

**TAB O**



Court File No. 05-CL-6159

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE MR  
JUSTICE Farley

) THURSDAY, THE 23<sup>rd</sup> DAY OF  
)  
) DECEMBER, 2005

BETWEEN:

UDAYAN PANDYA

Plaintiff

- and -

COURTNEY WALLIS SIMPSON, YORK REGION  
REALTY INC., WALLIS SIMPSON & ASSOCIATES,  
COURTNEY WALLIS SIMPSON c.o.b. as YORK MANAGEMENT GROUP  
AND CAMEO INVESTMENTS

Defendants

In the Matter of the *Class Proceedings Act, 1992*

**SECOND AMENDED AND RESTATED INITIAL ORDER**

**THIS MOTION** made by the plaintiff for an order appointing a receiver of Courtney Wallis Simpson ("Simpson") personally and for York Region Realty Inc. ("York Reality") pursuant to s. 101 of the *Courts of Justice Act* with investigatory and preservation powers was heard by the court this day at 393 University Avenue, Toronto.

**UPON READING** the First Report of the Receiver dated December 13, 2005 and on hearing the submissions of counsel for the Receiver,

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged so that this motion is properly returnable today and dispenses with further service thereof.

2. **THIS COURT ORDERS** that Michael J. Quilling be appointed a receiver (the "Receiver") over the assets of Simpson, Courtney Wallis Simpson c.o.b. as York Management Group and York Realty (the "Defendants") pursuant to s. 101 of the *Courts of Justice Act* with the powers and duties hereinafter set out.

3. **THIS COURT ORDERS** that the defendants be given leave on three days notice to the plaintiff and the Receiver to bring any motion they might see fit to vary this order.

4. **THIS COURT ORDERS** that Bennett Jones LLP be appointed as counsel to the Receiver, that the Receiver shall, in its discretion be entitled to share information received by it with the plaintiff but that the information obtained under this order shall not, without further direction and order, of this Court, be used in any criminal proceedings.

5. **THIS COURT ORDERS** that the Receiver shall have the power to engage consultants, agents, employees, experts, auditors, accountants, managers, solicitors and counsel and such other assistants from time to time and on whatever basis, including on a temporary basis, as it may consider an the business of any of the defendants or generally exercising the powers and duties conferred by this Order.

6. **THIS COURT ORDERS** that the Receiver may apply to this Court for advice and directions relating to the proper exercise of its powers hereunder, or for any variations to this Order.

#### **Preservation of Assets**

7. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized for and on behalf of and in the name of any of the Defendants to take possession and control of all of the present and future assets, undertaking and property of the Defendants and any funds, proceeds or other assets directly or indirectly related to the funds allegedly raised by the Defendants as alleged in the statement of claim (the "Property") and any and all proceeds, receipts and

disbursements arising out of or from the Property, until further order of this Court, and to act at once in respect of the Property. Without in any way limiting the generality of the foregoing and in furtherance thereof, the Receiver is hereby expressly empowered and authorized on the Receiver's behalf, but not obligated:

- (a) to take such steps as in the opinion of the Receiver are necessary or appropriate to receive, preserve, protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable, provided that the Receiver shall not evict or dispossess any occupant of any residential dwelling without further order of this Court made on notice to such occupant;
- (b) to take such steps as in the opinion of the Receiver are necessary or appropriate to maintain control over all receipts and disbursements arising out of or from the Property;
- (c) to receive and collect all monies, debts, claims, choses in action and accounts now owed or hereafter owing to any of the Defendants in respect of the Property and to exercise all remedies of any of the Defendants in collecting all such monies, including, without limitation, to enforce any security held by any of the defendants and to receive and recover all funds, monies, cash, cash equivalents, negotiable securities, accounts and any other assets on deposits to banks, brokerages and other financial or other institutions;
- (d) to join in and execute, assign, issue and endorse such transfers, conveyances, contracts, leases, deeds, bills of sale, cheques, bills of lading or exchange, or other documents of whatever nature in respect of any of the Property, in the name and on behalf of any of the Defendants, which are necessary, desirable or convenient in, the opinion of the Receiver for any purpose pursuant to this Order;

- (e) to initiate, prosecute and continue the prosecution of any and all proceedings as may in its judgment be necessary or desirable to properly protect or realize upon the Property and to defend all proceedings now pending or hereafter instituted against any of the Defendants or the Receiver, the prosecution of or defence of which will, in the judgment of the Receiver, be necessary to properly protect or realize on the Property or to protect the administration by the Receiver of the affairs of any of the defendants and the Property, and to settle or compromise any such proceedings which in the judgment of the Receiver should be settled;
- (f) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part thereof and negotiate such terms and conditions of sale as the Receiver in its discretion may deem appropriate, provided that any such sale or disposition of Property shall, if the Defendants do not consent to the same, be subject to the Court's approval;
- (g) to report to, meet with and discuss with such creditors of the Defendants and their advisors, including the Mortgage Fraud Scheme victims who are class members in court file no. 05-CL-6178, as the Receiver deems appropriate including holding town hall or other meetings on all matters relating to the Property and receivership; and
- (h) to register this order in any public registry against title to any of the Property. Without limiting the generality of the foregoing this court orders that this order be registered against the real property and other assets described at Schedules "B" and "C" hereto.

8. **THIS COURT ORDERS** that no person having notice of this order shall interfere with, obstruct or in any way hinder the Receiver in the fulfillment or pursuit of its duties hereunder and that all such persons are under an obligation to deliver up to the Receiver any Property or other thing to which the Receiver is entitled to under this order. In the event that any person contests that any asset, document or thing is Property under this order or is document or record properly producible to the Receiver then that person shall first deliver up the asset in question to the Receiver or to such third party as the Receiver in its discretion may agree for safekeeping and

the person contesting the Receiver's right may thereafter, if so advised, bring an application to this Court for directions.

9. **THIS COURT ORDERS** that the Receiver may receive information from persons as to the details of their deposit of trust funds investments with Simpson and the other Defendant but that the Receiver shall not be under any obligation to call for claims, validate claims or make recommendations with respect the disbursement of funds to investors without further order of this Court.

10. **THIS COURT ORDERS** that no demands, actions, motions, steps, registrations, perfections, administrative proceedings, self-help remedies, or any other acts, proceedings or private remedies whatsoever in respect of the Property, including without limitation, the enforcement of security, liens or collection of any debt or liability, the exercise of any debt or liability, the exercise of any landlord's right to distrain or terminate any lease, the acceleration, amendment or termination of any contract, including any contract of insurance, the exercise of any right of set-off or combination of accounts, the exercise of any construction, mechanics' repair, storage or other lien, or the commencement or continuation of any proceedings under any Environmental Laws (as hereinafter defined) in any jurisdiction in which the Property may be located, shall be taken against the Receiver, with respect to the Property or any part thereof, without the prior written consent of the Receiver or leave of this Court first being obtained upon not less than seven days' notice to the Receiver.

11. **THIS COURT ORDERS** that the Defendants and anyone having knowledge of this order be and they are hereby restrained, pending consent of all parties or further order of this Court:

- (a) from removing from Ontario or in any way disposing, dealing with or diminishing the value of any of the Defendants' property, whether real or personal, present or future, held in Ontario or elsewhere, whether held in the Defendants' names or not, pending the final determination of this action or further order of this Court;
- (b) from withdrawing or causing or permitting the withdrawal of or transferring of funds or issuing of cheques or other instruments from any of the defendants' bank

accounts or investment accounts of any nature whatsoever, whether held individually or jointly with any other person, pending the final determination of this action or further order of this Honourable Court, provided that the defendants shall have leave to seek variation of this order in order to permit the withdrawal of a reasonable amount as ordinary living expenses provided that if any such order is sought the Defendants must have fully complied with this order in all respects including the provision to the Receiver of the information required to be provided to the Receiver.

### **Documents and Investigations**

12. **THIS COURT ORDERS** that the Receiver shall forthwith be entitled to take possession of and examine the Defendants' books and records and make such inquiries as it deems prudent and necessary of the Defendants' bankers, accountants, auditors, advisors, managers, experts, solicitors, agents, officers, employees and others in order to determine the financial status of the Defendants, and shall conduct a review and, if necessary, a detailed examination of the financial records of the Defendants.

13. **THIS COURT ORDERS** that the Receiver shall report to this Court at such times and in such fashion as this Court may direct.

14. **THIS COURT ORDERS** that the Defendants and their accountants, auditors, advisors, agents, managers, experts, solicitors, agents, officers and employees, including, without limitation, any accountants, bankers or financial, legal, advisors and the persons set out in Schedule "A", (the "Affected Persons") shall forthwith provide to the Receiver all of the books and records relating to the Defendants' financial history and dealings, including, without limitation, all ledgers, bank statements and records, cheques, financial statements, receipts, vouchers, deposit slips, contracts, agreements, accounting records, computer records (including but not limited to tapes and/or discs) or other documents or records of any kind or nature, howsoever stored or maintained, relating to the Defendants (the "Documents"). Provision of the Documents to the Receiver shall not breach any confidentiality or other non-disclosure obligations the Affected Persons might otherwise have to the Defendants and it shall be deemed that the Defendants shall have consented to the release of the Documents. The Receiver shall

allow the Defendants and their advisors reasonable access to and the ability to make copies of any and all such books and records in the possession of the Receiver. The defendants shall allow the Receiver to make, retain and take away copies of any or all of the Documents and shall forthwith grant to the Receiver access to and use of accounting, computer, software and physical facilities relating thereto promptly at the request of the Receiver.

15. **THIS COURT ORDERS** that if any of the Documents is stored or otherwise contained on a computer or other electronic system of information storage, the Defendants and all Affected Persons shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to obtain a full copy of the Documents, whether by way of printing same onto paper or making copies of computer discs or such other manner of retrieving and copying same as the Receiver in its discretion deems expedient. For the purposes of this paragraph, the defendants and the Affected Persons shall provide the Receiver with all such assistance in gaining access to the Documents as the Receiver may in its discretion require, including, without limiting the generality of the foregoing, forthwith providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, passwords or other codes as may be required to gain access to the Documents.

16. **THIS COURT ORDERS** that Internet service providers or persons, corporations or individuals who provide e-mail, World Wide Web, file transfer protocol or other Internet connection services to the defendants and/or its present and former directors, officers, employees and agents to access the Internet or World Wide Web e-mail or other similar services, deliver to the Receiver, documents, server files, archive files or any other information in any form in any way recording messages, emails or other information sent or received by the Defendants and/or its present and former directors, officers, employees and agents in the course of their association and in conducting their duties related to the operations and affairs of the defendants.

17. **THIS COURT ORDERS** that the Receiver shall have ongoing access to the Defendants' current and future bank account statements and other financial records, copies of which shall be provided to the Receiver as and when demanded by the Receiver. The Defendants and the third parties shall co-operate and consent to the distribution of such records to the Receiver.



18. **THIS COURT ORDERS** that the Receiver is empowered to demand production from third parties (including but not limited to the Defendants' advisors, banks, financial institutions and the persons set out in Schedule "A") of documents relating to:

- (a) the Defendants' financial affairs;
- (b) the deposit of funds received in connection with the sale of commercial real estate;
- (c) the identities of the persons who have provided deposit funds to Simpson and the other defendants;
- (d) the bank accounts or other financial records referable to the accounts into which such funds were deposited including documents referable to any withdrawal, transfer or dissipation of funds in such accounts; and
- (e) commissions, fees, expenses or other amounts paid to any persons in connection with the sale of such securities and any agreements, arrangements or any other communication with respect to the payment of such amounts;
- (f) and further directs that all such third parties (including all Affected Persons) shall co-operate fully with the Receiver, subject to claims of legal privilege.

19. **THIS COURT ORDERS** that the Receiver is empowered to compel the attendance, on two clear days written notice by letter from the Receiver or its counsel, of persons believed by the Receiver to have knowledge of the Defendants' affairs for the purpose of being examined under oath by the Receiver or by such person as to whom the Receiver has or may delegate this power. In particular, and without limiting the general nature of the power conveyed by this paragraph, the Receiver is empowered for the purposes of performing its duties hereunder to examine under oath the persons named in Schedule "A" to this order and any persons who may have received transfers of assets or funds from the defendants, provided that nothing herein shall apply, without further order of this Court, to compel any person who has been actually charged with a criminal offence to so testify and that any persons who so testify shall have the right to invoke the protections of the *Canada Evidence Act* and the *Canadian Charter of Rights and*

*Freedoms*. If the persons to be examined have a personal residence or regular place of business within 60 kilometres of an office of Bennett Jones LLP (Toronto, Edmonton or Calgary) such examination shall take place at such office failing which it shall take place at any place where an examination of discovery may take place under the *Rules of Civil Procedure* in the province where the examination is conducted.

20. **THIS COURT ORDERS** that Simpson shall provide to the Receiver within 7 days of service of this order an affidavit under oath specifying her knowledge on the following matters:

- (a) specifics of all corporations, partnerships, or other entities in which she has a direct or indirect interest with particulars of the nature of such interest;
- (b) specifics of all bank, brokerage or other accounts, wherever situate, in her name, the name of York Region Realty Inc., the name of any of the entities in (a) hereof or over which she has any signing authority or any other direct or indirect control;
- (c) specifics of all bank, brokerage or other accounts, where funds were deposited, all accounts to which such funds may have been transferred and the present whereabouts of such funds;
- (d) whether any assets were purchased or acquired in whole or in part with such funds and, if so, the particulars of such assets and their present location with particulars of the assets involved name of the person or entity who holds title to such assets, the date of acquisition, acquisition cost and a current estimate of value; and
- (e) specifics of any disposition of assets (including transfer of funds) in excess of \$10,000 in the last 2 years and that this affidavit shall be deemed to have been provided by compulsion of law and its further use in any other court proceeding be subject to the protections of the *Canada Evidence Act* and the *Canadian Charter of Rights and Freedom*.

21. **THIS COURT ORDERS** that the Receiver is authorised to enter upon the business premises of the persons set out in Schedule "A" (collectively the "Premises") and to examine

anything and take away any documents or record found at the premises that the Receiver is authorised hereunder to require to be produced to it.

22. **THIS COURT ORDERS** that the Receiver shall have full power to investigate any gift, transfer, conveyance, settlement or any other disposition (a "Conveyance") of any interest in any assets, funds or any other property by the defendants to third parties (the "Conveyed Property") and to compel the production of information from any person with respect to such Conveyed Property and the circumstances surrounding the Conveyance as if such Conveyed Property was Property under this order and that the Receiver shall be at liberty to apply to the Court for any appropriate order relating to the preservation of any such Conveyed Property.

#### **Other**

23. **THIS COURT ORDERS** that no proceedings shall be brought against the Receiver in any Court or other tribunal unless leave of this Honourable Court is first obtained on motion on at least seven days notice to the Receiver and the parties.

#### **No Proceedings Against the Debtor or the Property**

24. **THIS COURT ORDERS** that no proceeding against or in respect of the Defendants or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all proceedings currently under way against or in respect of the Defendants or the Property are hereby stayed and suspended pending further Order of this Court.

#### **No Exercise of Rights or Remedies**

25. **THIS COURT ORDERS** that all rights and remedies against the Defendants, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this paragraph shall (i) empower the Receiver or the Defendants to carry on any business which the Defendants are not lawfully entitled to carry on, (ii) exempt the Receiver or the Defendants from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent

the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

26. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the fulfilment of its duties in carrying out the provisions of this order, save and except for any gross negligence or wilful misconduct on its part.

27. **THIS COURT ORDERS** that all the costs of this receivership including without limitation the Receiver's fees and disbursements (including the amounts which the Receiver is obliged to pay others) and the fees and disbursements incurred by Bennett Jones LLP in carrying out its duties herein shall be a first charge on any assets recovered in the receivership herein, subject to approval of the quantum of costs by the Court. The Receiver shall have the right to apply to the Court for approval and payment of its fees and disbursements on an interim basis provided that 15 days notice shall be given to the defendants of any such application. The Receiver shall also have the power, if so advised, to move to have the receivership terminated and to be discharged as Receiver.

28. **THIS COURT ORDERS** that the plaintiff's costs of this motion shall be allowed in the same manner as the Receiver's fees and disbursements and shall be paid out by the Receiver as a second charge on any assets recovered in the receivership.

29. **THIS COURT ORDERS** that the Receiver be granted leave to apply to the Court for approval to borrow and to provide whatever security as may be appropriate, if so advised.

30. **THIS COURT ORDERS** that, except as otherwise specified herein, the Receiver is at liberty to serve any notice, form or other document in connection with these proceedings by forwarding copies by prepaid ordinary mail, courier, personal delivery or electronic transmission to the defendants or other appropriate parties at their respective addresses or other contact particulars as last indicated in the records of the defendants and that any such service shall be deemed to be received on the date of delivery if by personal delivery or electronic transmission, on the following business day if delivered by courier, or three business days after mailing if by ordinary mail.

31. **THIS COURT ORDERS** that the Receiver may serve any court materials in these proceedings (including, without limitation, application records, motion records, facts and orders) on all represented parties electronically, by e-mailing a PDF or other electronic copy of such materials (other than any book of authorities) to counsels' e-mail addresses as recorded on the service list, and posting a copy of the materials to an internet website to be hosted by Quilling Selander Cummiskey Lownds (the "Website") as soon as practicable thereafter, provided that the Receiver shall deliver hard copies of such materials to any party requesting same as soon as practicable thereafter.

32. **THIS COURT ORDERS** that any party in these proceedings may serve any court materials (including, without limitation, application records, motion records, facts and orders) electronically, by emailing a PDF or other electronic copy of all materials (other than any book of authorities) to counsels' e-mail addresses as recorded on the service list; provided that such party shall deliver both PDF or other electronic copies and hard copies of full materials to counsel to the Receiver and to any other party requesting same and the Receiver shall cause a copy to be posted on the Website, all as soon as practicable thereafter.

33. **THIS COURT ORDERS** that the Receiver be permitted to (i) enter into a new listing agreement with John Walley of Sutton Group in Stouffville, (ii) sell Simpson and York Realty's real property assets and contents, and (iii) make it a condition of the new listing agreement that all sales are subject to court approval and to hold all proceeds from the sales in an interest bearing account;

34. **THIS COURT ORDERS** that the Receiver, if so advised, be permitted to bring a lawsuit as against Lia Hurst and seek a certificate of pending litigation in order to regain possession of the properties alleged to be rightfully owned by Simpson and if successful, to sell those properties, the proceeds of which will be deposited into an interest bearing account;

35. **THIS COURT ORDERS** that the Receiver deal directly with the Real Estate Council of Ontario on behalf of all of the victims for the benefit of the estate who have submitted claims;

36. **THIS COURT ORDERS** that the Receiver or Receiver's counsel may examine Adam Cox and compel production of documents relevant to the real estate deposit scheme;

37. **THIS COURT ORDERS** that leave is granted to the Receiver to assert challenges to the validity, quantum and priority of the mortgages held by Ajay Pahwa as described in Schedule "D" to this Order (the "Pahwa Mortgages"). The exercise of power of sale under Part III of the Mortgages Act or other enforcement upon the Pahwa Mortgages is hereby restrained, pending further order of the Court. The Receiver shall proceed forthwith by commercially reasonable steps to market the properties that are the subject of the Pahwa Mortgages and the Receiver shall seek court approval of any Agreement of Purchase and Sale upon five days' prior written notice to Ajay Pahwa, at which time directions may be given for discharge of the applicable Pahwa Mortgage on closing and vesting in the court approved purchaser, subject to payment of applicable real property taxes, utilities and prior encumbrances, with the amounts that are claimed by Ajay Pahwa pursuant to the Pahwa Mortgages or such amount as directed by the court to be held in a separate interest-bearing Receiver's bank account pending further order of the court. Pending sale of the properties that are the subject of the Pahwa Mortgages, the Receiver shall be responsible for ensuring that real estate taxes and fire insurance coverage are maintained in good standing. The Receiver's charge as described in paragraph 27 hereof upon the Simpson assets shall not rank in priority to the Pahwa Mortgages, but shall be subordinate to the amounts claimed by Ajay Pahwa pursuant to the Pahwa Mortgages or such amounts as directed by the court, pending final determination of the validity, quantum and priority of the Pahwa Mortgages;

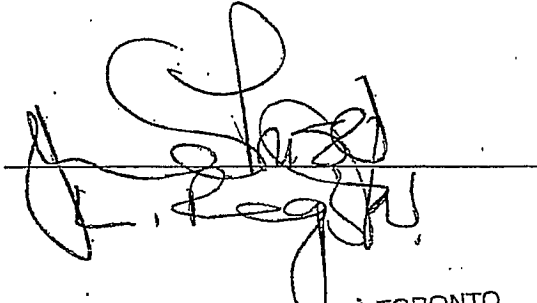
38. **THIS COURT ORDERS** that a bank account be opened in Toronto at a bank selected by the Receiver in Courtney Wallis Simpson's name, which account may accept deposits from Simpson but from which funds can be accessed only by the Receiver through Bennett Jones LLP;

39. **THIS COURT ORDERS** that all proceedings as against Simpson, York Realty, Wallis Simpson & Associates and York Management Group be stayed and that any and all consents to judgment endorsed by Simpson in her personal capacity or as director of York Realty or York Management Group, be deemed ineffective;

40. **THIS COURT ORDERS** that the posting of information on the Receiver's website be approved;

41. **THIS COURT ORDERS** that the claim form as filed with the court be approved;
42. **THIS COURT ORDERS** that the Statutory Declaration form may be posted on website and distributed to potential claimants;
43. **THIS COURT ORDERS** that, unless otherwise provided herein or by this Court, no document, order or other material need be served on any person in respect of these proceedings unless such person has served a Notice of Appearance on the solicitors for the Receiver and has filed such notice with this Court.
44. **THIS COURT ORDERS** that neither the making of this order nor anything in this order shall deem the Receiver to be an owner of any of the Property for any purpose and that neither the making of this order nor anything in this order shall vest in the Receiver the care, ownership, control, charge, occupation, possession or management or require or obligate the Receiver to occupy or to take control, care, charge, occupation, possession or management of any of the Property which may be environmentally contaminated, or a pollutant or a contaminant, or cause or contribute to spill, discharge, release or deposit of a substance contrary to any to occupy or to take control, care, charge, occupation, possession or management of any of the Property which may be environmentally contaminated, or a pollutant or a contaminant, or cause or contribute to spill, discharge, release or deposit of a substance contrary to any legislation enacted for the protection or preservation of the environment including, without limitation, the *Canadian Environmental Protection Act*, the *Transportation of Dangerous Goods Act (Canada)*, the *Environmental Protection Act (Ontario)*, the *Emergency Plans Act 1963 (Ontario)*, the *Ontario Water Resources Act*, the *Occupational Health and Safety Act (Ontario)* or the regulations hereunder, or any federal or provincial legislation, or rule of law or equity in any jurisdiction affecting the environment, the transportation of goods, or hazardous waste (collectively, "Environmental Laws"). The Receiver shall not be deemed as a result of this order to be in control, charge, occupation, possession or management of any of the Property within the meaning of any Environmental Laws.
45. **THIS COURT SEEKS AND REQUESTS** the aid and recognition of any court or any judicial, regulatory, or administrative body in any province of Canada and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant

to the Parliament of Canada and any court or any judicial, regulatory or administrative body of any other nations and states and the provinces, states or other subdivisions of such nations and states to act in aid of and to be complementary to this Court in carrying out the terms of this order.

A handwritten signature in black ink, appearing to be 'S. J. ...', is written over a horizontal line.

