

RICHTER

File No. CI 20-01-26627

**THE KING'S BENCH
WINNIPEG CENTRE**

**IN THE MATTER OF THE RECEIVERSHIP OF
NYGÅRD HOLDINGS (USA) LIMITED, NYGARD INC.,
FASHION VENTURES, INC., NYGARD NY RETAIL, LLC,
NYGARD ENTERPRISES LTD., NYGARD PROPERTIES LTD.
4093879 CANADA LTD., 4093887 CANADA LTD., AND
NYGARD INTERNATIONAL PARTNERSHIP**

**RICHTER INC. (FORMERLY, RICHTER ADVISORY GROUP INC.)
THIRTEENTH REPORT OF THE RECEIVER**

OCTOBER 12, 2022

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I. INTRODUCTION

1. On March 18, 2020 (the “**Appointment Date**”), pursuant to an order (the “**Receivership Order**”) of the Court of Queen’s Bench (now the Court of King’s Bench) (Winnipeg Centre) (the “**Manitoba Court**”) made in Court File No. CI 20-01-26627 (the “**Canadian Proceedings**”), Richter Inc. (formerly, Richter Advisory Group Inc.) (“**Richter**”) was appointed as receiver (in such capacity, the “**Receiver**”) of the assets, undertakings and properties (the “**Property**”) of Nygård Holdings (USA) Limited, Nygard Inc., Fashion Ventures, Inc., Nygard NY Retail, LLC (collectively, the “**US Debtors**”), Nygard Enterprises Ltd. (“**NEL**”), Nygard International Partnership (“**NIP**”), Nygard Properties Ltd. (“**NPL**”), 4093879 Canada Ltd. (“**879**”), and 4093887 Canada Ltd. (“**887**”, and together with NEL, NIP, NPL and 879, the “**Canadian Debtors**”) (the US Debtors and the Canadian Debtors together, the “**Nygaard Group**” or the “**Debtors**”) to exercise the powers and duties set out in the Receivership Order, pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, (the “**BIA**”) and section 55 of *The Court of Queen’s Bench Act*, C.C.S.M. c.C280.
2. The Receivership Order was granted pursuant to an application made by White Oak Commercial Finance, LLC, (“**White Oak**” or the “**Agent**”), as administrative agent and collateral agent for and on behalf of White Oak and Second Avenue Capital Partners, LLC (collectively, the “**Lenders**”) pursuant to security held by the Lenders in the Property of the Debtors provided in connection with a certain loan transaction and a revolving credit facility (the “**Credit Facility**”) provided thereunder.
3. The Credit Facility was provided to the Debtors pursuant to a Credit Agreement dated December 30, 2019 (the “**Credit Agreement**”) and together with other associated documents, the “**Lenders’ Security**”) as defined in, and attached as Exhibit “D” to, the Affidavit of Robert Dean affirmed March 9, 2020 (the “**Dean Affidavit**”) and filed in these proceedings.
4. Also on March 18, 2020, the Receiver, as the duly appointed foreign representative (the “**Foreign Representative**”) of the Debtors, commenced proceedings in the United States Bankruptcy Court for the Southern District of New York (the “**US Court**”) by filing, among other things, petitions on behalf of the Receiver in relation to the Debtors pursuant to sections 1504 and 1515 of the US Bankruptcy Code seeking recognition by the US Court of the Canadian proceedings as a foreign main proceeding (the “**Chapter 15 Proceedings**”). On March 26, 2020, the US Court entered, among other things, a provisional recognition order and, on April 23, 2020, the US Court granted a final order recognizing, among other things, the Canadian Proceedings as the foreign main proceeding. The Canadian Proceedings and the Chapter 15 Proceedings are together hereinafter referred to as the “**Receivership Proceedings**”.

5. On April 29, 2020, the Manitoba Court made various Orders, including an Order (the “**Sale Approval Order**”) which, among other things, approved an agreement (the “**Consulting and Marketing Services Agreement**”) between the Receiver and a contractual joint venture comprised of Merchant Retail Solutions, ULC, Hilco Merchant Resources, LLC, Hilco IP Services, LLP dba Hilco Streambank, and Hilco Receivables, LLC (collectively, “**Hilco**” or the “**Consultant**”), and White Oak, pursuant to which the Consultant will provide certain consulting, marketing and related asset disposition services. In addition, as it appeared that a going concern or “en-bloc” sale of the Nygard Group’s assets was not likely, the Sale Approval Order authorized the Receiver to liquidate the Nygard Group’s retail inventory and owned furniture, fixtures and equipment through temporarily re-opened stores (the “**Liquidation Sale**”), as soon as circumstances permit. As certain details regarding the Liquidation Sale of particular importance to landlords of the Nygard Group’s retail stores (the “**Landlords**”) were not capable of being known with any precision or certainty at that time (given COVID-19 restrictions on non-essential business activities), the Sale Approval Order set out a process that required the Receiver to obtain a further order of the Manitoba Court addressing certain specified matters prior to commencement of the Liquidation Sale.
6. On April 29, 2020, the Manitoba Court made two (2) further Orders: (i) an Order (the “**General Order**”) addressing, among other things, various general matters, including certain amendments to the Receivership Order (limiting the scope of the Receivership Order in relation to the property, assets and undertakings of NEL and NPL) and the procedure for landlord access to properties leased to Nygard Inc. by certain non-Debtor members of the Nygard organization, and (ii) an Order (the “**DEFA Order**”) establishing the protocol for requesting access to and / or production of documents and electronic files purported to be in the possession or control (or subject to the possession or control) of the Receiver by certain non-Debtor members of the Nygard Organization (as defined in the Receiver’s First Report dated April 20, 2020) or directors, officers and employees of the Nygard Group.
7. On May 15, 2020, Edson’s Investments Inc. (“**Edson’s**”) and Brause Investments Inc. (“**Brause**” and collectively with Edson’s, the “**Gardena Landlords**”) filed a notice of motion (the “**Gardena Motion**”) with the Manitoba Court for an order requiring the Receiver to, among other things, lift the stay of proceedings granted by the Manitoba Court in these proceedings so that the Gardena Landlords may terminate leases for properties located in Gardena, California at 312 and 332 East Rosecrans Avenue (“**East Rosecrans**”), 14401 South San Pedro Street (“**14401**”), and 14421 South San Pedro Street (“**14421**” and together with East Rosecrans and 14401, the “**California Properties**”) for failure of the Receiver to pay occupancy rent and retake possession of the California Properties. The Gardena Motion did not proceed as a result of the E/B Settlement Agreement (as hereinafter defined), which was dealt with in the Receiver’s Seventh Report dated September 10, 2020.

8. On June 2, 2020, as required by the Sale Approval Order and in anticipation of commencing the Liquidation Sale where permitted to do so (taking into consideration local public health orders and related COVID-19 restrictions), the Manitoba Court made an Order addressing certain Landlord matters in relation to the conduct of the Liquidation Sale.
9. On June 30, 2020, the Manitoba Court made an Order approving, among other things, the sale of certain NPL real property located at 1300, 1302 and 1340 Notre Dame Avenue and 1440 Clifton Street in Winnipeg, Manitoba.
10. On June 30, 2020, the Manitoba Court also made an Order approving, among other things, the terms of an agreed Settlement Agreement and Release of Claims between the Receiver and Dillard's Inc.
11. On August 10, 2020, the Manitoba Court made an Order approving, among other things, the sale of certain NPL real property located at 1 Niagara Street in Toronto, Ontario.
12. On September 15, 2020, the Manitoba Court made an Order (the "**E/B Settlement Approval Order**") approving, among other things, the terms of a settlement agreement (the "**E/B Settlement Agreement**") between the Receiver, the Gardena Landlords, the Lenders, NPL, and Mr. Peter J. Nygard ("**PJN**") and other members of the Nygard Organization.
13. Also, on September 15, 2020, the Manitoba Court made an Order (the "**NOI Withdrawal Order**") withdrawing the NOI Proceedings (as defined in the NOI Withdrawal Order) in accordance with the E/B Settlement Agreement.
14. On October 21, 2020, the Manitoba Court made an Order approving, among other things, the abandonment of certain documents and property located in the California Properties and the Nygard Group retail stores.
15. On November 19, 2020, the Manitoba Court made an Order (the "**Inkster Approval and Vesting Order**") approving, among other things, the sale of certain NPL real property located at 1771 Inkster Blvd, Winnipeg Manitoba (the "**Inkster Property**") and authorizing the Receiver to make such arrangements as it considered reasonable and appropriate for the preservation of over 5,000 boxes of physical documents (the "**Physical Records**"), and the data (the "**Electronic Records**") and programs (the "**Programs**") stored or accessible on the Nygard Group's central information technology system (the "**IT System**", and together with the Physical Records, Electronic Records and Programs, the "**Records**").
16. On November 27, 2020, the Nygard Group appealed certain of the relief granted pursuant to the Inkster Approval and Vesting Order, including the authorization of the sale of the Inkster Property (the "**Inkster Appeal**").

17. On December 8, 2020, the Manitoba Court provided additional direction and clarification of the Order pronounced on November 19, 2020 in respect of the preservation of Records as well as the provision of certain Electronic Records to the Debtors and/or PJN. The Receiver considers that the direction of the Manitoba Court as to those matters is properly described within the Inkster Approval and Vesting Order.
18. On December 31, 2020, the Manitoba Court of Appeal (the “**Court of Appeal**”) made an Order (the “**Lift Stay Order**”) cancelling any stay imposed as a result of section 195 of the BIA with respect to the Inkster Approval and Vesting Order.
19. Subsequent to the making of the Lift Stay Order, on January 8, 2021, the Debtors discontinued the Inkster Appeal, which the Receiver agreed to accept on a without costs basis.
20. On January 28, 2021, the Manitoba Court made an Order approving, among other things, the sale of certain NPL real property located at 702 and 708 Broadway Avenue in Winnipeg, Manitoba.
21. On March 3, 2021, the Manitoba Court made an Order detailing the process to quantify and resolve the claims of Landlords for any Unpaid Rent in respect of the lease for each retail store secured by the Landlords’ Charge.
22. On April 16, 2021, the Receiver filed a notice of motion with the Manitoba Court returnable May 12, 2021 (the “**Preservation of Proceeds Motion**”) in respect of the preservation of proceeds realized from the sale of certain real property owned by NPL (the “**Preserved Proceeds**”) in accordance with an agreement (the “**NPL Proceeds Preservation Agreement**”) reached between the Receiver and NPL pending a final determination by the Manitoba Court of certain issues with respect to (i) the state the Debtors’ intercompany accounts, (ii) the respective claims of NPL and NIP (if any) to be subrogated to the security held by the Lenders and the extent and/or amount of such subrogation, (iii) the consolidation of the Debtors for creditor purposes, and (iv) the potential bankruptcy of the Debtors, including NPL (collectively, the “**Consolidation Issues**”). Ultimately, the Receiver and NPL were able to resolve their dispute with respect to the matters which were to be argued at the May 12, 2021 hearing and, as such, the Preservation of Proceeds Motion was adjourned to be heard, if necessary, on June 17, 2021, which date had already been secured to deal with the Consolidation Issues.
23. On June 4, 2021, the Receiver filed a notice of motion with the Manitoba Court returnable June 17, 2021 (the “**Net Receivership Proceeds Motion**”) seeking an Order(s), among other things, substantively consolidating the assets and liabilities of the Debtors for the purpose of addressing the claims of creditors of each of the Debtors and authorizing the Receiver to file assignments in bankruptcy in respect of each of the Debtors (including the US Debtors) on a substantially consolidated basis. The Net Receivership Proceeds Motion (and the Preservation of Proceeds Motion, if necessary) were subsequently adjourned to November 5, 2021.

24. On July 26, 2021, the Receiver filed a further notice of motion with the Manitoba Court returnable November 5, 2021 seeking advice and direction from the Manitoba Court with respect to whether the additional uses of the Preserved Proceeds, as requested by the Respondents, were proper and consistent with the terms of the NPL Proceeds Preservation Agreement.
25. On September 8, 2021, the Debtors filed a notice of motion with the Manitoba Court returnable September 16, 2021 (the “**Questions Motion**”) seeking an Order, among other things, compelling certain representatives of the Receiver to attend for cross examination on the Receiver’s Twelfth Report dated June 4, 2021 (the “**Twelfth Report**”) or, in the alternative, directing the Receiver to answer all of the questions (as well as any follow-up questions) (collectively, the “**Questions**”) attached as Schedule “A” to the Questions Motion (in excess of 260 questions). On September 16, 2021, the Manitoba Court provided the Receiver and the Debtors guidance regarding the nature and type of questions properly put to the Receiver (generally, questions related to allocation of receivership expenses or intercompany obligations). The Manitoba Court directed that the Receiver and the Debtors cooperate to identify any questions related to the separate corporation analysis, allocation, and/or intercompany balances which relate to the facts and information relied upon by the Receiver in coming to its conclusions as detailed in the Twelfth Report and which were not already answered in the Twelfth Report or any other previously filed materials.
26. On November 5, 2021, the Manitoba Court made an order approving the NPL Proceeds Preservation Agreement and the distribution of certain amounts from the Preserved Proceeds (the “**Preserved Proceeds Agreement and Distribution Order**”), adjourned the Net Receivership Proceeds Motion to December 20, 2021, and set deadlines for the Receiver and the Debtors (or any interested party) to file responsive materials. On December 20, 2021, the Manitoba Court heard the contested Net Receivership Proceeds Motion (the “**December Hearing**”).
27. On March 10, 2021, the Honourable Mr. Justice Edmond of the Manitoba Court issued lengthy and comprehensive reasons for judgment (the “**March 10 Judgment**”) and made an Order (the “**Net Receivership Proceeds Order**”) that, among other things:
 - (a) declared the assets and liabilities of the Debtors to be substantively consolidated for the purposes of addressing the claims of creditors of each of the Debtors;
 - (b) authorized the Receiver to file assignments in bankruptcy on behalf of the Debtors, other than NPL and NEL;
 - (c) authorized the Receiver to file applications for bankruptcy orders in the Manitoba Court in relation to NPL and NEL on a basis that reflects the substantive consolidation of the estates of the Debtors (and lifted the stay of proceedings under the Receivership Order for the purpose of allowing this to occur);

