confidential materials filed with this Honourable Court and with the U.S. Court to be publicly available on the Monitor's website in respect of these CCAA Proceedings and the Chapter 15 Proceedings;
- Drafting this Fourteenth Report;
- Participating in a Board call held on January 14, 2014;

- Attending by telephone on November 18, 2013 the hearing seeking the U.S. Preliminary Approval Order;
- Continuing to act as foreign representative in the Chapter 15 Proceedings;
- Communicating with insurance adjusters and with plaintiffs' counsel regarding certain open insurance claims;
- In consultation with the Corporate Secretary, arranging for the renewal of the Directors' and Officers' liability insurance for a one-year period and related communications with the Applicants' insurance broker;
- Continuing to fulfill the Monitor's responsibilities pursuant to the Claims Procedure Order;
- Attending the October 16, 2013 Stay extension Court hearing;
- Reviewing and following up with KPMG, the Purchaser and the respective tax authorities in respect of various corporate tax assessments received related to the 2012 tax year as well as prior years and related communications with the CPS;
- Communicating with KPMG in respect of the preparation of the year-end financial information and tax returns for 2013;
- Maintaining estate bank accounts, overseeing and accounting for the Applicants' receipts and disbursements pursuant to the Transition Order, and providing professional fee invoices to the CPS for review and discussion;
- Preparing and filing monthly GST/HST returns and various other statutory returns; and

- Responding to enquiries from unitholders and other stakeholders, including addressing questions or concerns of parties who contacted the Monitor or the CPS on the toll-free hotline number established by the Monitor.

8.0 THE STAY EXTENSION

8.1 The Monitor is requesting an extension of the Stay Period to May 30, 2014. The Monitor believes that the Applicants have acted and continue to act in good faith and with due diligence.

8.2 The Monitor believes that an extension of the Stay Period until May 30, 2014 is appropriate, as it will allow additional time for the Monitor, in consultation with the Applicants, to continue working towards a resolution of the remaining unresolved Claims filed in the Claims Process. The proposed Stay extension date of May 30, 2014 is being requested based on the expected timeline to seek final U.S. Court approval for the Indirect Purchaser Claim settlement, and to present a Plan of Arrangement to the Court.

9.0 THE MONITOR'S COMMENTS AND RECOMMENDATIONS

9.1 Given that the Applicants are no longer operating a business, the Applicants and the Monitor have not prepared an extended cash flow forecast through the expiry of the requested extension to the Stay Period. The Monitor, on behalf of the Applicants, intends to continue to satisfy any amounts properly incurred in respect of the ongoing administration of the estate from the funds being held by the Monitor in the estate bank accounts. The Monitor continues to anticipate that such amounts will be primarily limited to fees and expenses of the Directors and Trustees, insurance-related expenses, taxes,

professional fees and expenses, and any incidental fees and costs. The funds held by the Monitor in its estate bank accounts will be sufficient to satisfy such disbursements.

9.2 For the reasons set out in this Fourteenth Report, the Monitor hereby respectfully recommends that this Honourable Court grant the relief being requested by the Monitor in its Notice of Motion.

*****

All of which is respectfully submitted to this Honourable Court this 29th day of January, 2014.

Alvarez & Marsal Canada Inc., in its capacity as Monitor of Arctic Glacier Income Fund, Arctic Glacier Inc., Arctic Glacier International Inc. and the other Applicants listed on Appendix "A".

Per: Richard A. Morawetz, Senior Vice President

Appendix “A”

Appendix "A"

List of Applicants

Arctic Glacier California Inc.
Arctic Glacier Grayling Inc.
Arctic Glacier Lansing Inc.
Arctic Glacier Michigan Inc.
Arctic Glacier Minnesota Inc.
Arctic Glacier Nebraska Inc.
Arctic Glacier Newburgh Inc.
Arctic Glacier New York Inc.
Arctic Glacier Oregon Inc.
Arctic Glacier Party Time Inc.
Arctic Glacier Pennsylvania Inc.
Arctic Glacier Rochester Inc.
Arctic Glacier Services Inc.
Arctic Glacier Texas Inc.
Arctic Glacier Vernon Inc.
Arctic Glacier Wisconsin Inc.
Diamond Ice Cube Company Inc.
Diamond Newport Corporation
Glacier Ice Company, Inc.
Ice Perfection Systems Inc.
ICEsurance Inc.
Jack Frost Ice Service, Inc.
Knowlton Enterprises, Inc.
Mountain Water Ice Company
R&K Trucking, Inc.
Winkler Lucas Ice and Fuel Company
Wonderland Ice, Inc.

Appendix “B”

Court File No. CI 12-01-76323

THE QUEEN'S BENCH
Winnipeg Centre

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 ARCTIC GLACIER INCOME FUND, ARCTIC GLACIER INC., ARCTIC GLACIER INTERNATIONAL INC. and the ADDITIONAL APPLICANTS LISTED ON SCHEDULE "A" HERETO

(collectively, the "APPLICANTS")

ORDER

(Stay Extension & Appointment of Claims Officers)

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THE QUEEN'S BENCH
Winnipeg Centre

THE HONOURABLE MADAM	)	THURSDAY, THE 7th DAY
	)	
JUSTICE SPIVAK	)	OF MARCH, 2013.

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 ARCTIC GLACIER INCOME FUND, ARCTIC GLACIER INC., ARCTIC GLACIER INTERNATIONAL INC. and the ADDITIONAL APPLICANTS LISTED ON SCHEDULE "A" HERETO

(collectively, the "APPLICANTS")

ORDER

THIS MOTION, made by Alvarez & Marsal Canada Inc., in its capacity as monitor of the Applicants (the "**Monitor**"), for an order (i) extending the Stay Period ("**Stay Period**") defined in paragraph 30 of the Order of the Honourable Madam Justice Spivak made February 22, 2012 (the "**Initial Order**") until June 13, 2013; (ii) appointing Claims Officers to adjudicate disputed Claims; and (iii) discharging the Direct Purchasers' Advisors' Charge was heard this day at the Law Courts Building at 408 York Avenue, in The City of Winnipeg, in the Province of Manitoba.

ON READING the Notice of Motion and the Tenth Report of the Monitor (the "**Tenth Report**"), and on hearing the submissions of counsel for the Monitor, counsel for the Applicants and Glacier Valley Ice Company, L.P. (California) (together, "**Arctic Glacier**" or the "**Arctic Glacier Parties**"), counsel for the US Direct Purchaser Antitrust Settlement Class, Canadian counsel to Wild Law Group, Canadian counsel to US Indirect Purchaser Class Action Plaintiff, Counsel for Desart Mountain Ice, LLC, Robert Nagy, Peggy Johnson and Keith Burrows, counsel for Purchasers, Arctic

Glacier LLC, Arctic Glacier Canada Inc. and Arctic Glacier USA Inc., counsel for the former Vice-President of sales of Arctic Glacier and a representative of Coliseum Capital Partnership LP, no one appearing for any other party although duly served as appears from the affidavit of service, filed:

SERVICE

1. THIS COURT ORDERS that the time for service of this Motion and the Tenth Report is hereby abridged and validated such that this Motion is properly returnable today and hereby dispenses with further service thereof.

DEFINED TERMS

2. THIS COURT ORDERS that all capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed thereto in the Tenth Report or in the Claims Procedure Order granted on September 5, 2012.

STAY EXTENSION

3. THIS COURT ORDERS that the Stay Period is hereby extended until June 14, 2013.

RELEASE OF DIRECT PURCHASERS' ADVISORS' CHARGE

4. THIS COURT ORDERS that the Direct Purchaser's Advisors' Charge (as such term is defined in the Order of this Court dated May 15, 2012) be and is hereby released and discharged and is of no further force and effect.

APPOINTMENT AND POWERS OF CLAIMS OFFICERS

5. THIS COURT ORDERS that, in addition to terms defined elsewhere herein, the term **"Claims Officer"** means the individuals designated by the Court or the Monitor pursuant to paragraphs 6 or 7 of this Order.

6. THIS COURT ORDERS that Mr. Dave Hill and the Honourable Jack Ground, and such other Persons as may be appointed by the Court from time to time on application of the Monitor (in consultation with the Arctic Glacier Parties), be and they are hereby appointed as Claims Officers for the claims resolution procedure described herein.

7. THIS COURT ORDERS that further Claims Officers may be appointed by the Monitor to deal with a specific Claim or DO&T Claim, with the consent of the Arctic Glacier Parties and the Creditor asserting the Claim, to resolve such Creditor's disputed Claim(s) and/or DO&T Claim(s) in accordance with this Order.

8. THIS COURT ORDERS that, subject to the appeal rights set out herein, a Claims Officer shall have the exclusive authority to determine the validity and value of disputed Claims and/or DO&T Claims, as the case may be, including, without limitation, determining questions of law, fact, and mixed law and fact, in accordance with this Order, and to the extent necessary may determine whether any Claim and/or DO&T Claim, as the case may be, or part thereof constitutes an Excluded Claim. A Claims Officer shall determine any and all procedural matters which may arise in respect of his or her determination of disputed Claims and/or DO&T Claims, including ordering the production of documents and such discovery as may be appropriate, as well as the manner in which any evidence may be adduced. A Claims Officer shall have the discretion to determine by whom and to what extent the costs of any hearing before the Claims Officer shall be paid.

9. THIS COURT ORDERS that the Claims Officers shall be entitled to reasonable compensation for the performance of their obligations set out in this Order on the basis of the hourly rate customarily charged by the Claims Officers in performing comparable functions to those set out in this Order and any disbursements incurred in connection therewith. The fees and expenses of the Claims Officers shall be borne by the Arctic Glacier Parties and shall be paid by the Arctic Glacier Parties forthwith upon receipt of each invoice tendered by the Claims Officers.

10. THIS COURT ORDERS that any special claims officer appointed in accordance with paragraph 47 of the Claims Procedure Order (the "**Special Claims Officer**") shall have the same powers, rights, protections and obligations as are granted to a Claims Officer appointed in accordance with this Order.

RESOLUTION OF CLAIMS BY CLAIMS OFFICER OR THE COURT

11. **THIS COURT ORDERS** that in the event that a dispute raised in a Dispute Notice is not settled within a time period or in a manner satisfactory to the Monitor, in consultation with the Arctic Glacier Parties and the applicable Creditor, the Monitor shall refer the dispute raised in the

Dispute Notice either to a Claims Officer or to the Court (or, in the case of a Class Claim of the Indirect Purchaser Claimants, to a Special Claims Officer) for adjudication. The decision as to whether the Claim and/or DO&T Claim should be adjudicated by a Claims Officer or by the Court shall be in the sole discretion of the Monitor.

12. **THIS COURT ORDERS** that to the extent a Claim and/or DO&T Claim is referred under paragraph 11 to a Claims Officer, the Claims Officer shall resolve the dispute between the Arctic Glacier Parties, any Director, Officer or Trustee to the extent that a DO&T Claim is asserted as against them, and the Creditor, as soon as practicable.

13. **THIS COURT ORDERS** that any of the Monitor, a Creditor, a Director, Officer or Trustee to the extent that a DO&T Claim is asserted as against them, or an Arctic Glacier Party may, within fourteen (14) Calendar Days of notification of a Claims Officer's determination in respect of such Creditor's Claim and/or DO&T Claim, appeal such determination to this Court by filing a notice of appeal, and the appeal shall be initially returnable within fourteen (14) Calendar Days from the filing of such notice of appeal, such appeal to be an appeal based on the record before the Claims Officer and not a hearing *de novo*.

14. **THIS COURT ORDERS** that if no party appeals the determination of a Claim and/or DO&T Claim by a Claims Officer within the time set out in paragraph 13 above, the decision of the Claims Officer in determining the validity and value of the Claim and/or DO&T Claim shall be final and binding upon the relevant Arctic Glacier Party, the Monitor, a Director, Officer or Trustee to the extent that a DO&T Claim is asserted as against them, and the Creditor and there shall be no further right of appeal, review or recourse to the Court from the Claims Officer's final determination of the Claim and/or DO&T Claim.

MONITOR'S ROLE

15. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA, the Initial Order, the Claims Procedure Order, the Transition Order dated July 12, 2012 (the "**Transition Order**"), and any other order of the Court in the CCAA Proceedings, is hereby directed and empowered to take such other actions and fulfill such other roles as are authorized by this Order or incidental thereto.

16. THIS COURT ORDERS that (i) in carrying out the terms of this Order, the Monitor shall have all of the protections given to it by the CCAA, the Initial Order, other orders in the CCAA Proceeding, and this Order, or as an officer of the Court, including the stay of proceedings in its favour, (ii) the Monitor shall incur no liability or obligation as a result of the carrying out of the provisions of this Order, (iii) the Monitor shall be entitled to rely on the books and records of the Arctic Glacier Parties and any information provided by the Arctic Glacier Parties, the Purchaser under the Transition Services Agreement as approved by the Transition Order, or any of their respective employees or former employees, all without independent investigation, and (iv) the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

GENERAL PROVISIONS

17. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, including the United States Bankruptcy Court for the District of Delaware, or in any other foreign jurisdiction, to give effect to this Order and to assist the Arctic Glacier Parties, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Arctic Glacier Parties and to the Monitor, as an officer of the Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Arctic Glacier Parties and the Monitor and their respective agents in carrying out the terms of this Order.

L. SPIVAK

J.

DATE: March 8, 2013.

SCHEDULE "A" - ADDITIONAL APPLICANTS

Arctic Glacier California Inc.

Arctic Glacier Grayling Inc.

Arctic Glacier Lansing Inc.

Arctic Glacier Michigan Inc.

Arctic Glacier Minnesota Inc.

Arctic Glacier Nebraska Inc.

Arctic Glacier Newburgh Inc.

Arctic Glacier New York Inc.

Arctic Glacier Oregon Inc.

Arctic Glacier Party Time Inc.

Arctic Glacier Pennsylvania Inc.

Arctic Glacier Rochester Inc.

Arctic Glacier Services Inc.

Arctic Glacier Texas Inc.

Arctic Glacier Vernon Inc.

Arctic Glacier Wisconsin Inc.

Diamond Ice Cube Company Inc.

Diamond Newport Corporation

Glacier Ice Company, Inc.

Ice Perfection Systems Inc.

ICEsurance Inc.

Jack Frost Ice Service, Inc.

Knowlton Enterprises, Inc.

Mountain Water Ice Company

R&K Trucking, Inc.

Winkler Lucas Ice and Fuel Company

Wonderland Ice, Inc.