ENTERED AT / INSCRIT À TORONTO  
ON / BOOK NO:  
LE / DANS LE RÉGISTRE NO.:

DEC 23 2005

PER/PAR: AB



## Schedule "A"

1. Wayne Simpson  
587 Cam Fella Boulevard  
Stouffville, Ontario  
L4A 7H3
2. York Management Group  
587 Cam Fella Boulevard  
Stouffville, Ontario  
L4A 7G9
3. Royal Bank of Canada  
Transit No. 02982  
47 Main Street  
Markham, Ontario
4. Royal Bank of Canada  
Davis and Highway 404 Branch  
Toronto, Ontario
5. Canadian Imperial Bank of Commerce  
Transit No. 01642  
4360 Highway 7  
Unionville, Ontario
6. Bank of Montreal  
Town Square Branch  
Richmond Hill, Ontario
7. TD Canada Trust  
Town Square Branch  
Richmond Hill, Ontario
8. TD Canada Trust  
Davis and Highway 404 Branch  
Toronto, Ontario
9. Bank of Nova Scotia  
Davis and Highway 404 Branch  
Toronto, Ontario
10. HSBC  
Richmond Hill
11. Laurentian Bank  
Newmarket, Ontario

## Schedule "B"

1. 587 Cam Fella Boulevard  
Stouffville, Ontario  
L4A.7H3

## Legal Description:

PCL 19-1 SEC 65 M2296: LT 19 PL 65R2296: Whitchurch-Stouffville

2. PIN 03715-0004  
Whitechurch, Ontario

## Legal Description:

PT LT 30 PL 54 Stouffville; PT LT 31 PL54 Stouffville, PT LT 40 PL 54 Stouffville; PT  
LT 41 PL 54 Stouffville PTS 1, 7 65R2555; S/T R221467, R221469

3. 1038 Kawagama Lake Road  
Dorset, Ontario

## Legal Description:

Con 13 PT LOT 1 RP19R3154, Parts 1, 6, 7  
Dorset, Algonquin Highlands Township

4. PIN 03710-0193/0194  
Stouffville, Ontario

## Legal Description:

PT LTS 49 & 50  
PL 70 Stouffville PT 2 65R256J4 Whitchurch-Stouffville

## Schedule "C"

1. Royal Bank of Canada  
Transit No. 02982  
47 Main Street  
Markham, Ontario
2. Royal Bank of Canada  
Davis and Highway 404 Branch  
Toronto, Ontario
3. Canadian Imperial Bank of Commerce  
Transit No. 01642  
4360 Highway 7  
Unionville, Ontario
4. Bank of Montreal  
Town Square Branch  
Richmond Hill, Ontario
5. TD Canada Trust  
Town Square Branch  
Richmond Hill, Ontario
6. TD Canada Trust  
Davis and Highway 404 Branch  
Toronto, Ontario
7. Bank of Nova Scotia  
Davis and Highway 404 Branch  
Toronto, Ontario
8. HSBC  
Richmond Hill
9. Laurentian Bank  
Newmarket, Ontario

## Schedule "D"

## Mortgages Held By Mr. Ajay Pahwa

1. \$210,000 mortgage registered on February 10, 2005 on:

PIN 03715-0004, PT LT 30 PL 54 Stouffville; PT LT 31 PL 54 Stouffville; PT LT 40 PL 54 Stouffville; PT LT 41 PL 54 Stouffville PTS 1, 7 65R2555; S/T/ R221467, R221469 (the 6072 Main Street Property);

2. \$220,000 mortgage registered on March 9, 2005 on:

PIN 03710-0193/0194, PT LTS 49 & 50, PL 70 Stouffville PT 2 65R256J4 (the Stouffer Street Property); and

3. \$220,000 mortgage registered on March 8, 2005 and a Notice of Agreement Amending the Charge registered on June 28, 2005 increasing the principal amount to \$440,000:

1038 Kawagama Lake Road, Dorset, ON, Con 13, PT LT 1 RP19R3154, Parts 1, 6, 7 (the Kawagama Property)

**Udayan Pandya**  
Plaintiff

v.

**Courtney Wallis Simpson et al.**  
Defendants

Court File No.: 05-CL-6159

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
(Commercial List)

In the matter of the *Class Proceedings*  
*Act, 1992*

Proceeding commenced at Toronto

**SECOND AMENDED AND**  
**RESTATED INITIAL ORDER**

**BENNETT JONES LLP**  
One First Canadian Place  
Suite 3400, P.O. Box 130  
Toronto, Ontario  
M5X 1A4

Lincoln Caylor / M. Joanne MacMillan  
Tel: (416) 777-6121 / 4629  
Fax: (416) 863-1716  
LSUC Reg. No. 37030L/43529J

Solicitors for the plaintiff

**TAB P**

**COURT FILE NO.:** 05-CL-6159  
**DATE:** 2006-06-08

**SUPERIOR COURT OF JUSTICE - ONTARIO**

**RE:** UDAYAN PANDYA, Plaintiff

**A N D:**

COURTNEY WALLIS SIMPSON, YORK REGION REALTY INC., WALLIS, SIMPSON & ASSOCIATES, COURTNEY WALLIS SIMPSON c.o.b. as YORK MANAGEMENT GROUP and as CAMCO DEVELOPMENTS and as YORK GROUP, Defendants

**BEFORE:** SPIES J.

**COUNSEL:** *Lincoln Caylor* for the Plaintiff/Receiver

*Gregory Govedaris*, for the Plaintiffs in Action # 05-CL-6178, Glenn E. Cohen for Atlas Holdings, D.R. Rothwell for Ajay Pahwa and Courtney Wallis Simpson in person

**HEARD:** April 26, 2006

**DECISION ON MOTION**

**OVERVIEW**

[1] This is a motion by the court appointed Receiver for an order that the interim fees, disbursements and GST of counsel for the Receiver, for the period October 11, 2005 to April 12, 2006, be approved and be paid to counsel by the Receiver as the first charge on the receivership estate.

[2] By order of Ground J. dated November 17, 2005, Michael J. Quilling was appointed Receiver, pursuant to s. 101 of the Courts of Justice Act and Rule 41.02 of the Rules of Civil Procedure, over the assets of Courtney Wallis Simpson and York Region Realty Inc. (the "Initial Order").

[3] The Receiver subsequently provided four reports to the court, on four separate attendances. As explained further below, those reports set out in summary fashion the

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activities of the Receiver and its counsel Bennett Jones LLP. It was not until the motion returnable March 9, 2006, that the Receiver sought court approval of the fees and disbursements of the Receiver and its counsel.

[4] At the attendance before Mesbur J. on March 9, 2006, the Receiver sought approval for its own fees in the amount of \$35,253.39 and for the fees and disbursement of Bennett Jones in the amount of \$234,434.79 (\$207,537.50 for fees and \$11,674.31 for disbursements plus GST).

[5] The material filed in support of the approval of the fees of Bennett Jones was only an invoice, which simply stated that the fees and disbursements were for "professional services rendered" for the period in question. Counsel also filed a one page "Summary of Time and Fees" which listed the lawyers/students who worked on the matter, their position within the firm, year of call, the total hours spent and hourly rate.

[6] Objection was taken to the fees of the Receiver and its counsel, by counsel for some of the claimants to the assets of the estate. Mesbur J. adjourned the Receiver's motion so that its counsel could particularize the fees and deliver particulars of the fees to the other parties.

[7] Further to the order of Mesbur J., the matter came on before me on April 6, 2006. At that time, after hearing the submissions of counsel appearing, I approved the interim fees and disbursements and GST of the Receiver for the period November 17, 2005 to February 28, 2006 in the amount of \$35,253.39.

[8] The motion with respect to the approval of the fees and disbursements of Bennett Jones was adjourned to April 26, 2006. The difficulty was that the Receiver had prepared a summary of counsel fees, which summarized the work done by each lawyer, but it did not set out the date on which the work was done and more importantly did not break down the work done into various categories of services rendered. Furthermore, no dockets were provided.

[9] Because of the way that the summary was prepared, it was impossible for counsel and for the court to assess the reasonableness of the fees and so unfortunately the motion to approve the fees and disbursements of Bennett Jones had to be adjourned again. Counsel for the Receiver was directed to provide to counsel appearing that day copies of dockets of Bennett Jones, redacted if necessary if there were concerns about solicitor/client privilege, along with a summary of the fees, grouping the time by lawyer in accordance with the main areas of work undertaken, so that an assessment of the fees could be made. The dockets and summary of fees were to be served by April 13, 2006. For any dockets that were redacted, counsel for the Receiver was directed to file unredacted copies in a sealed envelope with the court.



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[10] The motion returned before me on April 26th. Counsel for the Receiver had prepared a new motion record with a summary of counsel fees broken down into some categories of services rendered, along with copies of the dockets. No dockets were redacted.

### **ISSUES**

[11] Pursuant to the Initial Order, the fees of Bennett Jones LLP, counsel for the Receiver, form a first charge from the assets recovered in the receivership, subject to approval of the quantum of costs by the court.

[12] On the return of the motion before me, the Receiver sought approval of the fees of its counsel in the amount of \$207,537.50 and disbursements in the amount of \$11,674.31 for a total with GST of \$234,434.79 for the period October 11, 2005 to February 21, 2006 and \$153,985 for fees and \$5,146.46 for disbursements for a total of \$170,230.30 with GST for the period from February 21, 2006 to April 12, 2006. The grand total that is submitted for approval is \$404,665.09 of which \$361,522.50 is fees.

[13] Counsel opposing the motion objected to the approval of the fees, asserting that the fees are excessive, particularly given the recovery and size of the receivership estate and that the hourly rates charged are too high in all of the circumstances. There was no real issue with the disbursements, nor was it asserted that the Receiver or his counsel had exceeded their jurisdiction.

[14] The issues before me are what principles should I apply in considering the fees of counsel to the Receiver and what quantum of fees should I approve?

### **THE FACTS**

[15] There are currently at least two proceedings against the defendants and both are class proceedings. They each relate to alleged fraudulent activity on the part of Simpson and her companies. The plaintiff in the class action herein, (the "Deposit Fraud Class Action"), first approached Bennett Jones in the fall of 2005 alleging that Simpson, who is a real estate agent, and her companies, defrauded him by retaining his deposit for the purported purchase of a commercial property. It is alleged that Simpson purported to "sell" the same two commercial properties in excess of a hundred times each and as a result there are many claimants in this class who claim for deposits paid on purchases that were a sham.

[16] Mr. Govedaris is counsel for plaintiffs in class action #05-CL-6178 (the "Mortgage Fraud Class Action"). In that action, it is alleged that Simpson and others defrauded the victims through the operation of a "Ponzi Scheme", convincing people to "invest" in interim occupancy mortgages that never existed.

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**Initial Order**

[17] The Initial Order of Ground J. approved the appointment of Bennett Jones LLP as counsel to the Receiver but hourly rates were not approved. The order gives the Receiver the usual powers to preserve property of the defendants including investigatory powers and the Receiver is of course permitted to apply to this Court for advice and directions related to the proper exercise of its powers or for any variations to the order.

**The First Report**

[18] Counsel for the Receiver attended before Farley J. on December 13, 2005 and filed the First Report of the Receiver of the same date. That report summarized the nature of the two alleged frauds. At that time the Receiver estimated that there were eighteen victims of the deposit scheme fraud owed approximately \$3.6 million and at least 54 victims of the Ponzi Scheme/mortgage fraud with a total loss of approximately \$11 million.

[19] At that stage, counsel for the Receiver had issued the statement of claim in the Deposit Fraud Class Action. In the First Report, the Receiver recommended that the Mortgage Fraud Class Action be tried together with the Deposit Fraud Class Action and that the Initial Order be amended to add the mortgage fraud victims as a class of creditors to be considered by the Receiver.

[20] The Receiver reported on the various activities undertaken by the Receiver and its counsel since the date of the Initial Order, which included serving the Initial Order on all banks to which Simpson and York Realty had a relationship, asking that the bank accounts be frozen, registering the Initial Order on title to all properties owned by Simpson, attending at all properties owned by Simpson, (with the exception of the cottage property), speaking to the agent who had listed the real properties for sale (at the request of Simpson), reviewing Simpson's business records, examining Simpson under oath, communicating with the York Regional Police and dealing with claimants.

[21] The Receiver was in attendance with counsel for the examination of Simpson on November 29, 2005. On the same date the Receiver, accompanied by counsel, met with a detective from York Regional Police and conducted a cursory review of documents in the possession of the police as a result of the criminal charges pending against Simpson. Simpson consented to the Receiver reviewing this material.

[22] Simpson also co-operated with the Receiver in identifying the real property that she owned and in fact advised the Receiver of two properties that were registered in the name of Lia Hurst that Simpson claimed ownership to. The report stated that it appeared that the equity in the real property owned by Simpson might be

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anywhere from approximately \$654,000 to approximately \$1.3 million depending on whether the Receiver was successful in setting aside certain charges.

[23] At that time, the Receiver recommended listing the real property with the agent that Simpson had already listed the properties with and that the proceeds from sale be deposited and held in an interest bearing account, that the Receiver, in consultation with counsel, determine whether a law suit was warranted against Hurst, including certificates of pending litigation, in order to regain those two properties, reviewing documents in the possession of York Regional Police (17 boxes), selling the contents of Simpson's business premises and conducting an examination of a third party, Adam Cox, who had been identified by Simpson as someone who likely had relevant information.

[24] At the time of this First Report, the Receiver was aware that the members of the Deposit Fraud Class Action had made claims to the Real Estate Council of Ontario ("RECO") with respect to their deposits, and had been informed by RECO that it was its position that Simpson's actions constituted one "occurrence" and that therefore there was a \$500,000 limit to the amount to be paid by RECO for all class members. The Receiver recommended that he deal directly with RECO and assist individuals who had yet to make a claim to do so and then report to the court. He reported that any payments from RECO be used for the benefit of the deposit fraud class only. I am advised by Mr. Govedaris however, that the claimants in the Mortgage Fraud Class Action may also have claims against RECO and so the Receiver and counsel for the Receiver will need to be concerned about this conflict, as Bennett Jones also represents the Deposit Fraud Class.

[25] The First Report also disclosed an issue concerning Ajay Pahwa who has asserted a claim in the receivership estate as a secured creditor. The Receiver takes the position that the three mortgages Pahwa has on properties belonging to Simpson have been paid off, or, in the alternative, are not valid because of illegal rates of interest.

[26] The Receiver also advised the court at this time that it had established a website to post information regarding the case.

[27] Farley J. by order dated December 15, 2005, authorized the Receiver to amend the statement of claim to add Simpson carrying on business as York Management Group as a defendant and to try the Mortgage Fraud Class Action together or immediately after the Deposit Fraud Class Action (subject to confirmation by the appointed judge in the class proceedings).

[28] A second order of Farley J. of the same date headed "First Amended and Restated Initial Order" restated all of the relief granted by Ground J. in the Initial Order and added other terms, which authorized the Receiver to enter into new listing agreements to sell the real property owned by Simpson, deal directly with RECO on

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behalf of all victims of the Deposit Fraud scheme, examine Cox, and open a bank account to accept deposits from Simpson. That order also stayed all proceedings in respect of the defendants and their properties and approved a claim form and its distribution<sup>1</sup>.

### **The Second Report**

[29] The matter returned again before Farley J. on December 22, 2005 with the Second Report of the Receiver of the same date. In that report, the Receiver reported that the Receiver's counsel had continued to follow up with banks to ensure that accounts were frozen, met with Simpson for further investigation, that a separate interest bearing bank account had been opened to receive the proceeds from the sale of Simpson's assets and any funds that Simpson might be receiving, as Simpson was still working (subject to a living allowance for Simpson), that counsel had communicated with the agent that Simpson had already arranged, regarding the sale of various Simpson properties pursuant to a new listing agreement, and that a real estate agent had been retained to undertake a fair market assessment of the cottage property. Furthermore contact with Cox in order to compel his attendance at an examination had been made, the Statutory Declaration to be utilized as a claim form had been prepared and information had been posted to the website.

[30] With respect to the Hurst action, the Receiver reported that the properties were valued at between \$250,000 and \$275,000 each, but that there were mortgages registered on each of the properties in the amount of approximately \$221,000 and \$225,000. The Receiver advised it would continue to investigate to determine if there was sufficient equity to merit a lawsuit and, if in consultation with counsel, a lawsuit was warranted, that Hurst would be sued.

[31] With respect to RECO, the Receiver advised the court that the Receiver and its counsel had met with the manager of investigations of RECO. It appears the purpose of that meeting was simply to inform the manager of the activities of the Receiver to date and the orders that had been made.

[32] With respect to the Pahwa mortgages, counsel for Pahwa had served a notice of sale under mortgage with respect to one property. Based on the Receiver's investigation, which included a review of all documents registered on title, the Receiver recommended that the validity of the mortgages be challenged, that in the mean time no proceeds from any sale be paid to Pahwa and that funds claimed by Pahwa be held in the Receiver's bank account pending further order of the court.

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<sup>1</sup> As I advised counsel for the Receiver, particularly as the amended Initial Order is not black lined, in order to determine the relief granted by Farley J. as compared to the relief previously granted by Ground J., it is necessary to do a paragraph by paragraph review of the two orders. Preferably the new order should have simply stated the additional relief and any amendments without restating the Initial Order.

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[33] The Second Amended and Restated Initial Order of Farley J. dated December 23, 2005, authorized the Receiver to assert challenges to the validity, quantum and priority of the Pahwa, restrained Pahwa's power of sale proceedings and provided that upon approval of the sale of properties, that the amount claimed by Pahwa be held in a separate bank account pending further order.

### **Third Report**

[34] The Receiver attended in court again on January 20, 2006 before Cumming J. with the Receiver's Third Report dated January 13, 2006. In that report, the Receiver reported that bankruptcy proceedings had been commenced against Simpson and York Realty and two receiving orders dated December 30, 2005 had been obtained. The Receiver recommended and obtained an order from Cumming J. that the bankruptcy proceedings be stayed, as were the related receiving orders.

[35] The Receiver also reported on its on-going review of Simpson's bank accounts, but there was still no statement that any of those accounts had contained funds.

[36] A new issue arose in this report concerning certain shares of Dianor Resources Inc. that had been owned by Simpson and had been transferred into two individual accounts held at RBC Dominion Securities, allegedly in breach of the Initial Order. This information came to the Receiver from a detective of the York Regional Police squad. Counsel for the Receiver requested that the share transfers be reversed and currently that is a further issue for the Receiver to pursue. RBC is holding approximately 500,000 shares which fluctuate in value and could be worth anywhere from \$.255 (the rolling 52 week low price) to \$2.18 (the rolling 52 week high) per share.

[37] The Third Report to the court also updated the court with respect to the progress on the sale of the various properties owned by Simpson which had all been listed for sale, with the exception of the cottage property, and the fact that an action had been commenced against Hurst and that certificates of pending litigation on title had been obtained. The Receiver recommended acceptance of an offer concerning one property.

[38] With respect RECO, the report disclosed that counsel for the Receiver had sent a letter requesting disclosure of information and that there had been no response. By that point it was estimated that eighteen victims of the Deposit Fraud had made claims to RECO.

[39] With respect to Cox, after several attempts, he finally attended at an examination but then refused to answer questions once he realized he was there to give evidence about the Simpson fraud. The Receiver had continued its review of

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Simpson documents and discovered the existence of two other corporations for which it sought amendment, to have them added to the receivership.

[40] The Receiver also reported that counsel had written to the Crown assigned to the Simpson case requesting that a Restitution Order be sought against Simpson in the amount of approximately \$14.6 million representing the estimated loss occasioned by both the fraudulent deposit and mortgage schemes.

[41] Based on the report, the Third Amended and Restated Initial Order of Cumming J. dated January 20, 2006 directed that one property be sold with the amount of \$336,080, which is the amount of Pahwa's claim, to be held in a separate bank account to await the outcome of the Pahwa claim. A separate order of the same date added Simpson carrying on business as York Group and as Camco Developments as defendants.

#### **Fourth Report**

[42] When the matter proceeded before Mesbur J. on March 9th, she had the Fourth Report of the Receiver dated March 3, 2006. In that report the Receiver advised that it was using documents recovered from the police to verify and validate the claims of potential class members, particularly the alleged Mortgage Fraud class, in order to determine whether each individual investor had received less or more than their principal investment back. This was described as a complicated task for various reasons.

[43] By that date the actual claims made by members of both classes totaled approximately \$3.7 million. The Receiver stated that he had been in touch with the majority of the victims known to that date and had distributed the claim form to those individuals.

[44] The Receiver's estimate of the value of the assets in the estate at that time was set out in a chart outlining assets and potential recovery through the receivership. This chart listed total assets at \$3,225,000 with total liabilities at \$1,416,809 with a net estate total of \$1,808,191. The only assets listed were the real properties owned by Simpson, including the Hurst properties, the RECO claim at \$500,000 and the Dianor Resources shares at \$400,000, which appears to be a conservative number. The Pahwa claim was taken into account in the amount of \$336,080. As set out below, the interest of Simpson's husband in the matrimonial home was not considered.

[45] With respect to the Dianor Resources shares, the Receiver had communicated further with counsel for RBC Dominion. They were advised that the shares were frozen and that RBC would require a court order before complying with the

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Receiver's request to reverse the transfer. RBC had not produced the requested documents to the Receiver by that date.

[46] The Receiver provided further reports with respect to the real property and the court approved the sale of a second property. He recommended that the sale price of the sale approved by Cumming J. be reduced because of substantial issues disclosed in the property inspection. The Receiver recommended listing the cottage property in the spring. With respect the Hurst properties, the Receiver reported that Hurst was willing to sign an acknowledgement and direction transferring title and the properties back to Simpson. The Receiver recommended that once that was done, that the properties be sold.

[47] With respect to RECO, the Receiver reported that twenty victims of the Deposit Fraud class had made claims to RECO totaling \$3,215,000. RECO agreed to provide disclosure of certain documents but continued to maintain its position that Simpson's actions constituted "one" occurrence and that therefore no more than \$500,000 would be available to all claimants under RECO's Consumer Deposit Insurance coverage. The Receiver stated that after reviewing the documentation, it would seek directions from the court regarding commencing an action against RECO's insurer.

[48] The Receiver reported on the examination of Cox and advised that based on that examination, it was not recommended that Cox be added as a defendant. The Receiver also reported on obtaining bank records from the ten bank branches, which the defendants were known to have used, which had been served with the Initial Order. By this point the Receiver had a complete compilation of the bank records for the past 6 years and stated that he was confident that he would be able to discern some patterns from the movement of funds.

[49] Pursuant to the order of Mesbur J., RBC Dominion Securities was ordered to produce documents related to the Dianor Resources shares to the Receiver, and the shares were frozen until April 6, 2006. In addition, the sale of one property was approved, as was a listing of the Hurst properties after they had been reconveyed to Simpson.

#### **Affidavit of M. Joanne MacMillan sworn March 31, 2006**

[50] When the matter proceeded on April 6, 2006 before me, no further report was filed but I did have the Affidavit of M. Joanne MacMillan sworn March 31, 2006. Further information was provided on the Dianor Resources shares issue and the fact that RBC had provided the Receiver's counsel with documents related to the transfer of the shares. Copies of these documents had been provided to the transferees of the shares and Mr. Govedaris in accordance with Justice Mesbur's order.

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**Receiver's Action Plan**

[51] In accordance with my endorsement of April 6, 2006, the Receiver served and filed a proposed Action Plan. A review of this plan assists in considering the work the Receiver and its counsel has done and what is yet to be done in order to realize all of the assets of the receivership estate and determine and pay out the claims.