- (d) appointed the Receiver as trustee in bankruptcy (the “**Trustee**”) of each of the Debtors;
 - (e) authorized the Receiver, in its capacity as Trustee, to apply for an order for procedural and substantive consolidation of the estates of each of the Debtors in bankruptcy for all purposes in the administration of the said estates under the BIA;
 - (f) approved the allocations made by the Receiver respecting receivership costs and the proceeds of sale of the Property;
 - (g) granted the Debtors’ motion to authorize or permit payment of the Debtors’ reasonable legal fees and disbursements and professional costs incurred and to be incurred in the Receivership Proceedings from certain Preserved Proceeds and, if necessary, the net proceeds of the Receivership (subject to the Receiver’s review and approval of such professional costs); and
 - (h) dismissed the Debtors’ motion to authorize or permit payment of legal fees and disbursements from the Preserved Proceeds or the net proceeds in the Receivership to defend the criminal charges against PJN.
28. On March 22, 2022, the Debtors attempted to file a Notice of Appeal dated March 22, 2022 (the “**Proposed Notice of Appeal**”) with the Court of Appeal pursuant to sections 193(a)(b)(c) and (e) of the BIA in connection with their proposed appeal of the Net Receivership Proceeds Order. The filing of the Proposed Notice of Appeal was not, however, accepted, as the attempt to file the Proposed Notice of Appeal occurred after the expiry of the 10-day appeal period provided pursuant to the *Bankruptcy and Insolvency General Rules*, C.R.C. c. 268.
29. On March 25, 2022, the Debtors filed a Notice of Motion with the Court of Appeal seeking an Order extending the time for filing the Proposed Notice of Appeal.
30. On May 5, 2022, the Debtors were granted an extension of time to file the Proposed Notice of Appeal such that the Proposed Notice of Appeal being held in abeyance was accepted for filing in its original form (“**Filed Notice of Appeal**”).
31. On June 6, 2022, the Debtors filed a notice of motion with the Court of Appeal seeking leave to amend the Filed Notice of Appeal (the “**Debtors’ June 6 Motion**”). On June 22, 2022, the Debtors filed a further motion with the Court of Appeal seeking, among other things, leave to extend the page limit of the Debtors’ factum, to be filed in support of the appeal, or, in the alternative, granting leave to file a “reply brief”, and an Order permitting the use of the documents filed electronically with the Manitoba Court in the Receivership Proceedings as part of the Debtors’ Appeal Book (the “**Debtors’ June 22 Motion**” and together with the Debtors’ June 6 Motion, the “**Debtors’ Appeal Motions**”).

32. Although the Receiver consented to certain of the proposed amendments set out in the Debtors' Amended Notice of Appeal, which provided further particulars or clarified the grounds of appeal contained in the Filed Notice of Appeal, the Receiver opposed the Debtors' June 6 Motion on the basis that certain of the proposed amendments sought to expand the scope of the appeal such that they were not true amendments, but rather should be considered as new grounds that would require the Court of Appeal to grant another extension of time to the Debtors. The Receiver opposed the Debtors' June 22 Motion, as in its view, there were no special circumstances in this case to permit the Debtors to depart from the usual provisions of the *Court of Appeal Rules*, Man Reg 555/88.
33. On August 11, 2022, the Court of Appeal largely dismissed the Debtors' Appeal Motions and provided additional direction and clarification regarding the permitted amendments to the Filed Notice of Appeal. As of the date of this report, the Court of Appeal has not yet set a date for the Debtors' appeal of the Net Receivership Proceeds Order.
34. In addition to the above matters in respect of the Debtors' appeal of the Net Receivership Proceeds Order, following the issuance of that Order, the Receiver has been requested to approve various of the Debtors' legal fees and disbursements (the "**Debtors' Professional Accounts**") in accordance with the direction provided by the Manitoba Court in the Net Receivership Proceeds Order. Unfortunately, based on the information provided to the Receiver, the Receiver was not in a position to approve certain of the Debtors' Professional Accounts. A case conference was held before Mr. Justice Edmond on August 30, 2022 (the "**Case Conference**") to consider the matter of the Debtors' Professional Accounts. At the Case Conference, a hearing date of November 3, 2022 was set for dealing with the matter of the Debtors' Professional Accounts, and the Manitoba Court set a schedule for the submission of materials in advance of the hearing date.
35. On October 3, 2022, the Debtors filed a notice of motion with the Manitoba Court returnable November 3, 2022 (the "**LTGLC Professional Fee Motion**") seeking an Order (i) determining the quantum of reasonable legal fees, disbursements and professional costs incurred by PJN in the receivership and bankruptcy proceedings, and (ii) authorizing the full payment of legal fees and disbursements and professional costs of PJN from the Preserved Proceeds and, if necessary, the Net Receivership Proceeds.
36. In accordance with the Receivership Order, the Receiver has established a website (the "**Receiver's Website**") for the purposes of these proceedings at <https://www.richter.ca/insolvencycase/nygard-group>.

37. Copies of the pleadings and other materials filed in the Receivership Proceedings, other than affidavits and appendices sealed by Order of the Manitoba Court, and the various Orders issued by the Manitoba Court are posted to and available for review at the Receiver's Website.
38. Copies of the pleadings and other materials filed in the Chapter 15 Proceedings, and the various Orders issued by the US Court are also posted to and available for review at the Receiver's Website.
39. The Receiver has engaged Thompson Dorfman Sweatman LLP (Winnipeg) ("**TDS**") as its Canadian counsel, and Katten Muchin Rosenman LLP (New York) as its U.S. counsel.

II. PURPOSE OF REPORT

40. The Receiver has previously filed twelve reports (and, collectively with eight additional supplementary reports, the "**Prior Receiver's Reports**") with the Manitoba Court in connection with the Receivership Proceedings. Copies of the Prior Receiver's Reports are available on the Receiver's Website.
41. This report (the "**Thirteenth Report**") is filed by the Receiver to provide the Manitoba Court with additional information in respect of the LTGLC Professional Fee Motion and to respond to certain matters raised in (i) the Motion Brief of the Respondents dated October 3, 2022 (the "**NPL Brief**") and (ii) the Affidavit of Wayne Onchulenko affirmed October 3, 2022 (the "**Onchulenko Affidavit**") and filed in support of the LTGLC Professional Fee Motion.

III. TERMS OF REFERENCE

42. In preparing this Thirteenth Report, the Receiver has relied upon information and documents prepared by the Debtors and their advisors, including unaudited, draft and/or internal financial information, the Debtors' books and records, discussions with representatives of the Debtors, including current and former employees, legal counsel to PJN, the Debtors and certain related non-Debtor entities, the Lenders and their legal counsel, and information from third-party sources (collectively, the "**Information**"). In accordance with industry practice, except as otherwise described in the Thirteenth Report, Richter has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, Richter has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Canadian Auditing Standards ("**CAS**") pursuant to the *Chartered Professional Accountant of Canada Handbook* and, as such, Richter expresses no opinion or other form of assurance contemplated under CAS in respect of the Information.

43. The Receiver has prepared this Thirteenth Report in its capacity as a Court-appointed officer to provide the Manitoba Court with information in relation to the LTGLC Professional Fee Motion. Parties using this Thirteenth Report, other than for the purposes outlined herein, are cautioned that it may not be appropriate for their purposes, and consequently should not be used for any other purpose.
44. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the March 10 Judgment.
45. Unless otherwise noted, all monetary amounts contained in this Thirteenth Report are expressed in Canadian dollars.

IV. NET RECEIVERSHIP PROCEEDS ORDER AND THE DEBTORS' PROFESSIONAL FEES

46. As noted in the March 10 Judgment, it was ordered that the Respondents (i.e. the Debtors) have access to certain funds, being the Preserved Proceeds and the Net Receivership Proceeds, to pay "reasonable legal fees and disbursements and professional costs incurred ... in the Receivership Proceedings", after review and approval by the Receiver of such legal fees and disbursements and professional costs. The March 10 Judgment provided as follows (emphasis ours):

In my view, providing statements of account for legal fees and disbursements are submitted to the Receiver or Trustee in bankruptcy for approval and are reasonable, the fees and disbursements may be paid from the Net Receivership Proceeds. The respondents are entitled to mount a defence and advance legal positions challenging the Receiver and if they elect to do so, the respondents may proceed with an appeal of this decision. If the legal fees and disbursements exceed the remaining balance of the Preserved Proceeds, a portion of the Net Receivership Proceeds may be set aside to cover reasonable fees and disbursements incurred by the respondents.

To conclude on the indemnification issues, the respondents' motion to authorize or permit payment of reasonable legal fees and disbursements and professional costs in the receivership or bankruptcy proceedings is granted. The respondents' motion to authorize or permit payment of reasonable legal fees and disbursements from the Preserved Proceeds or the Net Receivership Proceeds to defend the criminal charges against Mr. Nygard is dismissed.

I grant the following orders and/or declaratory relief: ...

m) The respondents' motion to authorize or permit payment of the respondents' reasonable legal fees and disbursements and professional costs incurred and to be incurred in the Receivership

Proceedings and to be incurred in the bankruptcy proceeding from the Preserved Proceeds and, if necessary, the Net Receivership Proceeds is granted;

n) The respondents' motion to authorize or permit payment of reasonable legal fees and disbursements from the Preserved Proceeds or the Net Receivership Proceeds to defend the criminal charges against Mr. Nygard is dismissed; and ... (at paras 138, 154 and 161(m)-(n)).

47. It is apparent that Mr. Justice Edmond was focused on permitting the Respondents access to the Preserved Proceeds and thereafter the Net Receivership Proceeds to pay "reasonable legal fees and disbursements and professional costs incurred ... in the Receivership Proceedings", after review and approval by the Receiver, based on the concern that "the respondents are entitled to mount a defence and advance legal positions challenging the Receiver..." (emphasis ours).
48. In the view of the Receiver, this requires that services be reasonably directly related to the Receivership Proceedings, either in connection with the participation of the Respondents in the court proceedings (i.e., the ability of the Respondents to "mount a defence") or in respect of matters that are currently at issue in the Receivership Proceedings. The March 10 Judgment contains no permission for the Respondents to have access to the Preserved Proceeds or the Net Receivership Proceeds for legal services directed to other business or interests of NPL or to other business or interests of PJN, whether those are somehow "indirectly" related to the Receivership Proceedings or not.

V. THE DEBTORS' PROFESSIONAL ACCOUNTS

49. On April 4, 2022, Levene Tadman Golub Law Corporation ("**LTGLC**"), the Debtors' Winnipeg legal counsel, wrote to TDS requesting that TDS provide an indication of what would be required from LTGLC in order for the Receiver to review and approve the Debtors' professional accounts.
50. On April 13, 2022, TDS provided an email response to LTGLC (with a copy to Fred Tayar & Associates ("**Tayar**"), the Debtors' Toronto legal counsel) outlining a proposed process (the "**Account Approval Process**") for the submission of professional accounts, and the review and approval of the Debtors' reasonable legal fees incurred in the Receivership Proceedings (the "**April 13 TDS Email**"), which may be summarized as follows:
- (a) LTGLC will forward to TDS copies of the professional accounts that it is looking to have paid. It is understood that certain entries in the accounts may be redacted to maintain confidentiality/privilege. LTGLC is at liberty to do so, bearing in mind that the account information that is disclosed will need to be sufficient to enable the Receiver to consider the reasonableness of the accounts;

- (b) in connection with providing copies of the accounts, Mr. W. Onchulenko (in relation to LTGLC's accounts) and Mr. F. Tayar or Mr. C. Linthwaite (in relation to Tayar's accounts) will represent that (i) the fees and disbursements described in the accounts are at standard rates and charges (which is the same requirement the Receiver and TDS have pursuant to the Receivership Order) and (ii) all fees and disbursements described in the accounts are incurred in connection with the receivership; and
- (c) if the Receiver is unable to determine the reasonableness of the accounts or otherwise considers that it cannot approve an account or accounts, the matter will be referred to Mr. Justice Edmond, either by case conference or motion, as Mr. Justice Edmond may direct.

A copy of the April 13 TDS Email is attached hereto as **Appendix "A"**.

- 51. On April 27, 2022, LTGLC wrote to TDS (the "**April 27 LTGLC Letter**") to submit four LTGLC accounts (the "**Original LTGLC Accounts**") for the period commencing November 29, 2021 and ending March 30, 2022, and two Tayar accounts for the period commencing November 2, 2021 and ending April 1, 2022 (the "**Original Tayar Accounts**"), for the Receiver's review and approval. The April 27 LTGLC Letter, a copy of which is attached hereto as **Appendix "B"**, confirmed that the LTGLC "fees and disbursements are at the standard rates and charges and are incurred in connection with the receivership" and also advised that "most of the redacted emails are to and from third parties to who Mr. Nygard communicates by phone and who then email us, and to whom we have been instructed to respond."
- 52. The aggregate fees billed by LTGLC for services rendered during the period addressed by the Original LTGLC Accounts was \$185,576.00, exclusive of taxes and disbursements. Including disbursements and applicable taxes, the Original LTGLC Accounts totalled \$210,213.21.
- 53. The aggregate fees billed by Tayar for services rendered during the period addressed by the Original Tayar Accounts was \$116,107.24, exclusive of taxes and disbursements. Including disbursements and applicable taxes, the Original Tayar Accounts totalled \$131,773.19. The Original Tayar Accounts also indicated that a portion of the Tayar Accounts had been previously paid, leaving an outstanding balance totalling \$63,934.67.