Appendix “C”

No. CI 12-01-76323

THE QUEEN'S BENCH
WINNIPEG CENTRE

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 ARCTIC GLACIER INCOME FUND, ARCTIC GLACIER INC., ARCTIC GLACIER INTERNATIONAL INC. AND THE ADDITIONAL APPLICANTS LISTED ON SCHEDULE "A" HERETO (COLLECTIVELY, "THE APPLICANTS")

THIRTEENTH REPORT OF THE MONITOR
ALVAREZ & MARSAL CANADA INC.
OCTOBER 10, 2013

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INDEX TO APPENDICES

1.0 INTRODUCTION

1.1 Pursuant to an order of The Court of Queen's Bench (Winnipeg Centre) (the "**Court**") dated February 22, 2012 (the "**Initial Order**"), Alvarez & Marsal Canada Inc. was appointed as Monitor (the "**Monitor**") in respect of an application filed by Arctic Glacier Income Fund ("**AGIF**"), Arctic Glacier Inc. ("**AGI**"), Arctic Glacier International Inc. ("**AGII**") and those entities listed on **Appendix "A"**, (collectively, and including Glacier Valley Ice Company L.P., the "**Applicants**" or the "**Arctic Glacier Parties**") seeking certain relief under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). The proceedings commenced by the Applicants under the Initial Order are referred to herein as the "**CCAA Proceedings**". The CCAA Proceedings were subsequently recognized as a foreign main proceeding by the United States Bankruptcy Court for the District of Delaware (the "**U.S. Court**").

1.2 The Monitor has previously filed twelve reports with this Honourable Court. Capitalized terms not otherwise defined in this report (the "**Thirteenth Report**") are as defined in the orders previously granted by, or in the reports previously filed by the Monitor with, this Honourable Court.

1.3 The Sale Transaction for substantially all of the Applicants' business and assets closed on July 27, 2012 (the "**Closing**"). The business formerly operated by the Applicants continues to be carried on by the Purchaser. In anticipation of the Closing, the Applicants sought and obtained the Transition Order dated July 12, 2012 (the "**Transition Order**"). Among other things, the Transition Order provides that, on and after the Closing, the Monitor is empowered and authorized, to take such additional actions and execute such documents, in the name of and on behalf of the Applicants, as

the Monitor considers necessary in order to perform its functions and fulfill its obligations as Monitor, or to assist in facilitating the administration of these CCAA Proceedings.

1.4 As a result of the successful completion of the Sale Transaction, the Monitor is holding significant funds for distribution. On September 5, 2012, this Honourable Court issued an order approving a claims process (the "**Claims Process**") and, among other things, authorizing, directing and empowering the Monitor to take such actions as contemplated by the Claims Process (the "**Claims Procedure Order**"). The Claims Procedure Order provided for a Claims Bar Date of October 31, 2012. A copy of the Claims Procedure Order is attached as **Appendix "B"**. The U.S. Court recognized the Claims Procedure Order by Order dated September 14, 2012.

1.5 The Claims Procedure Order contemplated a further order of the Court to provide an appropriate process for resolving disputed Claims. Accordingly, on March 7, 2013, this Honourable Court issued an order (the "**Claims Officer Order**"). A copy of the Claims Officer Order is attached as **Appendix "C"**. The Claims Officer Order, among other things:

i. appointed Mr. Dave Hill and the Honourable Jack Ground, and such other persons as may be appointed by the Court from time to time on application of the Monitor, in consultation with the Arctic Glacier Parties, as Claims Officers for the claims resolution procedure described therein;

ii. authorized the appointment by the Monitor of further Claims Officers to deal with a specific Claim or DO&T Claim, with the consent of the Arctic Glacier Parties

and the Creditor asserting the Claim, to resolve such Creditor's disputed Claim(s) and/or DO&T Claim(s);

iii. provided Claims Officers with the exclusive authority to determine the validity and value of disputed Claims, including, determining questions of law, fact and mixed law and fact, and all procedural matters which may arise in respect of a Claims Officer's determination of disputed Claims; and

iv. provided that, in the event that a dispute raised in a Notice of Dispute is not settled within a time period or in a manner satisfactory to the Monitor, in consultation with the Applicants and the applicable Creditor, the Monitor shall refer the dispute raised in the Notice of Dispute to either a Claims Officer or to the Court.

1.6 The stay of proceedings provided for in the Initial Order (the "**Stay**"), as extended by subsequent orders, currently expires on October 18, 2013 (the "**Stay Period**").

1.7 The purpose of this Thirteenth Report is to:

i. Provide information in support of the Monitor's motion returnable October 16, 2013 seeking:

a) An order abridging and validating service;

b) An order extending the Stay Period to February 7, 2014;

c) An order (the "**Canadian Approval Order**") in respect of and facilitating the proposed settlement of the Indirect Purchaser Claim (the "**Indirect Purchaser Settlement**") and granting the Class Counsel Charge, as defined below;

d) An order approving the proposed settlement of the Desert Mountain Motion and related matters;

e) An order approving this Thirteenth Report and the Monitor's activities described herein; and

f) Certain ancillary relief; and

ii. Provide an update in respect of matters relating to the Applicants' estate, including the Claims Process, and in particular, the Board Claims and the Management Claims (both as defined below), since the date of the Twelfth Report.

1.8 Further information regarding these CCAA Proceedings can be found on the Monitor's website at http://www.alvarezandmarsal.com/arcticglacier.

2.0 SUMMARY OF CURRENT STATUS

2.1 As set out in greater detail below, the Monitor, in consultation with the Applicants, has made significant progress with respect to the Proofs of Claim filed against the Applicants that remained unresolved as of the date of the Twelfth Report. A number of Proofs of Claim have been accepted, withdrawn or disallowed in accordance with the terms of the Claims Process. The Monitor and the Applicants have also agreed to a number of provisional settlements with respect to several of the significant claims filed in the Claims Process that the Monitor believes are in the best interest of the estate and its stakeholders.

2.2 In particular, the Monitor notes the following:

i. A proposed settlement has been reached with respect to the Indirect Purchaser Claim which had been filed in the amount of "at least" $463.58 million. The settlement of the Indirect Purchaser Claim is a necessary pre-condition to any creditor or unitholder distributions. The proposed settlement establishes the maximum settlement amount of $3.95 million (the "**Maximum Settlement Amount**") and provides for the proposed Class Counsel Charge of $200,000, resulting in a total maximum estate outlay of $4.15 million. The proposed settlement avoids further legal costs to the Applicants to defend the claim that would, in all likelihood, have exceeded the maximum outlay under the proposed settlement. The proposed settlement also provides a mechanism for the estate to retain a portion of the Maximum Settlement Amount of $3.95 million in certain circumstances. The proposed settlement is subject to, among other things, obtaining the Canadian Approval Order and the approval of the U.S. Bankruptcy Court;

ii. With the assistance of the Honourable Mr. Justice Martin of this Court, a settlement has been reached which resolves all matters related to the Desert Mountain Motion, the Desert Mountain Proofs of Claim, the Purchase Option in the Arizona Lease and all remaining issues relating to Desert Mountain and its principal, Mr. Robert Nagy. The settlement, as it relates to Desert Mountain and all matters relating to the Arizona Lease, is subject to this Court's approval;

iii. The Ontario Court with jurisdiction over the class action against AGI that forms the basis of the Canadian Direct Purchaser Claim has approved the settlement of the class action. Thus, the Canadian Direct Purchaser Claim has been accepted as filed in the amount of CDN$2 million;

iv. Proposed settlements have been achieved in respect of the change of control Claims filed in the Claims Process. These settlements were achieved as a result of the Monitor's investigation and analysis of these claims and subsequent negotiations with the respective independent counsel for these Claimants;

v. The vast majority of the Proofs of Claim in which the underlying claim is covered by insurance have been resolved; and

vi. The Applicants' Canadian and U.S. 2012 tax returns have been filed with the appropriate taxing authorities. The CRA has formally withdrawn its "marker claim" and the Monitor is engaged in an ongoing dialogue with the IRS concerning the U.S. tax returns and the IRS "marker claim".

2.3 Given the significant progress made with respect to the Claims Process since the date of the Twelfth Report, the amount of the unresolved Proofs of Claim and other obligations of the estate, and based on the Monitor's analysis of the settlements set out above and subject to obtaining all necessary approvals for such settlements, creditors holding Proven Claims will have such Claims satisfied in full and the Monitor anticipates that there will be a distribution to unitholders. As such, during the proposed extended Stay Period, the Monitor intends to work closely with the Applicants and the Chief Process Supervisor (the "**CPS**") to be in a position to recommend a distribution mechanism as soon as reasonably possible. The Monitor anticipates being in a position, prior to the

expiry of the proposed extended Stay Period, to either (i) propose a distribution mechanism, or (ii) provide a proposed timeline for distribution. Among other things, U.S. Bankruptcy Court approval of the Indirect Purchaser Settlement and the resolution of any issues with the IRS will likely need to occur prior to a distribution. The proposed Stay extension date of February 7, 2014 is being requested in light of the projected timeline necessary to seek U.S. Bankruptcy Court approvals for the Indirect Purchaser Settlement.

3.0 TERMS OF REFERENCE

3.1 In preparing this Thirteenth Report, the Monitor has necessarily relied upon unaudited financial and other information supplied, and representations made, by certain former senior management of Arctic Glacier ("**Senior Management**"). Although this information has been subject to review, the Monitor has not conducted an audit or otherwise attempted to verify the accuracy or completeness of any of the information of the Applicants. Accordingly, the Monitor expresses no opinion and does not provide any other form of assurance on or relating to the accuracy of any information contained in this Thirteenth Report, or otherwise used to prepare this Thirteenth Report.

3.2 Certain of the information referred to in this Thirteenth Report consists of financial forecasts and/or projections or refers to financial forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with standards set by the Canadian Institute of Chartered Accountants, has not been performed. Future-oriented financial information referred to in this Thirteenth Report was prepared based on estimates and assumptions provided by Senior Management. Readers are cautioned that since financial forecasts and/or projections are

based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, and such variations could be material.

3.3 The information contained in this Thirteenth Report is not intended to be relied upon by any investor in any transaction with the Applicants or in relation to the units of AGIF.

3.4 Unless otherwise stated, all monetary amounts contained in this Thirteenth Report are expressed in United States dollars, which is the Applicants' common reporting currency.

4.0 THE CLAIMS PROCESS

4.1 In this section, all capitalized terms not defined elsewhere have the meaning ascribed to them in the Claims Procedure Order.

Summary of Claims Received

4.2 The Monitor has received 83 Proofs of Claim, including the Deemed Proven Claims of the DOJ and the Direct Purchaser Claimants, and has also received 4 DO&T Proofs of Claim.

4.3 The Monitor notes that 24 of the Proofs of Claim were received after the Claims Bar Date (15 litigation Claims that appeared to be covered by insurance and 9 Claims from government agencies). Of the 24 Proofs of Claim, 3 were received since the date of the Twelfth Report and all 3 appear to be covered by insurance. Pursuant to paragraph 5 of the Claims Procedure Order, the Monitor, in its reasonable discretion, may waive strict compliance with the requirements of the Claims Procedure Order, including in respect of the time of delivery.

4.4 The Claims against the Arctic Glacier Parties received by the Monitor are summarized, by category, in the table below.

THE ARCTIC GLACIER PARTIES - PROOF OF CLAIM SUMMARY		
	Claims Received	
	Claim Amount ($000's) (note 1)	**No. of Claims**
Claims from current and former management (primarily regarding Change of Control Payments)	10,203	8
Claims from current and former Board members (primarily regarding Change of Control Payments)	3,835	7
Claims from litigation claimants potentially covered by insurance	9,313	28
Claims from litigation claimants not covered by insurance	479,188	3
Claims from government agencies (excluding CRA and IRS)	2,658	24
Canada Revenue Agency marker claim	-	1
Internal Revenue Service marker claim	-	1
Indemnity claims - antitrust litigation	-	3
DOJ Deemed Proven Claim	7,032	1
Direct Purchasers' Deemed Proven Claim	10,000	1
Other Claims	25,322	6
Grand Total	**547,552**	**83**
Note 1 - Amounts shown are combined US$ and CDN$ (blended currency) and assume a US$/CDN$ exchange rate at par.		

4.5 Of the 83 Claims summarized in the above table, 15 Claims, in the collective amount of approximately $281,000, have been withdrawn by the respective Claimants, as shown in the table below paragraph 4.7.

4.6 The Monitor has issued 36 Notices of Revision or Disallowance (the "**Notices of Disallowance**"). Pursuant to the Claims Procedure Order, Claimants could file a Notice of Dispute within 21 Calendar Days following deemed receipt of a Notice of Disallowance (the "**Dispute Period**"). The Dispute Period for 25 of the 36 Notices of Disallowance has expired with no Notice of Dispute having been received. Of the remaining 11 Notices of Disallowance issued, 4 are disputed, 1 was issued in respect of the Indirect Purchaser Claim and the Dispute Period has not yet expired for 6 of the Notices of Disallowance. As such, 40 of the Proofs of Claim received in the Claims Process, totalling approximately $5.39 million, have been either withdrawn or disallowed on a final basis.

4.7 A summary of the current status of the administration of the Claims Process follows:

THE ARCTIC GLACIER PARTIES - CURRENT STATUS OF CLAIM PROCESS		
	Claims Received	
	Claim Amount ($000's) (note 1)	**No. of Claims**
Deemed Proven Claims	17,032	2
Accepted Claims	2,501	4
Proven Claims	**19,533**	**6**
Claims withdrawn	281	15
Disallowed Claims, Dispute Period expired	5,111	25
Claims Withdrawn or Disallowed on a Final Basis	**5,392**	**40**
Claims entirely disallowed, Notice of Dispute received	13,972	3
Claims partially disallowed, Notice of Dispute received (note 2)	12,259	1
Disputed Claims	**26,231**	**4**
Claims Disallowed, Dispute Period not yet expired	**3,451**	**6**
Claims for which Notices of Disallowance drafted and sent to insurance adjuster for confirmation	-	2
Other Claims that appear to be covered by insurance	500	1
Outstanding Insurance Claims	**500**	**3**
Desert Mountain Claim - provisionally settled	12,500	1
New York State Workers' Compensation Board Claims - provisionally settled	135	2
IPP Claim - provisionally settled	463,578	1
Change of Control Claims - provisionally settled	14,038	15
Claims Provisionally Settled by the Monitor	**490,252**	**19**
Outstanding government Claim (subject to indemnification obligation) (note 3)	2,194	1
Indemnity Claims - antitrust litigation	-	3
IRS marker Claim	-	1
Other Claims	**2,194**	**5**
Grand Total	**547,552**	**83**

Note 1 - Amounts shown are combined US$ and CDN$ (blended currency) and assume a US$/CDN$ exchange rate at par.

Note 2 - This Claim is the Claim of Ms. Johnson who delivered a Notice of Dispute that does not provide a liquidated Claim amount and states that the amount of the Claim is "to be determined upon full disclosure". The amount of Ms. Johnson's Claim in the table above remains unchanged from the Tenth Report where it was noted that the actual Claim filed by Ms. Johnson apears to be significantly greater than the face amount set out on the Proof of Claim.