[52] The proposal with respect to the various issues is as follows:

- (a) **Dianor Resources Inc. Shares**-the Receiver recommends challenging the share transfer and ask that it be reversed and that the shares be returned to the receivership estate on the basis that the transfer took place after the freezing order had taken effect. The method of determining this issue is to be resolved at a 9:30 appointment to be scheduled on notice to all interested parties.
- (b) **The Pahwa Mortgages**- the Receiver proposes examining the lawyer who assisted placing the mortgages on title to Simpson's properties and then challenging the validity of the Pahwa mortgages and proceeding via an application seeking to discharge the Pahwa mortgages on various grounds. Various alternative relief is also proposed. A draft application was included with the Plan. This is another matter that is to be timetabled at a 9:30 appointment on notice to all interested parties.
- (c) **RECO Claim**- RECO's has an insurance policy with Lloyds that has limits of \$100,00 per claim and \$500,000 for each "occurrence". Twenty-six claims have been made to RECO. If they are characterized as individual claims, the maximum possible insurance coverage would be \$1,965 million. The Receiver is considering proceeding against RECO and Lloyds by adding them as defendants to the Deposit Fraud Class Action and a draft Fresh as Amended Statement of Claim was provided to the court. Research that considered the merits of such a claim was summarized in the affidavit of Ms. MacMillan. A decision on this claim was deferred. Recovery from RECO will raise other issues in that the Receiver is only proposing to distribute any recoveries to the Deposit Fraud Class. These issues were also deferred.
- (d) Finally a proposal for claims administration was set out. A statutory declaration that was approved by Farley J. has been provided to each claimant requiring claimants to indicate whether they are part of the Deposit or Mortgage Fraud classes. The Receiver will review each claim along with supporting documents and decide whether to reject, approve or amend the claim. Only the principal amount of the deposit or mortgage



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investment will be validated. No procedure has yet been determined for claimants to contest the Receiver's determination.

### THE LAW

[53] Counsel did not provide any law to me with respect to the principles that I should consider in deciding this matter. It is my understanding that the leading case, at least in terms of the approval of the fees of a receiver, is *Re Bakemates Int'l Inc.*<sup>2</sup>, a decision of the Ontario Court of Appeal.

[54] In the *Bakemates* case Borins J.A., speaking for the court, stated that when a receiver asks the court to approve its compensation, there is an onus on the receiver to prove that the compensation for which it seeks the court's approval is fair and reasonable (at para. 31). That is the test that I intend to apply, along with the other principles set out in *Bakemates*, in determining the approval of the Receiver's counsel's fees.

[55] Borins J.A. stated that the court could adjust the fees and charges of the receiver, just as it can in the passing of an estate trustee's accounts, and that the applicable standard of review is whether those fees and charges are "fair and reasonable" (at para. 35). He went on to refer to Bennett on Receiverships<sup>3</sup> with approval and accepted as correct Bennett's discussion of the purpose of the passing of a receiver's accounts:

to afford the debtor, the security holder and any other interested person the opportunity to question the receiver's activities and conduct to date. On the passing of accounts, the court has the inherent jurisdiction to review and approve or disapprove of the receiver's present and past activities even though the order appointing the receiver is silent as to the court's authority (at para. 36 quoting Bennett at pp. 459-60)

[56] In determining what is fair and reasonable remuneration, Borins J.A. observed that there is no guideline controlling the quantum of fees as there is in respect to a trustee's fees. He referred to what he described as the "leading case" in the area of receiver's compensation, *Belyea & Fowler v. Federal Business Development Bank*<sup>4</sup>, a decision of the New Brunswick Court of Appeal, and adopted with approval the observations of Stratton J.A. in *Belyea* that compensation is

usually allowed either as a percentage of receipts or a lump sum based upon time, trouble and degree of responsibility involved. The governing

<sup>2</sup> [2002], O.J. 3569

<sup>3</sup> F. Bennett, 2<sup>nd</sup> Ed. (Scarborough Cohen Carswell, 1999)

<sup>4</sup> (1983) 46 C.B.R. (N.S.) 244

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principle appears to be that the compensation allowed a receiver should be measured by the fair and reasonable value of his service and while sufficient fees should be paid to induce competent persons to service receivers, receiverships should be administered as economically as reasonably possible (at para. 44).

[57] Where a percentage of receipts is used, a court may look to the rate afforded to a trustee in bankruptcy as a guideline, which is seven and one-half percent of receipts after payment to secured creditors, subject to variation by the court.<sup>5</sup> As I explain below however, this is not a receivership where in my view a fixed percentage would be fair to counsel for the Receiver. In my view the fees in this case must be assessed on a *quantum meruit* basis.

[58] The court in *Bakemates* approved of the *Beylea* factors to be applied when using a *quantum meruit* basis to assess a receiver's compensation, which include:

the nature, extent and value of the assets handled, the complications and difficulties encountered, the degree of assistance provided by the company, its officers or its employees, the time spent, the receiver's knowledge, experience and skill, the diligence and thoroughness displayed, the responsibilities assumed, the results of the receiver's efforts, and the cost of comparable services when performed in a prudent and economical manner (at para. 45).

[59] Although Borins J.A. stated that the factors in *Beylea* are a "useful guideline", he was careful to point out that they should not be considered as exhaustive of the factors to be taken into account, as other factors may be material depending on the circumstances of the receivership (at para. 51).

[60] With these principles in mind, I turn to the positions of counsel in this case and the fees I have been asked to approve.

### **ANALYSIS**

[61] Opposing counsel complained that the additional billing summaries prepared by counsel for the Receiver were not provided within the time that I specified, which left counsel with inadequate time to prepare for this motion. It appears from the Affidavits of Service, that the Summaries of Counsel Fees were not served until April 18<sup>th</sup>. The Motion Record was served on April 20<sup>th</sup> by email but part of the transmission was unsuccessful and so it was sent by same day courier on April 21<sup>st</sup>. No explanation was given for why the timeline in my order was not complied with. This is unfortunate

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<sup>5</sup> Bennett, *supra* at p. 472

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as the court relies on parties with an interest in the receivership estate to act as a check on the activities of the Receiver and its counsel. However opposing counsel did not request an adjournment and so I have considered the matter based on the evidence before me.

[62] Opposing counsel did not suggest that the hours claimed by counsel for the Receiver had not been spent, but challenged the hourly rates and whether or not the work was done efficiently and whether all the time spent was warranted, particularly as it was argued that counsel for the Receiver should have known the nature of Simpson's assets and the value of the estate early on. As counsel observed, if the fees sought are approved as claimed, a very significant portion of the proceeds from the real estate assets will be committed to the legal fees incurred to date and recoveries for the claimants in the two class actions will largely depend upon the outcome of litigation concerning the Dianor Resource share issue, the Pahwa mortgage issue and the proposed action against RECO.

[63] Opposing counsel noted that up to the time of the Initial Order granted by Ground J. on November 17, 2005, counsel for the Receiver had incurred approximately \$40,000 in fees and there is not much dispute about that amount. The fees quickly escalated however and opposing counsel had no idea of how expensive the receivership had become until served with the motion record returnable March 9, 2006, which was served on March 4th. This meant that they did not have an opportunity to complain about the escalating costs before they were incurred. Counsel also complained that the Receiver's counsel has still left too much time unallocated to a particular category of work, leaving it difficult to assess the reasonableness of the time spent.

[64] Having considered the submissions of all counsel, and having reviewed the evidence filed in support of the fees claimed, including a line by line review of the actual dockets, and having considered the activities of the Receiver and its counsel as reflected in the Receiver's reports to the court, I have concluded that the Receiver's fees should be reduced by \$102,000 before GST. Counsel for the Receiver has not satisfied me that the hourly rates charged and all of the time spent is "fair and reasonable", given the factors I have considered that are relevant to the approval of the fees in this matter. My reasons are as follows.

[65] In coming to my decision, a significant consideration has been the amount of the fees to date, considering where we are in the receivership and the prospect of recovery for the claimants. In a passage from the *Belyea* case, not referred to by the Court of Appeal in *Bakemates*, Stratton J.A. stated:

Even though a professional is entitled to a fair, just and reasonable compensation measured by the reasonable value of the services rendered, the fees charged must bear some reasonable proportion to the amount of

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money or the value affected by the controversy or involved in the employment. Thus, **in cases where a professional is aware of the amount at issue**, courts will impose an underlying or implied limit or maximum on the professional fees it will allow based on what is reasonable **in relation to the dollar amount involved in the particular case** (at para 11, emphasis mine).

[66] Clearly then, assessing the fees of counsel to the Receiver should not just be a matter of calculating the number of hours spent times a reasonable hourly rate. There should be some correlation of the costs to the benefits derived from the receivership. This cost-benefit analysis need not be precise or based upon the advice of expert analysis<sup>6</sup>

[67] I recognize however, that as observed by Bennett, referring to the trial decision in *Belyea*, that the court "should not necessarily penalize a receiver [and by extension the receiver's counsel] who expends considerable time in administering the estate, although recovery may be small"<sup>7</sup>. This point was not dealt with on appeal. Bennett goes on to state that when the receiver is appointed, the receiver may find the debtor's business affairs somewhat chaotic and the receiver may have to spend considerable time, which may not be productive from a financial point of view, organizing the affairs in order to be in a position to administer the receivership properly.<sup>8</sup> Accordingly the time spent must be viewed in the context of the Receiver's duty to preserve the assets of the debtor and realize on those assets and administer the estate and the Receiver's ability to retain the services of legal counsel to assist in those duties as required.

[68] The first question then is when counsel for the Receiver was aware of the amount involved in this case, namely the estimated size of the receivership estate. In the First Report to Farley J. dated December 13, 2005 the Receiver estimated that the victims of the alleged frauds were owed in total, approximately \$14.6 million. As for assets, that First Report estimated the equity in real estate to be anywhere from \$654,000 to \$1.3 million. The claim by Pahwa had been asserted and the position of RECO was known. Although further information on the assets and claims became known to the Receiver and its counsel as the receivership progressed, it was certainly clear from the outset that subject to litigation with RECO, the assets of the estate were modest, particularly relative to the quantum of the claims.

[69] The numbers have not changed that much. Based on the statement of assets and liabilities filed before Mesbur J., the estimate of the net assets to be realized from the defendants is approximately \$1.8 million. This estimate assumes a \$500,000

<sup>6</sup> Re Hoskinson (1976), 22 C.B.R. (N.S.) 127 at para. 26 (Ont. S.C.)

<sup>7</sup> Bennett, supra at p. 474

<sup>8</sup> Bennett, supra at pp. 474-475

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recovery from the RECO insurance policy, which is the minimum recovery from RECO and the Dianor Resources shares claim at a value of the shares at \$400,000. This estimate of the share value may be conservative because the shares have recently been worth in excess of \$900,000, but the strength of this claim is unknown. With respect to the real estate, the estimate takes into account a liability with respect to Pahwa in the amount of \$336,080, which could be reduced if the Receiver is successful challenging the Pahwa mortgages. Simpson advised at the time of the argument of this motion that her husband was asserting his half interest in the matrimonial home, which is one of the properties to be sold by the receiver. The Receiver had not taken this into account before and this claim is not reflected in this estimate.

[70] Although precise amounts cannot be known at this time, it seems clear that the quantum of claims will by far outstrip the available assets. Furthermore, as I have already stated, the available assets are modest, particularly considering the quantum of fees sought by the receiver. Apart from the sale of Simpson's real estate, which represents approximately \$900,000 of the approximate amount of the estimated \$1.8 million recovery, which is subject to reduction by the claim of Simpson's husband, the disputes concerning RECO, the Dianor Resources shares and Pahwa are still to be litigated. Although this court can control the efficiency of the manner in which the Pahwa and Dianor Resources disputes are determined, it is likely that pursuit of the RECO insurance will require a full-blown lawsuit. Furthermore the quantification of the claims is ongoing but not completed, nor have any disputes resulting from that process been determined. In other words, there is still considerable cost to be incurred before all of the possible assets of the estate have been realized and the claims paid.

[71] It is also important to note that the Receiver and its counsel have been assisted by the fact that Simpson has cooperated. She identified all of her assets for the Receiver and has consented to the police sharing the information they have obtained in their investigation of the criminal charges. Furthermore she is not defending the class actions. Her co-operation was somewhat of a problem however, when she decided to consent to individual judgments early on. The Receiver's counsel has dealt with that.

[72] Finally it is important to observe that the complaints of opposing counsel, that the quantum of the fees of counsel for the Receiver has caught them by surprise, are legitimate. There is no obligation on counsel for the Receiver to come to the court more often in order to seek approval of fees, but when counsel wait for several months to do so, particularly in a case like this where significant costs are running up relative to the size of the estate, counsel for the Receiver is at risk that when they do come to court, the way in which they have done the work and the fees incurred may legitimately be criticized. It is not enough in these circumstances to rely on the fact that the work done was approved in a general way by the various orders of the court already referred to. When counsel wait to bring their accounts to the court for approval, they do so at their own risk.

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[73] With this background in mind, I considered both the hourly rates charged by the Receiver's counsel, the time spent and the work done, in assessing the reasonableness and fairness of the accounts.

[74] I was advised by counsel for the Receiver, that the rates charged, are the usual rates charged by the various members of the firm in these matters. He acknowledged that they are at the "high end of the scale". Counsel advised however, that notwithstanding the Deposit Fraud Class Action was commenced by way of class action; counsel would not be seeking a multiplier or premium.

[75] The rates charged range from \$150.00 per hour for students at law to \$725.00 per hour for a tax partner (although I am told that that time has been written off). The bulk of the work was done by Lincoln Caylor, a 1995 call, at the rate of \$575.00 per hour (98 hours-\$78,000), M. Joanne MacMillan, a 2000 call, at the rate of \$450.00 per hour (160 hours-\$132,000), and Emily Atkinson, a 2005 call, at the rate of \$275.00 per hour (208 hours-\$114,000). All three lawyers are litigation counsel. There is some supervisory time by James Patterson, a 1988 call, at \$625.00 per hour. As well a real estate partner, who is a 1992 call, has time on the file at the rate of \$550.00 per hour. Other lawyers with specialty in bankruptcy and insolvency (\$650.00 per hour), class actions (\$525.00 per hour), as well as real estate law clerks at \$150.00 per hour, a litigation law clerk at \$175.00 and students at law ranging from \$150.00 to \$175.00 per hour have all worked on the file.

[76] Mr. Cohen, counsel for a deposit fraud claimant, argued that the hourly rates claimed should be reduced by as much as a third, and referred to the old cost grid. Counsel for the Receiver responded that this was not relevant to the task before me. I agree, in the sense that the cost grid reflects, in terms of substantial indemnity costs, costs that the opposing party is ordered to pay, and those rates are not necessarily reflective of the costs as between the lawyer and his or her own client. Normally, with competition in the marketplace and informed clients, rates will be established as between a lawyer and a client that are reasonable in all of the circumstances, although some clients I am sure will disagree with that proposition. Here, however the client is a member of a class and he is not paying the fees personally. The plaintiff in this action and a few others had retained Bennett Jones individually at the outset and as submitted by opposing counsel, it is extremely unlikely that they could have afforded or would have agreed to pay the hourly rates now charged by counsel for the Receiver.

[77] There are many "clients" who will be impacted by the fees charged. They did not negotiate the hourly rates, nor did the court ever approve them. The assumption that the court will automatically approve a "usual" hourly rate for Receiver's counsel is a faulty one in my view. In a case like this, the court, with the assistance of opposing counsel, has to play the role of what a client would ordinarily do, namely

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consider whether the hourly rate is fair and reasonable in light of the nature of the work involved and the amount in issue.

[78] Although I accept the submissions of counsel for the Receiver, that this case is not a typical receivership, neither is the case complex. Setting aside whether or not two separate class actions or for that matter any class actions are needed, this case is primarily involved in the investigation and preservation of assets, dealing with victims and considering how best to pursue the litigation concerning the issues in dispute. This however, is a case where the amount of work involved may be somewhat disproportionate to the size of the receivership estate and so a percentage of the recovery would not be fair to counsel.

[79] The size of the receivership estate however should have some bearing on the hourly rates of counsel. I am of the view that an adjustment ought to be made to reflect the fact that, particularly after the size of the estate became known, the "usual" rates of counsel were too high relative to the size of the estate. Although the first statement of assets and liabilities was not put before the court until March 9, 2006, it is clear from the reports of the Receiver, that the Receiver and his counsel, had a general sense of the of the assets and liabilities of the defendants well before that. Certainly in early December, when preparation of the First Report dated December 13, 2005 was well underway, although the precise value of the estate would not have been known, the fact that the estate was a relatively modest one and that the potential claims were significant and would by far outstrip the amount of the estate, ought to have been known to the Receiver's counsel. Certainly at that point counsel should have considered whether or not the firm's usual hourly rates were suitable for this receivership. In fact in my opinion the usual rates, which Mr. Caylor acknowledged are at the "high end" of the scale, were not warranted from the outset.

[80] Although I would not reduce the hourly rates as significantly as suggested by opposing counsel, in my view they ought to be reduced by approximately 15%. Based on these considerations I find that there should be a reduction of the fees before GST in the amount of \$46,000 to reflect the fact that the hourly rates claimed are too high for this matter. In arriving at this amount, I have not applied a 15% reduction to the time docketed before early December 2005 of approximately \$80,000, by which point the information in the First Report was clearly known to counsel. I have however made an adjustment of 5% to that \$80,000 as well, as the rates were too high from the outset.

[81] I come then to the amount of time that is claimed.

[82] Counsel for the Receiver has not filed an affidavit that deals with any of the factors in the *Bakemates* case. The affidavits of Ms. Atkinson and Ms. MacMillan filed in support of this motion only identify the accounts, the summaries and the

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dockets and depose that they accurately reflect the time spent, fees incurred and disbursements made in conjunction with this matter. The onus however is on counsel for the Receiver to satisfy me that the amount claimed for fees is fair and reasonable.

[83] Counsel for the Receiver has filed a Summary of Counsel Fees for the period of November 4, 2005<sup>9</sup> to February 21, 2006 and a similar summary for the period February 21, 2006 to April 12, 2006. These summaries break the time spent by counsel for the Receiver into the following categories and amounts:

- (a) The total fees claimed with respect to real property is \$46,750.
- (b) The total fees claimed with respect to RECO is \$25,295.
- (c) The total fees claimed with respect to the Dianor shares is \$5,642.50.
- (d) The total fees claimed with respect to the Pahwa mortgages is \$17,585.
- (e) The total fees claimed with respect to "general receivership activities" comprises the balance claimed of \$227,745.<sup>10</sup>

[84] With respect to the fees claimed with respect to real property, according to the summary this reflects the time spent maintaining properties, communicating with insurance companies, utilities companies, real estate agents, land registry office, counsel for purchasers, dealing with power of sale issue and inquiries (i.e. Pahwa), dealing with mortgages, registering orders on title, obtaining and registering certificates of pending litigation on title, transferring properties into receivership, obtaining vesting orders and getting the title of the properties cleared.

[85] As I have already stated, Simpson identified the properties and a decision was made to use her agent as she had already listed some of the properties. Time was spent finalizing the sale of two of those properties, although only one sale had closed in the time frame of the accounts submitted. In addition it appears that the time spent on the Hurst action, which included obtaining certificates of pending litigation, and some of the time spent on Pahwa is included in this category.

[86] Many of the matters listed such as maintaining the properties, communicating with insurance and utilities companies and matters of that sort is work which I would have expected the Receiver's staff to take care of at a lower cost<sup>11</sup>. The fact that the Receiver is from Texas likely explains this, which is consistent with the fact that the Receiver's account was a small fraction of the fees of counsel for the Receiver. Counsel for the Receiver however, chose the Receiver and clearly counsel for the

<sup>9</sup> I note that this is after the date when the fees claimed began to be incurred of October 11, 2005.

<sup>10</sup> These amounts total \$323,017.50, which is almost \$40,000 less than the total fees claimed of \$361,522.50. The difference was explained on the basis that the summaries were estimates of the break down of fees. I expect that most of the explanation is that these summaries commence November 4, 2005 whereas the fees claimed commence October 11, 2005.

<sup>11</sup> The Receiver's hourly rate is \$400 US/hour so presumably staff would be at lower rates.



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Receiver chose to do much of the Receiver's work. This however exacerbates the problem of high rates, as the rates claimed for the lawyers involved in these activities are as high as \$575 and \$450. In my view others should have done much of this work at significantly lower rates. I have considered this in my reduction for inefficiency discussed further below.

[87] The real estate partner who presumably was mostly responsible for the work done on the sale of the properties is Scott Martyn and his rate is \$550. He was assisted by two real estate law clerks at the rate of \$150 per hour. This time however only reflects \$10,595 of the fees. It is impossible to determine how much of the time claimed relates to the Hurst action but clearly the total fee claimed for this category of work done seems excessive.

[88] With respect to the fees claimed with respect to RECO, again the amount claimed seems high. RECO's position was known by the time of the First Report and essentially what has happened since then is a meeting and correspondence with RECO, demanding and receiving documents in response to a request for disclosure of documents, a consideration of the legal issue including research (over \$8,000 for research done by two students is part of this category) and assisting victims with making claims. It is not clear how much of the time claimed includes the time spent preparing the opinion that was filed with the court concerning the RECO action, but I expect that some of that time is not part of the time claimed now, as the cut off for fees was April 12, 2006. I note that the costs of this aspect of the matter will have to be carefully considered before any further work is undertaken given that it is unclear whether or not the RECO claim benefits both class actions or not.

[89] I do not have any difficulty with the quantum of time claimed with respect to the Dianor Resource shares issue and the Pahwa mortgages issue, which, if successful, will benefit all victims.

[90] The most difficult issue arises with respect to the heading "general receivership activities". Although some effort has been made to break out some of the motion time and the dealings with the banks in that category, it essentially is a category reserved for all of the other time spent that is not included in the other categories set out. Opposing counsel complain that this is in breach of my direction and does not give them a real opportunity to assess the value of the work done. I agree. We do not know for example, how much time was spent preparing the statement of claim or the Hurst action or a particular Report for the court. This means, for example, that we can not assess the value of the work done in connection with the Hurst action relative to the limited equity in the two properties at issue in that action.

[91] The court in the *Bakemates* case stated that although there is no prescribed process, the accounts must be detailed including the total charges "for each

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of the categories of services rendered" and in a form that can be easily understood by those affected by the receivership so that such persons can determine the amount of time spent by the receiver's employees and others that the receiver may have hired in respect to the "various discrete aspects of the receivership" (at para. 37). This was not done with respect to this general category and as a result the task of opposing counsel and the court is that much more difficult. It was not an option however to ask counsel for the Receiver to particularize this category further, as that would have necessitated yet another adjournment.

[92] The general receivership activities category includes, but is not limited to, commencing the proceedings, obtaining the receivership order, contacting victims, disseminating, collecting, processing and validating claim forms, obtaining bank records, reviewing bank records, tracing funds, reviewing records in the possession of York Regional Police, examining parties (Simpson and Cox), preparing reports for the court (4), reporting to the court and obtaining approval for steps taken (6 court attendances up to and including the attendance before me on April 6th), communicating with various parties including clients and class members and "developing and carrying out strategy for recovery". Again the Receiver's staff should have done some of this work if distance had not been an issue, such as the work done contacting victims and disseminating and processing claim forms. Again the fact this was done by lawyers at higher hourly rates means a deduction is required.

[93] The assessment of the fees in this category is a difficult task given the information that I have to consider. However, no one suggested that an assessment before an assessment officer or a line-by-line review was warranted, as the cost of that would be astronomical. Furthermore, opposing counsel did not go to the expense of cross-examining Ms. Atkinson on her affidavit or otherwise questioning counsel for the Receiver with respect to the accounts. That however, is understandable, as opposing counsel represent various claimants and do not have any certain access to the estate to cover their costs. Furthermore, the material in question was delivered too late to permit cross-examination without a further adjournment.

[94] Notwithstanding these concerns, fixing costs is not an unusual task for the court. Judges are expected now to fix costs following not only routine motions but also lengthy trials. Although the factors for assessing party and party costs may be different, the type of analysis required is similar and in fact the overriding direction now from the Court of Appeal is to assess what in our view is fair and reasonable in all of the circumstances.<sup>12</sup>

[95] In considering the number of hours and the nature of the work done on this matter, I am of the view that the sheer number of hours put in, given where we

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<sup>12</sup> See *Boucher v. Public Accountants Council for the Province of Ontario* (2004), 71 O.R. (3d) 291

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are in this receivership, reflects a significant degree of inefficiency when I consider what work has been done based on the material filed. They are excessive and greatly exceed what I view as fair and reasonable.