54. On May 10, 2022, following the Receiver's review of the Original LTGLC Accounts and the Original Tayar Accounts, TDS sent an email to LTGLC and Tayar (the "**May 10 TDS Email**"), a copy of which is attached hereto as **Appendix "C"**, advising that the Receiver had certain immediate concerns regarding aspects of the Original LTGLC Accounts, set out as follows:

(a) a review of the Original LTGLC Accounts disclosed that in the period from January 7, 2022 to March 9, 2022 (after the last submissions had been made to the Court in connection with the Consolidation Motion and before a decision was rendered), there was substantial time incurred by LTGLC, notwithstanding that there was little activity occurring in the Receivership Proceedings. In particular, during that two-month period:

(i) TDS billed a total of \$8,115.94 inclusive of fees, disbursements and taxes;

(ii) Tayar billed a total of \$4,288.00, exclusive of taxes and disbursements; and

(iii) LTGLC billed a total of \$65,945.00, exclusive of taxes and disbursements.

The Receiver sought an explanation from LTGLC as to what receivership matters it was providing services for in the subject period that resulted in fees approximately 10 times greater than the fees charged by TDS to the Receiver in the same period, and perhaps 15 times higher than included in the Original Tayar Accounts for the same period;

(b) the Original LTGLC Accounts disclosed that time was billed for every day during that two-month period except January 29, 2022, and February 27, 2022, (i.e., on 60 of 62 days of the subject period); and

(c) the Original LTGLC Accounts were so heavily redacted that it was not practically possible for the Receiver to assess whether the time entries actually related to the Receivership Proceedings and were reasonable.

55. Although the Receiver expected that certain (and limited) time entries would be redacted to maintain confidentiality/privilege, the Original LTGLC Accounts were so heavily redacted so as to preclude any assessment of the overall reasonableness of fees, and whether the entries were related to the Receivership Proceedings. In most cases, the time entries included no description beyond, for example, "email to...", without detail as to the matter or subject to which the email was related. By comparison, the time entries in the Tayar Accounts included few redactions and sufficient detail to assess the relationship of the activities detailed to the Receivership Proceedings.

56. The May 10 TDS Email also requested that Tayar confirm that the professional services included in the Original Tayar Accounts were provided at standard rates and that all fees incurred were solely in relationship to the Receivership Proceedings. On the same date, Tayar confirmed both of the above to TDS.
57. In response to certain of the concerns raised in the May 10 TDS Email, and despite the representations included in the April 27 LTGLC Letter, on May 24, 2022, Mr. W. Onchulenko of LTGLC emailed Mr. B. Taylor of TDS (the "**May 24 LTGLC Email**") to advise, among other things, "...I am not suggesting that everything related to the Receivership. I am telling you the majority of discussions related to the receivership. Peter likes to review what has happened and to strategize what will happen next." A copy of the May 24 LTGLC Email is attached hereto as **Appendix "D"**.
58. During subsequent telephone communications between Messrs. Taylor and Onchulenko, TDS advised that the Receiver would not, and could not, approve the Original LTGLC Accounts unless they were provided in a form that would allow the Receiver to assess the reasonableness of the fees and the connection to the Receivership Proceedings. In this regard, TDS requested that LTGLC provide accounts with fewer redactions (to the extent possible while still maintaining proper claims of privilege) and advise which fees related to the Receivership Proceedings.
59. On June 9, 2022, LTGLC wrote to TDS (the "**June 9 LTGLC Letter**") to advise that the Original LTGLC Accounts had been reviewed and that \$12,685.00 (exclusive of taxes) (the "**June Fee Reduction**") was time that was "spent on matters either not either [sic] directly or indirectly related to the Receivership file". A copy of the June 9 LTGLC Letter is attached hereto as **Appendix "E"**. Copies of the Original LTGLC Accounts, with somewhat fewer redactions (now, the "**Revised LTGLC Accounts**"), accompanied the June 9 LTGLC Letter.
60. Following a series of communications between TDS and LTGLC in respect of the Debtors' Professional Accounts, on June 28, 2022, TDS emailed LTGLC and Tayar advising that the Receiver was still working through the Revised LTGLC Accounts, but that the Receiver was prepared to consent to a payment of \$63,934.67 from the Preserved Proceeds in payment of amounts outstanding on the Original Tayar Accounts.
61. LTGLC subsequently made further inquiries concerning the status of the Receiver's review of the Revised LTGLC Accounts, and informed TDS of its intention, should the Receiver remain unwilling to approve the Revised LTGLC Accounts for payment from the Preserved Proceeds, to schedule the Case Conference to resolve the payment of its professional accounts. The Case Conference was scheduled in early August 2022.

62. On August 15, 2022, following a comprehensive review of the Revised LTGLC Accounts, TDS (in consultation with the Receiver) sent a lengthy letter to LTGLC (the “**August 15 TDS Letter**”), explicitly detailing the Receiver’s views and concerns in respect of the Revised LTGLC Accounts. A copy of the August 15 TDS Letter is attached hereto as **Appendix “F”**. The primary concerns of the Receiver, as detailed in the August 15 TDS Letter, included the following:
- (a) the Revised LTGLC Accounts remained heavily redacted and otherwise lacked sufficient detail to enable the Receiver to assess the reasonability and relevance to the Receivership Proceedings of the fees charged;
 - (b) NPL has repeatedly denied that PJN remains connected to, or acts as controlling mind of, NPL. That is clearly not the case given the above-noted LTGLC reference to PJN liking to “strategize” as being a factor reflected in the Revised LTGLC Accounts. The Receiver would, therefore, expect to see references in the Revised LTGLC Accounts to communications with PJN, although absent sufficient detail, it is unclear whether and to what extent such communications are, in fact, related to the Receivership Proceedings (or are reasonable);
 - (c) the Revised LTGLC Accounts include reference to persons whose connection to the Receivership Proceedings was unclear. Although the Receiver appreciates that certain interactions with individuals employed with the Toronto South Detention Centre (the “**TSDC**”) are likely required to communicate with PJN, absent sufficient detail, it is unclear which individuals are involved in facilitating meetings with PJN and whether such communications relate to discussions related to the Receivership Proceedings (or are reasonable);
 - (d) LTGLC has acknowledged that not all discussions referenced in the Revised LTGLC Accounts relate to the Receivership Proceedings, and described that, other than in respect of the June Fee Reduction, LTGLC’s services related “directly or indirectly” to the Receivership Proceedings. In accordance with the March 10 Judgment, services related to “discussions” or other activities that do not relate to the Receivership Proceedings cannot be approved. It is unclear what is meant by the services provided being “indirectly” related to the Receivership Proceedings, however, in the view of the Receiver, such services would not satisfy the intention of the March 10 Judgment; and

- (e) it appeared to the Receiver that time entries that did not satisfy the intention of the March 10 Judgment were comingled in the Revised LTGLC Accounts with time entries that are directly related to the Receivership Proceedings either (i) in connection with the participation of the Debtors in the court proceedings (i.e., the ability of the respondents to “mount a defence”) or (ii) in respect of matters that are currently at issue in the Receivership Proceedings.
63. The August 15 TDS Letter also informed LTGLC that it was its responsibility to provide the Receiver with sufficient information and detail to allow the Receiver to properly assess the reasonableness of the Revised LTGLC Accounts and confirm their connection to the Receivership Proceedings. The Receiver also noted that, in the past, and in connection with the approval of the accounts of the Receiver and its counsel in the Receivership Proceedings, the Debtors’ legal counsel referenced the need for a level of detail that enables the Court to determine that such accounts are reasonable and justifiable. As such, in order to enable the Receiver to approve the Revised LTGLC Accounts, LTGLC would need to at least “approach” that level of detail and clarity such that the Receiver, the Manitoba Court and other stakeholders can, in due course, be satisfied that the Receiver’s approval of the Revised LTGLC Accounts was warranted.
64. In response to the August 15 TDS Letter, on August 25, 2022 (the “**August 25 LTGLC Letter**”, for clarity, the August 25 TDS Letter is dated August 24, 2022, however, it was delivered to TDS on August 25, 2022), LTGLC wrote to TDS to advise that it had further reviewed the Original LTGLC Accounts and was submitting new accounts for the same time period (the “**Further Revised LTGLC Accounts**”) that address the Receiver’s concerns. In this regard, LTGLC noted that the Further Revised LTGLC Accounts had been redone to remove all items for which it was “not making a claim”, including certain “non receivership items”. In addition, despite LTGLC’s view that it was “receivership related”, LTGLC also removed “the communications dealing with attempting to have the criminal lawyers paid out of NPL funds”. The August 25 LTGLC Letter, a copy of which is attached hereto as **Appendix “G”**, also sought to respond to the Receiver’s concerns raised in the August 15 TDS Letter by providing further details of the matters it dealt with during the period addressed by the Further Revised LTGLC Accounts and certain of the difficulties encountered in communicating with PJN. In this regard, LTGLC stated that, “we need to consult with Mr. Nygard for what I hope is obvious reasons, but if not, it is because he is the sole shareholder of NEL who owns NPL who would be the main benefactor of the ongoing litigation”.
65. The Receiver notes that the aggregate fees billed by LTGLC for services rendered during the period addressed by the Further Revised LTGLC Accounts (November 29, 2021 to March 30, 2022), was \$154,096.50, excluding taxes and disbursements. Including disbursements and applicable taxes, the Further Revised LTGLC Accounts totalled \$174,956.16, representing a reduction of \$35,257.05 compared to the Original LTGLC Accounts.

66. The August 25 LTGLC Letter also attached additional LTGLC accounts for professional services rendered for the period March 29, 2022 to July 28, 2022 (the “**March to July LTGLC Accounts**”). The aggregate fees billed by LTGLC for services rendered during the period addressed by the March to July LTGLC Accounts was \$198,144.00, excluding taxes and disbursements. Including disbursements and applicable taxes, the March to July LTGLC Accounts totalled \$224,209.54. Taking into consideration the Further Revised LTGLC Accounts, LTGLC was claiming to be owed approximately \$399,000 for the time period covered by the Further Revised Accounts and the March to July LTGLC Accounts (that is, November 29, 2021 to July 28, 2022).
67. As noted above, the Case Conference was held on August 30, 2022.
68. Subsequent to the Case Conference, and in a further attempt to respond to the Receiver’s concerns regarding LTGLC’s professional accounts, LTGLC wrote to the Receiver on September 16, 2022 (the “**September 16 LTGLC Letter**”) and provided new accounts for the period December 2021 to August 2022 (the “**New LTGLC Accounts**”). LTGLC noted that the New LTGLC Accounts are different from the prior accounts submitted in that they reflect “work done for the respondents and directly related to the receivership” whereas prior accounts contained “work done for the respondents and directly and indirectly related to the receivership”. LTGLC also attempted to provide further details in respect of its time entries by labelling each entry with a number (1 – 10), which corresponded to a “work category” described in the September 16 LTGLC Letter, a copy of which is attached hereto as **Appendix “H”**.
69. The aggregate fees billed by LTGLC for services rendered during the time period addressed by the New LTGLC Accounts (for the period November 29, 2021 – August 29, 2022) was \$391,903.00, excluding taxes and disbursements. Including disbursements and applicable taxes, the New LTGLC Accounts total \$445,347.35 representing a reduction of approximately \$38,000.00 compared to the Original LTGLC Accounts and Revised LTGLC Accounts in respect of the same time period.

70. On September 30, 2022, in response to the Receiver's request, Tayar wrote to the Receiver to provide its accounts for the period April 4, 2022 to August 31, 2022 (the "**Current Tayar Accounts**" and together with the Original Tayar Accounts, the "**Tayar Accounts**"). The aggregate fees billed by Tayar during the period addressed by the Current Tayar Accounts was \$156,217.50, excluding taxes and disbursements. Including disbursements and applicable taxes, the Current Tayar Accounts report a total amount payable of \$174,444.82. Prior to submitting the Current Tayar Accounts, Tayar made certain handwritten adjustments to the value of the accounts, and it appears there was an inadvertent error in recalculating the total amount owing on the Tayar account dated May 11, 2022. After adjusting for this miscalculation, the total amount of the Current Tayar Accounts, including disbursements and taxes, is \$177,155.13 (the Receiver uses this revised total for the Current Tayar Accounts for the purposes the Thirteenth Report). Copies of the Tayar Accounts are attached hereto as **Appendix "I"**.
71. As with the Original Tayar Accounts, the fees of Tayar for the period of the Current Tayar Accounts appear to have been incurred in providing substantive services in connection with the preparation of court materials and arguments, and matters and contests at issue in the various appeal motions and required filings in the Receivership Proceedings, are reasonably descriptive, are not overly redacted, and appear to be reasonable.
72. On October 3, 2022, the Debtors filed the LTGLC Professional Fee Motion seeking approval of LTGLC's legal fees and disbursements in the aggregate amount of \$445,347.35 (i.e., the amount of the New LTGLC Accounts).
73. The Current Tayar Accounts have not been included in the LTGLC Professional Fee Motion.