Note 3 - The outstanding government Claim was filed by the State of California Franchise Tax Board, in the amount of approximately $2.194 million. The former owners of certain of the Applicants' California operations acknowledged their indemnification obligations to the Applicants in respect of any amounts that may be owing in respect of this Claim. In support of the indemnity, $100,000 is being held in escrow. The former owners are currently disputing the assessment underlying the Claim with the State of California Franchise Tax Board.

4.8 As discussed in paragraph 3.9 of the Twelfth Report, many of the Proofs of Claim received did not assert a specific dollar value and/or stated that the Claim is an estimate and is subject to revision. The Monitor continues to investigate these claims as part of its overall review. As such, the amounts of the Proofs of Claim received set out in the table above are subject to further refinement and revision.

4.9 As discussed in further detail below, the Monitor has provisionally settled two claims filed by the New York Workers' Compensation Board (together, the "**NYWCB Claims**"), the Desert Mountain Claim, the Indirect Purchaser Claim, the Board Claims and the Management Claims, all of which are defined further herein (collectively, the "**Provisionally Settled Claims**"). The following table presents a summary of the status of the administration of the Claims Process, assuming that the settlements contemplated in respect of the Provisionally Settled Claims, are finalized as anticipated.

THE ARCTIC GLACIER PARTIES - STATUS OF CLAIMS ASSUMING PROVISIONAL SETTLEMENTS ARE FINALIZED		
	Claims Received	
	Claim Amount ($000's) (note 1)	**No. of Claims**
Deemed Proven Claims	17,032	2
Accepted Claims	17,463	20
Proven Claims	**34,496**	**22**
Claims withdrawn	-	18
Disallowed Claims, Dispute Period expired	-	25
Claims Withdrawn or Disallowed on a Final Basis	**-**	**43**
Claims entirely disallowed, Notice of Dispute received	13,972	3
Claims partially disallowed, Notice of Dispute received (note 2)	12,259	1
Disputed Claims	**26,231**	**4**
Claims Disallowed, Dispute Period not yet expired	**3,451**	**6**
Claims for which Notices of Disallowance drafted and sent to insurance adjuster for confirmation	-	2
Other Claims that appear to be covered by insurance	500	1
Outstanding Insurance Claims	**500**	**3**
Outstanding government Claim (subject to indemnification obligation) (note 3)	2,194	1
Indemnity Claims - antitrust litigation	-	3
IRS marker Claim	-	1
Other Claims	**2,194**	**5**
Grand Total	**66,871**	**83**

Note 1 - Amounts shown are combined US$ and CDN$ (blended currency) and assume a US$/CDN$ exchange rate at par.

Note 2 - This Claim is the Claim of Ms. Johnson who delivered a Notice of Dispute that does not provide a liquidated Claim amount and states that the amount of the Claim is "to be determined upon full disclosure". The amount of Ms. Johnson's Claim in the table above remains unchanged from the Tenth Report where it was noted that the actual Claim filed by Ms. Johnson apears to be significantly greater than the face amount set out on the Proof of Claim.

Note 3 - The outstanding government Claim was filed by the State of California Franchise Tax Board, in the amount of approximately $2.194 million. The former owners of certain of the Applicants' California operations acknowledged their indemnification obligations to the Applicants in respect of any amounts that may be owing in respect of this Claim. In support of the indemnity, $100,000 is being held in escrow. The former owners are currently disputing the assessment underlying the Claim with the State of California Franchise Tax Board.

4.10 The provisional settlement of the Desert Mountain Motion, described in detail in paragraphs 4.39 through 4.47 of this Thirteenth Report provides that a payment will be made to Desert Mountain in the amount of $1.25 million and that the Desert Mountain Proofs of Claim will be withdrawn from the Claims Process. Similarly, the Applicants' obligations in respect of the NYWCB Claims, as provisionally settled and discussed in detail in paragraphs 4.82 through 4.85 of this Thirteenth Report, total approximately $15,800 and the settlement provides that the NYWCB Claims will be withdrawn from the Claims Process. Given that the Desert Mountain Proofs of Claim and the NYWCB Claims are to be withdrawn from the Claims Process, the above table does not include these settlement amounts which will be satisfied from funds held by the Monitor.

Significant Claims

4.11 The more significant Claims against the Arctic Glacier Parties received by the Monitor are summarized in the table below and discussed further herein.

Significant Proofs of Claim Filed Against the Arctic Glacier Parties	
	Amount of Claim ($000's) (Note 1)
Canadian Direct Purchasers	2,000
Martin McNulty	13,610
Indirect Purchaser Claimants	463,580
Desert Mountain	12,500
Peggy Johnson (note 2)	12,259
Change of Control Claims	14,038
TOTAL	**517,987**

Note 1 - Amounts shown are combined US$ and CDN$ (blended currency) and assume a US$/CDN$ exchange rate at par.

Note 2 - As set out below, Ms. Johnson has delivered a Notice of Dispute that does not provide a liquidated Claim amount and states that the amount of the Claim is "to be determined upon full disclosure". The amount of Ms. Johnson's Claim in the table above remains unchanged from the Tenth Report where it was noted that the actual Claim filed by Ms. Johnson appears to be significantly greater than the face amount set out on the Proof of Claim.

The Canadian Direct Purchaser Claim

4.12 On March 7, 2013, the Court made an Order in respect of a motion brought by the Applicants for certain relief in respect of the Canadian Direct Purchaser Claim. The March 7, 2013 Order provides, among other things, that:

i. The CPS is authorized to enter into a settlement agreement (the "**CDP Settlement Agreement**") on behalf of AGI with respect to the pending class actions against AGI that form the basis of the Canadian Direct Purchaser Claim;

ii. The stay against AGI is lifted solely for the purpose of allowing the parties to take such steps as are necessary to complete the CDP Settlement Agreement; and

iii. Should the CDP Settlement Agreement be approved by the Ontario Superior Court of Justice where the underlying litigation was commenced (the "**Ontario Court**"), the Canadian Direct Purchaser Claim will be deemed to be accepted, as filed, in the amount of CDN$2 million.

4.13 Counsel for the Canadian Retail Litigation Claimants subsequently brought the two motions before the Ontario Court necessary to complete the CDP Settlement Agreement. In order to answer inquiries from the Ontario Court as to the status of the CCAA Proceedings, counsel for the Monitor participated in such motions, which were heard on July 11, 2013 and September 6, 2013 and are described below.

4.14 On July 11, 2013, Justice Leitch of the Ontario Court made an Order certifying the class action as a class proceeding for settlement purposes only, setting out the notice and opt-out requirements, and ordering and declaring that the Court would hold a hearing on Friday, September 6, 2013 to decide, among other things, whether to approve the CDP

Settlement Agreement. As part of the notice plan approved by the Ontario Court, the Monitor posted a Notice of the September 6, 2013 hearing on its website in both English and French. The Monitor did not receive any inquiries from any Canadian Retail Litigation Claimant concerning the CDP Settlement Agreement or the approval hearing.

4.15 On September 6, 2013, the Ontario Court heard the motion to approve the CDP Settlement Agreement. Prior to the commencement of the hearing, one class member opted out of the CDP Settlement Agreement but indicated that it did not intend to bring further litigation against the Applicants. No party appeared at the September 6 hearing to oppose the approval order. The Ontario Court approved the CDP Settlement Agreement as being fair and reasonable and in the best interests of the Canadian Retail Litigation Claimants. As such, in accordance with the March 7, 2013 Order of this Court, the Canadian Direct Purchaser Claim has been deemed to be accepted in the amount of CDN$2 million and is now considered to be a Proven Claim in accordance with the Claims Procedure Order. A copy of the Ontario Court's September 6, 2013 Order approving the CDP Settlement Agreement is attached, without schedules as **Appendix "D"**.

Claim Submitted by Martin McNulty

4.16 As set out in paragraphs 3.13 through 3.16 of the Twelfth Report, the Monitor received a Proof of Claim from Martin McNulty, a former employee of the Applicants, in the amount of $13.61 million (the "**McNulty Claim**"). The McNulty Claim relates to outstanding litigation against the Applicants, Reddy Ice, Home City and certain former employees of the Applicants, pending in the Michigan Court.

4.17 In the litigation and in the McNulty Claim, Mr. McNulty alleges that AGIF, AGI, and AGII engaged in an unlawful conspiracy and enterprise with certain individuals and competing distributors of packaged ice to boycott his employment in the packaged ice industry (the tortious interference with prospective economic advantage claim). Mr. McNulty also alleges that the named Arctic Glacier Parties violated the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. § 1961 et seq. ("**RICO**"), by allegedly blackballing him from finding employment in the packaged ice industry in retaliation for his cooperation with the authorities in their investigations of the industry, as well as offering Mr. McNulty bribes to stop cooperating with the government (the RICO claim).

4.18 As set out in paragraphs 3.14 and 3.15 of the Twelfth Report, in order to evaluate the McNulty Claim, the Monitor required access to certain information and materials subject to protective orders issued by the Michigan Court. On April 30, 2013, the Monitor's motion to intervene in the McNulty litigation was filed, along with a joint motion of the Monitor and the Applicants to modify the necessary protective orders. On June 4, 2013, the Michigan Court granted the relief requested, such that the Monitor (and its outside counsel), any Claims Officer, the CPS, and this Court, if necessary, were and are permitted to view the information subject to protective orders in the McNulty litigation.

4.19 The Applicants subsequently provided to the Monitor and its counsel certain additional information that was previously subject to the protective orders. After consulting with the CPS on behalf of the Applicants, as required by the Claims Procedure Order, the Monitor issued a Notice of Disallowance with respect to the McNulty Claim on September 12,

2013. The Monitor disallowed the McNulty Claim in its entirety because the evidence available to the Monitor does not support Mr. McNulty's allegations.

4.20 On September 19, 2013, in accordance with the Claims Procedure Order, Mr. McNulty filed a Dispute Notice with the Monitor. The Dispute Notice did not provide any new or additional information with respect to the McNulty Claim.

4.21 In accordance with the Claims Procedure Order and the Claims Officer Order, the Monitor intends to explore whether a consensual resolution to the McNulty Claim can be achieved. Should a consensual resolution not be achievable in the near term, the Monitor intends to refer the dispute raised in Mr. McNulty's Notice of Dispute to a Claims Officer.

Indirect Purchaser Claim

4.22 As described in previous Monitor's Reports, the putative class representative for the Indirect Purchaser Claimants ("**Class Counsel**") filed the Indirect Purchaser Claim in the amount of "at least" $463.58 million. The Indirect Purchaser Claim states that it was filed on behalf of a class of U.S. retail purchasers of packaged ice who are located in 16 different states. It is based on an alleged conspiracy between certain of the Applicants, Reddy Ice, and Home City (collectively, the "**Defendants**") with respect to market allocation.

4.23 The various putative class actions brought in and after 2008 in relation to the alleged conspiracy by indirect purchasers of packaged ice against certain of the Applicants, as well as other Defendants, were consolidated for pre-trial purposes in the multidistrict litigation ("**MDL**") captioned *In re Packaged Ice Antitrust Litig.*, No. 07-md-1952 (E.D.

Mich.). On June 1, 2009, the United States District Court for the Eastern District of Michigan, the court administering the MDL, appointed Matthew S. Wild and Max Wild as interim lead counsel and appointed John M. Perrin as liaison counsel for the putative indirect purchaser class.

4.24 The various class actions filed against the Applicants by direct and indirect purchasers of packaged ice stemmed from a DOJ investigation into the packaged ice industry in the United States and, in particular, certain alleged anti-competitive behaviour by the Defendants. As a result of the DOJ investigation, one of the Applicants and Home City pled guilty to a single criminal antitrust violation, along with three former employees of the Applicants. As such, the Monitor has always been aware that there was a possibility, despite the strong legal and factual arguments against the Indirect Purchaser Claim, that a Claims Officer and/or the Court may render a decision with respect to the Indirect Purchaser Claim that is adverse to the Applicants.

4.25 The Indirect Purchaser Claim was by far the largest and most complicated Proof of Claim filed in the Claims Process. Due to its magnitude, the Monitor has been unable to recommend a distribution to the Applicants' stakeholders until the Indirect Purchaser Claim is satisfactorily resolved.

4.26 The Monitor and the Applicants have been actively working to resolve the issues raised by the MDL since the commencement of the CCAA Proceedings and the Chapter 15 Proceedings. In anticipation of the filing of the Indirect Purchaser Claim, the Monitor, the Applicants, and Class Counsel agreed that the Monitor would seek a Claims Procedure Order that would provide that the Indirect Purchaser Claim could be filed on behalf of the putative class and could be pursued under United States law before a United

States lawyer who would adjudicate the claim under United States law. Paragraph 47 of the Claims Procedure Order provided that such a lawyer, experienced in United States antitrust and class-action law, would be appointed as "Special Claims Officer" to adjudicate the Indirect Purchaser Claim.

4.27 In an effort to reach an early resolution of the issues presented by the Indirect Purchaser Claim filed in the Claims Process, the Monitor, the Applicants, and Class Counsel agreed to participate in a mediation presided over by the Honorable former Justice George Adams, which took place in Toronto, Ontario over a two-day period (January 31 and February 1, 2013). Before the mediation, and in accordance with the Claims Procedure Order, the Monitor issued a comprehensive Notice of Revision or Disallowance, dated January 24, 2013, which disallowed the Indirect Purchaser Claim in its entirety. To facilitate the mediation, the Monitor agreed that the parties should focus their attention on the mediation and, thus, pursuant to paragraph 5 of the Claims Procedure Order, agreed to extend the deadline for the delivery of a Dispute Notice with respect to the Indirect Purchaser Claim to a date to be specified by the Monitor.

4.28 Despite the assistance of the Honorable Mr. Adams, the parties were unable to reach a resolution at the mediation. On February 12, 2013, the Monitor informed Class Counsel that the twenty-one day period for filing a Dispute Notice provided for in paragraph 41 of the Claims Procedure Order would commence on February 13, 2013 in respect of the Indirect Purchaser Claim. The Monitor received a Dispute Notice from Class Counsel on March 4, 2013.

4.29 As more fully described in the Twelfth Report, in order to provide the Indirect Purchaser Claimants and the Monitor with evidence and information sufficient to allow a proper

adjudication of the Indirect Purchaser Claim in the Claims Process, the Monitor, the Applicants, and Class Counsel negotiated and entered into the Stipulation by and Between the Monitor, the Debtors, and Wild Law Group Granting Partial and Limited Relief from the Automatic Stay to Proceed with Certain Discovery, dated April 22, 2013.

4.30 Subsequent to the filing of the Twelfth Report, the Monitor, the Applicants, and Class Counsel selected and appointed the Honorable Vaughn R. Walker as Special Claims Officer. Shortly after his appointment, Judge Walker approved a case management plan. However, because the parties were engaged in productive settlement negotiations, the parties sought and obtained Judge Walker's consent to suspend the case management plan until further notice.