[96] Part of this concern about efficiency and whether all of the work done was warranted, can be explained by the fact that eighteen different professionals charged time to the file. Although some of that can be justified on the basis that different expertise was needed (particularly litigation versus real estate), this always raises a concern about duplication of effort. In that regard I considered particularly the dockets of Mr. Caylor, Ms. MacMillan and Ms. Atkinson, as they have by far, the most time on the file and they all worked on the very same matters. In other words it cannot be said that either Ms. MacMillan or Ms. Atkinson handled discreet issues under the supervision of Mr. Caylor. Based on my review of the dockets, it appears that there was, as a result, unnecessary duplication. Mr. Caylor delegated many tasks to Ms. MacMillan who in turn delegated them to Ms. Atkinson.

[97] For example, with respect to materials for court including the Receiver's Reports, although Ms. Atkinson would usually bear the main responsibility for drafting the materials, both Ms. MacMillan and Mr. Caylor would review and often revise these materials, (see for example pp. 134-135, 138, 149-150, 153, 154, 219-220 of the Motion Record returnable April 26, 2006). In addition, although Ms. Atkinson was the one who typically accompanied Mr. Caylor on court attendances or on examinations, this necessitated bringing Ms. MacMillan (or in some cases Ms. Atkinson, where it was Ms. MacMillan who went to court or Mr. Caylor when Ms. MacMillan conducted the examination of Cox) up to speed after those attendances and this is reflected in the dockets, (see for example pp. 132, 140, 149, 224 of the Motion Record). In some cases all three attended court, (see page 142 of the Record) and naturally there were many occasions when all three met together to review the matter. These are intended only as examples. Clearly with all three lawyers working on the very same issues, coupled with the extraordinary number of other lawyers and students who worked on this file, duplication was inevitable.

[98] Furthermore there does not appear to have been a very clear demarcation if at all, between the various tasks undertaken by Ms. MacMillan and Ms. Atkinson. There are many references to Ms. MacMillan doing research, notwithstanding that she is more senior than Ms. Atkinson and of course the students at law who worked on the file, (see for example pp.124, 129, 140, 145, 150, 222, 223, 230 of the Motion Record).

[99] Although I accept that it may have been necessary for all three lawyers to work on the file at the early stages, when it was important to move quickly to freeze assets, once that phase was over, in my view much of the litigation work should have been delegated to Ms. Atkinson under the supervision of Mr. Caylor. This would have resulted in less unnecessary duplication and much of the work done by Ms. MacMillan

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would have been done at a lower rate. Alternatively Ms. MacMillan should have been given more responsibility so that Mr. Caylor's time could be significantly reduced. Although three levels of counsel of varying experience may be warranted in a complex and large (in monetary terms) receivership, it is not warranted here. I have already commented on the particular need to conduct this receivership efficiently given the quantum of claims and the size of the estate. Furthermore, the matter is not complex. Accordingly, a deduction for this unnecessary duplication must be made.

[100] In considering the amount of this deduction, I have considered the fact that the duplication of effort reflects primarily on the time spent by Mr. Caylor, Ms. MacMillan and Ms. Atkinson and that accordingly the time they have spent should be reduced to eliminate this duplication, and as well a deduction should be made to reflect the fact that some of the work done by Mr. Caylor could have been done by Ms. MacMillan or alternatively a great deal of her work could have been done by Ms. Atkinson, under the direct supervision of Mr. Caylor, at a significantly lower hourly rate. Either way, unnecessary duplication would have been reduced and work would have been done at a lower hourly rate.

[101] In addition, consideration must be given to the number of hours docketed to accomplish particular tasks. As I have already noted, the time for the real property category seems high. Furthermore the time in the general category is excessive given the nature of the work done. For example a great deal of time was spent preparing the various reports of the Receiver to the court and the time seems high particularly given that each report repeated a great deal of the early report(s). I note that Ms. Atkinson docketed time to reviewing precedents for these reports (see Record at page 129). That is to be expected for inexperienced counsel, but all of that time should not have been billed to the file.

[102] It is apparent from reviewing the dockets that there was no consideration given to whether or not some docketed time should have been written off. I was advised that in the final analysis, approximately \$3,000 has been written off which in part reflects the time of the tax partner and presumably other time, although that has not been specified. Nevertheless, in my view there ought to have been a more substantial write-off of time. There are numerous examples of dockets where lawyers have recorded time spent to research and ascertain what type of procedure was necessary in order to accomplish a particular step in the proceeding.

[103] For example, Ms. Atkinson docketed time determining how to bring a motion in the Commercial List to appoint a receiver (page 125 of the Motion Record) and researching between the role of a trustee in bankruptcy and a court appointed receiver (page 144 of the Motion Record. Ms. Atkinson also docketed time to reviewing the protocol to obtain fee approval and determining the requirements of vesting orders (pp. 208, 235 of the Record). There was also repeated research done on class actions

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by Ms. MacMillan notwithstanding that I am advised that Mr. Hoaken has expertise in that area and worked on the file.

[104] This type of basic information may not be known to inexperienced counsel but is fundamental knowledge that a client can reasonably expect his or her lawyer to know. It is not time that can be billed to the file. In commenting on this, I do not wish to be critical of the lawyers in question, as they need to take time to consider what to do when the process is unfamiliar to them. That is how one gains experience in the practice of law. That, however, cannot be at the expense of the client when it involves the fundamentals. I would have expected that the supervising lawyer would have written off these types of dockets and not include them in the accounts when rendered. That clearly was not done in this case and so again an adjustment to the fees claimed on this basis is warranted.

[105] In summary counsel for the Receiver has not satisfied me that the fees submitted are fair and reasonable. Simply put, in my opinion, counsel for the Receiver has not properly staffed or administered the work and resulting billing on this file. Considering all of these various deductions that in my view are necessary, I find that a deduction in the amount of \$50,000 of fees before GST for duplication and overall inefficiency is warranted. In arriving at this amount, I have taken into account the fact that I have already made a reduction to the hourly rates so that I do not "double count".

[106] I am also of the view that there must be a further reduction for the time spent by counsel for the Receiver in seeking court approval of its fees. The information provided to opposing counsel and the court before Mesbur J. was woefully inadequate and there is no explanation for why proper materials were not prepared at that time. Accordingly part of the time spent for that attendance was wasted in terms of this issue. Similarly, the problems opposing counsel raised with the further material provided in the first attendance before me on April 6, 2006 were predictable as well and so much of the time spent in court on that occasion was wasted. In addition, as already stated the third draft of the materials in support of this motion is still problematic and was served late. Had counsel for the Receiver prepared the necessary information for consideration by Mesbur J., a great deal of cost for all concerned would have been spared. Certainly the time spent by counsel for the Receiver for these wasted efforts should not be compensated.

[107] Accordingly there will be a further reduction of the fees (before GST) to take this consideration into account in the amount of \$6,000. The time spent with respect to the approval of fees was not separately categorized. I have calculated this amount by including some of the time spent by K. McPhie, who prepared the summaries, and part of the time spent by litigation counsel preparing for and attending

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before Mesbur J. and again before me on April 6, 2006 and some of the time spent by counsel preparing the information that I directed.

[108] For these reasons, the fees claimed by Bennett Jones will be reduced by these various deductions in the total amount of \$102,000 before GST, in order to arrive at an amount for fees that in my opinion is fair and reasonable in all of the circumstances.

### DISPOSITION

[109] Accordingly, the fees and disbursement of Bennett Jones LLP for the period from October 11, 2005 to April 12, 2006 are approved in the amount of \$259,522.50 for fees plus GST in the amount of \$18,166.58 and disbursements, inclusive of GST, in the amount of \$17,998.22 for a total of \$295,687.30.

[110] I do not intend to impose hourly rates on counsel for the Receiver with respect to future accounts submitted to the court but I trust that the conclusions that I have come to in reaching this decision will be taken into account. I expect that the number of lawyers working on this matter will be pared down significantly and that my concern about duplication will be dealt with.

[111] As for the approval of future accounts, I expect counsel for the Receiver to follow the procedure in the *Bakemates* decision. That decision makes it clear what information is required to support such a motion and I expect that counsel will include all of that information in the material filed with the court on the next motion for approval and that that motion record will be served well in advance and posted on the website so that all interested parties may make an informed assessment of the reasonableness of the fees claimed and if necessary, prepare to defend the motion. The categories for all services rendered must be more refined so that in addition to assessing the reasonableness of the future accounts, consideration can be given to what a client would normally want to know, namely, is the cost to pursue a particular course of action warranted given the likely outcome and the amount in issue. This will be necessary to determine how the remaining issues should be dealt with.

[112] Mr. Cohen, counsel for Atlas Holdings and Investments Inc., one of the claimants in the Deposit Fraud Class Action who has made a claim for a deposit of \$200,000, requested costs of his attendance on the motion in the amount of \$2,000 on a substantial indemnity basis, to be paid from the estate when Receiver's counsel is paid. He submits that this is fair if his efforts reduced the quantum of costs payable to Receiver's counsel. Atlas has been on the service list since the Initial Order and counsel has appeared on certain motions brought by the Receiver, including the attendances

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before me on April 6<sup>th</sup> and 26<sup>th</sup>. He submits that his client has a direct and substantial interest in the outcome of the motion and that I have the discretion to award costs pursuant to both section 131 of the *Courts of Justice Act* and Rule 57 of the Rules of Civil Procedure.

[113] Counsel for Atlas submits that these proceeding may be compared to pension surplus distribution litigation and estate litigation where it is not unusual for the court to allow cost to all persons interested in the fund and who made submissions of assistance to the court, to be paid out of the fund.

[114] Counsel for the Receiver submits that it is unusual for a creditor to seek legal costs for court attendances in the context of a receivership unless the receiver has acted beyond his authority or inconsistent with his appointment. Typically, if a creditor has to attend or bring a motion, the creditor bears his own costs. This prevents multiple creditors' counsel from attending on the receiver's motions and seeking fees. It is submitted that the court ought not to encourage creditors by a cost award to unnecessarily attend at future hearings. No issue is taken as to the quantum claimed.

[115] Mr. Govedaris submits that there is no authority that he is aware of to support costs paid to third parties who retain counsel after a receiver has been appointed unless there has been impropriety *inter alia* by the receiver, which has been identified, by that third party. He agrees with the submission of counsel for the Receiver that even if I have the discretion to award costs I ought not to as it would encourage other parties to seek costs and that would increase costs for all potential claimants.

[116] In my view I have the discretion to make a costs award pursuant to section 131 of the Courts of Justice Act. Atlas is clearly a party affected by the relief sought. Although it is not usual for counsel for creditors to ask for costs, in these circumstances, the submissions from opposing counsel were of some assistance, although since they did not have adequate time to prepare, unfortunately most of the detailed review of the accounts was left to me.

[117] I see no reason why Mr. Cohen's client, who chose to have counsel attend to contest the accounts, should bear all of the expense for the benefit of all claimants to the estate. In my view however, costs on a partial indemnity basis for this attendance is warranted, particularly as Mr. Cohen had not previously asserted an intention to ask for costs.

[118] For these reasons, I award costs to Atlas Holdings and Investments Inc. in the amount of \$1,500 on a partial indemnity basis, to be paid from the estate when Receiver's counsel is paid.

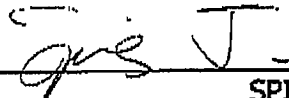
[119] I must add that this order as to costs is not an invitation for counsel who did not participate on the assessment of the costs on this motion to appear on future

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motions and seek such an award. If more claimants wish to be represented on future motions to approve the fees, they will need to choose and rely on one counsel to represent all of their interests on the issue of costs.

[120] That brings me to Mr. Govedaris who has not asked for costs and in fact opposed the request by Mr. Cohen for costs. Had Mr. Govedaris sought costs, I would have awarded costs to him on the same basis. Going forward, I expect Mr. Cohen to cooperate with Mr. Govedaris on the issue of the fees and I will only be prepared to consider awarding one set of costs on future motions to approve fees. Mr. Cohen represents a member of the class represented by counsel for the Receiver. As Mr. Govedaris represents the Mortgage Fraud Class Action, I would prefer to hear from him given the potential for conflict with the Deposit Fraud Class Action that I have already referred to.

[121] Finally, I ask that counsel for the Receiver ensure that this decision is posted on the Receiver's website as soon as possible.

  
\_\_\_\_\_  
SPIERS J.

RELEASED: JUNE 8, 2006



COURT FILE NO.: 05-CL-6159

DATE: 2006-06-08

**SUPERIOR COURT OF JUSTICE -  
ONTARIO**

**RE:** UDAYAN PANDYA, Plaintiff

**A N D:**

COURTNEY WALLIS SIMPSON,  
YORK REGION REALTY INC.,  
WALLIS, SIMPSON &  
ASSOCIATES, COURTNEY  
WALLIS SIMPSON c.o.b. as  
YORK MANAGEMENT GROUP  
and as CAMCO DEVELOPMENTS  
and as YORK GROUP, Defendants

**COUNSEL:** *Lincoln Caylor* for the  
Plaintiff/Receiver

*Gregory Govedaris*, for the  
Plaintiffs in Action # 05-CL-6178,  
Glenn E. Cohen for Atlas  
Holdings, D.R. Rothwell for Ajay  
Pahwa and Courtney Wallis  
Simpson in person

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**DECISION ON MOTION**

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SPIES J.

JUN - 8 2006

**TAB Q**

Superior Court of Justice  
Commercial List

FILE/DIRECTION/ORDER

Udayan Panda  
Plaintiff(s)

AND

Anthony Wallis Smyson et al  
Defendant(s)

Case Management  Yes  No by Judge: \_\_\_\_\_

Counsel	Telephone No.:	Facsimile No.:

- Order  Direction for Registrar (No formal order need be taken out)
- Above action transferred to the Commercial List at Toronto (No formal order need be taken out)

Adjourned to: \_\_\_\_\_

Time Table approved (as follows): \_\_\_\_\_

Items 5 + 6 of the notice of motion originally returnable Oct 10, 06 were adjourned to be heard by me today so that additional materials could be placed before the court.

The receiver + receiver's counsel had originally sought approval of their interim accounts before Oles J. In her decision of June 8, 06 she observed that there was duplication of legal work + also suggested that the hourly rates should be reduced by about 15%. She also noted that others should have done much of the work for which fees were claimed at lower rates. She also noted that the accounts should be detailed + include total charges for each category of services. She reduced the fees claimed substantially.

Counsel for the receiver now seeks approval of its fees for the period Apr 1, 2006 to July 31, 2006 in the amount of \$103,893.13. This does

Nov 15, 06  
Date

St. P. Russell, J.  
Judge's Signature

Additional Pages 3

Superior Court of Justice  
Commercial List

## FILE/DIRECTION/ORDER

## Judges Endorsement Continued

not include disbursements. A separate outline of these has not been provided + are to be addressed on the next occasion that the Receiver is in court. The fees of the Receiver have not been adequately addressed + approval is also similarly adjourned. A breakdown of time is required.

The Receiver's ~~to~~ counsel have done much to attempt to address the issues raised by s. 20. In this regard, the fees allocated to the planor shares, the planor mortgages + the General Receivership Activities have all been reduced by 15%. In addition, with respect to the real property realizations a flat fee of \$10,000 is requested other than the full fees of \$23,492.<sup>50</sup>. Although significant time was devoted to this category, recovery was disappointing. An effort was also made to reduce the number of timekeepers on the file + to replace work done by a lawyer with work done by articling students for which there has been no charge.

I must be satisfied that the fees claimed are fair + reasonable. For the most part I am but I am of the view that the numbers of lawyers working on the file for the relevant time periods was excessive. In light of the size of the estate, I am hard pressed to understand the need for a litigation counsel called in 2000 + another in 1995. I accept that special expertise may be required for real estate + insolvency matters. In all of these circumstances, I am reducing the fees claimed by \$10,000. Accordingly fees of \$93,893.<sup>12</sup> are approved as disbursements of the fees of Receiver's counsel.

On Oct 10, 2005, I granted the Receiver

Superior Court of Justice  
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsement Continued

authority to resolve Mr Simpson's family law Act claims. The receiver advised the court + others that for a period of time, Mrs. Simpson had moved back into the family home at 587 Cam Kella Blvd in Sturville. The receiver continues to recommend that he proceed with the agreement in principle reached with Mr. Simpson. Both Mr + Mrs. Simpson advised the receiver + the court that they are separated + living separate + apart; that the separation agreement entered into by them is not a sham; that Mrs. Simpson has moved out; + that Mr. Simpson has brought proceedings for divorce. Both were advised by me of the provisions of R 59.06 + that a court order may be set aside on the grounds of fraud or facts arising or discovered after the order was made. Both assured me that the representations made to the court are accurate. On that basis, the receiver is at liberty to complete the settlement with Mr. Simpson. Both Mr + Mrs. Simpson were also told that they should not construe my comments as suggesting that they should be separated or divorced. They must simply be forthright + honest with the receiver + the court.

In conformity with respect to the written request of Mr Goveadans which I authorized in the interests of reducing costs,

Mr Caylor did file an affidavit + as mentioned, further supporting materials are required before I approve the receiver's

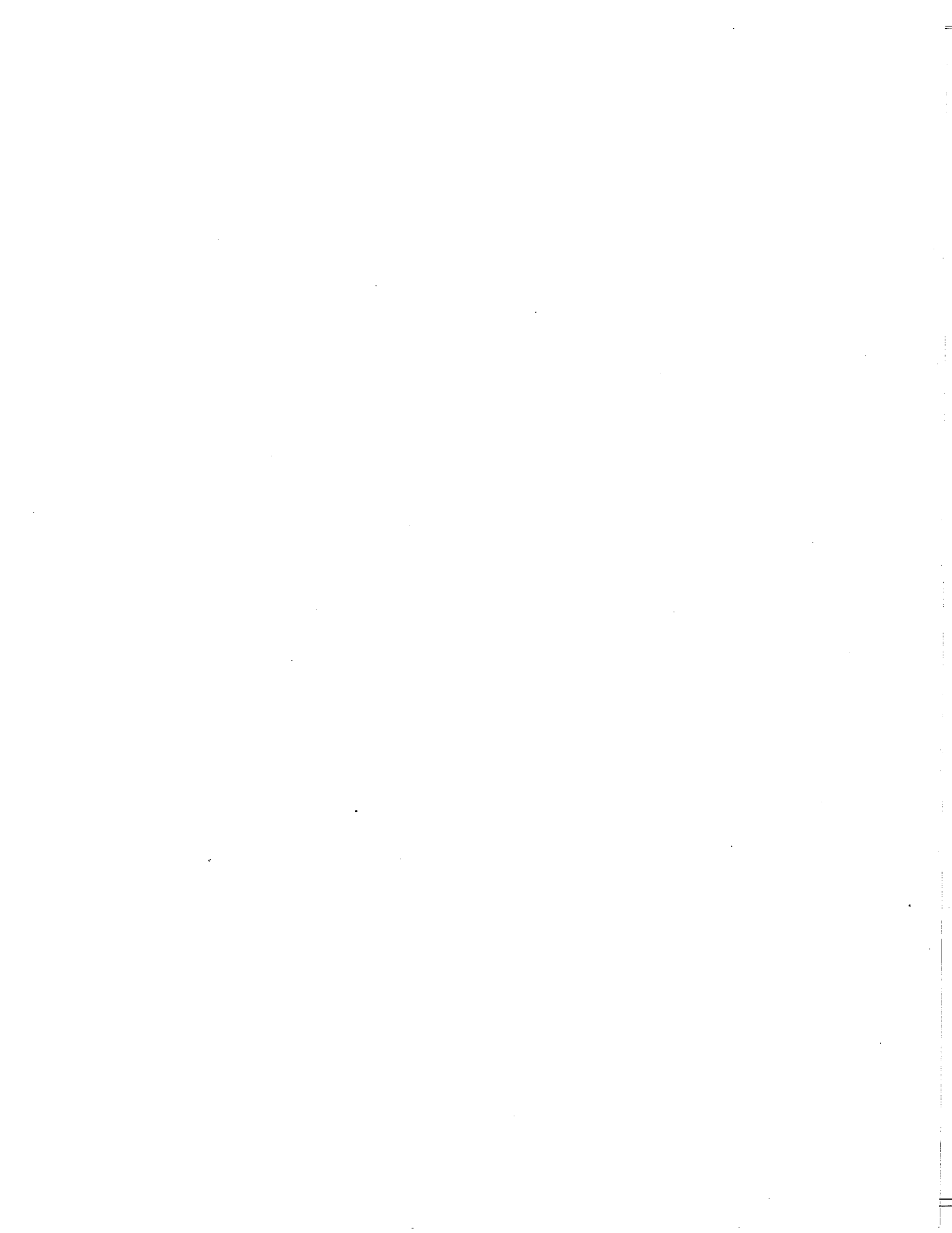
Superior Court of Justice  
Commercial List

**FILE/DIRECTION/ORDER**

Judges Endorsement Continued

fees.  
not including the planor shares which  
currently would have a value of  
\$410,000 the estimated value of the  
estate is \$1.4 million before any fees or  
other expenses.

SEP



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

THE HONOURABLE  
JUSTICE PEPALL

)  
)  
)

WEDNESDAY, THE 15<sup>th</sup> DAY OF  
NOVEMBER, 2006

**BETWEEN:**

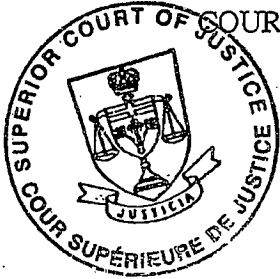
UDAYAN PANDYA

Plaintiff

-and-

COURTNEY WALLIS SIMPSON, YORK REGION  
REALTY INC., WALLIS, SIMPSON & ASSOCIATES,  
COURTNEY WALLIS SIMPSON c.o.b. as YORK MANAGEMENT GROUP  
and as CAMCO DEVELOPMENTS and as YORK GROUP

Defendants



In the matter of the *Class Proceedings Act, 1992*

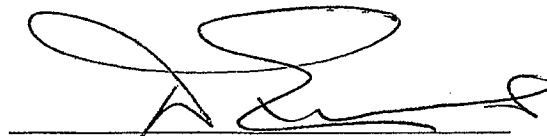
**ORDER**

**THIS MOTION**, made by the receiver for an Order approving the interim fees and disbursements of the receiver and counsel for the receiver, Bennett Jones LLP, was heard this day.

**ON READING** the materials filed, and on hearing the submissions of counsel for the receiver and from Courtney Wallis Simpson on her own behalf and on behalf of the other defendants, with the exception of York Region Realty Inc. ("York Realty"), no one appearing for York Realty,



1. **THIS COURT ORDERS** that the interim fees in the total amount of \$93,893.13 plus GST are approved and are to be paid to counsel for the receiver, Bennett Jones LLP, by the receiver Michael J. Quilling, as a first charge on the receivership estate, subject to paragraph 27 of the Order of Justice Farley dated December 23, 2005, from the assets recovered in the receivership herein.



**David Evans**  
Registrar, Superior Court of Justice

ENTERED AT / INSCRIT À TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:

DEC 01 2006

PER/PAR: 

**Udayan Pandya**  
Plaintiff

v.