VI. RECEIVER'S CONSIDERATIONS REGARDING THE DEBTORS' PROFESSIONAL ACCOUNTS

Status of the Receivership Proceedings

74. As noted above, the Manitoba Court heard the Net Receivership Proceeds Motion on December 20, 2021, and the Net Receivership Proceeds Order was made on March 10, 2022. During the interim period, there was little activity in the Receivership Proceedings. Following the issuance of the Net Receivership Proceeds Order, the primary ongoing matter to be dealt with in the Receivership Proceedings remains NPL's claimed rights and entitlements to the Net Receivership Proceeds. Accordingly, the Receiver expected that overwhelmingly the professional services rendered by both LTGLC and Tayar to the Debtors would be related to or in connection with that matter.
75. Based on the professional accounts submitted by LTGLC and Tayar to the Receiver for the Receiver's review and approval, it appears that the services described in the Tayar Accounts (which have been lightly redacted)

are generally in respect of matters related to the Receivership Proceedings and, in particular, matters related to the appeal of the Net Receivership Proceeds Order. The Receiver has approved payment of the Original Tayar Accounts. Taking into consideration the total quantum of the Debtors' Professional Accounts, the Receiver is not in a position to judge the reasonableness of the cumulative amounts remaining unpaid in connection with the Current Tayar Accounts and the New LTGLC Accounts. Based on the Receiver's review of the New LTGLC Accounts (as discussed in greater detail below), although it is clear that LTGLC has performed services for the Debtors directly related to the Receivership Proceedings for which it should be compensated from the Preserved Proceeds and/or the Net Receivership Proceeds, the Receiver is not in a position to judge whether many of the time charges detailed in the New LTGLC Accounts (after consideration of the corresponding "work category" descriptions) are either directly related to the Receivership Proceedings or are reasonable.

Quantum/Reasonableness of the Debtors' Professional Fees

76. The aggregate legal fees for both the Receiver and the Debtors for the period leading up to the hearing of the Net Receivership Proceeds Motion (approximately November 2021) to approximately August/September 2022 (the "Period") are as follows:

Receiver	Fees \$(CAN)	Debtors	Fees \$(CAN)
Fees excluding disbursements and applicable taxes:		Fees excluding disbursements and applicable taxes:	
TDS (November 10, 2021 - September 2, 2022)	\$ 330,026	LTGLC (November 30, 2021 - August 30, 2022)	\$ 391,903
		Tayar (November 2, 2021 - August 19, 2022)	\$ 272,325
	\$ 330,026		\$ 664,228
Fees including disbursements and applicable taxes:		Fees including disbursements and applicable taxes:	
TDS (November 10, 2021 - September 2, 2022)	\$ 372,118	LTGLC (November 30, 2021 - August 30, 2022)	\$ 445,347
		Tayar (November 2, 2021 - August 19, 2022) ¹	\$ 308,928
	\$ 372,118		\$ 754,276

(1) Tayar has made handwritten adjustments to the value of its accounts. In recalculating the aggregate fees (incl. disbursements and taxes), the Receiver has calculated a different amount. The amount calculated by the Receiver is as set out above.

77. As set out above, the aggregate Debtors' legal fees during the Period, excluding taxes and disbursements, total \$664,228, which is more than double the fees charged by TDS (\$330,026), excluding taxes and disbursements, during the Period.

78. Although the Receiver appreciates that the Debtors have two sets of legal counsel (LTGLC and Tayar) and, as such, there may be some reasonable and necessary duplication of certain actions/activities in carrying out their respective services for the Debtors, given the matters at issue in the Receivership Proceedings during the Period, the Receiver has concerns regarding the reasonableness of the amount of legal fees incurred by the Debtors during the Period. In addition, and as noted above, given the lack of descriptions for most of the time entries in the Original LTGLC Accounts and the Revised LTGLC Accounts, the Receiver was unable to obtain a clear understanding as to whether the services for which compensation has been claimed relate to the Receivership Proceedings.
79. As noted above, in an effort to provide the Receiver with further information supporting the relationship of the fees claimed by LTGLC to the Receivership Proceedings, LTGLC created a numerical classification system for its time entries, summarized as follows (for complete descriptions, see Appendix "H"):

Work Category	Summary Description of Work Topic (as per the September 16 LTGLC Letter)
1	Communications with counsel for the Receiver and counsel for other opposite parties. Communications with the Court...
2	Not used
3	All communications with Toronto South Detention Centre (TSDC) and its administrators...
4	All matters dealing with the selling of a building in Shanghai. There is a dispute as to if this building is owned by Nygard or NPL...
5	All matters dealing with the calculation of the Nygard inter-company debts and the contributions made by Mr. Nygard personally to the finances of these companies and what impact that would have or could have on NEL and NPL.
6	All matters dealing with the potential tax consequences of the results of the litigation including potential settlement discussions and a Consolidation Order or NEL and NPL not being part of a Consolidation Order of bankruptcy and how money could be dealt with if paid to NPL.
7	All matters dealing with a potential Consolidation Order or how to proceed if there was not a Consolidation Order...all matters dealing with the appeal of Consolidation Order...all matters dealing with the appeal including three pre-appeal contested motions...
8	All communications with respect to director's fees.
9	All communications involved in review of the assets of the respondent companies, how they would be affected by an Order of Consolidation and what assets are owned by those respondent companies and which assets are not owned by the respondent companies and in the Nygard Group of Companies and Mr. Nygard and preparation of a list of assets where are included and excluded from ownership with respect to the respondent companies and collection of documents to prove same...
10	All matters dealing with the December contested hearing and documents filed subsequent to the December hearing related to the December hearing...

80. Although LTGLC has provided a summary of the “approximate” value for the work performed by LTGLC in each “work category” for each of the New LTGLC Accounts in Exhibit “A” to the Onchulenko Affidavit, the Receiver has been unable to reconcile these amounts to the total amount being claimed for each of the New LTGLC Accounts. In an effort to facilitate the Receiver’s review of the New LTGLC Accounts, the Receiver converted the New LTGLC Accounts to a format that permitted the Receiver to consider the details provided therein (the “**Receiver Workbook**”). Below is a schedule prepared by the Receiver that summarizes the value of work performed by LTGLC in each “work category” for each of the New LTGLC Accounts based on LTGLC’s categorization of time entries (as noted above, the aggregate value for each “work category” does not reconcile to the total amount of the fees being claimed for each of the New LTGLC Accounts):

Work Cat.	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total Fees	% of Total
1	-	273	42	830	1,579	1,052	2,247	252	3,394	9,668	2%
2	-	-	-	-	-	-	-	-	-	-	0%
3	6,438	17,728	12,342	11,324	14,264	17,472	17,042	9,597	10,974	117,180	29%
4	160	90	-	125	1,788	-	517	288	374	3,342	1%
5	2,035	2,127	621	150	42	-	840	524	42	6,381	2%
6	280	2,142	1,359	1,676	931	1,526	945	796	42	9,697	2%
7	40	2,960	543	21,162	9,795	23,120	25,198	2,498	18,616	103,931	26%
8	200	40	336	84	-	126	-	42	62	890	0%
9	-	11,160	3,117	1,871	3,182	1,936	1,612	848	546	24,272	6%
10	21,070	13,898	-	50	1,059	-	-	-	4,830	40,907	10%
Other ¹	920	6,757	5,879	8,353	12,240	18,480	9,543	11,770	8,172	82,114	21%
Total²	31,143	57,174	24,239	45,625	44,879	63,711	57,943	26,615	47,052	398,379	100%
Total per LTGLC ³	29,983	51,033	24,384	46,466	44,795	63,638	57,896	26,657	47,052	391,903	
Difference⁴	1,160	6,141	(146)	(841)	84	73	47	(42)	-	6,476	

(1) Other includes uncategorized work, as well as work for which account entries include multiple categories.

(2) Represents the total fees billed for each time entry in the New LTGLC Accounts, excluding disbursements and taxes, according to the Receiver’s analysis.

(3) Represents the total amount claimed in each of the New LTGLC Accounts, excluding disbursements and taxes.

(4) Represents the difference between the total fees, excluding disbursements and taxes, based on the Receiver’s analysis and the amount claimed for each of the New LTGLC Accounts. The Receiver has been unable to reconcile these differences.

81. As set out in the above schedule, the majority of LTGLC’s time was spent in “work category” 3 and “work category” 7.

82. According to the above schedule, the value of the LTGLC work attributed to “work category” 3 is \$117,180 (or approximately 29% of the total time charges identified by the Receiver in the New LTGLC Accounts). This time is meant to address all communications with the TDSC and its administrators, including the expected difficulties scheduling meetings with PJN. The Receiver notes that while the Debtors generally, and NEL/NPL in particular, have previously denied that PJN continues to act as the controlling mind of any of the Debtors, and NEL/NPL in particular, that clearly does not seem to be the case. As stated by LTGLC in the May 24 LTGLC Email (see Appendix “D”), PJN “likes to review what has happened and to strategize what will happen next”.

83. According to the Onchulenko Affidavit, and as previously reported by the Receiver, PJN is the ultimate owner of the Canadian Debtors, including NEL, which is the sole shareholder of NPL. The Onchulenko Affidavit confirms that “it is in this capacity that he [PJN] has an interest in the financial well-being of these two entities” and, ostensibly (based on the Receiver’s understanding of the statement), the Receivership Proceedings.
84. In the Receiver’s view, the New LTGLC Accounts appear to be very substantially a product of the time spent in engaging, “strategizing” and taking instruction from PJN, in PJN’s personal interests and for his personal benefit, on the basis of time entries that cannot with any certainty distinguish dialogue on current receivership matters from other personal interests of PJN. This is notwithstanding the Debtors’ prior statements in these Receivership Proceedings that PJN is not the directing mind of NPL, and that Mr. Fenske is paid \$6,500/month from the Preserved Proceeds to serve as sole director of NPL and NEL, principally for the purpose of instructing counsel. In this regard, it is noteworthy that the LTGLC Professional Fee Motion is framed in terms of “... determining the quantum of reasonable legal fees, disbursements and professional costs incurred by Mr. Nygard” and “...authorizing the full payment of legal fees and disbursements and professional costs of Peter Nygard...” The Net Receivership Proceeds Order does not authorize or direct the payment of legal fees, disbursements and professional costs of PJN.
85. Evidence of this apparent convergence in corporate vs personal interests is noted in paragraph 22 of the Onchulenko Affidavit, that states: “Mr. Nygard reads the documents on the screen during a JVN and asks questions about the documents, so that he can discuss with Greg Fenske what he [PJN] thinks is the best course for NEL and NPL”.
86. Similarly, paragraph 49 of the NPL Brief states: “Communicating with Mr. Nygard since his arrest has been challenging as set out in Exhibit “K”. It has taken a significant amount of effort and time as set out in the accounts. Mr. Nygard has wanted to be engaged in all aspects of the litigation from the beginning until now as is his right. (3) Mr. Nygard is interested in the litigation because of the significant impact it has on his financial circumstances. Millions of dollars are involved”.

87. As noted above, the total amount of fees categorized as “work category” 3 was \$117,180. However, by filtering the Receiver Workbook for certain acronyms associated with the TSDC, including “TSDC”, “RDA” (remote video access for counsel to consult with clients) and “JVN” (judicial video network), the Receiver has identified an additional approximately \$69,000 in time entries not categorized exclusively as “work category” 3 (approximately \$53,000 in time entries including multiple work categories, including “work category” 3, and approximately \$16,000 in time entries not allocated in whole or in part to “work category” 3). After taking into consideration these additional amounts, the actual amount of LTGLC fees which may be said to be associated with “work category” 3 is approximately \$186,000 (or approximately 47% of the total time charges identified by the Receiver in the New LTGLC Accounts).
88. “Work category” 7 represented the second largest category of time charges in the New LTGLC Accounts, totalling \$103,931 (or approximately 26% of the total time charges identified by the Receiver in the New LTGLC Accounts). “Work category” 7, includes all matters dealing with the Net Receivership Proceeds Order and the subsequent appeal. However, in the Receiver’s view, and based on the description of work categories provided by LTGLC, work categories 1, 4, 5, 6, 7 and 9 collectively appear related to the Net Receivership Proceeds Order or the related impact of consolidation on the Debtors, NEL/NPL in particular. The total value of the collective time charges in the New LTGLC Accounts for work categories 1, 4, 5, 6, 7 and 9 is \$157,289 (or approximately 39% of the total time charges identified by the Receiver in the New LTGLC Accounts).
89. Further to the above, and with respect to “work category” 10, which addresses matters related to the contested Net Receivership Proceeds Motion, it appears to the Receiver that following the hearing of that motion, subsequent time charges are likely related to one of the work categories noted above dealing with matters related to the Net Receivership Proceeds Order or the related impact of consolidation on the Debtors, NEL/NPL in particular. As such, the total value of the collective time charges in the New LTGLC Accounts for services that, in the Receiver’s view, are related to the Net Receivership Proceeds Order or the related impact of consolidation of the Debtors is \$177,126 (or approximately 44% of the total time charges identified by the Receiver in the New LTGLC Accounts).
90. As noted above, the total amount claimed in the Tayar Accounts, which appear to relate principally to matters in connection with the appeal of the Net Proceeds Receivership Order, is \$272,325, excluding taxes and disbursements. Including the value of the LTGLC time charges which, in the Receiver’s view, are also related to the Net Receivership Proceeds Order or the related impact of consolidation on the Debtors, the total amount claimed by Tayar and LTGLC for services dealing with these matters (or directly related matters) is approximately \$449,450 or approximately \$120,000 greater than the entirety of the TDS fees charged during the Period.

91. Further, in the Receiver's view, certain actions/activities of LTGLC/Tayar have increased the quantum of professional fees incurred in the Receivership Proceedings. In particular, following the issuance of the Net Receivership Proceeds Order, the Debtors' legal counsel failed to meet the statutory deadline to appeal the Order, ultimately resulting in the filing of the Debtors' Appeal Motions. These actions/activities have undoubtedly increased the costs for all parties to the Receivership Proceedings, ultimately at the expense of the Debtors' unsecured creditors.

The Preserved Proceeds

92. Following the issuance of the Preserved Proceeds Agreement and Distribution Order, TDS, on behalf of the Receiver, has, on several occasions, requested that LTGLC provide it with a full accounting of the Preserved Proceeds (i.e., the net proceeds from the sale of the Fieldstone Property and the Falcon Lake Property).

93. Most recently, on August 25, 2022, LTGLC provided TDS with a copy of the trust ledgers for the Fieldstone Property and the Falcon Lake Property (collectively, the "Trust Ledgers"), showing the sources and uses of the respective sale proceeds and the remaining amounts held in trust as at on or about August 25, 2022. As shown in the Trust Ledgers, copies of which are attached hereto as **Appendix "J"**, approximately \$149,842 remains from the sale of the Fieldstone Property and approximately \$10,430 remains from the sale of the Falcon Lake Property.