4.31 Attached as **Appendix "E"** is a copy of the settlement agreement between the Monitor, the Applicants, and Class Counsel on behalf of the putative class (the "**Settlement Class**") of indirect purchasers of packaged ice (the "**Proposed Settlement Agreement**"). The Proposed Settlement Agreement has been executed by Class Counsel and is being held in escrow by the Monitor pending receipt of the Canadian Approval Order. The Proposed Settlement Agreement is subject to approval by the U.S. Court. If approved, the Proposed Settlement Agreement would achieve a compromise and complete settlement of the Indirect Purchaser Claim (including any other claim asserted by the Settlement Class against any of the Applicants or their former employees in the MDL).

4.32 The material terms of the Proposed Settlement Agreement are as follows:

i. The Proposed Settlement Agreement (a) allows the Indirect Purchaser Claim as a Proven Claim in the Claims Process in an amount not to exceed the Maximum Settlement Amount of $3.95 million, and (b) provides, subject to certain

conditions, including this Court's entry of an Order with respect to the distribution of funds currently being held by the Monitor, for the Monitor to make a single payment in an amount not to exceed the Maximum Settlement Amount;

ii. If this Court enters the Canadian Approval Order and the U.S. Court approves the Proposed Settlement Agreement, members of the Settlement Class who submit a properly completed "Claim Form" within the timeframe to be established by an Order of the U.S. Court will be entitled to receive cash in the amount of $6.00 for the purchase of three to ten bags of packaged ice from one of the Defendants during the period from January 1, 2001 to March 6, 2008 (the "**Class Period**");

iii. To receive more than $6.00, members of the Settlement Class must claim purchases of more than ten bags of packaged ice from one of the Defendants during the Class Period, with proof of purchase for each bag of packaged ice exceeding 10 bags;

iv. Holders of Approved Claims pursuant to the Proposed Settlement Agreement will receive $6.00 for the first ten bags and $0.60 for each additional bag. Payment amounts to individual Settlement Class members may be reduced proportionally under certain circumstances detailed in Sections 2.45 and 5.1.1(iv) of the Proposed Settlement Agreement;

v. In exchange for the satisfaction of the Indirect Purchaser Claim in the manner provided for in the Proposed Settlement Agreement, the Proposed Settlement Agreement provides for a comprehensive release of the Applicants and their current or former directors, officers and employees, the CPS, the Monitor and certain other parties;

vi. In connection with the Proposed Settlement Agreement, Class Counsel intends to seek an award of "Attorneys' Fees" not to exceed 33 1/3% of the Maximum Settlement Amount, and reimbursement of their "Attorneys' Costs" in an amount not to exceed $350,000. The Monitor and the Applicants have agreed that they will not oppose such a request;

vii. The Monitor has agreed to seek the Court's approval of the Class Counsel Charge in the amount of $200,000 and recognition of such approval by the U.S. Court. The Monitor has agreed to seek the Class Counsel Charge in light of the extremely complex nature of the Indirect Purchaser Claim and the cross-border process before this Court and the U.S. Court required to implement the Proposed Settlement Agreement. The Monitor is seeking the Class Counsel Charge as the Monitor believes that such a charge is necessary to facilitate the Indirect Purchaser Claimants' effective participation in the CCAA Proceedings.

The proposed Class Counsel Charge is to rank *pari passu* with the Administration Charge (as defined in the Initial Order), and shall be deemed discharged immediately upon payment of professional fees and disbursements of Class Counsel in the amount of $200,000, which are in addition to the "Attorneys' Fees" and "Attorneys' Costs" (both as defined in the proposed settlement agreement) which will be paid out of the Maximum Settlement Amount of $3.95 million; and

viii. Additionally, Class Counsel intends to seek an Incentive Award (as defined in the Proposed Settlement Agreement) of $1,000 for each of the 20 Named Plaintiffs (as defined in the Proposed Settlement Agreement). The Monitor and the Applicants have agreed that they will not oppose such a request.

4.33 To the extent that the aggregate value of claims submitted plus the Notice and Administration Costs, Incentive Awards, and Attorneys' Fees and Attorneys' Costs is less than the Maximum Settlement Amount, the Monitor will be entitled to retain the difference on behalf of the Applicants and distribute such amounts to the Applicants' stakeholders in accordance with a future distribution Order of the Court.

4.34 The Monitor, in its capacity as Foreign Representative of the Applicants, together with the Applicants and Class Counsel, will (should this Court enter the Canadian Approval Order) seek the U.S. Court's approval of the Proposed Settlement Agreement. Pursuant to U.S. procedural law applicable to the Proposed Settlement Agreement and the settlement of the Indirect Purchaser Claim, U.S. Court approval will require two hearings before Judge Gross. The first hearing is currently scheduled for November 18, 2013 at 2:00 p.m. The second hearing has not yet been scheduled, but it is anticipated (subject to U.S. Court availability) that such hearing will occur in late January or early February 2014 should the Canadian Approval Order and U.S. Preliminary Approvals Order be granted. Should the U.S. Court approve the Proposed Settlement Agreement on a final basis, in the currently projected timeframe, it is anticipated that the claims process for Settlement Class members will conclude during the second quarter of 2014.

4.35 In connection with the claims process contemplated by the Proposed Settlement Agreement, the Monitor sought three proposals from firms that provide claims

administration services. After discussions and negotiations with the potential claims administrators, the Monitor selected UpShot Services LLC ("**UpShot**"). Pursuant to the Proposed Settlement Agreement, the Monitor, together with the Applicants and Class Counsel, will be seeking U.S. Court approval of the Monitor's retention of UpShot. UpShot's capped proposal represented the lowest and best proposal to perform the role of Claims Administrator under the Proposed Settlement Agreement and provides the Monitor with sufficient certainty that the Notice and Administration Costs will not exceed a capped amount. Not only was UpShot's proposal capped in terms of total cost, but, unlike one of the other proposals, did not include a minimum "start-up" fee. Further, UpShot's personnel are familiar with the Applicants' insolvency proceedings and the Monitor is of the view that UpShot will perform the duties required by the Proposed Settlement Agreement in a cost-effective and efficient manner.

4.36 The Proposed Settlement Agreement is the result of several months of vigorous and protracted, arms'-length negotiations between the Monitor, the Applicants and Class Counsel, and the Monitor believes that it represents a fair and reasonable resolution of the Indirect Purchaser Claim. The Monitor has been in regular contact, through discussions and meetings, with the Applicants' U.S. antitrust counsel and is of the view that the total consideration to be given in exchange for the full and final resolution of the Indirect Purchaser Claim is less than the amount that the Monitor and the Applicants would expend in litigating the Indirect Purchaser Claim before the Special Claims Officer. This view is shared by the Monitor's independent U.S. antitrust counsel. Additionally, the Proposed Settlement Agreement provides a degree of certainty with respect to costs and

timing that cannot be achieved through continuing litigation before the Special Claims Officer which was estimated to last at least several more years.

4.37 Due to the significant and uncertain quantum of the Indirect Purchaser Claim as filed, no distribution can be made to any holders of Proven Claims absent the implementation of the Proposed Settlement Agreement. Accordingly, the Monitor believes that consummation of the Proposed Settlement Agreement is in the best interests of the Applicants, their Creditors, and other stakeholders and will allow the Monitor to distribute the funds it holds in a more timely manner than if the matter was litigated before the Special Claims Officer and then through any appellate process.

4.38 For the reasons set out herein, the Monitor recommends that the Court issue the Canadian Approval Order to facilitate the implementation of the Proposed Settlement Agreement, including, amount other things: (i) an Order authorizing the CPS and the Monitor to execute the Proposed Settlement Agreement, and (ii) the granting of the Class Counsel Charge.

The Desert Mountain Claim

4.39 As described in previous Monitor's Reports, Desert Mountain is the Applicants' former landlord for a facility located in Tolleson, Arizona. The principal of Desert Mountain, Mr. Robert Nagy, is the former Chief Executive Officer of AGI and a former trustee of AGIF.

4.40 Desert Mountain has submitted a Proof of Claim and a DO&T Proof of Claim in the Claims Process (collectively, the "**Desert Mountain Proofs of Claim**"). The Desert Mountain Proofs of Claim seek payment of $12.5 million, plus certain other amounts,

pursuant to a purchase option contained in the Arizona Lease (the "**Purchase Option**"). Desert Mountain also filed and served a notice of motion dated October 15, 2012, seeking payment of the Purchase Option from either the Purchaser and/or the Applicants (the "**Desert Mountain Motion**"). The Monitor's Ninth Report deals with the Desert Mountain Proofs of Claim, the Desert Mountain Motion, the Purchase Option and the Arizona Lease.

4.41 In addition to the Desert Mountain Proofs of Claim and the Desert Mountain Motion, Mr. Nagy filed a personal claim in the Claims Process (the "**Nagy Proof of Claim**"). While certain aspects of the Nagy Proof of Claim relate to the Arizona Lease, others do not. In particular, the Nagy Proof of Claim included a claim for $500,000 in respect of Mr. Nagy's personal guarantee of the Arizona Lease and a claim for $48,000 in respect of a life insurance policy related to the Arizona Lease (collectively, as to those amounts only, the "**Guarantee Proof of Claim**").

4.42 The parties to the Desert Mountain Motion and the Monitor attended a Judicially Assisted Dispute Resolution conference before the Honourable Mr. Justice Martin on June 19, 2013. Subject to the approval of this Court, a resolution of the Desert Mountain Proofs of Claim, the Desert Mountain Motion, the Guarantee Proof of Claim and all issues related to the Purchase Option and the Arizona Lease was achieved as between the Applicants, the Monitor, Desert Mountain and Mr. Nagy (the "**Desert Mountain Settlement**").

4.43 In addition to the Desert Mountain Settlement, and in light of the nature of the Nagy Proof of Claim, the Applicants, the Monitor and Mr. Nagy agreed to work together to attempt to resolve the remaining aspects of the Nagy Proof of Claim which dealt with a retirement benefit owed to Mr. Nagy and the cost to replace other post-retirement benefits

previously provided to Mr. Nagy (the "**Nagy Personal Claim**"). Although not subject to Court approval, the Monitor is also pleased to report that a settlement of the entirety of the Nagy Proof of Claim, including the Nagy Personal Claim, has also been reached pursuant to the terms of the Claims Procedure Order. A copy of the Minutes of Settlement executed by counsel to the Applicants, counsel to Desert Mountain and Mr. Nagy, and counsel to the Monitor is attached as **Appendix "F"**.

4.44 The material terms of the Desert Mountain Settlement are as follows:

i. Payment will be made from the monies currently being held by the Monitor to counsel for Desert Mountain in trust in the amount of $1,250,000 (the "**Desert Mountain Settlement Amount**") within 7 business days of Court approval of the Desert Mountain Settlement. Counsel for Desert Mountain will hold the Desert Mountain Settlement Amount in trust until it can be released pursuant to the terms of the Desert Mountain Settlement;

ii. Desert Mountain, Mr. Nagy, the Applicants and the Monitor shall exchange mutual releases in a form satisfactory to each party, whereby each party shall release any and all matters that were raised in the Desert Mountain Motion, the Desert Mountain Proofs of Claim and the Guarantee Proof of Claim; and

iii. Upon the making of the payment of the Desert Mountain Settlement Amount and the exchange of certain of the mutual releases: (a) the Desert Mountain Motion shall be and be deemed to be abandoned with prejudice and without costs to any party. The Desert Mountain Settlement is conditional upon an Order of the Court being obtained, on notice to the Service List maintained for the CCAA Proceedings, providing for the abandonment of the Desert Mountain Motion with

prejudice and without costs to any party; (b) the Desert Mountain Proofs of Claim and the Guarantee Proof of Claim shall be deemed to be automatically withdrawn from the Claims Process without the need for any further act or formality; and (c) Desert Mountain shall immediately take all steps necessary to dismiss, with prejudice and without costs to any party, its appeal of the Order of the U.S. Bankruptcy Court dated July 17, 2012, recognizing the Amended and Restated Approval and Vesting Order of the Court dated July 12, 2012 (the "**U.S. Sale Recognition Order**").

4.45 The Desert Mountain Settlement was reached after lengthy without prejudice negotiations between the Applicants, the Monitor and Desert Mountain, who benefitted from the assistance of the Honourable Mr. Justice Martin. The Desert Mountain Settlement avoids the continuation of prolonged litigation as part of these CCAA Proceedings. To date, in that litigation, Desert Mountain, the Applicants and the Purchaser have delivered voluminous affidavits in respect of the Desert Mountain Motion and numerous documents were produced by the parties. Cross-examinations of Mr. Nagy, the CPS and a principal of the Purchaser were conducted and the parties delivered extensive Motion Briefs to the Court. If the Desert Mountain Settlement is completed, the parties will avoid the expense of a four-day hearing before the Honourable Mr. Justice Dewar from December 2-5, 2013 and any appeal that might have followed that hearing.

4.46 It is the Monitor's view that the Desert Mountain Settlement is in the best interests of the Applicants and all of their stakeholders. In the Ninth Report, the Monitor commented on the positions being put forward by the parties to the Desert Mountain Motion. The Monitor provided its view that (a) the Approval and Vesting Order, as a final order of the

Court that has not been appealed, should stand, and (b) should the Purchase Option be payable, the APA with the Purchaser was intended to fully protect the Applicants' estate in such a scenario. The Monitor notes that the Purchaser is not contributing to the Desert Mountain Settlement Amount, however recommends that this Honourable Court approve the Desert Mountain Settlement for the reasons set out below:

i. The Desert Mountain Settlement includes a settlement of all matters relating to the Desert Mountain Motion, the Desert Mountain Proofs of Claim, the Guarantee Proof of Claim and the Arizona Lease. The parties have also agreed to settle the Nagy Personal Claim as reflected in the Minutes of Settlement;

ii. The Desert Mountain Settlement will result in the estate not having to incur additional legal costs and will create certainty going forward. In addition, the parties to the Desert Mountain Settlement will be responsible for their own legal costs. The Desert Mountain Motion is scheduled for a four-day hearing before this Court from December 2-5, 2013. Based on the nature of the Desert Mountain litigation to date, the Monitor believes that the losing party would likely seek leave to appeal any decision of this Court on the Desert Mountain Motion to the Manitoba Court of Appeal, resulting in further costs and delay;

iii. The Desert Mountain Settlement Amount represents 10% of the amount of the Purchase Option being claimed by Desert Mountain. Although the Monitor's view is that the deemed Purchase Option should not be payable by the Applicants, the Monitor is aware that Desert Mountain and the Purchaser take a different view of the Applicants' legal obligation with respect to the payment, and there was a risk that the Applicants would not be successful in the litigation and would be

required to pay the full $12.5 million. It is the Monitor's view that a compromise at 10% of the payment claimed in the Desert Mountain Motion largely reflects that risk and is reasonable;

iv. Mr. Nagy has agreed to withdraw the Guarantee Proof of Claim as part of the Desert Mountain Settlement which was filed in the aggregate of $548,000 and may have been required to be accepted as a Proven Claim in the Claims Process;

v. Desert Mountain has agreed to withdraw its appeal of the U.S. Sale Recognition Order. As such, the Monitor and the Applicants will no longer have to expend estate resources to deal with the appeal and any potential ramifications from the appeal; and

vi. The Desert Mountain Settlement will resolve the Proof of Claim and the DO&T Proof of Claim filed by Desert Mountain. There was no guarantee that the motion scheduled for December 2013 would have resolved all issues relating to the Desert Mountain Proof of Claim. In addition, there was a real possibility that even if the Applicants were successful in the Desert Mountain Motion, these issues would have also needed to be dealt with in the context of the DO&T Proof of Claim, and it was likely that the Applicants would have been required to indemnify the relevant directors, officers and trustees for any loss to Desert Mountain as a result of the relevant indemnity arrangements.