**Courtney Wallis Simpson et al.**  
Defendants

Court File No.: 05-CL-6159

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
(Commercial List)

In the matter of the *Class Proceedings*  
*Act, 1992*

Proceeding commenced at Toronto

**ORDER**

**BENNETT JONES LLP**  
One First Canadian Place  
Suite 3400, P.O. Box 130  
Toronto, Ontario  
M5X 1A4

Lincoln Caylor / M. Joanne MacMillan  
Tel: (416) 777-6121 / 4629  
Fax: (416) 863-1716  
LSUC Reg. No. 37030L / 43529J

Solicitors for the receiver

*WCL*

**TAB R**

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

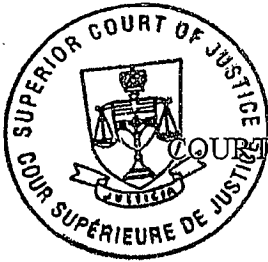
THE HONOURABLE MR. ) MONDAY, THE 5<sup>th</sup> DAY OF  
JUSTICE CAMPBELL ) MARCH, 2007

BETWEEN:

UDAYAN PANDYA

Plaintiff

-and-



COURTNEY WALLIS SIMPSON, YORK REGION  
REALTY INC., WALLIS, SIMPSON & ASSOCIATES,  
COURTNEY WALLIS SIMPSON c.o.b. as YORK MANAGEMENT GROUP  
and as CAMCO DEVELOPMENTS and as YORK GROUP

Defendants

In the matter of the *Class Proceedings Act, 1992*

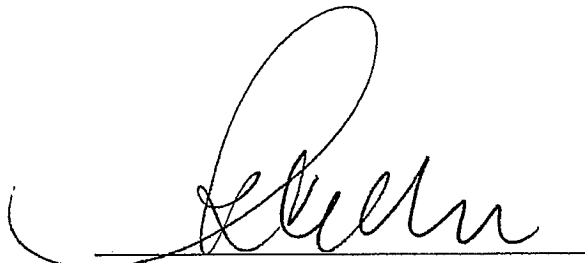
*M.* ✓ *without notice* ✓ ORDER

THIS MOTION, made by the receiver for an Order approving the receiver's interim fees, disbursements and GST and the disbursements of counsel for the receiver, Bennett Jones LLP, was heard this day *at Toronto*.

ON READING the materials filed,

1. THIS COURT ORDERS that the receiver's interim fees in the total amount of \$35,808.00, disbursements in the total amount of \$6,585.72 and GST thereon are approved and are to be paid to the receiver, Michael J. Quilling, as a first charge on the receivership estate.

2. **THIS COURT FURTHER ORDERS** that the disbursements of the counsel for the receiver, Bennett Jones LLP, in the total amount of \$8,887.24 and GST thereon, are approved and are to be paid to counsel for the receiver by the receiver, Michael J. Quilling, as a first charge on the receivership estate.



A-K Fedson  
Regit Now

ENTERED AT / INSCRIT À TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:

DEC 12 2007

PER/PAR:



Udayan Pandya  
Plaintiff

v.

Courtney Wallis Simpson *et al.*  
Defendants

Court File No.: 05-CL-6159

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
(Commercial List)

In the matter of the *Class Proceedings*  
*Act, 1992*

Proceeding commenced at Toronto

**ORDER**

**BENNETT JONES LLP**  
One First Canadian Place  
Suite 3400, P.O. Box 130  
Toronto, Ontario  
M5X 1A4

M. Joanne MacMillan  
LSUC Reg. No. 43529J  
Tel: 416-777-4629  
Fax: 416-863-1716

Solicitors for the receiver

## **TAB S**

Udayan Pandya  
Plaintiff

v.

Courtney Wallis Simpson et al.  
Defendants

Apr. 9/08

This motion is needed in writing but it appears in notice to the other parties as best as in the affidavit of service.

I have no hesitation in affirming the fees of the Receiver & the disbursements of the Receiver of the accountants fee. This letter item of \$30.00 does not have any back up material in support to explain what was done & what time was involved. Assuming I am satisfied with the fee on Order 11/07

order when forwarded for signing

Phelan J.

Court File No.: 05-CL-6159

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)

In the matter of the *Class Proceedings Act, 1992*

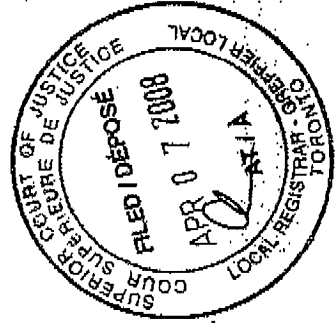
Proceeding commenced at Toronto

MOTION RECORD  
(Motion Returnable in Writing)

BENNETT JONES LLP  
One First Canadian Place  
Suite 3400, P.O. Box 130  
Toronto, Ontario  
M5X 1A4

M. Joanne MacMillan  
LSUC Reg. No. 43529J  
Tel: 416-777-4629  
Fax: 416-863-1716

Solicitors for the receiver





**TAB T**

Udayan Pandya  
Plaintiff

v.

Courtney Wallis Simpson et al.  
Defendants

Oct. 3/08

Having read the motion record  
the amounts fees & disbursements  
are hereby approved for the period  
Aug. 1, 2006 to June 30, 2007  
as set out herein in the sum of  
\$12,536.00 for fees & 3,827.05  
for disbursements including accounting fees

*Udayan Pandya*

Court File No.: 05-CL-6159

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)

In the matter of the *Class Proceedings*  
Act, 1992

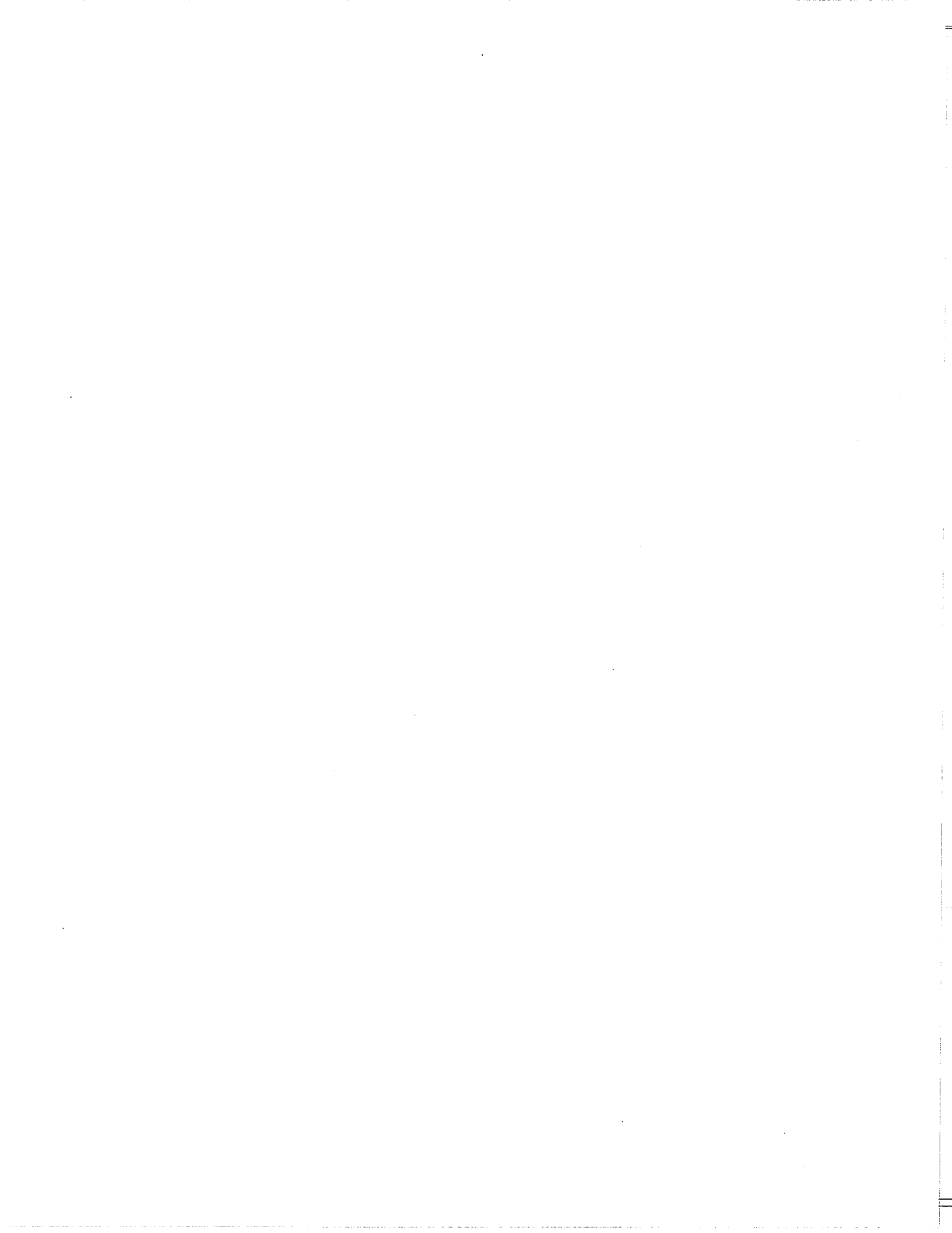
Proceeding commenced at Toronto

MOTION RECORD  
(Motion Returnable in Writing)

BENNETT JONES LLP  
One First Canadian Place  
Suite 3400, P.O. Box 130  
Toronto, Ontario  
M5X 1A4

M. Joanne MacMillan  
LSUC Reg. No. 43529J  
Tel: 416-777-4629  
Fax: 416-863-1716

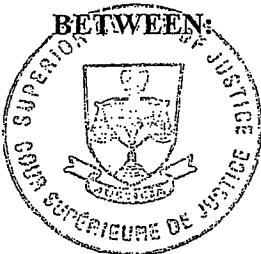
Solicitors for the receiver



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

THE HONOURABLE )  
JUSTICE CAMPBELL )

FRIDAY, THE 3<sup>RD</sup> DAY  
OF OCTOBER, 2008



UDAYAN PANDYA

Plaintiff

-and-

COURTNEY WALLIS SIMPSON, YORK REGION  
REALTY INC., WALLIS, SIMPSON & ASSOCIATES,  
COURTNEY WALLIS SIMPSON c.o.b. as YORK MANAGEMENT GROUP  
and as CAMCO DEVELOPMENTS and as YORK GROUP

Defendants

In the matter of the *Class Proceedings Act, 1992*

**ORDER**

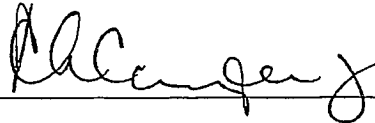
THIS MOTION, made in writing by the receiver for an Order approving interim fees, disbursements and GST of the receiver and counsel to the receiver was heard this day.

ON READING the materials filed,

1. THIS COURT ORDERS that the interim fees in the amount of \$12,536.00, disbursements in the amount of \$31,827.05 and GST in the amount of \$927.45 are approved and are to be paid to the receiver Michael J. Quilling, as a first charge on the receivership estate.

ENTERED AT / INSCRIT À TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:

OCT 31 2008

  
\_\_\_\_\_

PER/PAR: 

**Udayan Pandya**  
Plaintiff

v.

**Courtney Wallis Simpson et al.**  
Defendants

Court File No.: 05-CL-6159

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
(Commercial List)

In the matter of the *Class Proceedings*  
*Act, 1992*

Proceeding commenced at Toronto

**ORDER**

**BENNETT JONES LLP**  
One First Canadian Place  
Suite 3400, P.O. Box 130  
Toronto, Ontario  
M5X 1A4

Lincoln Caylor / David Rainsberry  
LSUC No. 37030L / 49890Q  
Tel: (416) 777-6121 / 6236  
Fax: (416) 863-1716

Solicitors for the receiver

**TAB U**

Courtney Wallis Simpson et al.  
Defendants

Court File No.: 05-CL-6159

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)

In the matter of the *Class Proceedings Act, 1992*

Proceeding commenced at Toronto

SUPPLEMENTAL MOTION RECORD  
(Motion Returnable in Writing)

BENNETT JONES LLP  
One First Canadian Place  
Suite 3400, P.O. Box 130  
Toronto, Ontario  
M5X 1A4

David J.N. Rainsberry  
LSUC No. 49890Q  
Tel: 416-777-6236  
Fax: 416-863-1716

Solicitors for the receiver

Plaintiff

Oct 3/08

*See motion record of this date  
updating Receiver's fees July 1, 2007 to  
Mar. 31, 2008 & Counsel fees  
Aug. 2006 to Mar. 31, 2008*

*Plaintiff*





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

THE HONOURABLE  
JUSTICE CAMPBELL

)  
)  
)

FRIDAY, THE 3<sup>RD</sup> DAY  
OF OCTOBER, 2008

**BETWEEN**



UDAYAN PANDYA

Plaintiff

-and-

COURTNEY WALLIS SIMPSON, YORK REGION  
REALTY INC., WALLIS, SIMPSON & ASSOCIATES,  
COURTNEY WALLIS SIMPSON c.o.b. as YORK MANAGEMENT GROUP  
and as CAMCO DEVELOPMENTS and as YORK GROUP

Defendants

In the matter of the *Class Proceedings Act, 1992*

**ORDER**

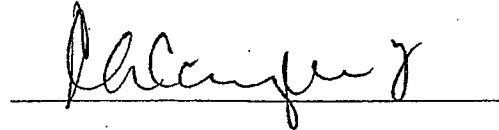
**THIS MOTION**, made in writing by the receiver for an Order approving interim fees, disbursements and GST of the receiver and counsel to the receiver was heard this day.

**ON READING** the materials filed,

1. **THIS COURT ORDERS** that the interim fees in the amount of \$11,400.00, disbursements in the amount of \$2,905.85 and GST in the amount of \$570.00 are approved and are to be paid to the receiver Michael J. Quilling, as a first charge on the receivership estate.

2. **THIS COURT ORDERS** that the interim fees, disbursements and GST in the amount of \$353,162.50 are approved and are to be paid to counsel to the receiver as a first charge on the receivership estate.

3. This order replaces the endorsement of Justice Campbell dated June 16, 2008.

A handwritten signature in cursive script, appearing to read "J. Campbell", is written over a horizontal line.

ENTERED AT / INSCRIT À TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:

OCT 31 2008

PER/PAR: TV

Udayan Pandya  
Plaintiff

v.

Courtney Wallis Simpson *et al.*  
Defendants

Court File No.: 05-CL-6159

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
(Commercial List)

In the matter of the *Class Proceedings*  
*Act, 1992*

Proceeding commenced at Toronto

**ORDER**

**BENNETT JONES LLP**  
One First Canadian Place  
Suite 3400, P.O. Box 130  
Toronto, Ontario  
M5X 1A4

Lincoln Caylor / David Rainsberry  
LSUC No. 37030L / 49890Q  
Tel: (416) 777-6121 / 6236  
Fax: (416) 863-1716

Solicitors for the receiver

**TAB V**

Udayan Pandya  
Plaintiff

Oct. 3/08

Courtney Wallis Simpson et al.  
Defendants

Court File No.: 05-CL-6159

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)

In the matter of the *Class Proceedings Act, 1992*

Proceeding commenced at Toronto

MOTION RECORD  
(Motion in Writing)

BENNETT JONES LLP  
One First Canadian Place  
Suite 3400, P.O. Box 130  
Toronto, Ontario  
M5X 1A4

David J.N. Rainsberry  
LSUC No. 498900  
Tel: 416-777-6236  
Fax: 416-863-1716

Solicitors for the receiver

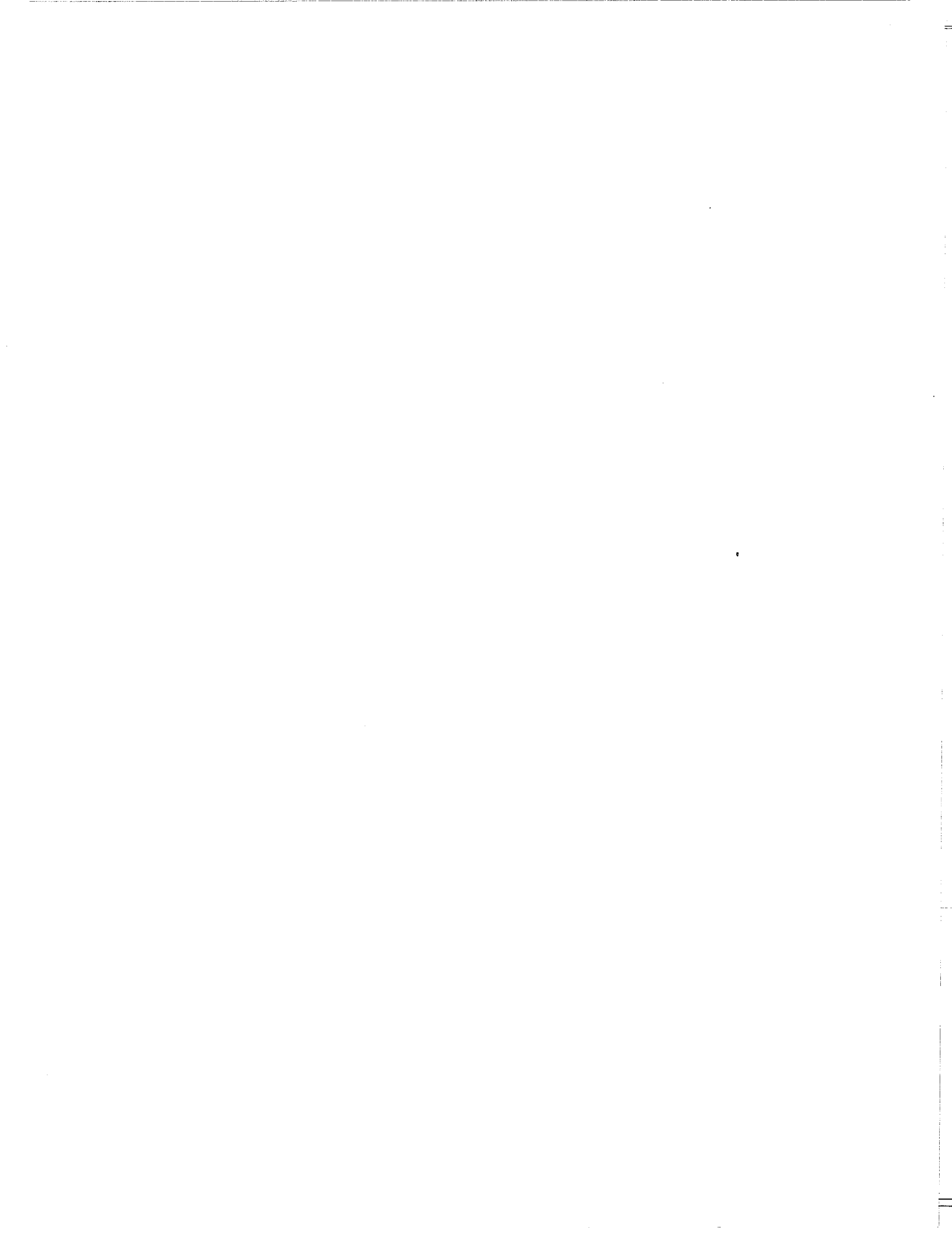
This motion is for approval of fees of both the Receiver & of Counsel for the period from Apr. 1/2008 to June 15/08. Although reserved there are no comments from Counsel for further on the service list.

With some hesitation I am prepared to approve the fees & disbursements as set out herein.

My hesitation comes in part from a concern that in terms of the cost this does not appear to be progress commensurate with the cost.

I would expect a Receiver report before any further request for approval.

*[Signature]*



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

THE HONOURABLE  
JUSTICE CAMPBELL

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)  
)

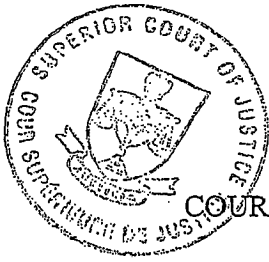
FRIDAY, THE 3<sup>RD</sup> DAY  
OF OCTOBER, 2008

**BETWEEN:**

UDAYAN PANDYA

Plaintiff

-and-



COURTNEY WALLIS SIMPSON, YORK REGION  
REALTY INC., WALLIS, SIMPSON & ASSOCIATES,  
COURTNEY WALLIS SIMPSON c.o.b. as YORK MANAGEMENT GROUP  
and as CAMCO DEVELOPMENTS and as YORK GROUP

Defendants

In the matter of the *Class Proceedings Act, 1992*

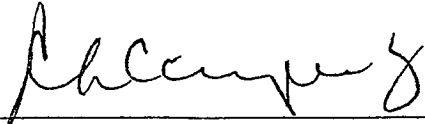
**ORDER**

**THIS MOTION**, made in writing by the receiver for an Order approving interim fees, disbursements and GST of the receiver and counsel to the receiver was heard this day.

**ON READING** the materials filed,

1. **THIS COURT ORDERS** that the interim fees in the amount of \$3,520.00, disbursements in the amount of \$333.01 and GST in the amount of \$176.00 are approved and are to be paid to the receiver Michael J. Quilling, as a first charge on the receivership estate.

2. **THIS COURT ORDERS** that the interim fees, disbursements and GST in the amount of \$68,667.81 are approved and are to be paid to counsel to the receiver as a first charge on the receivership estate.

  
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ENTERED AT / INSCRIT À TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:

OCT 31 2008

PER/PAR: 



Udayan Pandya  
Plaintiff

v.