94. In addition, based on a review of the Trust Ledgers, it appears that approximately \$873,500 has been paid to LTGLC and Tayar from the Preserved Proceeds, as follows:

Firm	Amount Paid \$(CAN)
LTGLC	558,406
Tayar	315,094
	873,500

95. With the remaining Preserved Proceeds totalling approximately \$160,272, payment of the Debtors' Professional Accounts will require significant contribution from the Net Receivership Proceeds, at the expense of the Debtors' unsecured creditors. Although the March 10 Judgment contemplated contribution from the Net Receivership Proceeds, the Receiver is not in a position to determine what "portion of the Net Receivership Proceeds" is reasonable and appropriate in the circumstances.

96. The Receiver notes that payment of the full amounts currently claimed by each of LTGLC and Tayar (as set out in the New LTGLC Accounts and the Current Tayar Accounts – approximately \$623,000), would require contribution from the Net Receivership Proceeds of approximately \$463,000.

Considerations

97. In the circumstances, the Receiver is not able to approve the New LTGLC Accounts or specifically approve certain entries in the New LTGLC Accounts and is, therefore, not able to recommend to the Manitoba Court a specific approved amount to be paid to LGTLC from the Preserved Proceeds and the Net Receivership Proceeds.

98. Given:

- (a) The issues described above in connection with the approval of each of the sets of LTGLC accounts, it is not practicable for the Receiver to responsibly approve or disapprove fees based on the services detailed in the LTGLC accounts provided, or assess their connection to the matters at issue in the Receivership Proceedings or their reasonableness;
- (b) that some amount of the fees charged by LTGLC included in the New LTGLC Accounts appear to relate to participation in the Manitoba Court proceedings and to matters at issue in the Receivership Proceedings;
- (c) that the total of the fees billed by TDS in the approximate time period under consideration in the LTGLC Professional Fee Motion is \$330,026, excluding taxes and disbursements, and the total of the accounts of TDS for that period, including taxes and disbursements, is \$372,118;
- (d) that the total of the fees billed by the Debtors' counsel in approximately the same time period in connection with the same Receivership Proceedings issues and matters is \$664,228, excluding taxes and disbursements (and the total of the Debtors' Professional Accounts for that period, including taxes and disbursements, is \$754,276), which appears to be substantially greater than what might reasonably be expected in contrast with the accounts of TDS in respect of generally the same proceedings and issues;
- (e) that some amount in excess of the amounts of the fees of the Receiver's counsel might reasonably be expected to have been charged by the Debtors' counsel, as LTGLC expresses the need for ongoing communication with PJN which is cumbersome, and that some overlap in services might reasonably be expected to arise;

the Manitoba Court may wish to consider approving payment of the Debtors' Professional Accounts (i.e. the New LTGLC Accounts and the Tayar Accounts) inclusive of fees, disbursements and taxes, from the Preserved

Proceeds and from the Net Receivership Proceeds, as required, in a total amount equivalent to the amount of the accounts issued by TDS, as counsel for the Receiver, plus an additional factor of some percentage (say, 15%) to recognize the arrangements required for contact with PJN and some expected overlap in services. This would consider and include the previously approved Original Tayar Accounts as well as the Current Tayar Accounts. A 15% premium to the accounts of TDS for the time period approximately covered by the New LTGLC Accounts and the collective Tayar Accounts, inclusive of fees, disbursements and taxes is approximately \$427,936.

99. In the result, factoring in the amount of \$63,934.67 paid to Tayar in relation to the Original Tayar Accounts, and the amount of \$177,155.13 to be paid to Tayar on the basis of the Receiver approving the Current Tayar Accounts, a further amount of approximately \$186,850 may be appropriate to be authorized for payment out of the remaining Preserved Proceeds and, following those funds being exhausted, the Net Receivership Proceeds.

VII. CONCLUSION

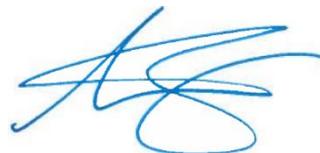
100. In consideration of all the above, the Receiver respectfully submits that it is not in a position to approve for payment from the Preserved Proceeds or the Net Receivership Proceeds the New LTGLC Accounts as they have been presented and recommends that the Manitoba Court consider addressing this matter as described in paragraph 98 hereof so that it may be resolved.

All of which is respectfully submitted on this 12th day of October, 2022.

Richter Inc. (formerly, Richter Advisory Group Inc.)
in its capacity as Receiver of
Nygard Holdings (USA) Limited, Nygard Inc., Fashion Ventures, Inc.,
Nygard NY Retail, LLC, Nygard Enterprises Ltd., Nygard Properties Ltd.,
4093879 Canada Ltd., 4093887 Canada Ltd., any Nygard International Partnership
and not in its personal capacity



Adam Sherman, MBA, CIRP, LIT



Adam Zeldin, CPA, CA, CIRP, LIT

Appendix "A"

Zeldin, Adam

From: Bruce Taylor <GBT@tdslaw.com>
Sent: Wednesday, April 13, 2022 11:43 AM
To: Sherman, Adam; Caylor, Jack; Zeldin, Adam
Cc: Ross McFadyen; Melanie LaBossiere
Subject: FW: Nygard Receivership - Professional Accounts [LAW-TDS.FID1853952]

Attention! Courriel externe | External Email

Please see below.

From: Bruce Taylor
Sent: Wednesday, April 13, 2022 10:42 AM
To: 'wonchulenko@ltglc.ca' <WOnchulenko@ltglc.ca>
Cc: Fred Tayar <fred@fredtayar.com>
Subject: Nygard Receivership - Professional Accounts [LAW-TDS.FID1853952]

Wayne, as we have discussed, Justice Edmond's March 10, 2022 decision provides that "... subject to providing statements of account to the Receiver...for approval on the basis the costs claimed are reasonable, the Preserved proceeds may be used to satisfy legal fees and disbursements and professional fees incurred in connection with the receivership..." . Justice Edmond makes the same provision for payment of fees and disbursements from Net Receivership Proceeds.

We understand that you believe that Albert Gelman Inc. has been paid in full for its services in connection with the Receivership, but that accounts are outstanding (or amounts have accrued in WIP) for your office and that of Messrs. Tayar/Linthwaite.

Since accounts are required to be provided to the Receiver and the Receiver is required to approve the professional accounts on the basis that they are reasonable, we propose the following process:

1. You will forward to us copies of the professional accounts that you are looking to have paid. We understand that certain entries in the accounts may be redacted to maintain confidentiality/privilege. You are at liberty to do so, bearing in mind that the account information that is disclosed will need to be sufficient to enable the Receiver to consider the reasonableness of the accounts.
2. In connection with providing copies of the accounts, you (in relation to your firm's accounts) and Mr. Tayar or Mr. Linthwaite (in relation to their firm's accounts) will represent that (i) the fees and disbursements described in the accounts are at standard rates and charges (which is the same requirement we have pursuant to the Receivership Order) and (ii) all fees and disbursements described in the accounts are incurred in connection with the receivership.
3. If the Receiver is unable to determine the reasonableness of the accounts or otherwise considers that it cannot approve an account or accounts, the matter will be referred to Justice Edmond, either by case conference or motion, as Justice Edmond may direct.

In the event that there are Albert Gelman Inc. accounts to be claimed, the same process will apply (although we would not expect redactions), and Mr. Albert will make the representations described in 2 above in relation to his firm's accounts

Please confirm these arrangements.

Click the following links to [unsubscribe](#) or [subscribe](#) to TDS e-communications.

Appendix "B"



Levene Tadman Golub

LEVENE TADMAN GOLUB LAW CORPORATION

700 - 330 St. Mary Avenue
Winnipeg, Manitoba R3C 3Z5
Phone: 204-957-0520 / Fax: 204-957-1696
Website: www.ltglc.ca

April 27, 2022

Wayne M. Onchulenko
Reply: (204) 957-6402
Wonchulenko@ltglc.ca
File: 113885

Thompson Dorfman Sweatman LLP
Barristers and Solicitors
1700 – 242 Hargrave Street
Winnipeg, MB R3C 0V1

By email

Attention: Bruce Taylor

Dear Sir:

RE: Nygaard Receivership and Professional Accounts

Please find attached the accounts of Levene Tadman and Fred Tayar and Associates.

I can advise most of the redacted emails are to and from third parties to whom Mr. Nygaard communicates by phone and who then email us, and to whom we have been instructed to respond.

I can advise the Levene Tadman fees and disbursements are at the standard rates and charges and are incurred in connection with the receivership.

Yours truly,
LEVENE TADMAN GOLUB LAW CORPORATION

Per:

WAYNE M. ONCHULENKO

WMO/dam

encls.

Bar Admissions: Manitoba, Ontario, and Nunavut
*services provided through Wayne M. Onchulenko Law Corporation

Appendix "C"

Zeldin, Adam

From: Bruce Taylor <GBT@tdslaw.com>
Sent: Tuesday, May 10, 2022 6:59 PM
To: Sherman, Adam; Caylor, Jack; Zeldin, Adam
Cc: Ross McFadyen; Melanie LaBossiere
Subject: FW: Nygard Receivership and Professional Accounts [LAW-TDS.FID1853952]

Attention! Courriel externe | External Email

Please see below.

From: Bruce Taylor
Sent: Tuesday, May 10, 2022 5:57 PM
To: 'Wayne M. Onchulenko' <WOnchulenko@itglc.ca>; Fred Tayar <fred@fredtayar.com>
Cc: Ross McFadyen <RAM@tdslaw.com>; Melanie LaBossiere <MML@tdslaw.com>
Subject: RE: Nygard Receivership and Professional Accounts [LAW-TDS.FID1853952]

Wayne/Fred,

The last brief of the Respondents pertaining to the consolidation motion was the brief on criminal lawyers' fees, which you filed on January 6, 2022. Justice Edmond's decision was issued on March 10, 2022. In the interim period from January 7 to March 9, there was very little activity in the receivership proceedings.

A review of the professional accounts for the period from January 7 to March 9 discloses the following:

- (a) TDS total accounts inclusive of tax - \$8,115.94
- (b) Fred Tayar & Associates billed a total of \$4,288.00 (exclusive of tax)
- (c) Levene Tadman billed a total of \$65,945 (exclusive of tax)

The Tayar accounts have large breaks during which no time was billed, which makes sense given the lack of activity in the receivership.

The Levene accounts disclose that time was billed every day except Jan. 29 and Feb. 27 (i.e. on 60 of 62 days of the subject period).

The Levene accounts are so heavily redacted that it is not practically possible to assess whether the time entries relate to the receivership proceedings and are reasonable.

Can you please provide an explanation as to what receivership matters Levene was providing services for in the subject period that resulted in fees approximately 10 times greater than the fees charged by TDS to the Receiver in the same period, and perhaps 15 times higher than Mr. Tayar's firm's fees in the same period. In this regard, respectfully, the level of redaction of the Levene accounts appears to be unreasonable.

In addition, we do not have a statement from or on behalf of Mr. Tayar that the Tayar firm fees are charged at standard rates and that the fees are incurred in relation to the receivership proceedings only.

From: Wayne M. Onchulenko <WOnchulenko@itglc.ca>
Sent: Friday, May 6, 2022 4:19 PM
To: Bruce Taylor <GBT@tdslaw.com>
Subject: FW: Nygard Receivership and Professional Accounts

Hi Bruce

Do you have a timeline for getting back to us on the payment of our accounts?

Wayne

From: Debbie Mackie <DMackie@ltglc.ca>

Sent: April 27, 2022 3:44 PM

To: GBT@tdslaw.com

Cc: Wayne M. Onchulenko <WOnchulenko@ltglc.ca>; Debby Prymak <DPrymak@ltglc.ca>; Leiba Feldman <LFeldman@ltglc.ca>

Subject: Nygard Receivership and Professional Accounts

Please find attached correspondence and enclosures forwarded on behalf of Wayne Onchulenko.

Debbie Mackie

Legal Assistant to Wayne M. Onchulenko Leiba R. Feldman and Liam O. Valgardson

Levene Tadman Golub Law Corporation

700 - 330 St. Mary Avenue

Winnipeg, MB R3C 3Z5

Ph: 204-957-6429

Fax: 204-957-1696

Website: www.ltglc.ca

Levene Tadman Golub


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Appendix "D"

Zeldin, Adam

From: Bruce Taylor <GBT@tdslaw.com>
Sent: Friday, May 27, 2022 12:27 PM
To: Sherman, Adam; Caylor, Jack; Zeldin, Adam
Cc: Ross McFadyen; Melanie LaBossiere
Subject: FW: Nygard Receivership and Professional Accounts [LAW-TDS.FID1853952]

Attention! Courriel externe | External Email

Please see below.

From: Wayne M. Onchulenko <WOnchulenko@lglc.ca>
Sent: Tuesday, May 24, 2022 3:12 PM
To: Bruce Taylor <GBT@tdslaw.com>
Subject: RE: Nygard Receivership and Professional Accounts [LAW-TDS.FID1853952]

Hi Bruce

I am not sure you noticed in the March bill, there was a \$43,000 payment. It came from Peter.

I cannot tell you what was discussed during Jan 7 to March 9 as it is privileged. I am not suggesting everything related to the receivership. I am telling you the majority of the discussions related to the receivership. Peter likes to review what has happened and to strategize what will happen next. Most of the redacted emails are from third parties to us on instructions from Peter and us responding.

Are you now prepared to approve our fees?

In the alternative, are you prepared to approve the fees before Jan 7 and after March 9?