4.47 The Monitor is of the view that the Desert Mountain Settlement resolves a significant group of interrelated issues and potential liability with respect to the Applicants' estate at a reasonable cost when compared to the potential exposure. The Desert Mountain Settlement will also result in the avoidance of additional legal costs with respect to the

Arizona Lease and provides certainty to the Applicants' estate. As such, for the reasons set out herein, the Monitor recommends that the Court issue an Order (i) approving the Desert Mountain Settlement, and (ii) providing that the Desert Mountain Motion shall be abandoned with prejudice and without costs to any party once the terms of the Desert Mountain Settlement are met.

Claim Submitted by Peggy Johnson

4.48 The Monitor provided a description of the three separate but interrelated components of the Claim filed by Peggy Johnson (the "**Johnson Claim**") at paragraph 3.30 of the Tenth Report of the Monitor dated March 5, 2013 (the "**Tenth Report**"). As set out in the Tenth Report, the Johnson Claim is for (i) royalties allegedly owing in respect of sales by the Applicants of certain products sold under the trade name "Arctic Glacier" for the years 2000 to 2012 inclusive, (ii) approximately CDN$10.5 million in respect of the alleged termination of a royalty agreement, and (iii) CDN$500,000 in relation to the alleged extinguishment of a license, all plus interest.

4.49 On April 12, 2013, after consulting with the CPS on behalf of the Applicants as required by the Claims Procedure Order, the Monitor issued a Notice of Disallowance with respect to the Johnson Claim. The Monitor revised the Johnson Claim to $33,958.30, solely in relation to the Claim for royalties described above. The Monitor entirely disallowed the components of the Johnson Claim related to the purported termination of a royalty agreement and the alleged extinguishment of a license.

4.50 On May 2, 2013, in accordance with the Claims Procedure Order, Ms. Johnson provided a Dispute Notice in response to the Monitor's Notice of Disallowance. In the Notice of Dispute, Ms. Johnson provided additional information in support of her Claim that the

Monitor subsequently reviewed with the Applicants. In addition, the Notice of Dispute states that the amount of the Johnson Claim is "to be determined upon full disclosure".

4.51 The primary issue set out in the Proof of Claim, Notice of Disallowance and Notice of Dispute in respect of the Johnson Claim appears to be whether any retail royalties are payable to Ms. Johnson in relation to the sale of packaged ice by the Applicants. The Monitor and the Applicants are of the view that any retail royalties are only payable to Ms. Johnson on sales of bottled water. Ms. Johnson is of the view that retail royalties are payable on both sales of bottled water and sales of packaged ice.

4.52 In accordance with the Claims Procedure Order and the Claims Officer Order, since the date of the Twelfth Report, the Monitor explored whether a consensual resolution to the Johnson Claim could be achieved. No resolution has been reached.

4.53 As such, the Monitor, in consultation with the Applicants and Ms. Johnson's counsel, concluded that the dispute raised in the Dispute Notice was not settled within a satisfactory time period or in satisfactory manner. In accordance with the Claims Officer Order, on August 19, 2013, the Monitor referred the Johnson Claim to Claims Officer the Honourable Jack Ground for adjudication.

4.54 On September 17, 2013, the Monitor and counsel for the Monitor, the Applicants and Ms. Johnson participated in a telephonic case conference before Claims Officer Ground to discuss setting a procedure for the adjudication of the dispute. The Monitor intends to work with counsel for the Applicants and Ms. Johnson to develop an agreed-upon case management procedure. A further telephonic case conference has been set before Claims Officer Ground for November 22, 2013.

Claims Arising from a Change of Control of AGI

Management Claims

4.55 Eight former Senior Management employees of the Applicants (the "**Management Claimants**") filed Claims in the Claims Process (the "**Management Claims**") totalling approximately $10.2 million. These Claims are predominantly for change of control payments set out in the Management Claimants' employment agreements with AGI (the "**Management Change of Control Payments**").

4.56 The employment agreements of the Management Claimants define a "change of control" to be, among other things, the sale by AGI of greater than 50% of its worldwide operations on a consolidated basis within any continuous six-month period. The Management Claimants contend that the Sale Transaction gave rise to a change of control for the purposes of these agreements.

4.57 The employment agreements for seven of the eight Management Claimants (collectively, the "**Management Change of Control Claimants**") contain two provisions: a "Change of Control Provision" and a "Termination Change of Control Provision". These provisions give rise to the Claims of the Management Change of Control Claimants and are described as follows:

i. The Change of Control Provision: in the event of, and immediately upon, a change of control, AGI shall pay each of the Management Change of Control Claimants an amount equal to a multiple (either 100%, 300% or 400%, depending upon the respective Claimant) of that employee's salary, plus maximum bonus

entitlement and benefits, if any received during the twelve months immediately prior to the change of control.

ii. The Termination Change of Control Provision: if AGI, within two years immediately following a change of control, terminates that employee's employment, immediately following such termination, AGI shall pay, in addition to the amount described in (a) above, an amount equal to a multiple (either 50% or 100%, depending upon the respective Management Claimant) of that employee's annual salary, plus maximum bonus entitlement and benefits, if any, received during the twelve months immediately prior to the change of control.

4.58 Pursuant to the provisions of the KERP agreements, the Claims filed by the Management Change of Control Claimants properly reflect a reduction by the amounts of the KERP payments each of them received.

4.59 All of the Management Change of Control Claimants were offered and accepted employment with the Purchaser.

4.60 The employment agreement of the remaining Management Claimant (the "**Additional Claimant**") differs from the others in that it does not contain a Change of Control Provision, and the Termination Change of Control Provision provides that:

> If, within one year immediately following a change of control of AGI, AGI terminates that employee's employment, AGI shall pay an amount to that employee equal to 300% of that employee's annual salary, plus maximum bonus entitlement, plus benefits.

Board Claims

4.61 In addition to the Management Claims, six claims totalling approximately $2.4 million (the "**Board Claims**") were filed by current Directors of AGI and/or Trustees of AGIF, as well as the Corporate Secretary of the Applicants (collectively, the "**Board Claimants**"). These Claims are also predominantly for change of control payments (the "**Board Change of Control Payments**").

The Monitor's Analysis of the Management Claims

4.62 The Monitor has conducted a thorough review of the Management Claims and the Board Claims and has reviewed certain additional supporting documentation provided by the Applicants. This additional information includes minutes from joint meetings of the Compensation Committees of AGIF and AGI, minutes from joint meetings of the Board of Trustees of AGIF and the Board of Directors of AGI held during the period January 2006 to July 2012, inclusive, certain information packages provided to Trustees and Board members in advance of meetings, certain reports and other documents referenced in the minutes, payroll records, the Board members' manual and various email communications. The Monitor attended at the offices of the Corporate Secretary of the Applicants to review and discuss additional documentation provided by the Applicants. The Monitor has also reviewed certain annual information circulars and annual reports of AGIF, and has consulted with an executive compensation expert at the Monitor's legal counsel in respect of both the Board Claims and the Management Claims.

4.63 The Monitor notes the following in respect of the Management Claims:

- The Management Claimants all provided executed employment contracts with AGI that provide for Management Change of Control Payments in certain circumstances;
- The Monitor is of the view that the Closing of the Sale Transaction constituted a change of control pursuant to the employment contracts;
- The existence of and calculation with respect to Management Change of Control Payments were disclosed in the Applicants' annual information circulars and annual reports;
- With respect to the portions of the Management Claims that are based on the Termination Change of Control Provision, the Monitor notes that the Management Change of Control Claimants may not have been actually terminated as a result of the Closing of the Sale Transaction. Such Claimants were not formally terminated by AGI; rather, they accepted employment with the Purchaser and continued to carry out the same duties, in the same position, and at the same location, immediately following the Closing of the Sale Transaction as they did previously. Counsel for the Management Change of Control Claimants informed the Monitor that such Claimants disagree with any assertion that the Termination Change of Control Provision does not apply;
- The Additional Claimant was terminated by AGI immediately prior to the Closing of the Sale Transaction. However, the Additional Claimant contends that his termination occurred after a change of control and has raised other issues with respect to his termination;

- While the compensation expert with whom the Monitor consulted in respect of the Management Claims is of the view that the quantum of the change of control multiples are higher than would be typical for these types of claims in the current market environment, change of control payments to senior management are not uncommon;

- The Management Claimants played an important role in the restructuring of the Applicants' business, and in doing so, assisted in achieving the going concern outcome of the Sale Transaction; and

- Certain of these Claimants also continued to assist the Monitor, pursuant to the provisions of the Transition Services Agreement, following the Closing of the Sale Transaction.

4.64 Following lengthy, without prejudice negotiations between the Monitor and counsel for the Management Change of Control Claimants, a resolution to the Management Change of Control Claims has been achieved, resulting in the Management Change of Control Claimants resubmitting their Proofs of Claim to reflect a 20% to 50% reduction to the portion of their original Claims based on the Termination Change of Control Provisions. In addition, the Monitor reached a resolution of the Additional Claimant's Claim whereby the Additional Claimant has agreed to a reduction of 20% to his Claim.

4.65 A summary of the Management Claims and the proposed resolution recommended by the Monitor (the "**Revised Management Change of Control Claims**") is as follows:

THE ARCTIC GLACIER PARTIES			
Management Claims			
	Amount of Claim ($)	**Revised Amount of Claim ($)**	**Reduction to Claim ($)**
Chief Executive Officer ("CEO")	3,652,014	3,147,769	504,245
Chief Financial Officer ("CFO")	2,805,370	2,444,072	361,298
Executive Vice President, Operations	2,027,223	1,739,552	287,671
Vice President, Acquisitions & Integration	683,097	546,478	136,619
Vice President, Accounting and Corporate Controller	373,052	321,178	51,874
Vice President, Human Resources & Administration	252,944	219,731	33,213
Director of Finance	192,637	166,663	25,974
Director, Information Technology	216,902	193,000	23,902
TOTAL	**10,203,239**	**8,778,443**	**1,424,796**

Note: The Management Claims, as filed, included an amount in respect of interest which, as stated in previous reports, the Monitor will deal with at the time of a proposed distribution. In addition, the claims filed by the CEO and the CFO included claims for certain reimbursable legal fees which were paid in the ordinary course. Accordingly, the settled amounts of the Management Claims exclude interest and legal fees.

The Monitor's Analysis of the Board Claims

4.66 The Monitor notes the following in respect of the Board Claims:

- The Board Change of Control Payments were initially agreed to as set out in the minutes of the joint meeting of the Compensation Committees of AGI and AGIF held on October 12, 2005. Unlike the Management Claims, there are no formal, written contracts in respect of the Board Claims. These amounts were subsequently increased, as provided for in the minutes of the joint meeting of the Compensation Committees of AGI and AGIF held on November 27, 2006;
- The Board Change of Control Payments were disclosed in the AGIF annual information circulars and annual reports;

- The Board Claimants remained actively and continuously engaged throughout the period prior to and during the CCAA Proceedings. Under their stewardship, the Applicants completed the Sale Transaction for the benefit of the stakeholders; and
- The compensation expert with whom the Monitor consulted in respect of the Board Claims advised the Monitor that he is unaware of any change of control payments or amounts similar in nature being granted to members of any other Canadian board of directors.

4.67 In respect of the increase to the quantum of the Board Claims provided for in the November 27, 2006 minutes referred to above, the Monitor reviewed an email dated November 22, 2006 from the Corporate Secretary to the members of the Compensation Committees of AGI and AGIF which provided the rationale for the increase. The email discusses the pressures being felt by income trusts at the time, given the uncertainty in the market at the time caused by the Canadian federal government's tax initiatives announced in respect of income trusts. The email references the importance of ensuring that members of Senior Management, senior officers and Board members, particularly given the small number of Board members, were adequately supported and given proper incentives to deal with the uncertainty of operating an income trust.

4.68 The Board Claimants, cognizant of the Monitor's observations noted above, and following without prejudice discussions between the Monitor and the Board Claimants' independent counsel, have agreed (contingent on the Monitor's acceptance and approval of the revised Proofs of Claim described below and on no application having been brought under paragraph 4.71 below) to accept amounts equal to two-thirds of the change of control payments to which the Board Claimants believe they are entitled. Under the

resolution recommended by the Monitor, the Board Claimants will be filing revised Proofs of Claim for these reduced amounts, which total approximately $1.54 million (the "**Revised Board Claims**"). The Board Claimants will also continue to maintain their Claims for indemnity and for meeting (and other) fees in the event that those fees are not paid in the ordinary course consistent with past practice, as described in the existing Proofs of Claim – either those existing Proofs of Claim will continue to be in effect in respect of such matters, or the Claims for indemnity and fees will be maintained in the Revised Board Claims.

Monitor's Recommended Treatment of the Management Claims and the Board Claims

4.69 The Monitor believes that the Revised Management Change of Control Claims and the Revised Board Claims:

- are in the best interests of the Applicants and their stakeholders;
- will eliminate the potential for protracted litigation and the associated legal costs;
- will assist in providing certainty for the estate going forward; and
- reflect the Monitor's assessment of the merits of these Claims.

4.70 In previous reports, the Monitor advised that it intended to file a separate report with this Honourable Court that would include the Monitor's comprehensive analysis of the Management Claims and the Board Claims and the Monitor's conclusions in respect of same. This portion of this Thirteenth Report constitutes that report.

4.71 Although the Monitor, in consultation with the Applicants, has the ability to accept, revise or disallow Claims pursuant to the Claims Procedure Order, in light of the nature of these Claims and the inquiries made by unitholders, the Monitor believes that it is

appropriate to disclose its proposed resolution of these Claims prior to accepting the Claims in the revised amounts on a final basis. Unless, by October 30, 2013, any stakeholder of the Applicants seeks formal relief from the Court by filing with the Court and serving on the Service List an application and supporting materials objecting to the Monitor's recommended treatment of the Management Claims and the Board Claims and setting out the basis for such objection, the Monitor intends to accept the Revised Management Change of Control Claims, the Revised Additional Claimant's Claim and the Revised Board Claims, as described.