Courtney Wallis Simpson *et al.*  
Defendants

Court File No.: 05-CL-6159

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
(Commercial List)

In the matter of the *Class Proceedings*  
*Act, 1992*

Proceeding commenced at Toronto

**ORDER**

**BENNETT JONES LLP**  
One First Canadian Place  
Suite 3400, P.O. Box 130  
Toronto, Ontario  
M5X 1A4

Lincoln Caylor / David Rainsberry  
LSUC No. 37030L / 49890Q  
Tel: (416) 777-6121 / 6236  
Fax: (416) 863-1716

Solicitors for the receiver

**TAB W**

Michael J. Quilling, Receiver for

Page: 1  
11/30/2008  
Client No: 911-0140M  
Invoice No: 68872

RE: Simpson and York Realty

**ITEMIZED SERVICES BILL**

			Hours		
11/07/2008	MJQ	Telephone conference with Courtney Simpson regarding RECO appeal (.3); review of materials regarding same (.2).	0.50		200.00
11/10/2008	BR	Update website to reflect recent pleadings and investor updates (.5);	0.50		100.00
11/13/2008	BR	Update website to reflect additional pleadings and investor updates (.8);	0.80		160.00
11/17/2008	MJQ	Review of Receiver's report and telephone conference with David Rainsberry regarding same.	0.40		160.00
11/18/2008	MJQ	Review and execute revised receiver's report and telephone conference with David Rainsberry regarding same.	0.30		120.00
11/21/2008	MJQ	Telephone conference with Courtney Simpson regarding case issues.	0.20		80.00
		For Current Services Rendered	<u>2.70</u>		<u>820.00</u>

Recapitulation

	<u>Hours</u>	<u>Hourly Rate</u>	<u>Total</u>
<u>Timekeeper</u>			
Michael J. Quilling	1.40	\$400.00	\$560.00
Brent Rodine	1.30	200.00	260.00

Courier Deliveries	5.00
Express Mail Service	26.74
Photocopies	2.00
Total Expenses Thru 11/30/2008	<u>33.74</u>
Total Current Work	853.74
Balance Due	<u>\$853.74</u>

NOTE: PLEASE REFERENCE THE CLIENT MATTER NO. WITH PAYMENT





QUILLING • SELANDER • CUMMISKEY • LOWNDS

Federal ID #75-2459334

Michael J. Quilling, Receiver for

Page: 1  
12/31/2008

Client No: 911-0140M  
Invoice No: 69545

RE: Simpson and York Realty

ITEMIZED SERVICES BILL

			Hours	
12/01/2008	MJQ	Telephone conference with counsel for claimant (.2); review and respond to emails from Courtney Simpson (.3); emails with Linc Caylor regarding same (.2).	0.70	280.00
	BR	Telephone conference and numerous correspondence with local counsel regarding recent pleadings and update website to reflect same (.5);	0.50	100.00
12/02/2008	MJQ	Numerous emails and telephone conferences with Courtney Simpson regarding claims review.	0.80	320.00
	BR	Update website to reflect recent pleadings (.3);	0.30	60.00
12/03/2008	MJQ	Review and execute supplemental report.	0.30	120.00
12/11/2008	MJQ	Review of emails from Courtney Simpson.	0.30	120.00
12/15/2008	BR	Correspondence with local counsel and update website to reflect extensive documents produced by same (1.2);	1.20	240.00
12/16/2008	MJQ	Telephone conference with Courtney Simpson regarding claims.	0.20	80.00
	BR	Update website to reflect additional pleadings (.3);	0.30	60.00
12/17/2008	BR	Correspondence with local counsel regarding additional pleadings and update website to reflect same (.3);	0.30	60.00
		For Current Services Rendered	4.90	1,440.00

Recapitulation

<u>Timekeeper</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Total</u>
Michael J. Quilling	2.30	\$400.00	\$920.00
Brent Rodine	2.60	200.00	520.00

Express Mail Service	23.93
Total Expenses Thru 12/31/2008	23.93
Total Current Work	1,463.93
Balance Due	\$1,463.93

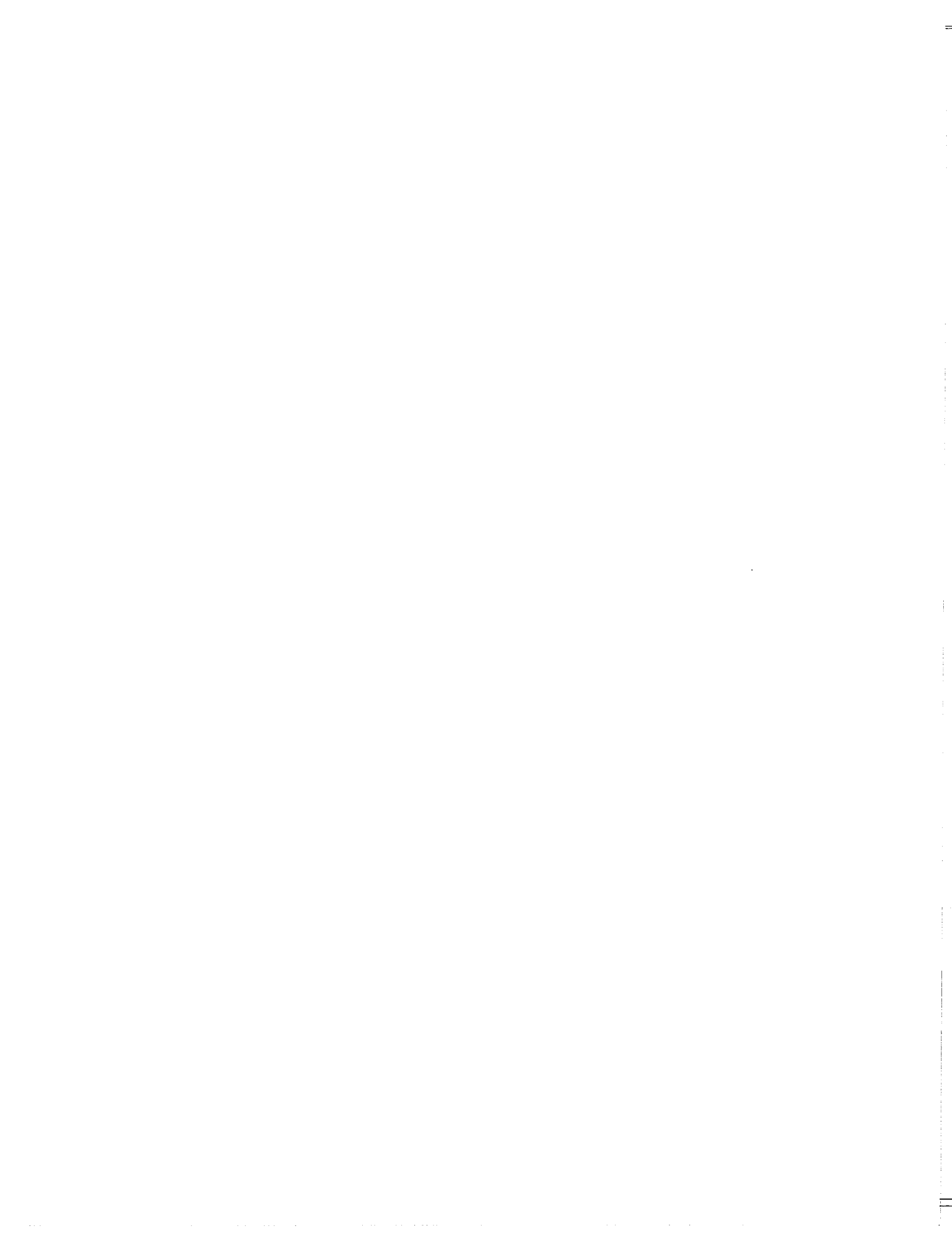
Michael J. Quilling, Receiver for

Page: 2  
12/31/2008

Client No: 911-0140M  
Invoice No: 69545

RE: Simpson and York Realty

NOTE: PLEASE REFERENCE THE CLIENT MATTER NO. WITH PAYMENT





QUILLING · SELANDER · CUMMISKEY · LOWNDS

Federal ID #75-2459334

Michael J. Quilling, Receiver for

Page: 1  
01/31/2009

Client No: 911-0140M  
Invoice No: 75175

RE: Simpson and York Realty

ITEMIZED SERVICES BILL

			Hours	
01/08/2009	MJQ	Telephone conference with Courtney Simpson regarding claims and scheduling.	0.40	160.00
01/14/2009	MJQ	Telephone conference with Courtney Simpson regarding claims.	0.30	120.00
01/23/2009	MJQ	Review and respond to emails from Courtney Simpson.	0.20	80.00
01/26/2009	MJQ	Telephone conference with Linc Caylor regarding meeting with Courtney Simpson to review claims (.3); gather materials for same (.5); telephone conferences with Courtney Simpson regarding cancellation of trip (.6).	1.40	560.00
01/28/2009	MJQ	Review of emails from Courtney Simpson regarding claim issues.	0.30	120.00
		For Current Services Rendered	<u>2.60</u>	<u>1,040.00</u>

Recapitulation

<u>Timekeeper</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Total</u>
Michael J. Quilling	2.60	\$400.00	\$1,040.00

Total Current Work 1,040.00

Balance Due \$1,040.00

NOTE: PLEASE REFERENCE THE CLIENT MATTER NO. WITH PAYMENT

Bryan Tower 2001 Bryan St., Suite 1800 Dallas, TX 75201

ph. 214.871.2100 fx. 214.871.2111 www.qsclpc.com

A P R O F E S S I O N A L C O R P O R A T I O N

A T T O R N E Y S A N D C O U N S E L O R S







QUILLING · SELANDER · CUMMISKEY · LOWNDS

Federal ID #75-2459334

Michael J. Quilling, Receiver for

Page: 1  
03/31/2009

Client No: 911-0140M  
Invoice No: 77251

RE: Simpson and York Realty

ITEMIZED SERVICES BILL

			Hours	
03/02/2009	MJQ	Work on letter requested by Courtney Simpson and emails regarding same.	0.70	280.00
03/09/2009	MJQ	Continue work on letter to Alan Gold and several telephone conferences with Courtney Simpson regarding same.	1.50	600.00
	CM	Revised letter to unknown recipients addressing claimant's name and investments received (.40).	0.40	54.00
03/10/2009	MJQ	Finalize letter to Alan Gold.	0.50	200.00
	CM	Revised letter to Alan Gold (.50).	0.50	67.50
03/11/2009	MJQ	Telephone conferences with Courtney Simpson and continue work on letter.	0.60	240.00
03/12/2009	MJQ	Finalize letter to Alan Gold.	0.20	80.00
03/20/2009	BR	Update website and conference and correspondence with local counsel regarding same (.3);	0.30	60.00
03/26/2009	MJQ	Telephone conference with Courtney Simpson regarding tax issues.	0.20	80.00
03/30/2009	MJQ	Telephone conference with Linc Caylor regarding tax issues.	0.30	120.00
		For Current Services Rendered	5.20	1,781.50

Recapitulation

<u>Timekeeper</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Total</u>
Michael J. Quilling	4.00	\$400.00	\$1,600.00
Brent Rodine	0.30	200.00	60.00
Cheryl Morris	0.90	135.00	121.50

Telecopies	4.00
Photocopies	2.40
Postage	1.72
Total Expenses Thru 03/31/2009	8.12

Total Current Work 1,789.62

Balance Due \$1,789.62

NOTE: PLEASE REFERENCE THE CLIENT MATTER NO. WITH PAYMENT

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A P R O F E S S I O N A L C O R P O R A T I O N

A T T O R N E Y S A N D C O U N S E L O R S





QUILLING - SELANDER - CUMMISKEY - LOWNDS

Federal ID #75-2459334

Michael J. Quilling, Receiver for

Page: 1  
04/30/2009

Client No: 911-0140M  
Invoice No: 78812

RE: Simpson and York Realty

ITEMIZED SERVICES BILL

			Hours	
04/14/2009	MJQ	Telephone conference with Courtney Simpson regarding case issues.	0.20	80.00
04/20/2009	MJQ	Telephone conference with Courtney Simpson regarding appeal issues.	0.20	80.00
04/21/2009	MJQ	Review of RECO order and telephone conference with Lincoln Caylor regarding same (.5); telephone conference with Courtney Simpson regarding same (.3).	0.80	320.00
04/22/2009	MJQ	Telephone conference with Courtney Simpson regarding bank records and review of emails relating to same.	0.40	160.00
	BR	Update website to reflect new information for investors (.2);	0.20	40.00
04/23/2009	MJQ	Review and respond to case emails.	0.20	80.00
04/30/2009	MJQ	Review and respond to emails from Courtney Simpson and telephone conference regarding same.	0.40	160.00
		For Current Services Rendered	2.40	920.00

Recapitulation

<u>Timekeeper</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Total</u>
Michael J. Quilling	2.20	\$400.00	\$880.00
Brent Rodine	0.20	200.00	40.00

Long-Distance Telephone	2.99
Total Expenses Thru 04/30/2009	2.99
Total Current Work	922.99
Balance Due	<u>\$922.99</u>

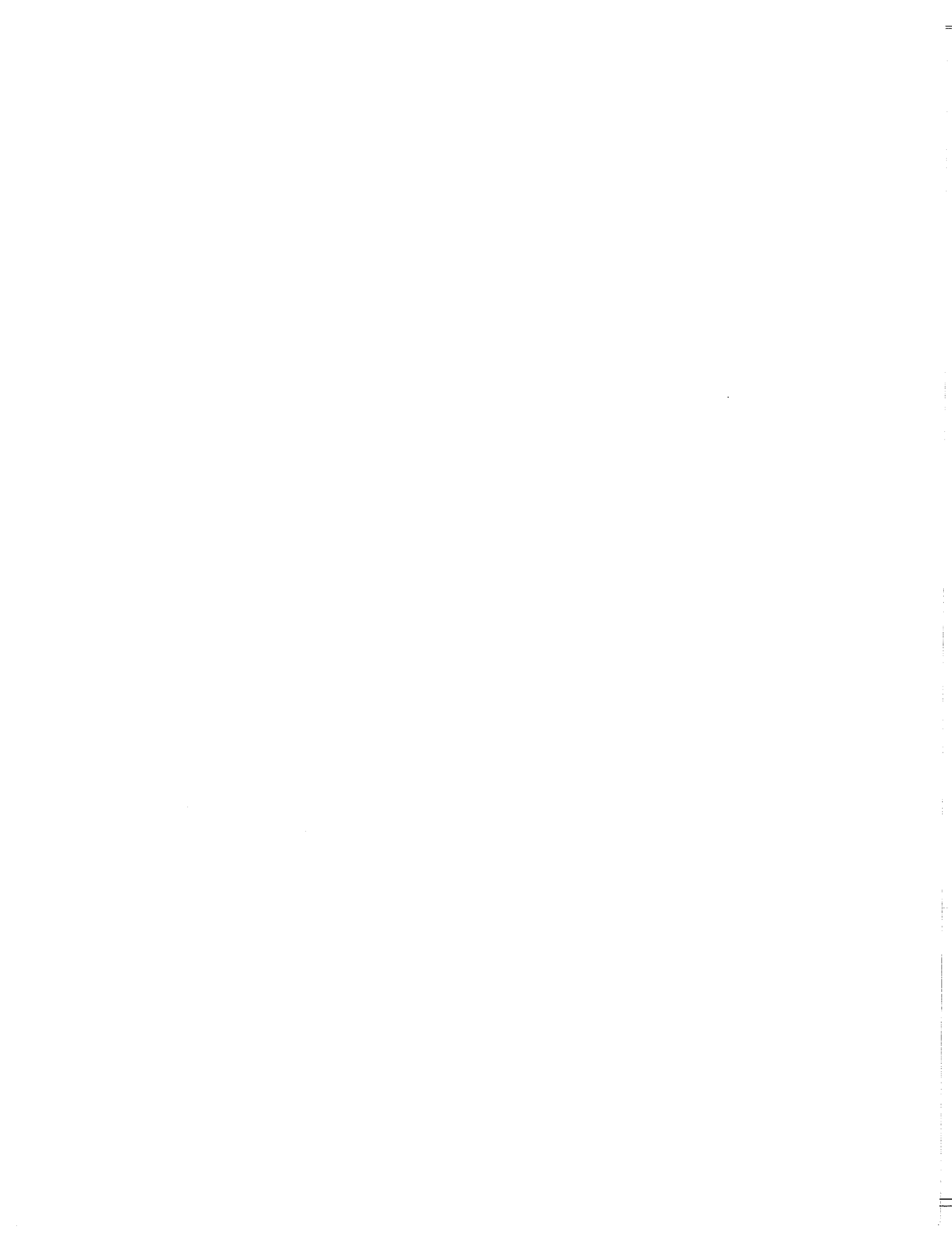
NOTE: PLEASE REFERENCE THE CLIENT MATTER NO. WITH PAYMENT

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A T T O R N E Y S A N D C O U N S E L O R S





QUILLING · SELANDER · CUMMISKEY · LOWNDS

Federal ID #75-2459334

Michael J. Quilling, Receiver for

Page: 1  
05/31/2009

Client No: 911-0140M  
Invoice No: 79837

RE: Simpson and York Realty

ITEMIZED SERVICES BILL

			Hours	
05/01/2009	MJQ	Review and respond to case emails and telephone conference with Linc Caylor regarding same.	0.50	200.00
05/11/2009	MJQ	Review of email from Courtney Simpson and respond to same.	0.20	80.00
05/12/2009	BR	Update website to reflect recent orders and investor information.	0.30	60.00
05/13/2009	MJQ	Telephone conference with Linc Caylor regarding case issues.	0.20	80.00
05/19/2009	MJQ	Telephone conference with Courtney Simpson regarding case issues (.2); telephone conference with Linc Caylor regarding same (.3).	0.50	200.00
05/20/2009	MJQ	Review of emails from Linc Caylor regarding outstanding issues; review of Pahwa correspondence and emails with Courtney Simpson regarding same.	0.40	160.00
05/21/2009	MJQ	Telephone conference with Courtney Simpson regarding case issues.	0.20	80.00
For Current Services Rendered			2.30	860.00

Recapitulation

<u>Timekeeper</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Total</u>
Michael J. Quilling	2.00	\$400.00	\$800.00
Brent Rodine	0.30	200.00	60.00

Total Current Work 860.00

Balance Due \$860.00

NOTE: PLEASE REFERENCE THE CLIENT MATTER NO. WITH PAYMENT

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ph. 214.871.2100 fx. 214.871.2111 www.qscipc.com

A P R O F E S S I O N A L C O R P O R A T I O N

A T T O R N E Y S A N D C O U N S E L O R S





QUILLING • SELANDER • CUMMISKEY • LOWNDS

Federal ID #75-2459334

Michael J. Quilling, Receiver for

Page: 1  
06/25/2009

Client No: 911-0140M  
Invoice No: 80213

RE: Simpson and York Realty

Bill

ITEMIZED SERVICES BILL

		Hours	
06/16/2009	MJQ	Review of emails from Courtney Simpson and emails with Bennett Jones regarding same; review and respond to emails from Courtney Simpson and Bennett Jones.	0.60      240.00
		For Current Services Rendered	0.60      240.00

Recapitulation

<u>Timekeeper</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Total</u>
Michael J. Quilling	0.60	\$400.00	\$240.00
Total Current Work			240.00
Balance Due			<u>\$240.00</u>

NOTE: PLEASE REFERENCE THE CLIENT MATTER NO. WITH PAYMENT

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A P R O F E S S I O N A L C O R P O R A T I O N

A T T O R N E Y S A N D C O U N S E L O R S





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

B E T W E E N:

UDAYAN PANDYA

Plaintiff

-and-

COURTNEY WALLIS SIMPSON, YORK REGION  
REALTY INC., WALLIS, SIMPSON & ASSOCIATES,  
COURTNEY WALLIS SIMPSON c.o.b. as YORK MANAGEMENT GROUP  
and as CAMCO DEVELOPMENTS and as YORK GROUP

Defendants

In the Matter of the *Class Proceedings Act, 1992*

**BILLING**

**FEES AND DISBURSEMENTS FOR PROFESSIONAL SERVICES rendered acting as Court-Appointed Receiver pursuant to the Order of the Honourable Justice Ground issued November 1, 2008 to June 16, 2009 as follows:**

Fees (per attached accounts)	\$ 7,101.50
Disbursements (per attached accounts)	\$ 68.78
GST	\$ 355.08
	<hr/>
Total	\$ 7,525.36

**TAB X**

## SUMMARY OF TIME AND FEES

November 1, 2008 to June 16, 2009

Name	Experience	Total Hours	Rate Per Hour	Billing
M.J. Quilling	Called to the bar in 1982	15.10	\$400.00	\$6,040.00
B. Rodine	Called to the bar in 2004	4.7	\$200.00	\$940.00
Cheryl Morris	Legal Assistant	0.9	\$135.00	\$121.50
<b>Total</b>				<b>\$7,101.50</b>

## SUMMARY OF DISBURSEMENTS

November 1, 2008 to June 16, 2009

Expenses	
Long Distance	\$2.99
Telecopies	\$4.00
Photocopies	\$4.40
Postage	\$1.72
Express Mail	\$50.67
Courier	\$5.00
<b>Total</b>	<b>\$68.78</b>

**TAB 3**

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

B E T W E E N:

UDAYAN PANDYA

Plaintiff

-and-

COURTNEY WALLIS SIMPSON, YORK REGION  
REALTY INC., WALLIS, SIMPSON & ASSOCIATES,  
COURTNEY WALLIS SIMPSON c.o.b. as YORK MANAGEMENT GROUP  
and as CAMCO DEVELOPMENTS and as YORK GROUP

Defendants

In the Matter of the *Class Proceedings Act, 1992*

**AFFIDAVIT OF LINCOLN CAYLOR**

I, Lincoln Caylor, of the City of Toronto, in the Province of Ontario, **MAKE OATH  
AND SAY AS FOLLOWS:**

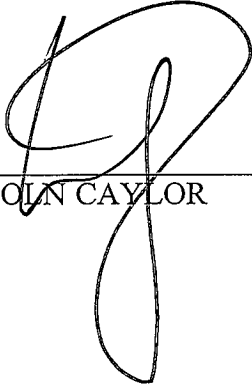
1. I am a partner with the law firm Bennett Jones LLP solicitors for the receiver herein, and as such have knowledge of the matters hereinafter deposed to. Where I make statements in the context of this affidavit which are not within my personal knowledge, I have identified the source of that information and belief, all of which information I have deposed to I verily believe.

2. This affidavit is sworn in support of the motion to approve, among other things, the disbursements and accounts of Bennett Jones LLP, counsel for the receiver, for the period from November 1, 2008 to June 18, 2009.

3. In the period commencing November 1, 2008 to June 18, 2009, counsel for the receiver incurred accounts and disbursements totaling \$180,444.49 (inclusive of GST).

4. I have reviewed the Summary of Counsel Fees located at Tab 4 of the receiver's motion record, the Summary of Disbursements of Bennett Jones LLP located at Tab 5 of the receiver's motion record, and the Bennett Jones Invoices numbered 811682, 811540, and 811683 located at Tab 6 of the receiver's motion record and I verily believe that they accurately reflect the time spent, fees incurred and disbursements made in conjunction with this matter.

SWORN BEFORE ME at the City of )  
Toronto, in the Province of Ontario, this )  
13<sup>th</sup> day of July, 2009. )  
)  
)  
)  
)  
A commissioner, etc. )  
DAVID RAENSBERRY )

  
\_\_\_\_\_  
LINCOLN CAYLOR

**Udayan Pandya**  
Plaintiff

v.