Wayne

From: Bruce Taylor <GBT@tdslaw.com>
Sent: May 10, 2022 5:57 PM
To: Wayne M. Onchulenko <WOnchulenko@lglc.ca>; Fred Tayar <fred@fredtayar.com>
Cc: Ross McFadyen <RAM@tdslaw.com>; Melanie LaBossiere <MML@tdslaw.com>
Subject: RE: Nygard Receivership and Professional Accounts [LAW-TDS.FID1853952]

Wayne/Fred,

The last brief of the Respondents pertaining to the consolidation motion was the brief on criminal lawyers' fees, which you filed on January 6, 2022. Justice Edmond's decision was issued on March 10, 2022. In the interim period from January 7 to March 9, there was very little activity in the receivership proceedings.

A review of the professional accounts for the period from January 7 to March 9 discloses the following:

- (a) TDS total accounts inclusive of tax - \$8,115.94
- (b) Fred Tayar & Associates billed a total of \$4,288.00 (exclusive of tax)
- (c) Levene Tadman billed a total of \$65,945 (exclusive of tax)

The Tayar accounts have large breaks during which no time was billed, which makes sense given the lack of activity in the receivership.

The Levene accounts disclose that time was billed every day except Jan. 29 and Feb. 27 (i.e. on 60 of 62 days of the subject period).

The Levene accounts are so heavily redacted that it is it is not practically possible to assess whether the time entries relate to the receivership proceedings and are reasonable.

Can you please provide an explanation as to what receivership matters Levene was providing services for in the subject period that resulted in fees approximately 10 times greater than the fees charged by TDS to the Receiver in the same period, and perhaps 15 times higher than Mr. Tayar's firm's fees in the same period. In this regard, respectfully, the level of redaction of the Levene accounts appears to be unreasonable.

In addition, we do not have a statement from or on behalf of Mr. Tayar that the Tayar firm fees are charged at standard rates and that the fees are incurred in relation to the receivership proceedings only.

From: Wayne M. Onchulenko <WOnchulenko@ltglc.ca>
Sent: Friday, May 6, 2022 4:19 PM
To: Bruce Taylor <GBT@tdslaw.com>
Subject: FW: Nygard Receivership and Professional Accounts

Hi Bruce

Do you have a timeline for getting back to us on the payment of our accounts?

Wayne

From: Debbie Mackie <DMackie@ltglc.ca>
Sent: April 27, 2022 3:44 PM
To: GBT@tdslaw.com
Cc: Wayne M. Onchulenko <WOnchulenko@ltglc.ca>; Debby Prymak <DPrymak@ltglc.ca>; Leiba Feldman <LFeldman@ltglc.ca>
Subject: Nygard Receivership and Professional Accounts

Please find attached correspondence and enclosures forwarded on behalf of Wayne Onchulenko.

Debbie Mackie
Legal Assistant to Wayne M. Onchulenko Leiba R. Feldman and Liam O. Valgardson
Levene Tadman Golub Law Corporation
700 - 330 St. Mary Avenue
Winnipeg, MB R3C 3Z5
Ph: 204-957-6429
Fax: 204-957-1696
Website: www.ltglc.ca

Levene Tadman Golub

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Appendix "E"



Levene Tadman Golub

LEVENE TADMAN GOLUB LAW CORPORATION

700 - 330 St. Mary Avenue
Winnipeg, Manitoba R3C 3Z5
Phone: 204-957-0520 / Fax: 204-957-1696
Website: www.ltglc.ca

June 9, 2022

Wayne M. Onchulenko
Reply: (204) 957-6402
Wonchulenko@ltglc.ca
File 113885

Thompson Dorfman Sweatman LLP
Barristers and Solicitors
1700 – 242 Hargrave Street
Winnipeg, MB R3C 0V1

By email

Attention: Bruce Taylor

Dear Sir:

RE: Nygaard Receivership and Professional Accounts

I have now reviewed the redacted Statements of Account and made some changes in that I un-redacted a few of the entries that had been redacted in error. They relate to parties that represent the Ontario Government prison system. They relate to us being in contact with them, making arrangements for being able to communicate with Peter, both by phone and by videoconference. You will now see entries dealing with Mr. Brian Whitehead who is counsel for the Province of Ontario, Mr. Adrian Iafrate who is counsel for the Province of Ontario, and a number of employees in the Ontario government prison system who include: Sergeant Cole, Sergeant Pegg, Carlos Santos, Gulshan Sethna, Williamson, Sergeant Jones, William Travis.

I also un-redacted several communications with Fillmore Riley.

I have also gone through the bills and added up the amount of time spent on matters either not either directly or indirectly related to the Receivership file. There were 23 hours of my time, being \$9,660.00 and 12.1 hours of Leiba Feldman's time, being \$3,025.00, for a total of \$12,685.00 plus taxes. This number is far short of the \$43,000.00 that has been paid by non NPL monies.

I would appreciate a response with respect to our outstanding fees by Monday June 13th, 2022.

Yours truly,
LEVENE TADMAN GOLUB LAW CORPORATION

Per:

WAYNE M. ONCHULENKO
WMO/dam
encls.

Bar Admissions: Manitoba, Ontario, and Nunavut
*services provided through Wayne M. Onchulenko Law Corporation

Appendix "F"



THOMPSON
DORFMAN
SWEATMAN

Writer's Name Mel M. LaBossiere
Direct Telephone 204-934-2508
E-mail Address MML@tdslaw.com

August 15, 2022

VIA E-MAIL

Levene Tadman Golub Law Corporation
700-330 St. Mary Avenue
Winnipeg, Manitoba R3C 3Z5

Attention: Wayne Onchulenko

Dear Sirs:

Re: Richter Inc.
(formerly Richter Advisory Group Inc.) and
Nygard International Partnership et al.
Approval of Accounts
Our Matter No. 0173004 GBT

We write on behalf of Richter Inc. (formerly, Richter Advisory Group Inc.) in its capacity as Court-appointed receiver (the "**Receiver**") of Nygard Holdings (USA) Limited, Nygard Inc., Fashion Ventures, Inc., Nygard NY Retail, LLC, Nygard Enterprises Ltd., Nygard Properties Ltd. ("**NPL**"), 4093879 Canada Ltd., 4093887 Canada Ltd. and Nygard International Partnership (together, the "**Debtors**"). The receivership proceedings of the Debtors is herein referred to as the "**Receivership Proceedings**".

As you are aware, pursuant to the March 10, 2022 judgment of Mr. Justice Edmond (the "**March 10 Judgment**") of the Court of the Queen's Bench (Winnipeg Centre) (the "**Court**"), it was ordered that the respondents (i.e. the Debtors) have access to certain funds, being the Preserved Proceeds and the Net Receivership Proceeds, to pay "reasonable legal fees and disbursements and professional costs incurred ... in the Receivership Proceedings", after review and approval by the Receiver of such legal fees and disbursements and professional costs.

The purpose of this letter is to advise that, based on the information currently available to the Receiver, the Receiver is not in a position to approve the professional accounts of Levene Tadman Golub Law Corporation ("**LTGLC**"). As set out in this letter, given the scope of redactions and insufficient details supporting the accounts of LTGLC, the Receiver is not in a position to assess whether or not the accounts are reasonable or incurred in connection with the Receivership Proceedings.



Background

The March 10 Judgment

The March 10 Judgment (as set out in ***White Oak Commercial Finance, LLC v Nygard Holdings (USA) Ltd. et al.***, 2022 MBQB 48) provided as follows:

In my view, providing statements of account for legal fees and disbursements are submitted to the Receiver or Trustee in bankruptcy for approval and are reasonable, the fees and disbursements may be paid from the Net Receivership Proceeds. The respondents are entitled to mount a defence and advance legal positions challenging the Receiver and if they elect to do so, the respondents may proceed with an appeal of this decision. If the legal fees and disbursements exceed the remaining balance of the Preserved Proceeds, a portion of the Net Receivership Proceeds may be set aside to cover reasonable fees and disbursements incurred by the respondents.

...

To conclude on the indemnification issues, the respondents' motion to authorize or permit payment of reasonable legal fees and disbursements and professional costs in the receivership or bankruptcy proceedings is granted. The respondents' motion to authorize or permit payment of reasonable legal fees and disbursements from the Preserved Proceeds or the Net Receivership Proceeds to defend the criminal charges against Mr. Nygard is dismissed.

...

I grant the following orders and/or declaratory relief: ...

m) The respondents' motion to authorize or permit payment of the respondents' reasonable legal fees and disbursements and professional costs incurred and to be incurred in the Receivership Proceedings and to be incurred in the bankruptcy proceeding from the Preserved Proceeds and, if necessary, the Net Receivership Proceeds is granted;



n) The respondents' motion to authorize or permit payment of reasonable legal fees and disbursements from the Preserved Proceeds or the Net Receivership Proceeds to defend the criminal charges against Mr. Nygard is dismissed; and ... (at paras 138, 154 and 161(m)-(n))

(the “**Order**”)

It is apparent Mr. Justice Edmond was focused on permitting the respondents access to the Preserved Proceeds and thereafter the Net Receivership Proceeds to pay “reasonable legal fees and disbursements and professional costs incurred ... in the Receivership Proceedings”, after review and approval by the Receiver, based on the concern that “the respondents are entitled to mount a defence and advance legal positions challenging the Receiver...”.

In the view of the Receiver, this requires that services be reasonably directly related to the Receivership Proceedings, either in connection with the participation of the respondents in the court proceedings (i.e., the ability of the respondents to “mount a defence”) or in respect of matters that are currently at issue in the Receivership Proceedings. The March 10 Judgment contains no permission for the respondents to have access to the Preserved Proceeds or the Net Receivership Proceeds for legal services directed to other business or interests of NPL or to other business or interests of Peter J. Nygard (“**PJN**”), whether those are somehow “indirectly” related to the Receivership Proceedings or not.

The Original Accounts

On April 4, 2022, you requested that we provide your office with an indication of what would be required from LTGLC in order for the Receiver to review and approve accounts.

On April 13, 2022, we provided an email response outlining a proposed process (the “**Account Approval Process**”) for the submission of accounts, and the review and approval of the respondents’ reasonable legal fees incurred in the Receivership Proceedings, as follows:

1. You will forward to us copies of the professional accounts that you are looking to have paid. We understand that certain entries in the accounts may be redacted to maintain confidentiality/privilege. You are at liberty to do so, bearing in mind that the account information that is disclosed will need to



be sufficient to enable the Receiver to consider the reasonableness of the accounts.

2. In connection with providing copies of the accounts, you (in relation to your firm's accounts) and Mr. Tayar or Mr. Linthwaite (in relation to their firm's accounts) will represent that (i) the fees and disbursements described in the accounts are at standard rates and charges (which is the same requirement we have pursuant to the Receivership Order) and (ii) all fees and disbursements described in the accounts are incurred in connection with the receivership.

3. If the Receiver is unable to determine the reasonableness of the accounts or otherwise considers that it cannot approve an account or accounts, the matter will be referred to Justice Edmond, either by case conference or motion, as Justice Edmond may direct.

On April 27, 2022, the following heavily redacted accounts of LTGLC (the "**Original Accounts**") were provided to our office for the purposes of review and approval for payment by the Receiver as contemplated in the March 10 Judgement, along with a letter stating that the LTGLC "fees and disbursements are at the standard rates and charges and are incurred in connection with the receivership.":

- Account No. 214439 for the period commencing November 29, 2021 and ended December 21, 2021, for fees totalling \$35,492.00 (exclusive of taxes and disbursements) (the "**December Account**");
- Account No. 215129 for the period commencing December 21, 2021 and ended January 27, 2022, for fees totalling \$64,064.00 (exclusive of taxes and disbursements) (the "**January Account**");
- Account No. 215885 for the period commencing January 27, 2022 and ended February 28, 2022 for fees totalling \$31,316.50 (exclusive of taxes and disbursements) (the "**February Account**"); and
- Account No. 216784 for the period commencing February 25, 2021 and ended March 30, 2022 for fees totalling \$54,703.00 (exclusive of taxes and disbursements) (the "**March Account**").



The aggregate fees billed for services rendered during the period for each of the Original Accounts is \$185,575.50, exclusive of taxes and disbursements. The total of the Original Accounts, inclusive of disbursements and taxes, is \$210,213.21.

On May 10, 2022, we responded indicating that the Receiver had certain immediate concerns regarding aspects of the Original Accounts, set out as follows:

- (a) A review of the January Account, the February Account and the March Account disclosed that in the period from January 7, 2022, to March 9, 2022 (after the last submissions had been made to the Court in connection with the Consolidation Motion and before a decision was rendered), there was substantial time incurred by LTGLC, notwithstanding that there was little activity occurring in the Receivership Proceedings. In particular, we noted that during that two-month period of time:
- TDS billed a total of \$8,115.94 inclusive of fees, disbursements and taxes;
 - Fred Tayar & Associates (“**Tayar**”) billed a total of \$4,288.00, exclusive of taxes and disbursements; and
 - LTGLC billed a total of \$65,945.00, exclusive of taxes and disbursements.
- (b) the Original Accounts disclosed that time was billed for every day during that two-month period except January 29, 2022, and February 27, 2022, (i.e. on 60 of 62 days of the subject period); and
- (c) the Original Accounts were so heavily redacted that it was not practically possible to assess whether the time entries actually related to the Receivership Proceedings and were reasonable.

Respectfully, although the Receiver expected that certain (and limited) entries would be redacted to maintain confidentiality/privilege, the Original Accounts were so heavily redacted so as to preclude any assessment of the overall reasonableness of fees, and whether the entries relate to the Receivership Proceedings. In most cases, time entries included no description beyond, for example, “email to...”, without detail as to the matter or subject to which the email was related.

On May 24, 2022, notwithstanding the representations included in your letter of April 27, 2022 provided along with the Original Accounts, you advised:



...I am not suggesting that everything related to the Receivership. I am telling you the majority of discussions related to the receivership. Peter likes to review what has happened and to strategize what will happen next.