Claims Submitted by the CRA and the IRS

4.72 As set out in the Tenth Report, the CRA and the IRS filed "marker claims" in the Claims Process, which were to be quantified pending the completion and filing of the Applicants' 2012 tax returns.

4.73 The Monitor's Eleventh Report to Court, dated March 27, 2013 (the "**Eleventh Report**") dealt with tax-related matters and advised, among other things, that the Canadian trust return for AGIF was filed on March 31, 2013; there were no resultant taxes payable by AGIF.

4.74 On June 28, 2013, the Canadian 2012 corporate tax return for AGI was filed and the resultant federal and provincial taxes payable totalling approximately $703,000 were paid by the Monitor, on behalf of AGI.

4.75 After the CRA filed its marker claim, the Monitor had several discussions with various parties at the CRA with respect to the Claims Process and the Applicants' Canadian tax returns. After the Canadian tax returns were filed, the Monitor followed up with the

CRA's local office in Winnipeg to discuss such returns and to respond to any enquiries. Thereafter, the Monitor contacted the individual at the CRA who filed the marker claim and discussed the resolution of the CRA's claim. On August 15, 2013, the CRA withdrew its claim from the Claims Process.

4.76 As described in the Eleventh Report, on March 15, 2013, the Monitor filed requests for extensions to file the Applicants' U.S. corporate tax returns (the "**U.S. Tax Extensions**"), which extended the deadline to file such tax returns to September 15, 2013. For the U.S. Tax Extensions to be valid, 90% of the Applicants' tax obligations for the 2012 tax year were also required to be paid by March 15, 2013. Accordingly, on behalf of the Applicants, the Monitor remitted payments to the U.S. federal and various state taxing authorities, as appropriate, totalling approximately $9.3 million. These payments were based on estimated calculations of the Applicants' U.S. tax obligations for 2012 provided to the Monitor by KPMG, which based its estimates on the information available to the Monitor at the time, which was largely comprised of preliminary information provided by the Applicants' former employees, now working for the Purchaser and preliminary estimates of certain other figures upon which the tax estimates were based. At that time, KPMG estimated the Applicants' combined U.S. tax obligations to be approximately $7.9 million (the "**U.S. Tax Estimate**"). The actual payments made by the Monitor were made after consultation with KPMG and the Applicants and were higher than the U.S. Tax Estimate due to the preliminary nature of the U.S. Tax Estimate.

4.77 On August 29, 2013, the U.S. 2012 federal corporate tax return (the "**U.S. Federal Return**") was filed. The U.S. Federal Return reflected a loss for tax purposes, with no U.S. federal taxes payable.

4.78 The U.S. 2012 state corporate tax returns (the "**U.S. State Returns**") were filed on August 26, August 29 and September 4, 2013. The U.S. State Returns resulted in total taxes payable of approximately $1.13 million, which have been paid by the Monitor, on behalf of the Applicants.

4.79 The actual U.S. corporate taxes payable are lower than the U.S Tax Estimate due to the preliminary nature of the U.S. Tax Estimate, which did not reflect information that was subsequently provided to the Monitor and KPMG by the former employees of the Applicants, now working for the Purchaser, or certain refinements to the expense allocation among the entities. The Monitor notes that the U.S. Tax Estimate was also made prior to the completion of the valuation work described in the Eleventh Report.

4.80 The tax returns filed reflect refunds owing to the Applicants of approximately $8.28 million ($6 million in respect of U.S. federal taxes and approximately $2.28 million in respect of U.S. state taxes). The Monitor has received state tax refunds as of September 30, 2013 of approximately $543,000, and on October 2, 2013, received a refund of approximately $6 million in respect of the U.S. federal taxes (the "**U.S. Federal Tax Refund**").

4.81 Since the filing of the U.S. Federal Return, the Monitor has been in communication with the IRS and has been informed that the IRS is reviewing the U.S. Federal Return. The Monitor intends to engage in an ongoing dialogue with the IRS in order to resolve its marker claim.

The NYWCB Claims

4.82 The NYWCB Claims were filed against the Applicants Diamond Ice Cube Co. Inc. ("**Diamond Ice**") and Arctic Glacier New York Inc., as successor by merger with Springdale Ice Co. Inc. ("**Springdale Ice**"), in the amounts of $23,845 and $111,636, respectively, representing amounts for claims by the New York Workers' Compensation Board (the "**NYWCB**") for alleged trust deficiencies relating to a group workers compensation liability trust in which each of Diamond Ice and Springdale Ice participated. The NYWCB, Diamond Ice, Springdale Ice and certain other participants in the trust entered into agreements pursuant to which the participants agreed to make payments toward their potential liability, the statute of limitations was tolled and the NYWCB deferred initiating formal proceedings against the participants while the amount of the trust deficiency was calculated.

4.83 During the CCAA Proceedings, the Applicants, with the support of the Monitor, continued to pay their obligations under the agreements with the NYWCB in the ordinary course. Pursuant to indemnity arrangements with the former owners of Diamond Ice and Springdale Ice, such former owners reimbursed the Applicants for a portion of the payments they made to the NYWCB as a portion of those payments related to the period prior to the purchase of these companies by the Applicants.

4.84 The provisional settlements made between Diamond Ice and Springdale Ice and the NYWCB provide for payments to the NYWCB of $14,361 and $69,658, respectively. The former owners' contribution to these settlement amounts is $11,390 and $56,881, respectively, which amounts have already been sent to the Monitor.

4.85 As part of the settlement, the NYWCB agreed to provide a release and as part of that release, agreed to withdraw the NYWCB Claims. The parties recently executed the settlement agreement. The Monitor will be completing the settlement by making the required payments and receiving the executed release.

Insurance Matters

4.86 The Claims Procedure Order provides that Claims covered by the Applicants' insurance policies, or for which payment is made through the Applicants' insurance policies, shall not be recoverable against the Applicants or the Directors, Officers or Trustees in the Claims Process.

4.87 To date, 28 Proofs of Claim totalling approximately $9.3 million have been filed by Claimants who were sent Proof of Claim Document Packages based on information provided to the Monitor by the Applicants' insurance broker or insurers. Of these Claims, 20 have been withdrawn or disallowed on a final basis. Four additional Notices of Disallowance have been sent to Claimants denying their claims on the basis that they are covered by insurance. The Dispute Period has yet to expire in respect of these four Notices. One Dispute Notice was received in respect of a Notice of Disallowance.

4.88 In addition, based on discussions with the relevant insurance adjusters, the Monitor intends to issue Notices of Disallowance to disallow a further 2 of these Claims (which did not specify an amount on the Proof of Claim), which the Monitor understands are covered by insurance. The Monitor has provided these two Notices of Disallowance to the respective insurance adjusters for review and is awaiting comments from the adjusters prior to finalizing and sending out these Notices of Disallowance to the respective Claimants. The remaining Claim in this category also appears to be covered by insurance

and therefore excluded from the Claims Process pursuant to the terms of the Claims Procedure Order. The Monitor is in the process of seeking confirmation from the Applicants' insurers that this Proof of Claim is covered by insurance and, once obtained, will respond to the Claimant pursuant to the terms of the Claims Procedure Order.

4.89 As previously reported, the Monitor has communicated with the Applicants' insurance broker with respect to establishing an insurance deductible reserve to ensure that the run-off of any litigation covered by insurance does not impede the timing of distributions from the estate. The Monitor intends to finalize the insurance deductible reserve during the proposed extended Stay period.

4.90 The Applicants are party to numerous ongoing litigation matters covered by insurance, mainly comprised of personal injury, workers' compensation and automobile accident claims. As the former employees of the Applicants who primarily dealt with litigation matters are now employed by the Purchaser, the Monitor has taken steps to ensure that the Applicants' insurers are being provided with the information required to deal with insured claims outside of the Claims Process.

4.91 In addition, the Monitor has received numerous requests from U.S. insurance claimants for consent to lift the automatic stay imposed by the U.S. Bankruptcy Code to allow their claims to proceed solely against the Applicants' insurance policies and several lift stay requests have been granted by the U.S. Bankruptcy Court. The Monitor and its U.S. counsel expect to process further lift-stay requests in the coming months.

5.0 OTHER ESTATE MATTERS

The Reconciliation

5.1 In its Eighth Report, the Monitor advised that, in addition to the reconciliation of the Applicants' bank accounts, a number of other post-Closing items had given rise to balances owed as between the Purchaser and the Vendors. The Monitor therefore prepared a detailed schedule of the various outstanding items (the "**Reconciliation**").

5.2 The Monitor had extensive communications with the Purchaser and its legal counsel to obtain supporting documentation in respect of, and to discuss and resolve the various matters included in, the Reconciliation. The Monitor, the Purchaser and their respective legal counsel have now resolved all outstanding matters related to the Reconciliation and have finalized the Reconciliation, which resulted in an amount owing by the Applicants to the Purchaser of approximately $92,000. The Monitor, on behalf of the Applicants, remitted this payment to the Purchaser on August 20, 2013.

The Proposed Plan of Arrangement

5.3 The Twelfth Report described potential indicative terms for a plan of arrangement for the Applicants. As a result of the compromises and settlements obtained with respect to certain significant Claims filed in the Claims Process, it may be possible to streamline the process to distribute the monies currently being held by the Monitor to the Applicants' stakeholders, whether through a plan of arrangement or otherwise. In addition, based on discussions over the last several months between the CPS and/or the Monitor and certain unitholders, it appears that the majority of unitholders that have contacted the Monitor or the CPS would prefer to see a distribution mechanism that results in a payment on

account of their equity position as soon as possible, as opposed to attempting to continue their investment with a reconstituted AGIF.

5.4 As a result, during the proposed extended Stay period, the Monitor intends to continue to work with the CPS, the Applicants and the Applicants' tax advisor, KPMG, to develop a distribution mechanism to propose to this Honourable Court and the Applicants' stakeholders. As set out above, the proposed Stay extension period was chosen to allow the time necessary to seek U.S. Bankruptcy Court approval of the Indirect Purchaser Settlement. If such approval is obtained in a timely manner, the Monitor anticipates being in a position, prior to the expiry of the proposed extended Stay Period, to either (i) propose a distribution mechanism or (ii) provide a proposed timeline for distribution.

6.0 RECEIPTS AND DISBURSEMENTS SINCE THE TWELFTH REPORT

6.1 As reported in the Twelfth Report, as at June 3, 2013, the Monitor was holding approximately $118.1 million on behalf of the Applicants.

6.2 During the period from June 4 to September 30, 2013 (the "**Reporting Period**"), the Applicants' net cash outflows totaled approximately $3.6 million, comprised of disbursements of approximately $4.5 million, and receipts of approximately $857,000, the latter of which includes deposit interest, corporate tax refunds and other miscellaneous items.

6.3 The disbursements during the Reporting Period, totaling approximately $4.5 million, are primarily comprised of payments of approximately $1.3 million made to U.S. taxing authorities in respect of estimated U.S. state corporate income taxes and other taxes for the 2012 fiscal year; professional fees and expenses totaling approximately $2.8 million,

which include the fees and expenses incurred by KPMG, including in relation to preparing the U.S. Tax Estimate, its valuation work, the U.S. Federal Return and the U.S. State Returns, the Monitor, its legal counsel, the CPS, the Applicants' legal counsel, and other professionals retained by the Applicants to assist with the proceedings; and other disbursements of approximately $362,000, including payments to the Directors and Trustees, GST/HST, insurance and insurance deductibles, and other disbursements of an administrative nature.

6.4 As noted in paragraph 4.80 above, on October 2, 2013, the Monitor received the U.S. Federal Tax Refund of approximately $6 million. This refund is not included in the receipts discussed above as it was received after the Reporting Period.

6.5 The Monitor is currently holding approximately $120.5 million, including the U.S. Federal Tax Refund, all of which is being held in interest-bearing bank accounts in the name of the Monitor, on behalf of the Applicants. Included in these funds is $7.07 million, which includes interest, held in a U.S. escrow account pursuant to the DOJ Stipulation.

7.0 SUMMARY OF PROSPECTIVE FINANCIAL POSITION

7.1 The following table provides a summary of the prospective financial position of the Applicants' estate, assuming the provisional settlements discussed in this Thirteenth Report are finalized.

THE ARCTIC GLACIER PARTIES - SUMMARY OF PROSPECTIVE FINANCIAL POSITION, ASSUMING PROVISIONAL SETTLEMENTS ARE FINALIZED	
	Amount ($000's) (note 1)
Funds currently held by the Monitor	**120,500**
Less:	
Proven Claims	34,496
Desert Mountain Payment	1,250
NYWCB Payments	84
	35,830
Funds remaining, before unresolved Claims	**84,670**
Less:	
McNulty Claim	13,610
Johnson Claim (note 2)	12,259
Outstanding government Claim (subject to indemnification obligation) (note 3)	2,194
Claims disallowed, Dispute Period not yet expired	3,451
Other unresolved Claims	861
Total unresolved Claims	**32,375**
Estimated funds remaining after accounting for all Claims, assuming provisional settlements are finalized (not taking into account ongoing administration costs of the CCAA Proceedings and any wind-down costs, any interest to be paid on Proven Claims, the finalization of all tax matters (including as detailed in paragraph 4.81), insurance matters and other matters detailed in this report)	**52,295**

Note 1 - Amounts shown are combined US$ and CDN$ (blended currency) and assume a US$/CDN$ exchange rate at par.

Note 2 - The Notice of Dispute filed by Ms. Johnson does not provide a liquidated Claim amount and states that the amount of the Claim is "to be determined upon full disclosure". The amount of Ms. Johnson's Claim in the table above remains unchanged from the Tenth Report where it was noted that the actual Claim filed by Ms. Johnson apears to be significantly greater than the face amount set out on the Proof of Claim.

Note 3 - The outstanding government Claim was filed by the State of California Franchise Tax Board, in the amount of approximately $2.194 million. The former owners of certain of the Applicants' California operations acknowledged their indemnification obligations to the Applicants in respect of any amounts that may be owing in respect of this Claim. In support of the indemnity, $100,000 is being held in escrow. The former owners are currently disputing the assessment underlying the Claim with the State of California Franchise Tax Board.

7.2 The estimated funds remaining after accounting for all Claims on the basis that the provisional settlements are finalized total $52.3 million. This total does not take into account ongoing administration costs of the CCAA Proceedings and any wind-down

costs, any interest to be paid on the Proven Claims, the finalization of all tax matters (including as detailed in paragraph 4.81), insurance matters and other matters detailed in this Report. The Monitor notes that of the $32.4 million of unresolved Claims, the majority relates to the McNulty Claim and the Johnson Claim which total $25.9 million, as filed. The Monitor has provided a comprehensive update with respect to the status of those Claims earlier in this Report.

