

19. Stock-based compensation plans /

The Company's stock-based compensation plans consisted of a Restricted Share Plan and Stock Option Plans.

Restricted Share Unit Plan

The Company had established an employee benefit plan known as the Restricted Share Unit Plan (the "RS Plan"). The RS Plan provided certain eligible employees the right to receive shares subject to the terms and conditions of the RS Plan.

During the year ended December 31, 2012, no Restricted Shares were granted. During the year ended December 31, 2011, an amount of \$8 million representing 1,994,552 Restricted Shares were granted at an average market price of \$4.02. An amount of \$nil (2011 - \$2.9 million) was used to reinvest in nil (2011 - 1,246,868) Restricted Shares using the proceeds from the dividends on the Restricted Shares held in escrow. In addition, 57,239 Restricted Shares which were not allocated to any specific employee were reinvested in 2011. This included nil (2011 - 388,509) Restricted Shares associated with the portion which provided for up to a 250% payout.

Pursuant to the Recapitalization approved by the Court, the holders of the Restricted Shares surrendered their Restricted Shares for the payment in cash of the VWAP of the underlying shares. As a result, \$0.1 million was paid in 2013. All Restricted Shares were subsequently cancelled. The RS Plan and all rights under the RS Plan were terminated, extinguished, and cancelled. An accelerated expense of \$3.8 million was included in the gain on settlement of debt.

A total expense of \$4.3 million was recorded for the year ended December 31, 2012 (2011 - \$0.5 million recovery).

The following table summarizes the status of the grants:

	December 31, 2012
	Number of Restricted Shares
	2009 and 2011 Grants
Outstanding, beginning of year	4,576,481
Forfeited	(3,573,412)
Cancelled pursuant to the Recapitalization	(1,003,069)
Outstanding, end of year	-
Weighted average remaining life	-

	December 31, 2011
	Number of Restricted Shares
	2009 and 2011 Grants
Outstanding, beginning of year	7,337,315
Granted	1,994,552
Vested	(3,740,692)
Forfeited	(1,930,292)
Cash distributions reinvested	915,598
Outstanding, end of year	4,576,481
Weighted average remaining life	1.09 years

Stock Options – 2003 Plan

The following table summarizes the status of the stock option program:

	December 31, 2012	December 31, 2011
	Number of options	Number of options
Outstanding and exercisable, beginning of year	380,882	380,882
Cancelled pursuant to the Recapitalization	(380,882)	-
Outstanding and exercisable, end of year	-	380,882

Pursuant to the Recapitalization, the 2003 Plan and all outstanding options granted thereunder were cancelled for no consideration.