**Courtney Wallis Simpson et al.**  
Defendants

Court File No.: 05-CL-6159

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
(Commercial List)

In the matter of the *Class Proceedings*  
*Act, 1992*

Proceeding commenced at Toronto

**AFFIDAVIT OF LINCOLN CAYLOR**

**BENNETT JONES LLP**  
One First Canadian Place  
Suite 3400, P.O. Box 130  
Toronto, Ontario  
M5X 1A4

**Lincoln Caylor / David J.N. Rainsberry**  
LSUC Nos. 37030L / 49890Q  
Tel: 416-777-6121 / 6236  
Fax: 416-863-1716

Solicitors for the receiver



**TAB 4**

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

B E T W E E N:

UDAYAN PANDYA

Plaintiff

-and-

COURTNEY WALLIS SIMPSON, YORK REGION  
REALTY INC., WALLIS, SIMPSON & ASSOCIATES,  
COURTNEY WALLIS SIMPSON c.o.b. as YORK MANAGEMENT GROUP  
and as CAMCO DEVELOPMENTS and as YORK GROUP

Defendants

In the Matter of the *Class Proceedings Act, 1992*

**SUMMARY OF COUNSEL FEES  
(November 1, 2008 to June 18, 2009)**

**Interim Summary 7**

Individual	Fee Items	Time	Rate
P. Bell	<p><i>February 11, 2009 to April 8, 2009 – Receivership</i></p> <p>Discussing receipt of T5 slip and related tax return with D. Rainsberry; Researching same; Discussion with D. Rainsberry regarding the issuance of a T5 for interest earned on funds in bank account; Researching the potential filing responsibilities of a court-appointed receiver under the Income Tax Act; Discussing same with B. Morris; Researching the filing and reporting responsibilities under the Income Tax Act when a receivership is in place; Telephone call with the Canada Revenue Agency regarding their procedures when a court-appointed receiver takes control of assets; Reviewing the court order appointing the court-appointed receiver and the impact of its provisions under the Income Tax Act; Discussing filing responsibilities of a court-appointed receiver with M. Laugesen; Discussing obligations under the Income Tax Act during a receivership and its application to the reporting of the T5 income with B. Morris; Drafting correspondence regarding same to D. Rainsberry; Reviewing and revising draft letter to the Court appointed receiver for D. Rainsberry; Discussing same with B. Morris; Researching case law on the involvement of court appointed receivers in the tax affairs of the individual or corporation put</p>	9.60	\$300.00

Individual	Fee Items	Time	Rate
	into receivership; Meeting with B. Morris regarding the potential involvement of a court appointed receiver in the tax affairs of the individual or corporation in receivership and the related possible tax consequences; Researching and drafting notes regarding same; Drafting correspondence to L. Caylor regarding potential involvement of the court appointed receiver in the reporting of T5 investment income and a proposed letter to C. Simpson regarding same; Researching the deductibility of legal expenses incurred to secure assets against investment income; Telephone call with B. Morris and D. Rainsberry regarding potential involvement of the court appointed receiver in the reporting of T5 investment income and the deductibility of legal expenses incurred to secure assets		
L. Caylor	<i>January 5, 2009 to April 20, 2009 – RECO/Lloyd's</i>  Call with insurer's counsel regarding appeal; Review and revise factum for appeal; Conference with D. Rainsberry; Review appeal materials, review record and factum from appellant; Consider arguments and response; Review policy, consider and prepare argument; Reviewing appellant's cases, Prepare and attend appeal.	23.90	\$700.00
J. Cooper	<i>January 7, 2009 to April 14, 2009 – RECO/Lloyd's</i>  Meeting with D. Rainsberry; Researching the law surrounding the interpretation of insurance contracts; Reviewing and noting-up all of the cases contained in the appellant's factum; Preparing a memorandum with respect to all the noted-up cases contained in the appellant's factum and reviewing same; Meeting with L. Caylor to discuss research findings with respect to the appellant's factum; Meeting with D. Rainsberry regarding research findings with respect to appellant's factum; Drafting factum; Researching the public nature of insurance policies; Researching why appeal court should adopt the principles/reasons of our cited case precedents over those of the opposing party; Gathering case law from various reporters for responding factum; Drafting, serving and filing factum; Summarizing case law for appeal to be heard April 20, 2009; Looking for alternative definitions of "fraud".	49.20	\$195.00
R. Drew	<i>November 2, 2008 to November 3, 2008 – RECO/Lloyd's</i>  Researching the law regarding interest and costs in insurance; Researching the relevant law of interest in relation to insurance cases	10.50	\$185.00
J. Freeman	<i>February 2, 2009 – RECO/Lloyd's</i>  Caselaw for factum for J. Cooper	0.20	\$225.00
S. Paige	<i>April 16, 2009 – RECO/Lloyd's</i>  Discussion with D. Rainsberry, Discussions regarding file background (COA) with E. Gutowski, Review accounting entries and prepare costs outline for approval	3.00	\$250.00

Individual	Fee Items	Time	Rate
J. Patterson	<p><i>April 16, 2009 to April 20, 2009 – RECO/Lloyd's</i></p> <p>Conference with L. Caylor regarding appeal arguments and strategies; Review fidelity case law, Conference with L. Caylor regarding appeal strategy, review fileConference with L. Caylor regarding appeal</p>	3.70	\$850.00
D. Rainsberry	<p><i>November 1, 2008 to June 16, 2009 – Receivership</i></p> <p>Emails from victims; Review estate figures; Memo regarding fees; Memo to process server; Process fees; Review orders; Draft investor updates; Telephone calls with U. Pandya; Review claim amounts; Preliminary draft receiver's report; Review previous report; Emails to and from receiver; Draft tenth receiver's report; Coordinate and review receiver's report; Integrate distribution caveat regarding pending appeal; Numerous revisions to Receiver's Tenth Report, Notice of Motion and Affidavit of L. Caylor; Review exhibits; Met with L. Caylor; Finalize and instruct regarding Receiver's Report; Emails from victims regarding interest on insurance; Emails to L. Caylor; E-mail to Receiver and L. Caylor; Review fees chart, Applicant's Certificate and report; Review chart breakdown of fees; Email to Receiver and L. Caylor; Review service of motion materials; Instruct regarding office of Campbell J.; Various emails from G. Cohen, G. Govedaris; Review Affidavit of G. Govedaris; Review endorsement of Campbell J.; Instruct regarding website; Review receiver's website; Draft letter to Campbell J.; Various revisions to letter to Campbell J.; Review Supplementary Report of the Receiver; Review letter to B. Rodine; Draft letter to G. Govedaris; Revision to letter to G. Govedaris and G. Cohen; Review correspondence of C. Simpson; Emails from G. Cohen; Review trust accounts; Telephone call from Harris &amp; Partners; Letter from G. Govedaris; Met with G. Finlayson; Various emails regarding bankruptcy proceedings; Research regarding discharge implications; Review fees/recoveries chart; Coordinate response to various claimant inquiries; Telephone call from claimant regarding tax returns; Telephone call from C. Simpson; Email from Superintendent of Bankruptcy; Draft memo regarding additional claimants; Telephone call to P. Bell; Review T5 forms and client information; Various emails and telephone calls regarding T5 income on estate funds; Consult P. Bell; Met regarding outstanding items on receivership; Review memo regarding Cam Fella settlement terms; Review letter from K. Simpson and related documentation; Prepare issue summary; Instruct regarding outstanding fee motion; Email regarding unpaid invoices; Review issued T5 statements; Instruct regarding re-issuance; Memo to accounting; Review terms of initial order; Telephone call with receiver regarding various matters including number of claimants in deposit and mortgage schemes and contact info, claim amounts; Email regarding letter to A. Gold's office; Preliminary letter to W. Simpson; Draft letter to W. Simpson regarding Cam Fella; Review related agreement and correspondence; Review Settlement Agreement with W. Simpson; Draft letter to Campbell J.; Instruct regarding enclosures; Letter to receiver regarding T5 income; Email from W. Simpson regarding mortgage on Cam Fella; Email from U. Pandya; Reply; Confirm appeal dates; Finalize letter to court; Update regarding status of receivership; Update regarding motion at Campbell J.; Conference call with B. Morris and P. Bell; Prepare correspondence to Carswell; Email regarding A. Pahwa; Review related fax and settlement documentation; Various emails regarding Pahwa mortgages; Draft letter to D. Rothwell; Forward correspondence regarding Pahwa mortgages; Review letter to D. Rothwell; Email to L. Caylor regarding</p>	139.60	\$425.00

Individual	Fee Items	Time	Rate
	receiver response; Voicemail from Commercial Court regarding motion; Instruct regarding reply; Revise and finalize draft receiver report, including discharge information		
	<p><i>November 3, 2008 – Dianor</i></p> <p>Letter to opposing counsel regarding finalization of settlement; Coordinate with RBC Dominion Securities</p>	1.00	\$425.00
	<p><i>November 1, 2008 to June 16, 2009 – RECO/Lloyd's</i></p> <p>Review decision regarding 3 "related victims/claims"; Met with student regarding results of insurance research; Review case-law; Review notice of appeal and appeal certificate; Met with L. Caylor; Draft letters to R. Falby regarding costs/interest; Review costs outline; Review appeal rules; Met with A. Paltomaa; Telephone call from J. Lederman office; Telephone calls to and from R. Falby office; Emails to and from L. Caylor; Review letter from Commercial List; Emails regarding appeal dates; Review finalized Certificate of Appeal; Instruct and review Appellant's Certificate and related Rules; E-mails regarding costs; Instruct regarding Respondent's Appeal Certificate; Review e-mail from victim regarding interest; Letter from opposing counsel; Revise detailed invoices; Draft letter to opposing counsel regarding costs; Review approved fee entries; Review letter of opposing counsel regarding costs; Letter to Lederman J.; Review costs submissions of opposing counsel; Review right of reply; Review emails of C. Simpson regarding affidavit; Prepare draft judgment; Review and consider draft Order; Various revisions to potential orders; Preliminary review of appeal materials; Review factum of applicant; Review compendium; Strategy regarding filing; Review order of Lederman J.; Instruct/review order regarding costs; Emails regarding approval; Email regarding issued cost order; Review U.S. case law in appellant's factum; Review correspondence from Court of Appeal; Instruct re: email regarding L. Caylor; Review precedent facta for Court of Appeal; Draft overview notes; Review draft factum outline; Revise; Integrate structure for overview and facts analysis; Met with J. Cooper; Met with student regarding research for use with factum; Reviewed previous material regarding accuracy of facts shown in Appellant's factum; Compare with RECO claims chart; Properties review; Sample Agreements review; Preliminary draft facts; Met with student regarding research; Compare statement of facts with appellant factum; Preliminary review of jurisprudence relied upon by Appellant; Review voicemails concerning interpretation of decision; Draft Court of Appeal responding materials; Print and review opposing counsel's case law; Telephone call to victims regarding insurance and appeal timeline; Telephone call from counsel to victim regarding insurance proceeds for matrimonial dispute; Draft factum; Facilitate service; Finalize delivery; Research regarding prescribed form of factum; Confirmation email to L. Caylor including rule citations; Correspondence regarding additional claimant; Review file and Statement of Agreed Facts; Analyze information regarding added claim; Email regarding appeal date on investor counsel; Review letter regarding interest on insurance proceeds; Review letter from counsel regarding added claim; Draft letter to R. Falby; Letter from opposing counsel regarding added claim; Review Huisman claim; Compare against received claims; Revisions to letter regarding Huisman claim; Emails from counsel to H. Huisman; Letter to counsel for H. Huisman; Instruct regarding case summaries for use on appeal; Review case summaries; Compare against Book of Authorities; Email regarding Court of</p>	175.30	\$425.00

Individual	Fee Items	Time	Rate
	Appeal attendance information; Fax from opposing counsel regarding alternative definitions; Review additional definitions; Limitation regarding interest on insurance; Voicemail from L. Caylor regarding alternative policy language; Prepare draft memo; Revise memo regarding alternative definitions/insurance policy language; Met with litigation clerk regarding costs outline; Locate/review notes from original application; Review email correspondence from C. Wallis Simpson regarding appeal; Emails regarding time/location of appeal; Preparation for appeal hearing; Review and finalize costs outline; Attend on appeal of decision of Lederman J.; Met with E. Hoaken; Email from court regarding endorsement; Letter to opposing counsel regarding appeal, costs, process for claim payment; Review formal Court of Appeal Order; Email from B. Falby regarding outstanding appeal issues; Review claimant list; Email regarding B. Snaper – claimant; Numerous discussions and emails from B. Snaper regarding claim under consumer deposit extension; Email from opposing counsel regarding form of order; Telephone call to J. MacMillan regarding claimant; Review and finalize correspondence regarding B. Snaper; Review order of Court of Appeal; Email regarding website update; Telephone call to and from B. Falby regarding process on insurance payment; Review draft letter to opposing counsel regarding amounts owed under policy; Review list of claimants, interest accrual; Revise receiver report' Review investor updates.		
S. Paige	<p><i>April 16, 2009 to April 17, 2009 – RECO/Lloyd's</i></p> <p>Discussion with D. Rainsberry; Discussions regarding file background (COA) with E. Goutowski; Review accounting entries and prepare costs outline for approval; Review and prepare copies of costs outline for court of appeal</p>	3.00	\$250.00

### General Receivership Activities

**Primary Tasks:** Contacting victims, communicating with clients, the receiver, class members and counsel to certain class members, research with respect to distribution, preparing reports for the court, determining final procedures in the receivership.

### Summary of Time and Fees (Interim Summary 7)

Individual	Title	Rate	Total Time	Total Fees
P. Bell	Associate	\$300.00	9.60	\$2,880.00
D. Rainsberry	Associate	\$425.00	139.60	\$59,330.00
<b>TOTALS</b>				<b>\$62,210.00</b>
<b>Reduced by 15%</b>				<b>\$52,878.50</b>

**Dianor Shares**

**Primary Tasks:** Finalizing settlement particulars

**Summary of Time and Fees (Interim Summary 7)**

<b>Individual</b>	<b>Title</b>	<b>Rate</b>	<b>Total Time</b>	<b>Total Fees</b>
D. Rainsberry	Associate	\$425.00	1.00	\$425.00
<b>TOTALS</b>				<b>\$425.00</b>
<b>Reduced by 15%</b>				<b>\$361.25</b>

**RECO/Lloyd's**

**Primary Tasks:** Communicating with the receiver and opposing counsel, conducting research, attending the Appeal hearing, reporting on the outcome of the Appeal hearing, preparing costs submissions, communicating with claimants, gathering claimant contact information, determining distribution procedures.

**Summary of Time and Fees (Interim Summary 7)**

<b>Individual</b>	<b>Title</b>	<b>Rate</b>	<b>Total Time</b>	<b>Total Fees</b>
L. Caylor	Partner	\$700.00	23.90	\$16,730.00
J. Cooper	Student-at-Law	\$195.00	49.20	\$9,594.00
R. Drew	Student-at-Law	\$185.00	10.50	\$1,942.50
J. Freeman	Legal Assistant	\$225.00	0.20	\$45.00
S. Paige	Paralegal	\$250.00	3.00	\$750.00
J. Patterson	Partner	\$850.00	3.70	\$3,145.00
D. Rainsberry	Associate	\$425.00	175.30	\$74,502.50
<b>TOTALS</b>				<b>\$106,709.00</b>
<b>Reduced by 15%</b>				<b>\$90,702.65</b>

**TOTALS**

<b>Individual</b>	<b>Title</b>	<b>Rate</b>	<b>Total Time</b>	<b>Total Fees</b>
P. Bell	Associate	\$300.00	9.60	\$2,880.00
L. Caylor	Partner	\$700.00	23.90	\$16,730.00
J. Cooper	Student-at-Law	\$195.00	49.20	\$9,594.00
R. Drew	Student-at-Law	\$185.00	10.50	\$1,942.50
J. Freeman	Legal Assistant	\$225.00	0.20	\$45.00
S. Paige	Paralegal	\$250.00	3.00	\$750.00
J. Patterson	Partner	\$850.00	3.70	\$3,145.00
D. Rainsberry	Associate	\$425.00	315.90	\$134,257.50
<b>TOTALS</b>				<b>\$169,344.00</b>
<b>Reduced by 15%</b>				<b>\$143,942.40</b>



**TAB 5**

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

BETWEEN:

UDAYAN PANDYA

Plaintiff

-and-

COURTNEY WALLIS SIMPSON, YORK REGION  
REALTY INC., WALLIS, SIMPSON & ASSOCIATES,  
COURTNEY WALLIS SIMPSON c.o.b. as YORK MANAGEMENT GROUP  
and as CAMCO DEVELOPMENTS and as YORK GROUP

Defendants

In the Matter of the *Class Proceedings Act, 1992*

**SUMMARY OF DISBURSEMENTS  
OF BENNETT JONES LLP  
(November 1, 2008 to June 18, 2009)**

*Receivership (Invoice No. 811682):*

<b>Disbursement</b>	<b>Taxable Amount</b>
Courier Charges	\$39.80
Long Distance Phone Charges	\$1.68
Fax Charges	\$9.00
Photocopy Charges	\$250.00
Process Servers	\$94.00
Pre-Tax Total	\$394.48
5% GST	\$19.72
<b>TOTAL</b>	<b>\$414.20</b>

*Dianor Shares (Invoice No. 811540):*

<b>Disbursement</b>	<b>Taxable Amount</b>
Photocopy Charges	\$0.75
Pre-Tax Total	\$0.75
5% GST	\$0.04
<b>TOTAL</b>	<b>\$0.79</b>

*RECO/Lloyd's (Invoice No. 811683):*

<b>Disbursement</b>	<b>Taxable Amount</b>
Library Computer Search	\$788.09
Long Distance Phone Charges	\$0.12
Fax Charges	\$77.00
Courthouse Fee*	\$127.00
Photocopy Charges	\$830.50
Process Servers	\$296.00
Pre-Tax Total	\$2,118.71
5% GST	\$99.59
<b>TOTAL</b>	<b>\$2,128.30</b>

\*GST Exempt

**SUMMARY OF BENNETT JONES LLP DISBURSEMENTS:**

<b>Category</b>	<b>Amount (including G.S.T.)</b>
Receivership (Invoice No. 811682)	\$414.20
Dianor Shares (Invoice No. 811540)	\$0.79
RECO/Lloyd's (Invoice No. 811683)	\$2,128.30
<b>TOTAL</b>	<b>\$2,633.29</b>

**TAB 6**

# **Bennett Jones** LLP

Bennett Jones LLP  
Suite 3400, 1 First Canadian Place  
P.O. Box 130  
Toronto, Ontario M5X 1A4  
(416) 863-1200

UDAYAN PANDYA  
4822 DERRYDOWN DRIVE  
MISSISSAUGA, ON L5M 7M7

Our File Number: 056445.00002

UDAYAN PANDYA  
Re: SIMPSON- RECEIVERSHIP/JDP/DJNR

Date: 24/06/09  
Invoice: 811682

<b>Date</b>	<b>Lawyer</b>	<b>Professional Services</b>	<b>Hours</b>
03/11/08	DJNR	Voicemail from L. Caylor; Email from victim regarding payment; Review estate figures; Memo regarding fees; Memo to process server	1.80
04/11/08	DJNR	Email from victim; Process fees; Review orders	1.50
05/11/08	DJNR	Draft investor update; Email to victim; Telephone call with U. Pandya; Review claim amounts; Preliminary draft receiver's report; Review previous report; Emails to receiver	3.50
06/11/08	DJNR	Draft tenth receiver's report; Review previous reports	3.10
07/11/08	DJNR	Coordinate and review receiver's report	2.10
09/11/08	DJNR	Revise receiver's tenth Report; Review previous report; Integrate distribution caveat regarding pending appeal	3.10
10/11/08	DJNR	Numerous revisions to Receiver's Tenth Report, Notice of Motion and Affidavit of L. Caylor; Review exhibits; Met with L. Caylor	4.40
11/11/08	DJNR	Finalize Receiver's Report; Integrate comments; Emails to Receiver; Review investor update; Exhibits to Receiver's Report	2.40
12/11/08	DJNR	Finalize and instruct regarding Receiver's Report	0.90
14/11/08	DJNR	Voicemails from victims; Email from victim regarding interest on insurance; Email to L. Caylor	1.10
17/11/08	DJNR	Telephone conversation with Receiver; Revise Receiver's report; E-mail to Receiver and L. Caylor; Various telephone conversations with victims	2.60
18/11/08	DJNR	Telephone call to receiver; Email from Receiver; Review fees chart, Applicant's Certificate and report	1.90
19/11/08	DJNR	Emails from Receiver; Telephone call with Receiver; Review chart breakdown of fees; Email to Receiver and L. Caylor	1.80
21/11/08	DJNR	Email from receiver; review service of motion materials	1.10
26/11/08	DJNR	Various emails from G. Cohen, G. Govedaris; Email to L. Caylor; Review Affidavit of G. Govedaris; Telephone call to L. Caylor; Instruct regarding office of Campbell	2.50

Statement of Account TERMS: Due upon receipt. Bennett Jones LLP reserves the right to charge interest at a rate not greater than 1.3% per annum on outstanding invoices after 30 days. G.S.T.: R119346757

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Date	Lawyer	Professional Services	Hours
		J.	
28/11/08	DJNR	Review endorsement of Campbell J.; Email to L. Caylor; Instruct regarding website; Telephone call from L. Caylor; Review receiver's website; Draft letter to Campbell J.	2.60
01/12/08	DJNR	Various revisions to letter to Campbell J.; Review Supplementary Report of the Receiver; Met with L. Caylor; Website check; Review correspondence	1.70
03/12/08	DJNR	Review letter to B. Rodine	0.20
04/12/08	DJNR	Draft letter to G. Govedaris; Email to L. Caylor	0.70
08/12/08	DJNR	Revision to letter to G. Govedaris and G. Cohen; Email to L. Caylor	0.50
09/12/08	DJNR	Review correspondence of C. Simpson; Emails from G. Cohen; Review trust accounts	0.80
10/12/08	DJNR	Various emails from L. Caylor, C. Simpson, Receiver; Draft letter; Telephone call from Harris & Partners; Letter from G. Govedaris; Met with G. Finlayson	3.40
11/12/08	DJNR	Various emails regarding bankruptcy proceedings; Research regarding discharge implications; Email to L. Caylor	0.90
12/12/08	DJNR	Various emails from C. Simpson; Email to L. Caylor; Met with L. Caylor; Email from victim; Review fees/recoveries chart; Review letter to Cohen and Govedaris	2.50
15/12/08	DJNR	Coordinate response to various claimant inquiries; Telephone call from claimant regarding tax returns; Website update; Letter to G. Cohen and G. Govedaris	1.80
18/12/08	DJNR	Telephone call from C. Simpson; Email from Superintendent of Bankruptcy; Review correspondence of G. Govedaris	2.40
05/01/09	DJNR	Review investor update	0.10
09/02/09	DJNR	Review investor update; Related emails; Telephone call from victim	1.10
11/02/09	DJNR	Draft memo regarding additional claimants; Review related correspondence; met with L. Caylor; Draft email to L. Caylor regarding tax matter; Telephone call to P. Bell; Review T5 forms and client information	5.30
11/02/09	PKB	Discussing receipt of T5 slip and related tax return with D. Rainsberry; Researching same	0.50
12/02/09	PKB	Discussing receipt of T5 slip and related tax return with D. Rainsberry	0.20
12/02/09	DJNR	Various emails and telephone calls regarding T5 income on estate funds; Consult P. Bell	1.10
13/02/09	DJNR	Met regarding outstanding items on receivership	0.40
23/02/09	DJNR	Review memo regarding Cam Fella settlement terms; Review letter from K. Simpson and related documentation; Prepare issue summary; Email to L. Caylor regarding C. Simpson meeting	2.20
25/02/09	DJNR	Instruct regarding outstanding fee motion; Telephone call to C. Simpson; Email regarding unpaid invoices	0.70
26/02/09	DJNR	Telephone call from C. Simpson; Review notes	0.30
05/03/09	PKB	Discussion with D. Rainsberry regarding the issuance of a T5 for interest earned on funds in bank account; Researching the potential filing responsibilities of a court-	1.30

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Date	Lawyer	Professional Services	Hours
		appointed receiver under the Income Tax Act; Discussing same with B. Morris	
05/03/09	DJNR	Review issued T5 statements; Instruct regarding re-issuance; Telephone call to P. Bell; Memo to accounting; Emails	2.40
06/03/09	DJNR	Various emails regarding tax returns; Telephone call with P. Bell; Review terms of initial order; Email to L. Caylor	2.60
06/03/09	PKB	Researching the filing and reporting responsibilities under the Income Tax Act when a receivership is in place; Telephone call with the Canada Revenue Agency regarding their procedures when a court-appointed receiver takes control of assets; Reviewing the court order appointing the court-appointed receiver and the impact of its provisions under the Income Tax Act; Discussing filing responsibilities of a court-appointed receiver with M. Laugesen; Discussing obligations under the Income Tax Act during a receivership and its application to the reporting of the T5 income with B. Morris; Drafting correspondence regarding same to D. Rainsberry	3.10
09/03/09	DJNR	Telephone call with receiver regarding various matters including number of claimants in deposit and mortgage schemes and contact info, claim amounts; Email to receiver	2.00
10/03/09	DJNR	Email regarding letter to A. Gold's office; Preliminary letter to W. Simpson	0.80
11/03/09	DJNR	Draft letter to W. Simpson regarding Cam Fella; Review related agreement and correspondence	1.70
12/03/09	DJNR	Email from receiver, L. Caylor	0.40
13/03/09	DJNR	Review Settlement Agreement with W. Simpson; Review letter	0.90
16/03/09	DJNR	Draft letter to Campbell J.; Instruct regarding enclosures; Letter to receiver regarding T5 income; Email to tax department	3.60
17/03/09	DJNR	Email from W. Simpson regarding mortgage on Cam Fella; Emails and revisions to letter regarding T5 income; Emails to tax department	3.30
17/03/09	PKB	Reviewing and revising draft letter to the Court appointed receiver for D. Rainsberry; Discussing same with B. Morris	0.30
18/03/09	DJNR	Email from U. Pandya; Reply; Confirm appeal dates; Email to L. Caylor	0.70
19/03/09	DJNR	Draft email reply to W. Simpson; Review related correspondence; Finalize letter to M. Quilling	2.20
20/03/09	DJNR	Emails regarding website; Finalize letter to court; Instruct regarding website; Telephone call to C. Simpson; Email from W. Simpson	3.20
24/03/09	DJNR	Email correspondence regarding T5 income; Telephone call from C. Simpson	0.90
25/03/09	DJNR	Telephone call regarding tax remittance; Telephone call from victims; Update regarding status of receivership	0.70
26/03/09	DJNR	Email regarding C. Simpson; T5 forms	0.30
27/03/09	DJNR	Telephone call to receiver regarding T5 income; Telephone call to L. Caylor; Email to L. Caylor; Telephone call from C. Simpson	1.20
30/03/09	DJNR	Telephone calls to receiver regarding Interest on trust funds; Voicemail; Follow up	0.60
31/03/09	DJNR	Telephone call to receiver; Follow up email to M. Quilling; Email from L. Caylor	1.20