8.0 ACTIVITIES OF THE MONITOR

8.1 In addition to the activities of the Monitor described above, the Monitor's activities from the date of the Twelfth Report (June 10, 2013) have included the following:

- Participating in update conference calls between the Monitor, the Monitor's legal counsel, the Applicants' legal counsel, and the CPS to discuss the status of various outstanding matters;
- Providing for non-confidential materials filed with this Honourable Court and with the U.S. Bankruptcy Court to be publicly available on the Monitor's website in respect of these CCAA Proceedings and the Chapter 15 Proceedings;
- Drafting this Thirteenth Report;
- Acting as foreign representative in the Chapter 15 Proceedings;
- Communicating with the Applicants' insurers in respect of new insurance claims filed and the proposed settlements of certain open claims;
- Communicating with claims adjusters and with plaintiffs' counsel regarding certain open insurance claims;

- Fulfilling the Monitor's responsibilities pursuant to the Claims Procedure Order, including reviewing Proofs of Claim received, engaging in correspondence and discussions with certain of the Claimants, issuing Notices of Disallowance, accepting certain Claims, and referring certain disputes to Claims Officers all in accordance with the provisions of the Claims Procedure Order and the Claims Officer Order;

- Attending the June 13, 2013 Stay extension Court hearing and attending the Desert Mountain Judicially Assisted Dispute Resolution conference before the Honourable Mr. Justice Martin on June 19, 2013;

- Maintaining estate bank accounts, overseeing and accounting for the Applicants' receipts and disbursements pursuant to the Transition Order, and providing certain professional fee invoices to the CPS for review and discussion;

- Preparing and filing monthly GST/HST returns and various other statutory returns; and

- Responding to enquiries from unitholders and other stakeholders, including addressing questions or concerns of parties who contacted the Monitor or the CPS on the toll-free hotline number established by the Monitor.

9.0 THE STAY EXTENSION

9.1 The Monitor is requesting an extension of the Stay Period to February 7, 2014. The Monitor believes that the Applicants have acted and continue to act in good faith and with due diligence.

9.2 The Monitor believes that an extension of the Stay Period until February 7, 2014 is appropriate, as it should allow sufficient time for the Monitor, in consultation with the Applicants, to continue to resolve Claims filed in the Claims Process and to refer any remaining disputed Claims to a Claims Officer or the Court for adjudication. The proposed Stay extension date of February 7, 2014 is being requested in light of the projected timeline necessary to seek U.S. Bankruptcy Court approvals for the Indirect Purchaser Settlement. Further, as discussed in paragraph 2.3 above, during the proposed extended Stay Period, the Monitor intends to work with the Applicants and the CPS to be in a position to recommend a distribution mechanism as soon as reasonably possible.

10.0 THE MONITOR'S COMMENTS AND RECOMMENDATIONS

10.1 Given that the Applicants are no longer operating a business, the Applicants and the Monitor have not prepared an extended cash flow forecast through the expiry of the requested extension to the Stay Period. On behalf of the Applicants, the Monitor intends to continue to satisfy any amounts properly incurred in respect of the ongoing administration of the estate, including those with respect to administering the Claims Process, from the funds being held by the Monitor in the estate bank accounts. The Monitor anticipates that such amounts will be primarily limited to fees and expenses of the Directors and Trustees, insurance-related expenses, taxes, professional fees and expenses, and other incidental fees and costs. The funds which the Monitor is holding in its estate bank accounts will be sufficient to satisfy such disbursements.

10.2 For the reasons set out in this Thirteenth Report, the Monitor hereby respectfully recommends that this Honourable Court grant the relief being requested by the Monitor in its Notice of Motion.

*****

All of which is respectfully submitted to this Honourable Court this 10th day of October, 2013.

Alvarez & Marsal Canada Inc., in its capacity as Monitor of Arctic Glacier Income Fund, Arctic Glacier Inc., Arctic Glacier International Inc. and the other Applicants listed on Appendix "A".

Per: Richard A. Morawetz, Senior Vice President

Appendix “D”

File No. CI 12-01-76323

THE QUEEN'S BENCH
Winnipeg Centre

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 ARCTIC GLACIER INCOME FUND, ARCTIC GLACIER INC., ARCTIC GLACIER INTERNATIONAL INC. and the ADDITIONAL APPLICANTS LISTED ON SCHEDULE "A" HERETO

(collectively, the "APPLICANTS")

ORDER
(Indirect Purchase Claim Settlement)

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THE QUEEN'S BENCH
Winnipeg Centre

THE HONOURABLE	)	WEDNESDAY, THE 16th DAY
	)	
MADAM JUSTICE SPIVAK	)	OF OCTOBER, 2013.

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 ARCTIC GLACIER INCOME FUND, ARCTIC GLACIER INC., ARCTIC GLACIER INTERNATIONAL INC. and the ADDITIONAL APPLICANTS LISTED ON SCHEDULE "A" HERETO

(collectively, the "APPLICANTS")

ORDER

THIS MOTION, made by Alvarez & Marsal Canada Inc., in its capacity as monitor of the Applicants (the "**Monitor**"), for an order seeking certain relief in respect of the Indirect Purchaser Claim Settlement, was heard this day at the Law Courts Building at 408 York Avenue, in The City of Winnipeg, in the Province of Manitoba.

ON READING the Notice of Motion and the Thirteenth Report of the Monitor (the "**Thirteenth Report**"), and on hearing the submissions of counsel for the Monitor, counsel for the Applicants and Glacier Valley Ice Company, L.P. (California) (together, "**Arctic Glacier**" or the "**Arctic Glacier Parties**"), counsel for Trustees of Arctic Glacier Income Fund, counsel for Desert Mountain Ice LLC and Peggy Johnson, counsel for Robert Nagy and Keith Burrows, counsel for the Purchasers, Arctic Glacier LLC, Arctic Glacier Canada Inc., and Arctic Glacier USA Inc., counsel for certain of the Management Claimants and Canadian Counsel to

Wild Law Group, Canadian counsel to US Indirect Purchaser Class Action Plaintiff, and also appearing the Chief Process Supervisor and representatives of Indaba Capital Management LLC, Fulcra Asset Management Inc. and Stoneline, no one appearing for any other party although duly served as appears from the affidavit of service, filed:

DEFINED TERMS

1. THIS COURT ORDERS that all capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed thereto in the Thirteenth Report.

SERVICE

2. THIS COURT ORDERS that the time for service of the Notice of Motion and the supporting materials is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

INDIRECT PURCHASER CLAIM SETTLEMENT

3. THIS COURT AUTHORIZES 7088418 Canada Inc. o/a Grandview Advisors, in its capacity as Chief Process Supervisor, on behalf of AGIF, AGI and AGII, and the Monitor, to enter into a settlement agreement, substantially in the form attached as Appendix "E" to the Thirteenth Report, to settle the Indirect Purchaser Claim, which settlement (the "**IPC Settlement**") shall be subject to approval by the United States Bankruptcy Court for the District of Delaware (the "**U.S. Bankruptcy Court**").

4. THIS COURT ORDERS that, should approval of the IPC Settlement by the U.S. Bankruptcy Court be granted, the Indirect Purchaser Claim filed by Wild Law Group

PLLC ("**Class Counsel**") in these CCAA Proceedings relating to the Indirect Purchaser Litigation shall be deemed to be accepted by the Monitor, in accordance with the terms and conditions of the IPC Settlement, in an amount not to exceed US$3,950,000, which amount of US$3,950,000 shall constitute the maximum amount of the Proven Claim (as defined in the Claims Procedure Order of this Court dated September 5, 2012) of the Indirect Purchaser Claimants against AGIF, AGI and AGII collectively.

5. THIS COURT ORDERS that the Monitor is authorized, without further Order of this Court, to make the payments contemplated in the IPC Settlement to the Claims Administrator on account of the Notice and Administration Costs (as defined in the IPC Settlement), if the preconditions in the IPC Settlement to each of such payments have been satisfied, respectively.

6. THIS COURT ORDERS that Class Counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Class Counsel Charge**") in the amount of US$200,000 on the Property (as defined in the Initial Order of this Court dated February 22, 2012), as security for the professional fees and disbursements of Class Counsel. The Class Counsel Charge shall rank *pari passu* with the Administration Charge (as defined in the Initial Order of this Court dated February 22, 2012) and shall be deemed discharged immediately on payment of professional fees and disbursements of Class Counsel in the amount of US$200,000 that are separate and apart from the Attorneys' Fees and Attorneys' Costs (both as defined in the IPC Settlement).

ADDITIONAL PROVISIONS

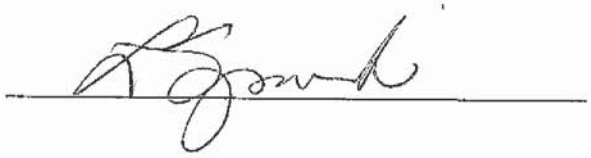
7. THIS COURT ORDERS that the Monitor and the Applicants are hereby authorized to take such additional steps, execute such additional documents and fulfill their respective obligations under the IPC Settlement, as may be necessary or desirable for the completion of the transactions, settlements and compromises contemplated by the IPC Settlement, including seeking the Preliminary Approval Order and the U.S. Approval Order from the U.S. Bankruptcy Court.

8. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA, the Initial Order, the Claims Procedure Order, the Transition Order, and any other order of the Court in the CCAA Proceedings, is hereby authorized and empowered to take such other actions and fulfill such other roles as are authorized by this Order or incidental thereto.

9. THIS COURT ORDERS that (i) in carrying out the terms of this Order, the Monitor shall have all of the protections given to it by the CCAA, the Initial Order, other orders in the CCAA Proceedings, and this Order, or as an officer of the Court, including the stay of proceedings in its favour, (ii) the Monitor shall incur no liability or obligation as a result of the carrying out of the provisions of this Order, (iii) the Monitor shall be entitled to rely on the books and records of the Arctic Glacier Parties and any information provided by the Arctic Glacier Parties, and (iv) the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

GENERAL PROVISIONS

10. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, including the U.S. Bankruptcy Court, or in any other foreign jurisdiction, to give effect to this Order and to assist the Monitor, the Arctic Glacier Parties and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Arctic Glacier Parties and to the Monitor, as an officer of the court, as may be necessary or desirable to give effect to this Order, or to assist the Arctic Glacier Parties and the Monitor and their respective agents in carrying out the terms of this Order.



SCHEDULE "A" - ADDITIONAL APPLICANTS

Arctic Glacier California Inc.
Arctic Glacier Grayling Inc. Arctic Glacier Lansing Inc. Arctic Glacier Michigan Inc. Arctic Glacier Minnesota Inc. Arctic Glacier Nebraska Inc. Arctic Glacier Newburgh Inc. Arctic Glacier New York Inc. Arctic Glacier Oregon Inc. Arctic Glacier Party Time Inc.
Arctic Glacier Pennsylvania Inc.
Arctic Glacier Rochester Inc.
Arctic Glacier Services Inc. Arctic Glacier Texas Inc. Arctic Glacier Vernon Inc. Arctic Glacier Wisconsin Inc.
Diamond Ice Cube Company Inc.
Diamond Newport Corporation
Glacier Ice Company, Inc.
Ice Perfection Systems Inc.
ICEsurance Inc.
Jack Frost Ice Service, Inc.
Knowlton Enterprises, Inc.
Mountain Water Ice Company
R&K Trucking, Inc.
Winkler Lucas Ice and Fuel Company
Wonderland Ice, Inc.

Appendix “E”

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	Chapter 15
ARCTIC GLACIER INTERNATIONAL INC., *et al.*,[1]	Case No. 12-10605 (KG)
	(Jointly Administered)
Debtors in a Foreign Proceeding.	**Ref. Docket Nos. 246, 251, 254, & 255**

ORDER PURSUANT TO SECTIONS 105(a), 363(b), 1501, 1507, 1520, AND 1521 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 2002, 6004, 7023, 9014, AND 9019 RECOGNIZING AND ENFORCING THE CANADIAN APPROVAL ORDER AND GRANTING CERTAIN PRELIMINARY APPROVALS IN CONNECTION WITH THE AGREEMENT SETTLING THE CLAIMS OF INDIRECT PURCHASERS

Upon consideration of the joint motion (the "Motion"), dated October 28, 2013, of Wild Law Group PLLC ("Class Counsel"), in its capacity as interim counsel to the class of indirect purchasers certified for settlement purposes, Alvarez & Marsal Canada Inc., in its capacity as the court-appointed monitor and authorized foreign representative (the "Monitor") of the above-captioned debtors (collectively, the "Debtors") in the proceeding (the "Canadian Proceeding") commenced under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended and pending before the Court of Queen's Bench Winnipeg Centre (the

[1] The last four digits of the United States Tax Identification Number or Canadian Business Number, as applicable, follow in parentheses: (i) Arctic Glacier California Inc. (7645); (ii) Arctic Glacier Grayling Inc. (0976); (iii) Arctic Glacier Inc. (4125); (iv) Arctic Glacier Income Fund (4736); (v) Arctic Glacier International Inc. (9353); (vi) Arctic Glacier Lansing Inc. (1769); (vii) Arctic Glacier Michigan Inc. (0975); (viii) Arctic Glacier Minnesota Inc. (2310); (ix) Arctic Glacier Nebraska Inc. (7790); (x) Arctic Glacier New York Inc. (2468); (xi) Arctic Glacier Newburgh Inc. (7431); (xii) Arctic Glacier Oregon, Inc. (4484); (xiii) Arctic Glacier Party Time Inc. (0977); (xiv) Arctic Glacier Pennsylvania Inc. (9475); (xv) Arctic Glacier Rochester Inc. (6989); (xvi) Arctic Glacier Services Inc. (6657); (xvii) Arctic Glacier Texas Inc. (3251); (xviii) Arctic Glacier Vernon Inc. (3211); (xix) Arctic Glacier Wisconsin Inc. (5835); (xx) Diamond Ice Cube Company Inc. (7146); (xxi) Diamond Newport Corporation (4811); (xxii) Glacier Ice Company, Inc. (4320); (xxiii) Ice Perfection Systems Inc. (7093); (xxiv) ICEsurance Inc. (0849); (xxv) Jack Frost Ice Service, Inc. (7210); (xxvi) Knowlton Enterprises Inc. (8701); (xxvii) Mountain Water Ice Company (2777); (xxviii) R&K Trucking, Inc. (6931); (xxix) Winkler Lucas Ice and Fuel Company (0049); (xxx) Wonderland Ice, Inc. (8662). The Debtors' executive headquarters is located at 625 Henry Avenue, Winnipeg, Manitoba, R3A 0V1, Canada.