Based on the information and representations provided as of May 24, 2022, including the May 24 statement that “I am not suggesting that everything related to the Receivership ...”, the Receiver was not able to assess whether the Original Accounts were either reasonable or incurred in connection with the Receivership Proceedings.

Thereafter, in further telephone communications with Mr. Taylor and the writer, we advised that the Receiver would not, and could not, approve the Original Accounts unless they were provided in a form that would allow the Receiver to assess the reasonableness of the fees and the connection to the Receivership Proceedings. We requested that you provide our office with accounts with fewer redactions (to the extent possible while still maintaining proper claims of privilege) and advise as to which fees related to the Receivership Proceedings.

On June 9, 2022, you wrote to advise that the Original Accounts had been reviewed and that the \$12,685.00 (exclusive of taxes) (the “**June Fee Reduction**”) was time that was “spent on matters either not either [sic] directly or indirectly related to the Receivership file”. The Original Accounts, with somewhat fewer redactions (now, the “**Revised Accounts**”), accompanied your June 9, 2022 correspondence. The Revised Accounts are attached to this letter, together with a spreadsheet we have prepared containing a breakdown of the Revised Accounts.

Reconciliation of Amounts Paid/Due to LTGLC/Tayar

The Receiver has repeatedly requested a reconciliation from LTGLC of the LTGLC/Tayar accounts paid from the Preserved Proceeds (or other parties) and the amounts outstanding to LTGLC/Tayar.

In your June 30, 2022 letter to the writer (the “**June 30 Letter**”) you advised that the amount of \$150,000, approved by Mr. Justice Edmond at the December hearings to be paid from the Preserved Proceeds towards your accounts for the period ending in November 2021, has been applied leaving a balance owing of \$3,013.05 (the “**November Balance**”). For the purpose of this letter, we have assumed that the November Balance is comprised of fees of \$2,652.00 with the remaining amount being taxes.

In the June 30 Letter you further advised that \$42,954.17 was paid to LTGLC “not out of NPL funds” and applied to pay out the November Balance and the December Account (the “**PJN Payment**”). In your correspondence dated May 24, 2022, you indicated that



PJN was the source of those funds. We understand your position to be that the PJN Payment should properly be included in the calculation of amounts to be paid from the Preserved Proceeds and/or Net Receivership Proceeds as contemplated by the March 10 Judgment such that PJN should be reimbursed the amount of the PJN Payment.

In consideration of the foregoing, it is our understanding that: (i) after applying the June Fee Reduction, the total fees being claimed, by LTGLC, for payment is \$175,642.50 (calculated as \$185,575.50 + \$2,652.00 - \$12,685.00), and (ii) the total balance of the LTGLC accounts (inclusive of disbursements/taxes) being claimed for payment is \$199,019.06 (calculated as \$213,226.26 - \$14,207.20).

On the basis that your firm has received payment of the November Balance and the December Account, you have suggested that the Receiver focus its review on the January Account, the February Account and the March Account, while apparently reserving for yourself the opportunity to address the November Balance and the December Account in future. The considerations and concerns of the Receiver in respect of your accounts described in this letter apply across all the accounts you have submitted. The November Balance is not a material amount, so this letter is intended to address the Receiver's considerations and concerns generally in relation to all of the Revised Accounts.

Tayar also provided accounts for review and approval for payment by the Receiver for the period commencing November 2, 2021 and ending April 1, 2021. The aggregate amount billed by Tayar during this period was \$131,773.19 (including disbursements and taxes) (the "**Tayar Accounts**"). Of this amount, it appears that \$67,838.52 was applied against the Tayar Accounts from the Preserved Proceeds leaving a balance owing (including disbursements/taxes) of \$63,934.67 (the "**Tayar Account Balance**"). The Tayar Accounts have been reviewed and approved by the Receiver, and we understand that you have paid the Tayar Account Balance, to Tayar, from the Preserved Proceeds.

Concerns with the Revised Accounts

Scope of Redactions

While certain limited redactions have been removed, the Revised Accounts remain so heavily redacted that it is not practically possible to assess the reasonability and relevance to the Receivership Proceedings of the fees billed therein. In particular,

- 77.8 hours (\$31,674.00) of Mr. Onchulenko's time,
- 158.2 hours (\$39,550.00) of Ms. Feldman's time, and
- 2.8 hours (\$350.00) of Mr. Valgardson's time



(that is, 238.8 hours, representing \$71,574.00 in fees (the “**Redacted Fees**”)) pertain to time entries which are completely or largely redacted in the Revised Accounts. Other entries that are not redacted are limited in their descriptions inhibiting the ability to reasonably assess what the fees relate to.

The scope of the redactions remains an issue and a challenge to the Receiver in approving the Revised Accounts. The intention behind the redactions was to reasonably preserve privilege, however, the redactions still appear to go well beyond what might be expected to be necessary if the time entries in fact relate to the Receivership Proceedings. Given the admission that the accounts do not all relate to the Receivership Proceedings or may somehow relate “indirectly” to the Receivership Proceedings, and the absence of detail, the Receiver has no ability to assess the reasonableness and approve fully-redacted entries, and only a limited ability to address partially-redacted entries.

Determining the Relevance to the Receivership Proceedings

The ongoing Receivership Proceedings are essentially concerned with claimed rights and entitlements of NPL to the Net Receivership Proceeds. Accordingly, it can reasonably be expected that entries in the Revised Accounts include descriptions indicating that discussions with firms or individuals are related to or in connection therewith. A recurring issue for the Receiver is that the descriptions in the Revised Accounts are either too heavily redacted or provide insufficient details to make that assessment. The following paragraphs set out specific examples.

The evidence of NPL in the Affidavit of Greg Fenske affirmed April 28, 2021, set out that Mr. Fenske, as the sole director and officer of NPL and NEL, was actively involved in the litigation on behalf of NPL and NEL. Mr. Fenske receives \$6,500.00 a month out of the Preserved Proceeds for his director and officer’s duties performed for NPL and NEL. While there are several entries in the Revised Accounts indicating discussions/communications with M. Fenske, which is expected, given the scope of redactions and/or insufficient descriptions supporting the entries, it is unclear as to whether or to what extent such communications/discussions are, in fact, related to the Receivership Proceedings.

Similarly, it appears reasonable that the Revised Accounts include entries concerning discussions/communications with Tayar and Albert Gelman Inc. However, given the absence of sufficient details (due to redactions, insufficient descriptions), it is also unclear as to whether or to what extent such communications/discussions are, in fact, related to the Receivership Proceedings.

While NPL has denied that PJN remains connected to, or acts as controlling mind of, NPL, that is clearly not the case. Note your reference above to PJN liking to “strategize” as being a factor reflected in your accounts. The Receiver would therefore also



expect to see references in LTGLC's account to communications with PJN, although absent sufficient detail, it is unclear as to whether or to what extent such communications are, in fact, related to the Receivership Proceedings.

The Revised Accounts removed certain redactions, which revealed communications with a number of others, including:

Name	Organization
Brian Whitehead	Crown Counsel - Province of Ontario
Adrian Lafrate	Crown Counsel - Province of Ontario
Sergeant Sam Cole	Government of Ontario
Sergeant Melody Pegg	Government of Ontario
Carlos Santos	Ontario Correctional Services
Gulshan Sethna	Ontario Justice Video Network
Williamson	Government of Ontario
Sergeant Jones	Government of Ontario
William Travis	Government of Ontario
Richard Good	Fillmore Riley LLP
Farrington Yates	Kobre & Kim LLP – Disputes and Investigations
Ken Morris	unknown
Ling Luo	unknown
RDA	unknown
Biehare Agonafer	Senior Communications Coordinator at Nygard (based on March 2022 Zoom profile)
Stuart Blake	Fillmore Riley LLP
McKinney	unknown
Anderson	unknown

It appears that other names remain redacted.

While the Receiver appreciates that, for example, certain interactions with individuals employed with the Toronto South Detention Centre are likely required in order to communicate with PJN, it is unclear in the circumstances which individuals are involved in facilitating meetings with PJN, and whether all such communications relate to discussions



related to the Receivership Proceedings. In respect of many of these entries, the absence of detail makes it impossible for the Receiver to assess whether these entries involving others are related to the Receivership Proceedings and are reasonable.

Your Statements and the Need for Detail

You have acknowledged that not all discussions referenced in the Revised Accounts relate to the Receivership Proceedings, and described that, other than in respect of the June Fee Reduction, LTGLC's services related "directly or indirectly" to the Receivership Proceedings. In accordance with the March 10 Judgement, time entries, relating to "discussions" or otherwise, that do not relate to the Receivership Proceedings cannot be approved. It is unclear what is meant by the services provided being "indirectly" related to the Receivership Proceedings, however, in the view of the Receiver, such services would not satisfy the intention of the March 10 Judgment.

It appears to the Receiver that time entries that do not satisfy the intention of the March 10 Judgment have been commingled in the Revised Accounts with time entries that are directly related to the Receivership Proceedings either (i) in connection with the participation of the Debtors in the court proceedings (i.e., the ability of the respondents to "mount a defence") or (ii) in respect of matters that are currently at issue in the Receivership Proceedings (for example, in regard to the Shanghai building).

We note that the Tayar Accounts (which were approved by the Receiver) contained certain redactions and did not always contain full details of the topic of correspondences or communications, or the matters being addressed. However, the Tayar Accounts provided sufficient detail so as to allow the Receiver to be satisfied that the fees had been incurred in relation to the Receivership Proceedings and were reasonable.

Respectfully, it is your responsibility to provide the Receiver with sufficient information and detail to allow the Receiver to properly assess the reasonableness of your fees and confirm their connection to the Receivership Proceedings. In past, and in connection with the approval of the accounts of the Receiver and its counsel in the Receivership Proceedings, you have referenced the need for a level of detail that enables the Court to determine that such accounts are reasonable and justifiable. It is clear that to enable the Receiver to approve your accounts, you will need to at least "approach" that level of detail and clarity such that the Receiver, the Court and other stakeholders can, in due course, be satisfied that the Receiver's approval of your accounts is warranted.

Summary of Receiver's Concerns and Information Needed

The information available to the Receiver included in the Revised Accounts is not sufficient to enable the Receiver to approve the Revised Accounts. The Receiver is an



officer of the Court and the nature and scope of its duties arise from the Orders made by the Court in the Receivership Proceedings. Therefore, it is necessary that the Receiver be provided with sufficient information to satisfy itself that the approval of fees accords with the Orders. The Receiver cannot, and will not, approve the payment of fees if such payment may constitute a breach of the Orders.

It is ultimately your responsibility to provide enough information to allow the Receiver to satisfy itself, with reasonable certainty, that your accounts satisfy the intentions of the March 10 Judgment.

The Revised Accounts remain heavily redacted and otherwise lack sufficient detail to enable the Receiver to reach a conclusion as to their relationship to the Receivership Proceedings and their reasonableness. They include references to persons whose connection to services relating to the Receivership Proceedings is unclear. Based on your own acknowledgements, the Revised Accounts contain services provided that are not related to “mounting a defence” or otherwise directly connected to the ongoing Receivership Proceedings.

As a result of the foregoing, the Receiver requires that additional information of the nature described in this letter be provided to further address the approval of your accounts.

Accounting for the Use of the Preserved Proceeds

As referred to earlier herein, we have requested that your office provide a full accounting for both the proceeds of the sale of the Fieldstone Property and the Falcon Lake Property as well as a description of how amounts had been applied to reduce the Original Accounts, in order to allow the Receiver to understand which fees needed to be approved and how the Preserved Proceeds are being applied.

On June 7, 2022, the trust ledger with respect to the Fieldstone Property (the “**June 7 Fieldstone Trust Ledger**”) for the period from August 26, 2021 to June 7, 2022 was provided, reflecting the sources and uses of the proceeds from the sale of the Fieldstone Property during that period. According to the June 7 Fieldstone Trust Ledger, as at June 7, 2022, there were remaining proceeds of \$162,841.59 from the sale of the Fieldstone Property.

On June 30, 2022, together with the June 30 Letter, you provided the second page of a “Client Accounting Ledger” for the period ending June 30, 2022, with redactions (the “**June 30 Partial Trust Ledger**”). The June 30 Partial Trust Ledger does not indicate if it relates to the Fieldstone Property, the Falcon Lake Property, or otherwise.

As noted above, the June 7 Fieldstone Trust Ledger shows remaining proceeds of \$162,841.59. The June 30 Partial Trust Ledger shows remaining proceeds of \$6,161.50.



Due to the redactions in the June 30 Partial Trust Ledger and the fact that page 1 of the June 30 Partial Trust Ledger is missing, it is unclear whether the balance of \$6,161.50 are Preserved Proceeds, or other funds.

To date, and despite several previous requests, our office has not received a full accounting of the application of the Falcon Lake Proceeds, and the Receiver continues to have issues reconciling the Fieldstone Property proceeds.

We, therefore, request that an updated trust ledger for both the Fieldstone Property and the Falcon Lake Property be provided immediately. The trust ledgers should provide sufficient details of the sources and uses of the respective proceeds such that the Receiver can ascertain how the Preserved Proceeds have been/are being applied.

We further request that you contact our office to discuss the Receiver's ongoing concerns regarding the Revised Accounts and work towards a resolution such that we can put and end to the time-consuming and costly review of your accounts.

Yours truly,

THOMPSON DORFMAN SWEATMAN LLP

Mel M. LaBossiere

MML/mml

Appendix "G"



Levene Tadman Golub

LEVENE TADMAN GOLUB LAW CORPORATION

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Winnipeg, Manitoba R3C 3Z5
Phone: 204-957-0520 / Fax: 204-957-1696
Website: www.ltglc.ca

August 24, 2022

Wayne M. Onchulenko
Reply: (204) 957-6402
Wonchulenko@ltglc.ca
File: 113885

Thompson Dorfman Sweatman LLP
Barristers and Solicitors
1700 – 242 Hargrave Street
Winnipeg, MB R3C 0V1

By email

Attention: Bruce Taylor

Dear Sir:

RE: Nygaard Receivership and Professional Accounts

Further to your letter dated August 15, 2022, and our conversation find attached, as per your request on page 6, revised accounts which address your stated concerns.