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Date	Lawyer	Professional Services	Hours
		regarding T5 forms	
03/04/09	DJNR	Telephone call from C. Simpson	0.50
06/04/09	PKB	Researching case law on the involvement of court appointed receivers in the tax affairs of the individual or corporation put into receivership	1.50
06/04/09	DJNR	Email from U. Pandya; Reply; Emails regarding taxes; Telephone call to P. Bell	0.70
07/04/09	DJNR	Update regarding motion at Campbell J.	0.10
07/04/09	DJNR	Email regarding tax treatment	0.10
07/04/09	PKB	Meeting with B. Morris regarding the potential involvement of a court appointed receiver in the tax affairs of the individual or corporation in receivership and the related possible tax consequences; Researching and drafting notes regarding same	1.40
08/04/09	PKB	Drafting correspondence to L. Caylor regarding potential involvement of the court appointed receiver in the reporting of T5 investment income and a proposed letter to C. Simpson regarding same; Meeting with B. Morris regarding same; Researching the deductibility of legal expenses incurred to secure assets against investment income; Telephone call with B. Morris and D. Rainsberry regarding potential involvement of the court appointed receiver in the reporting of T5 investment income and the deductibility of legal expenses incurred to secure assets	1.30
08/04/09	DJNR	Several emails regarding tax treatment; Telephone call with P. Bell; Conference call with B. Morris and P. Bell; Met with L. Caylor	1.90
21/04/09	DJNR	Email from C. Simpson	0.20
22/04/09	DJNR	Email correspondence to C. Simpson; Voicemail from L. Caylor regarding final report to court; Numerous telephone calls from victims of deposit scheme; Instruct regarding final report; Revise investor update	3.50
24/04/09	DJNR	Preliminary review of receiver's report	0.70
28/04/09	DJNR	Revise receiver report; Prepare correspondence to Carswell	1.30
29/04/09	DJNR	Revise final receiver's report	2.10
30/04/09	DJNR	Review and revise receiver's final report	2.90
04/05/09	DJNR	Email regarding A. Pahwa; Review related fax and settlement documentation; Various emails regarding Pahwa mortgages	1.60
06/05/09	DJNR	Telephone call from victim; Email; Revise report	1.10
07/05/09	DJNR	Revise Receiver Report	1.30
11/05/09	DJNR	Email from receiver regarding allegations of C. Simpson regarding A. Pahwa; Telephone call from victim	0.60
12/05/09	DJNR	Revise receiver report; Update regarding receiver website	0.70
13/05/09	DJNR	Voicemail from L. Caylor regarding A. Pahwa mortgages; Telephone call from victim	0.40
14/05/09	DJNR	Draft letter to D. Rothwell; Met with L. Caylor; Review related documentation	1.60
15/05/09	DJNR	Review correspondence from C. Simpson; Review settlement documentation	1.30



Date	Lawyer	Professional Services	Hours
20/05/09	DJNR	regarding A. Pahwa; Review letter from counsel to A. Pahwa; Email to L. Caylor Email to L. Caylor; Email to receiver; Forward correspondence regarding Pahwa mortgages; Review response	1.20
21/05/09	DJNR	Telephone call from victim of deposit scheme; Update	0.30
22/05/09	DJNR	Review letter to D. Rothwell; Email to L. Caylor regarding receiver response	0.20
25/05/09	DJNR	Emails from deposit victims	0.30
26/05/09	DJNR	Draft letter to Campbell J.; Revise report of receiver; Emails from and to U. Pandya regarding status; Email status update to L. Caylor	2.50
27/05/09	DJNR	Revise letter to Campbell, J.; Telephone call from deposit claimants; Telephone call from S. Oldham	1.10
28/05/09	DJNR	Various telephone calls from victims regarding insurance payment process; Letter to Campbell J.; Email to B. Snaper regarding claim; Revise report	1.80
29/05/09	DJNR	Revise draft report; Telephone calls from victims regarding insurance status	1.40
01/06/09	DJNR	Email from L. Caylor; Telephone call to victim counsel	0.20
02/06/09	DJNR	Revise receiver's report	0.50
04/06/09	DJNR	Telephone call from victim	0.20
05/06/09	DJNR	Telephone call from victim	0.20
08/06/09	DJNR	Voicemail from Commercial Court regarding motion; Instruct regarding reply	0.60
09/06/09	DJNR	Telephone call from victims; Return phone call and status update; Telephone call to opposing counsel	0.90
11/06/09	DJNR	Revise receiver's report	1.30
12/06/09	DJNR	Revise receiver's final report; Telephone call from victim	2.30
16/06/09	DJNR	Revise and finalize draft receiver report, including discharge information	4.80
17/06/09	DJNR	Finalize draft report; Email to receiver; Email to L. Caylor; Review precedent discharge orders; Instruct	3.50
18/06/09	DJNR	Email from C. Simpson; Email to receiver; Telephone call from victims	1.10
19/06/09	DJNR	Email from and to receiver regarding Cam Fella property; Review related memorandum	1.40
<b>Total Hours</b>			<b>149.20</b>
<b>Total Fees</b>			<b>\$ 62,210.00</b>

**Other Charges**

Long Distance Phone Charges	1.68
Fax Charges	9.00
Photocopy Charges	250.00
<b>Total Other Charges</b>	<b>\$ 260.68</b>

Total Fees and Other Charges \$ 62,470.68

**Disbursements**

Courier Charges 39.80  
Process Servers 94.00

Total Disbursements \$ 133.80

GST \$ 3,130.22

TOTAL DUE \$ 65,734.70

Lawyer	Title	Hours	Rate	Amount
D. J. N. Rainsberry	Associate	139.60	425.00	59,330.00
P. K. Bell	Associate	9.60	300.00	2,880.00

BENNETT JONES LLP

PER \_\_\_\_\_



# **Bennett Jones**<sup>LLP</sup>

Bennett Jones LLP  
Suite 3400, 1 First Canadian Place  
P.O. Box 130  
Toronto, Ontario M5X 1A4  
(416) 863-1200

UDAYAN PANDYA  
4822 DERRYDOWN DRIVE  
MISSISSAUGA, ON L5M 7M7

Our File Number: 056445.00003

UDAYAN PANDYA  
Re: SIMPSON- DIANOR SHARES/JDP/DJNR

Date: 23/06/09  
Invoice: 811540

<b>Date</b>	<b>Lawyer</b>	<b>Professional Services</b>	<b>Hours</b>
03/11/08	DJNR	Letter to opposing counsel regrading finalization of settlement; Coordinate with RBC Dominion Securities	1.00
Total Hours			1.00
Total Fees			\$ 425.00
<b>Other Charges</b>			
	Photocopy Charges		0.75
Total Other Charges			\$ 0.75
Total Fees and Other Charges			<u>\$ 425.75</u>
GST			\$ 21.29
<b>TOTAL DUE</b>			<u><u>\$ 447.04</u></u>

<b>Lawyer</b>	<b>Title</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
D. J. N. Rainsberry	Associate	1.00	425.00	425.00

BENNETT JONES LLP

PER \_\_\_\_\_



# **Bennett Jones**<sup>LLP</sup>

Bennett Jones LLP  
Suite 3400, 1 First Canadian Place  
P.O. Box 130  
Toronto, Ontario M5X 1A4  
(416) 863-1200

UDAYAN PANDYA  
4822 DERRYDOWN DRIVE  
MISSISSAUGA, ON L5M 7M7

Our File Number: 056445.00006

UDAYAN PANDYA  
Re: SIMPSON- RECO/LLOYDS/JDP/DJNR

Date: 24/06/09  
Invoice: 811683

Date	Lawyer	Professional Services	Hours
30/10/08	RWD	Researching the law regarding interest and costs in insurance	2.50
31/10/08	RWD	Researching the law regarding interest and costs in insurance	3.30
02/11/08	RWD	Researching the law regarding interest and costs in insurance	4.00
03/11/08	RWD	Researching the relevant law of interest in relation to insurance cases	0.70
03/11/08	DJNR	Review decision regarding 3 "related victims/claims"; Met with student regarding results of insurance research; Review case-law	2.60
04/11/08	DJNR	Review notice of appeal and appeal certificate	0.90
05/11/08	DJNR	Met with L. Caylor; Draft letter to R. Falby regarding costs/interest; Review costs outline; Review appeal rules; Met with A. Paltomaa	2.40
06/11/08	DJNR	Telephone call from J. Lederman office; Telephone call to R. Falby office; Email to L. Caylor	0.80
10/11/08	DJNR	Met with L. Caylor; Review letter from Commercial List	0.90
12/11/08	DJNR	Emails regarding appeal dates; Review Rules; Review finalized Certificate of Appeal	0.70
13/11/08	DJNR	Instruct and review Appellant's Certificate and related Rules	0.60
16/11/08	DJNR	E-mails regarding costs; Draft letter to Falby; Instruct regarding Respondent's Appeal Certificate; Review e-mail from victim regarding interest	0.90
18/11/08	DJNR	Letter from opposing counsel; Instruct regarding costs submissions	0.40
19/11/08	DJNR	Review letter of opposing counsel; Preliminary draft response; Revise detailed invoices	1.50
20/11/08	DJNR	Draft letter to opposing counsel regarding costs; Review approved fee entries; Met with L. Caylor	2.10
25/11/08	DJNR	Review letter of opposing counsel regarding costs; Draft response; Revise costs outline; Letter to Lederman J.	2.20
27/11/08	DJNR	Review costs submissions of opposing counsel; Review right of reply; Review	2.50

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Date	Lawyer	Professional Services	Hours
		emails of C. Simpson regarding affidavit	
28/11/08	DJNR	Telephone call from opposing counsel; Prepare draft judgment	0.70
01/12/08	DJNR	Review and consider draft Order; Met with L. Caylor; Various revisions to potential orders	2.20
02/12/08	DJNR	Various emails regarding draft order; Telephone call from opposing counsel; Met with L. Caylor	2.20
04/12/08	DJNR	Preliminary review of appeal materials	1.20
08/12/08	DJNR	Review factum of applicant; Review compendium	2.40
09/12/08	DJNR	Telephone call to L. Caylor; Strategy regarding filing	0.50
11/12/08	DJNR	Review appeal material	1.10
12/12/08	DJNR	Review order of Lederman J.; Email to L. Caylor	0.70
15/12/08	DJNR	Instruct/review order regarding costs; Emails regarding approval	0.60
17/12/08	DJNR	Email regarding issued cost order	0.20
19/12/08	DJNR	Review U.S. case law in appellant's factum	1.40
30/12/08	DJNR	Review correspondence from Court of Appeal; Instruct re: email regarding L. Caylor	0.40
05/01/09	LC	Call with insurer's counsel regarding appeal	0.10
05/01/09	DJNR	Review correspondence from Court of Appeal; Review precedent facta for Court of Appeal; Met with L. Caylor; Draft overview notes	2.40
06/01/09	DJNR	Review draft factum outline; Revise; Integrate structure for overview and facts analysis; Met with J. Cooper	3.20
07/01/09	DJNR	Met with student regarding research for use with factum; Reviewed previous material regarding accuracy of facts shown in Appellant's factum	2.20
07/01/09	JMC	Meeting with D. Rainsberry; Researching the law surrounding the interpretation of insurance contracts; Reviewing and noting-up all of the cases contained in the appellant's factum	6.20
08/01/09	JMC	Researching the law surrounding the interpretation of insurance contracts; Reviewing and noting-up all of the cases contained in the appellant's factum	7.50
08/01/09	DJNR	Draft overview; Compare with RECO claims chart; Properties review; Sample Agreements review; Preliminary draft facts; Met with student regarding research.	5.10
09/01/09	DJNR	Compare statement of facts with appellant factum	0.90
19/01/09	JMC	Preparing a memorandum with respect to all the noted-up cases contained in the appellant's factum and reviewing same	0.50
23/01/09	JMC	Meeting with L. Caylor to discuss research findings with respect to the appellant's factum	0.20
28/01/09	DJNR	Preliminary review of jurisprudence relied upon by Appellant; Review draft overview and facts; Telephone call to insurance victims; Review voicemails concerning interpretation of decision	4.30
29/01/09	DJNR	Draft Court of Appeal responding materials; Print and review opposing counsel's	14.40

Date	Lawyer	Professional Services	Hours
		case law; Review student research; Telephone call to victims regarding insurance and appeal timeline; Telephone call from counsel to victim regarding insurance proceeds for matrimonial dispute	
29/01/09	JMC	Meeting with D. Rainsberry regarding research findings with respect to appellant's factum; Drafting factum; Researching the public nature of insurance policies	4.90
30/01/09	JMC	Researching the public nature of insurance policies	1.50
30/01/09	DJNR	Draft and revise Court of Appeal responding materials; Conduct related research	6.50
31/01/09	DJNR	Draft factum; Research case law; Review various emails from student and related U.S. jurisprudence for Court of Appeal factum	8.60
31/01/09	JMC	Researching the public nature of insurance policies	2.00
01/02/09	JMC	Researching the public nature of insurance policies; Researching why appeal court should adopt the principles/reasons of our cited case precedents over those of the opposing party	3.00
01/02/09	DJNR	Draft and revise factum for Court of Appeal; Research and review U.S. jurisprudence	10.40
02/02/09	DJNR	Revisions to factum and brief of authorities for Court of Appeal; Met with student; Facilitate service; Finalize delivery; Met with L. Caylor	6.60
02/02/09	LC	Review and revise factum for appeal	0.60
02/02/09	JF	Caselaw for factum for J. Cooper	0.20
02/02/09	JMC	Gathering case law from various reporters for responding factum; Drafting, serving and filing factum	7.70
05/02/09	DJNR	Research regarding prescribed form of factum; Confirmation email to L. Caylor including rule citations; Met with L. Caylor and student	2.10
09/02/09	DJNR	Review US jurisprudence relied upon by Appellant	1.20
10/02/09	DJNR	Correspondence regarding additional claimant; Review file and Statement of Agreed Facts; Telephone call from victim	3.10
11/02/09	DJNR	Analyze information regarding added claim	0.50
12/02/09	DJNR	Email regarding appeal date on investor counsel	0.20
13/02/09	DJNR	Review letter regarding interest on insurance proceeds	0.40
24/02/09	DJNR	Review letter from counsel regarding added claim; Draft letter to R. Falby; Emails to L. Caylor; Review correspondence	1.60
26/02/09	DJNR	Letter from opposing counsel regarding added claim; Email to L. Caylor	0.60
09/03/09	DJNR	Review Appeal Compendium; Review Huisman claim; Compare against received claims	1.50
11/03/09	DJNR	Revisions to letter regarding Huisman claim	0.50
13/03/09	DJNR	Emails from counsel to H. Huisman; Letter to R. Falby	1.20
16/03/09	DJNR	Letter from R. Falby; Letter to counsel for H. Huisman	0.50
17/03/09	DJNR	Email regarding Huisman claim; Review attached correspondence; Email to L. Caylor	1.30



Date	Lawyer	Professional Services	Hours
19/03/09	DJNR	Emails regarding claim of H. Huisman; Email to R. Falby; Review initial order	1.60
23/03/09	DJNR	Review factum and related jurisprudence	1.30
26/03/09	DJNR	Email regarding claim of H. Huisman; Email to L. Caylor; Telephone call from C. Simpson	0.80
31/03/09	DJNR	Telephone calls from counsel to Huisman; Consult initial order; Telephone call to B. Falby; Telephone call to counsel to Huisman; Email	2.30
01/04/09	DJNR	Telephone call from C. Simpson	0.40
02/04/09	DJNR	Follow up regarding T5 income	0.70
06/04/09	JMC	Summarizing caselaw for appeal to be heard April 20, 2009	4.60
06/04/09	DJNR	Instruct regarding case summaries for case on appeal; Email to L. Caylor; Correspondence to R. Falby; Met with L. Caylor	1.30
07/04/09	JMC	Summarizing caselaw for appeal to be heard April 20, 2009	4.40
08/04/09	JMC	Summarizing caselaw for appeal to be heard April 20, 2009	2.40
08/04/09	DJNR	Email from R. Falby regarding Huisman claim; Email to L. Caylor	0.50
09/04/09	DJNR	Instruct regarding case summaries for use on appeal; Review book of authorities; Draft letter to C. Losell	1.60
13/04/09	JMC	Summarizing caselaw for appeal to be heard April 20, 2009	2.80
13/04/09	DJNR	Draft letter to counsel to H. Huisman; Emails to L. Caylor; Review appeal material; Met with articling student regarding case summaries	3.50
14/04/09	DJNR	Review case summaries; Compare against Book of Authorities; Email regarding Court of Appeal attendance information; Fax from opposing counsel regarding alternative definitions; Review additional definitions; Met with student; Limitation regarding interest on insurance	3.70
14/04/09	DJNR	Met with L. Caylor in preparation for appeal	0.80
14/04/09	JMC	Summarizing caselaw for appeal to be heard April 20, 2009; Looking for alternative definitions of "fraud"	1.50
14/04/09	LC	Conference with D. Rainsberry; Review appeal materials, review record and factum from appellant; Consider arguments and response	4.20
15/04/09	LC	Review materials, prepare for appeal	3.10
15/04/09	DJNR	Met with L. Caylor regarding appeal; Email from victim regarding appeal	1.40
16/04/09	DJNR	Voicemail from L. Caylor regarding alternative policy language; Prepare draft memo	1.10
16/04/09	DJNR	Review appeal material in preparation	1.50
16/04/09	LC	Review appeal materials, review policy, review factum, consider and prepare argument	4.80
16/04/09	SP	Discussion with D. Rainsberry; Discussions regarding file background (COA) with E. Goutowski; Review accounting entries and prepare costs outline for approval	2.80
16/04/09	JDP	Conference with L. Caylor regarding appeal arguments and strategies; Review fidelity case law	1.50

Date	Lawyer	Professional Services	Hours
17/04/09	SP	Review and prepare copies of costs outline for court of appeal	0.20
17/04/09	DJNR	Revise memo regarding alternative definitions/insurance policy language; Met with litigation clerk regarding costs outline; Locate/review notes from original application; Review email correspondence from C. Wallis Simpson regarding appeal; Emails regarding time/location of appeal; Emails to L. Caylor	4.00
17/04/09	DJNR	Met with L. Caylor in preparation for appeal	0.80
17/04/09	LC	Prepare for appeal	2.80
17/04/09	JDP	Conference with L. Caylor regarding appeal strategy, review file	1.20
19/04/09	DJNR	Preparation for appeal hearing; Review and finalize costs outline	2.90
19/04/09	LC	Reviewing appellant's cases, prepare for appeal	4.50
20/04/09	DJNR	Attend on appeal of decision of Lederman J.; Preparation; Met with victims; Met with L. Caylor; Telephone call to receiver	4.40
20/04/09	JDP	Conference with L. Caylor regarding appeal	1.00
20/04/09	LC	Prepare and attend appeal	3.80
21/04/09	DJNR	Met with student regarding interest on insurance payments; Review research; Met with E. Hoaken; Met with L. Caylor; Email from court regarding endorsement	2.30
22/04/09	DJNR	Letter to opposing counsel regarding appeal, costs, process for claim payment; Review formal Court of Appeal Order; Met with L. Caylor	1.80
23/04/09	DJNR	Email from B. Falby regarding outstanding appeal issues; Review claimant list; Telephone call to various claimants; Email from G. Cohen; Email regarding investor updates	1.60
24/04/09	DJNR	Email regarding B. Snaper - claimant	0.20
27/04/09	DJNR	Numerous discussions and emails from B. Snaper regarding claim under consumer deposit extension; Draft letter to B. Falby; Revise Order; Review message from Court of Appeal	3.20
28/04/09	DJNR	Email from opposing counsel regarding form of order; Telephone call to J. MacMillan regarding claimant; Review and finalize correspondence regarding B. Snaper; Email to L. Caylor	1.90
04/05/09	DJNR	Telephone call from claimant	0.30
07/05/09	DJNR	Review order of Court of Appeal; Letter to opposing counsel; Email regarding website update	1.10
13/05/09	DJNR	Letter from counsel to H. Huisman; Email to L. Caylor	0.40
15/05/09	DJNR	Telephone call to B. Falby; Email to L. Caylor	0.40
19/05/09	DJNR	Telephone call to and from B. Falby regarding process on insurance payment; Telephone call and revise correspondence from counsel to H. Huisman	1.00
20/05/09	DJNR	Review draft letter to opposing counsel regarding amounts owed under policy; Email to receiver	0.60
26/05/09	DJNR	Draft email response to R. Falby; Email to L. Caylor; Telephone call to R. Kwasniewicz; Review claim inquiry and affidavit of R. Falby; Reply to B.	2.20

Date	Lawyer	Professional Services	Hours
		Walmsley	
03/06/09	DJNR	Review list of claimants, interest accrual	1.10
10/06/09	DJNR	Revise receiver report' Review investor updates; Correspondence with opposing counsel; Telephone call from victim	1.70
11/06/09	DJNR	Draft letter to opposing counsel; Email to L. Caylor	2.10
15/06/09	DJNR	Letter from counsel to H. Huisman; Draft letter to R. Falby	1.20
16/06/09	DJNR	Letter from and to opposing counsel regarding distribution process; E-mail to L. Caylor; Review claimants list; E-mail correspondence to receiver	2.20
17/06/09	DJNR	Letter to opposing counsel; Review related investor update	0.90
19/06/09	DJNR	Various telephone calls from victims/claimants; Email to receiver; Emails to L. Caylor; Review letter regarding interest	3.10

Total Hours 265.80

Total Fees \$ 106,709.00

**Other Charges**

Library Computer Search	788.09
Long Distance Phone Charges	0.12
Fax Charges	77.00
Photocopy Charges	830.50

Total Other Charges \$ 1,695.71

Total Fees and Other Charges \$ 108,404.71

**Disbursements**

Process Servers	296.00
Total Disbursements	\$ 296.00

**Disbursements Incurred As Your Agent (Nontaxable)**

Government Filing Fee	127.00
Total Disbursements Incurred As Your Agent	\$ 127.00

GST \$ 5,435.04

TOTAL DUE \$ 114,262.75

Lawyer	Title	Hours	Rate	Amount
J. D. Patterson	Partner	3.70	850.00	3,145.00
L. Caylor	Partner	23.90	700.00	16,730.00
D. J. N. Rainsberry	Associate	175.30	425.00	74,502.50
J. M. Cooper	Student	49.20	195.00	9,594.00
R. W. Drew	Student	10.50	185.00	1,942.50
J. Freeman	Legal Assistant	0.20	225.00	45.00
S. Paige	Paralegal	3.00	250.00	750.00

BENNETT JONES LLP

PER \_\_\_\_\_

**Udayan Pandya**  
Plaintiff

v.

**Courtney Wallis Simpson et al.**  
Defendants

Court File No.: 05-CL-6159

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
(Commercial List)

In the matter of the *Class Proceedings Act*, 1992

Proceeding commenced at Toronto

**MOTION RECORD**  
(Motion returnable July 31, 2009)

**BENNETT JONES LLP**  
One First Canadian Place  
Suite 3400, P.O. Box 130  
Toronto, Ontario  
M5X 1A4

**Lincoln Caylor / David J.N. Rainsberry**  
LSUC Nos. 37030L / 49890Q  
Tel: 416-777-6121 / 6236  
Fax: 416-863-1716

Solicitors for the receiver