"Canadian Court"), and the Debtors for entry of an order, pursuant to sections 105(a), 363(b), 1501, 1507, 1520, and 1521(a)(7) of title 11 of the United States Code (the "Bankruptcy Code") and Rules 2002, 6004, 7023, 9014, and 9019 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"): (a) recognizing and enforcing that certain *Order* that was entered by the Canadian Court on October 16, 2013 in the Canadian Proceeding (the "Canadian Approval Order"),[2] (b) incorporating Bankruptcy Rule 7023 into the Debtors' chapter 15 cases (the "Chapter 15 Cases") so that the agreement (the "Proposed Settlement") embodied by the settlement agreement entered into as of October 22, 2013 individually and on behalf of the (i) the Settlement Class; (ii) the Debtors; and (iii) the Monitor (the "Settlement Agreement")[3] may be considered by this Court; (c) certifying the Settlement Class as a conditional settlement class; (d) approving the Named Plaintiffs as class representatives; (e) approving Class Counsel as counsel for the Settlement Class; (f) scheduling a hearing (the "Final Hearing") to consider (i) whether the Proposed Settlement is fair, reasonable, and adequate as to the Settlement Class, and (ii) approval of the Settlement Agreement; (g) approving the procedures for submission of written requests to opt-out or exclude oneself from the Proposed Settlement ("Opt-Out Letters") and/or objections ("Objections") to the Settlement Agreement; (h) approving the Preliminary Approval Notice[4] (as defined in section 2.50 of the Settlement Agreement) as well as the manner of service and publication of the Preliminary Approval Notice; (i) approving the form of notice substantially in the form attached hereto as Exhibit D (the "Long Form Notice"); (j) approving the claim form substantially in the form attached hereto as Exhibit E (the "Claim Form"); and

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2 The Canadian Approval Order is attached hereto as Exhibit A.

3 The Settlement Agreement (without exhibits) is attached hereto as Exhibit B. Unless otherwise defined herein, capitalized terms shall have the meanings ascribed to them in the Settlement Agreement.

4 The Preliminary Approval Notice is attached hereto as Exhibit C.

(k) approving the engagement of the Claims Administrator; and this Court having previously entered the *Order Granting Recognition of Foreign Main Proceeding and Certain Related Relief* [Docket No. 70], the *Order Recognizing and Enforcing Claims Procedure Order of the Canadian Court* [Docket No. 166], and the *Order Approving Stipulation By and Between the Monitor, the Debtors and Wild Law Group Granting Partial and Limited Relief from the Automatic Stay to Proceed with Certain Discovery* [Docket No. 220] (the "Stay Relief Order"); and upon the *Thirteenth Report of the Monitor* [Docket No. 246] (the "Thirteenth Monitor's Report"), the *Oral Reasons for Decision of the Canadian Court Dated October 16, 2013* [Docket No. 254] (the "Oral Reasons"), and the *Declaration of Matthew S. Wild* [Docket No. 255] (the "Wild Declaration"); and this Court having reviewed and considered the Motion, and the arguments of counsel made, and the evidence adduced, at a hearing before this Court (the "Preliminary Approval Hearing"); and upon the record of the Preliminary Approval Hearing and these Chapter 15 Cases, and after due deliberation thereon, and good cause appearing therefor;

IT IS HEREBY FOUND AND DETERMINED THAT:

A. The Canadian Court, having found that "the proposed settlement agreement is fair and reasonable and is in the best interests of the applicants, their creditors, and the other stakeholders[,]" because the Settlement Agreement "resolves a huge claim, avoids significant legal costs, and allows the monitor to distribute the funds in a timely manner" (see Oral Reasons, 92:19-25), duly entered the Canadian Approval Order: (i) granting the Chief Process Supervisor, on behalf of the Debtors, and the Monitor the authority to enter into the Settlement Agreement subject to this Court's approval, (ii) granting the Class Counsel Charge, (iii) providing for other relief to facilitate the implementation of the Proposed Settlement, and

(iv) requesting aid and recognition from this Court to give effect to the Canadian Approval Order.

B. This Court has jurisdiction and authority to hear and determine the Motion pursuant to 28 U.S.C. §§ 1334 and 157(b) and, to the extent applicable, the Settlement Parties consented to the Court hearing, determining, and entering appropriate orders and judgments regarding the relief sought in the Motion pursuant to 28 U.S.C. § 157(c)(2).

C. Venue of the Chapter 15 Cases and the Motion in this Court and this district is proper under 28 U.S.C. § 1410.

D. The relief granted herein is necessary and appropriate, is in the interest of the public, promotes international comity, is consistent with the public policy of the United States, is warranted pursuant to sections 105(a), 363(b), 1501, 1507, 1520, and 1521(a)(7) of the Bankruptcy Code, and will not cause any hardship to any parties in interest that is not outweighed by the benefits of the relief granted.

E. The incorporation of Bankruptcy Rule 7023 into these Chapter 15 Cases, pursuant to section 1521(a)(7) of the Bankruptcy Code and Bankruptcy Rule 9014, is justified under the circumstances of the Chapter 15 Cases, solely in connection with the Motion.

F. The Settlement Class is (i) so numerous that joinder of all members is impracticable; (ii) there are questions of law and fact common to the Settlement Class; (iii) the claims and defenses of the Named Plaintiffs are typical of the claims and defenses of the Settlement Class; and (iv) the Named Plaintiffs have and will fairly and adequately protect the interests of the Settlement Class.

G. The Court finds that the questions of law and fact common to the Settlement Class predominate over any questions that affect members of the Settlement Class

individually. In addition, the Court finds that a class action is superior to other available methods for fairly and efficiently adjudicating the issues underlying the MDL.

H. Based on information contained in the Thirteenth Monitor's Report, the Oral Reasons, the Wild Declaration, and evidence provided at the Preliminary Approval Hearing, the Proposed Settlement, as set forth in the Settlement Agreement, and subject to a final determination following the Final Hearing after notice has been provided to the proposed Settlement Class, is sufficiently fair, reasonable, and adequate to approve the notice provided to the Settlement Class and hold the Final Hearing.

I. Publication of the Preliminary Approval Notice in *USA Today* and *Parade Magazine*, service through ECF (as defined below) filing in the MDL of the Preliminary Approval Notice on all Settlement Class members known to Class Counsel, and maintenance of a website by the Claims Administrator where the materials related to the Settlement Agreement shall be available (in addition to the websites of Class Counsel and the Monitor where those materials shall also be available) constitute the best notice practicable under the circumstances, as well as valid, due, and sufficient notice to all persons entitled thereto. The Preliminary Approval Notice and the Long Form Notice comply fully with the requirements of Bankruptcy Rule 7023 and the minimum due process requirements of the Constitution of the United States.

J. Based on the affidavits of service filed with, and representations made to, this Court: (i) notice of the Motion and the Preliminary Approval Hearing was proper, timely, adequate, and sufficient under the circumstances of these Chapter 15 Cases and these proceedings, and complied with the various applicable requirements of the Bankruptcy Code and the Bankruptcy Rules; and (ii) no other or further notice of the Motion or the Preliminary Approval Hearing is necessary or shall be required.

K. This Preliminary Approval Order constitutes a final and appealable order within the meaning of 28 U.S.C. § 158(a).

L. All findings of fact and conclusions of law announced by this Court at the Preliminary Approval Hearing are incorporated herein.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is granted to the extent set forth herein.

2. The Canadian Approval Order is recognized in full and given full force and effect in the United States.

3. Bankruptcy Rule 7023 is incorporated into the Chapter 15 Cases solely for the purpose of addressing the requirements of such rule in the context of whether this Court should approve the Settlement Class, the Named Plaintiffs, and Wild Law Group PLLC as Class Counsel and the Settlement Agreement.

4. Pursuant to Bankruptcy Rule 7023(b)(3), the Court certifies the Settlement Class as a conditional settlement class of:

> All purchasers of packaged ice (a) who purchased packaged ice in the Claims States indirectly from any of the defendants in the MDL, including the Debtors, or their subsidiaries or affiliates (including all predecessors thereof) at any time during the Settlement Class Period, and (b) whose claims are within the scope of the Proof of Claim or claims asserted against any of the Debtors or their former employees in the MDL.
>
> Excluded from the Settlement Class are any governmental entities and defendants in the MDL, including their parents, subsidiaries, predecessors, or successors, defendants' alleged co-conspirators, and the Released Parties.

5. The Named Plaintiffs are approved as the class representatives pursuant Rules 23(a) and 23(b) of the Federal Rules of Civil Procedure as made applicable by Bankruptcy Rule 7023.

6. Wild Law Group PLLC is approved as Class Counsel for the Settlement Class for settlement purposes pursuant to Rule 23(g)(2) of the Federal Rules of Civil Procedure as made applicable by Bankruptcy Rule 7023.

7. The Court will hold the Final Hearing on February 27, 2014, at 10:00 a.m. (ET) to determine (i) the fairness, reasonableness, and adequacy of the Settlement Agreement with respect to the Settlement Class, (ii) the Attorneys' Fees and Attorneys' Costs of Class Counsel and Incentive Awards to the Named Plaintiffs and (iii) whether the Settlement Agreement should be approved.

8. Any Settlement Class member who follows the procedures set forth in the Preliminary Approval Notice may appear and be heard at the Final Hearing. The Final Hearing may be continued without further notice to the Settlement Class.

9. The procedures for opting-out or objecting to the Proposed Settlement, as set forth in the Settlement Agreement and herein, are approved.

10. Any member of the Settlement Class who wishes to opt-out of the Proposed Settlement must do so in writing. Opt-Out Letters must be submitted to the Claims Administrator at Arctic Glacier Settlement Processing Center, c/o UpShot Services LLC, 7808 Cherry Creek South Drive, Suite 112, Denver, CO 80231 so as to be actually received by the Claims Administrator on or before February 20, 2014 at 4:00 p.m. (ET). An Opt-Out Letter must provide the Settlement Class member's name, address, and email address.

11. Any member of the Settlement Class who wishes to object to the terms of the Settlement Agreement must do so in writing. Objections to the Settlement Agreement must be filed on or before February 20, 2014 at 4:00 p.m. (ET) (the "Response Deadline") with the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 3rd Floor,

Wilmington, Delaware 19801. At the same time, objections to the Settlement Agreement must be served so as to be actually received by the following parties on or before the Response Deadline: (i) Alvarez & Marsal Canada Inc., 200 Bay Street, Suite 2900, Toronto, Ontario, Canada M5J 2J1 (Attn: Richard Morawetz & Melanie MacKenzie); (ii) Osler, Hoskin & Harcourt LLP, 100 King Street West, Suite 6100, Toronto, Ontario, Canada M5X 1B8 (Attn: Marc Wasserman & Jeremy Dacks); (iii) Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, New York 10019 (Attn: Marc Abrams, Mary K. Warren, & Jeffrey Korn); (iv) Young Conaway Stargatt & Taylor, LLP, 1000 North King Street, Wilmington, Delaware 19801 (Attn: Matthew B. Lunn); (iv) Jones Day, 77 West Wacker Drive, Suite 3500, Chicago, Illinois 60601 (Attn: Paula W. Render); (v) McCarthy Tétrault LLP, TD Bank Tower, Suite 5300, Box 48, 66 Wellington Street West, Toronto, Ontario, Canada M5K 1E6 (Attn: Kevin P. McElcheran); (vi) Wild Law Group PLLC, 121 Reynolda Village, Suite M, Winston-Salem, North Carolina 27106 (Attn: Matthew S. Wild); (vii) Wild Law Group PLLC, 98 Distillery Road, Warwick, New York 10990 (Attn: Max Wild); Wild Law Group PLLC, 319 N. Gratiot Avenue, Mt. Clemens, Michigan 48043 (Attn: John M. Perrin); and Cross & Simon, LLC, 913 North Market Street, 11th Floor, Wilmington, Delaware 19899-1380 (Attn: Christopher P. Simon).

12. The Preliminary Approval Notice, substantially in the form attached hereto as Exhibit C, is approved. The manner of service and publication of the Preliminary Approval Notice described in paragraphs 13 and 14 hereof satisfies the provisions of Bankruptcy Rule 7023(c)(2).

13. Within three (3) business days after the date hereof, the Settlement Parties shall: (a) post the Preliminary Approval Notice and Long Form Notice on the respective

websites of the Monitor, the Claims Administrator, and the Debtors' noticing agent; (b) serve the Preliminary Approval Notice via first-class mail on (i) the Office of the United States Trustee for the District of Delaware, (ii) certain parties to the MDL identified by Class Counsel, (iii) all persons entitled to receive notice pursuant to this Court's Form and Manner Order (as defined in the Motion) and Bankruptcy Rule 2002, (iv) the U.S. Attorney's Office for the District of Delaware, (v) the clerk of the MDL Court, and (vi) the attorneys general of all fifty (50) states; and (c) file the Preliminary Approval Notice on the docket of the MDL for service through the MDL's electronic case filing system (the "ECF").

14. No later than ten (10) calendar days after the date on which this Preliminary Approval Order becomes a Final Order: (a) the Preliminary Approval Notice shall be published in *USA Today*; and (b) the Monitor shall commit to publish the Preliminary Approval Notice in *Parade*, which such publication to occur no later than thirty (30) calendar days after the Preliminary Approval Order becomes a Final Order.

15. The Long Form Notice, substantially in the form attached hereto as Exhibit D, is approved. The Long Form Notice shall be available on the website maintained by the Claims Administrator and the websites of Class Counsel and the Monitor.

16. The Claim Form, substantially in the form attached hereto as Exhibit E, is approved.

17. Subject to the terms of the Engagement Letter attached hereto as Exhibit F, the engagement of the Claims Administrator is approved.

18. The Settlement Parties shall be authorized to take any and all actions and/or execute any and all documents as may be necessary or desirable to consummate the transactions contemplated by this Preliminary Approval Order.

19. The failure to include any particular provision of the Canadian Approval Order or the Settlement Agreement shall not diminish or impair the effectiveness of that provision, it being the intent of this Court that the Canadian Approval Order and the Settlement Agreement be approved and authorized in their entirety.

20. To the extent there are any inconsistencies between this Preliminary Approval Order and the Settlement Agreement, this Preliminary Approval Order shall control.

21. The Settlement Parties are authorized to make nonsubstantive changes to the Preliminary Approval Notice, the Long Form Notice, and/or the Claim Form without further order of this Court, including, without limitation, changes to correct typographical and grammatical errors and to make any conforming changes prior to their distribution or publication.

22. Notwithstanding any provision in the Bankruptcy Rules to the contrary: (a) the terms of this Preliminary Approval Order shall be immediately effective and enforceable upon its entry; and (b) the Debtors, the Monitor, and Class Counsel are not subject to any stay in the implementation, enforcement, or realization of the relief granted in this Preliminary Approval Order.

23. Other than as explicitly set forth herein, this Court shall retain jurisdiction with respect to any and all matters, claims, rights, or disputes arising from or related to the implementation or interpretation of this Preliminary Approval Order.

Dated: Wilmington, Delaware
November 18 2013

THE HONORABLE KEVIN GROSS
CHIEF UNITED STATES BANKRUPTCY JUDGE

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