Reformatting of accounts

With respect to the December 2021 – March 2022 bills I have redone them removing all items for which we are not making a claim. This includes non receivership items and all the communications dealing with attempting to have the criminal lawyers paid out of NPL funds. I have also removed the communications with other counsel. It is my view they were receivership related but they were relatively few, and we are not prepared to disclose what we discussed. All the redacted items relate to an individual to whom Peter Nygard talks to on the phone and dictates emails to LTG dealing with matters directly and indirectly related to the Receivership. We respond to those emails. We consider all this communication privileged.

We communicate with Greg Fenske in his capacity as director of the respondents. To our knowledge, the respondents have no other business activity unrelated to the receivership. We do not act for Greg Fenske in his personal capacity.

Receivership issues

You have asked what we did with our clients related to the receivership. In December and the beginning of January we discussed all matters related to the December hearing and the filing into January. After Jan 10, 2022, until March 10, 2022. We presume you ask this

question because your billings were less than ours. Yours for TDS were approximately 8,000. Ours were approximately 48,000. This is unusual because usually your billings were significantly higher than ours. Our billing reflects the time we spent working on the following issues:

Reporting to our client on the litigation matters to date and review materials filed and arguments made to date.

Preparation for an anticipated appeal as was contemplated in the oral arguments and the written decision.

Communicate with the Toronto South Detention Centre (TSDC) to obtain time to communicate with our client by booking and negotiating for extended time for Judicial Video Network (JVN) and phone communication (see below for more detail).

Chinese property issues and Hong Kong issues related to the sale of the Chinese building.

Consulting on the potential consequences of a consolidation order. An example being the Hong Kong property.

Review of inter- company debts.

Review tax consequences of potential results of contested motion.

After March 10 we worked on the three contested motions in the Court of Appeal and the Appeal materials. The first dealing with leave to file a Notice of Appeal heard May 5th. The Second to amend the Notice of Appeal. The third to request permission to file a longer factum and to file the Appeal book digitally. A 44-page factum was filed with these materials. The later two motions were to be heard at the end of June but were adjourned to August 10 because the court was not able to hear us on the June date. The 30-page factum and appeal book had to be filed by August 17 and the book of authorities a week later.

Access to Mr. Nygard

There is difficulty communicating with Mr. Nygard because of his incarceration in Toronto. We need to consult with Mr. Nygard for what I hope is obvious reasons, but if not, it is because he is the sole shareholder of NEL who owns NPL who would be the main benefactor of the ongoing litigation. Since his move to Toronto, we have been unable to get timely and adequate access. While the access has improved significantly over time it remains inadequate.

The following names are TSDC representatives.

Whitehead counsel for TSDC

lafrate counsel for TSDC

Santos is a manager a TSDC one level higher than a Sargent

The Sergeants (Cole, Pegg, Jones) are supervisors

Williamson and Travis are guards

RDA is the government entity that runs the Judicial Video Network (JVN) which is a private/closed Ontario government version of Zoom.

Sethna is the person who trains lawyers on how to use the JVN

Good and Blake are former counsel of the respondents at Filmore Riley

Yates, Morris, and McKinney are lawyers
Anderson and Trotter are accountants
Agonafer is a communications coordinator
Ling Luo is a translator/consultant we use on the Chinese building sale.
Tracy Lui and Crystal Chu work for a law firm in Hong Kong helping with the sale of the Chinese building.
Dave and Lloyd are IT consultants.

When Peter was first moved to TSDC he was only allowed to have a JVN with Ontario counsel for a maximum 20 minutes per day. He could only be called. He could not call out. If you called and if a phone and a guard were available, you could we talk to him. We could also make in person appointments.

Our instructions were and are to secure the same access he had at Headingly which was phone access for approximately 12 hours a day and two hours of JVN (the Manitoba equivalent) each day.

We eventually had TSDC agree to have all legal counsel, regardless of where they had their call, to be able to use the JVN System. Originally, they only allowed 20 min a day. Then 50 min a day. By Jan of 2022 it had moved to 50 min weekdays and 100 min weekends. We are still trying to increase the weekday time and are still trying to get increased phone time which increased to 1 hour and then to 4 hours a day. We have threatened a motion and have done work putting together material for an affidavit. It is our position he is been denied his right to counsel. On more than one occasion we have not had time to fully update him on the legal issues before the court and consult and give him an opportunity to read the material. He has trouble seeing so he reads slowly and the JVN is his opportunity to read and ask questions and consult. On several occasions we're have had to go over the material with him after the hearing.

We also communicate with TDSC when: they do not bring him to the JVN on time and we want them to give us the allotted time; the link does not work; we can not hear him; they must bring him documents to sign. These problems arise regularly.

They have a policy of not allowing us to book JVN times more than 5 days in advance. If you do not book 5 days in advance you can sometimes not get the time you want or any time.

We sometimes must change lawyers depending on priorities so we must contact TDSC to change who will be on the link.

When we ask them to change a protocol or policy we are required to deal directly with their counsel.

As we have earlier set out how our time is spent over the length of the file, it is a fraction of the time spent by the receiver's counsel. We do not have a recent report, but one can extrapolate from their previous accounts.

Reconciliation of accounts

You have approved Mr. Tayer's accounts. There are no further unpaid Tayer accounts to date.

We have not paid out Mr. Tayer's account. Mr. Tayer is waiting to see the result of our discussions and our meeting with the court.

The amount outstanding on our November account is as you have set out in your letter.

The amount being claimed for December is as set out in the attached December account and the same applies for each separate account for the following months.

The monies paid from non NPL funds will be used to pay the portion of accounts no longer found in the Dec – Mar. accounts.

Our discussions with Albert Gelman only relate to the receivership activities. The discussion with Tayer and associates that are billed in these accounts only relate to receivership activities of which we have described above.

Ledgers

Attached find an updated ledger on 40 Fieldstone. The only withdrawals have been to pay the 6500 monthly fees to Mr. Fenske. The balance remaining is now \$149,841.59.

The 6161.50 are not preserved proceeds funds. They are funds from a different source deposited to pay for certain anticipated disbursements.

The updated accounting of the Falcon Lake proceeds is attached. The \$10,430.07 are NPL preserved proceeds.

We would respectfully request you authorize our transfer of the remaining preserved funds approximately \$160,000 to pay a portion of our outstanding accounts and unless you have further questions, we would ask you to approve the remainder of our outstanding accounts.

Yours truly,
LEVENE TADMAN GOLUB LAW CORPORATION
Per:

WAYNE M. ONCHULENKO

WMO/dam
encls.

Bar Admissions: Manitoba, Ontario, and Nunavut
*services provided through Wayne M. Onchulenko Law Corporation

Appendix "H"



Levene Tadman Golub

LEVENE TADMAN GOLUB LAW CORPORATION

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Winnipeg, Manitoba R3C 3Z5
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Website: www.ltglc.ca

September 16, 2022

Wayne M. Onchulenko
Reply: (204) 957-6402
Wonchulenko@ltglc.ca
File: 113885

Thompson Dorfman Sweatman LLP
Barristers and Solicitors
1700 – 242 Hargrave Street
Winnipeg, MB R3C 0V1

By email

Attention: Bruce Taylor and Melanie Labossiere

Dear Sir:

RE: Nygaard Receivership and Professional Accounts

Please find enclosed herewith the bills for December 2021 through August 2022.

These accounts reflect work done for the respondents and directly related to the receivership. They are different from the original bills which contain work done for the respondents and directly and indirectly related to the receivership. The time contained in the accounts are at the regular hourly rates of the lawyers involved.

We have added to the accounts numbers at the end of each itemized work-related timeline. These numbers describe the topic of the work product and are described hereinafter.

- #1 Communications with counsel for the Receiver and counsel for other opposite parties. Communications with the Court. The Receiver's counsel was a party to all of these communications.
- #2 Not used
- #3 All communications with Toronto South Detention Centre (TSDC) and its administrators.

The judicial video network (JVN) is a Ontario Government proprietary communication software program that works much like either ZOOM or TEAMS. Inmates are allowed to book video meetings with their legal counsel. They are

only able to book meetings with legal counsel. The software allows for the sharing of documents as is the case for viewing documents onscreen.

Initially only Ontario counsel were able to use the network. We were able to negotiate expanding this policy to all recognized legal counsel regardless of where they practice.

TSDC has a policy that one is not allowed to book JVN's more than five days in advance. Sometimes they allow you to book further in advance. On other occasions they will not let you book five days in advance. The reasoning for their position is other inmates might require the time and it is a first come, first served booking system. On numerous occasions we had asked them to give us a regular time each day. They have refused. When we book we ask for the same time for each day. When that time is not available we have to have further communications to arrange alternate times. Sometimes when times are booked they write back and indicate they must be changed for a variety of reasons. Those reasons can include changes in mealtime, other appointments scheduled by TSDC for Mr. Nygard and a variety of one-off situations. When the JVN's have to be cancelled on short notice, or no notice, they then once again have to be rearranged. The result is weekly, and sometimes daily communications with TSDC as it relates to JVN's. Mr. Nygard has daily JVN's. We book the JVN's for both our office and Tayar and Associates. Other counsel book their own JVN's.

Mr. Nygard also has four hours of dedicated telephone time between approximately 9:30 and 1:30 each day. Sometimes this telephone time is disrupted and we have to communicate to rebook the time. During this telephone time he often speaks with third parties who provide instructions to my firm and Mr. Tayar's firm with respect to the receivership which instructions we respond to and carry out. One of the people he talks to, who in turn emails or calls us, is Greg Fenske. He also contacts our office by phone directly.

When he was incarcerated at the Headingley Correctional Centre (HCC) facility he was allowed to have telephone access for approximately eleven hours a day. He was also allowed to have two hours of the equivalent of JVN time per weekday and three hours on the weekends (each day). This was an adequate amount of time to conduct his business. When he was moved to the TSDC he was initially not allowed any phone time other than when a call was made to him and twenty minutes of JVN time per day when available. Gradually we were able to negotiate increased phone time and increased JVN time so that by the beginning of January 2022 he was granted the four hours of phone time per day and one hour of JVN time per day and two hours of JVN time on each weekend day. We have continued to argue for an equivalent amount of time as was afforded at HCC. They have continued to refuse. We have been in the process of putting together an application to Court to have the Court order an increased amount of access to his phone and JVN to the equivalent of what he obtained at HCC because on numerous occasions he has not been able to fully receive advice and give instructions.

By way of explanation in this regard Mr. Nygard uses the JVN's to read materials as they are being prepared and when they are completed so that he can ask questions about them and give instructions. Mr. Nygard is 81 years old, has failing eyesight and failing health and so this process is slow. He finds it difficult to fully understand documents when they are read to him. He wants to be fully engaged in all of his legal proceedings, be they related to himself personally or related to the companies which he owns by virtue of being the sole shareholder. On more than one occasion he has not been able to completely review documents prior to hearings. It is for this reason he likes to anticipate hearings that will be litigated in the future and prepare for that litigation in advance. Examples of this include the Consolidation Hearing and Appeals and the building in China.

As it relates to his telephone time and JVN's on a weekly basis there are problems with: him being brought to the JVN meetings; to the equipment not working; and to him losing part or all of a day's meeting time. There are resulting communications about making that time up during the same day or on a different day on a regular basis. There are also communications with the administration about changing their policy in terms of how JVN's are booked and the amount of time afforded to Mr. Nygard.

A typical JVN involves first confirming who will be in attendance at the JVN for the next day and if that is not someone from the writer's office, when the next attendance is with this writer's office. At the end of the JVN, the last thing done is confirming when the writer's office will next have a JVN and those items that Mr. Nygard would like to discuss at that JVN.

After that is completed, usually an update is given on what is happening with the receivership and then we move to what documents he would like to review in that regard. This could either include emails or materials that had been filed by one side or the other or materials that are being prepared for the next receivership process. The majority of most JVN's involve the review of documents.

- #4 All matters dealing with the selling of a building in Shanghai. The collection of documents proving ownership. There is dispute as to if this building is ultimately owned by Nygard or NPL. There is also a concern that when and if the building is able to be sold whether there will be an ability to transfer the proceeds out of China.
- #5 To all matters dealing with the calculation of the Nygard inter-company debts and the contributions made by Mr. Nygard personally to the finances of these companies and what impact that would have or could have on NEL and NPL.
- #6 To all matters dealing with the potential tax consequences of the results of the litigation including settlement discussions and a Consolidation Order or NEL and NPL not being part of a Consolidation Order of bankruptcy and how money could be dealt with if paid to NPL.
- #7 All matters dealing with a potential Consolidation Order or how to proceed if there was not a Consolidation Order. You will recall the judge predicated an appeal by

one side or the other at the December hearings. All matters dealing with the appeal of Consolidation Order or a judgment where there was no Consolidation Order. All matters dealing with the appeal including the three pre-appeal contested motions dealing with:

- 1) an extension of time to file the Notice of Appeal;
- 2) amending the Notice of Appeal;
- 3) the request to have a Factum in excess of thirty pages in length and to file the Appeal Book in a digital form

including all preparation of materials which included preparing the 45 page Factum to be reviewed by the Court and then the 30 pages Factum for the Court; to preparation of the Appeal Book and the Book of Authorities; to preparation of the Notice of Motion, Affidavits in support and Briefs with respect to the three contested motions and attendance at Court to argue the motions and preparation of Orders subsequent to the motions and communications with client, opposite counsel and co-counsel with respect to all of the above and reviewing same with client and obtaining instructions. All administrative communications with staff to prepare materials and dealing with IT personnel with respect to the transfer of documents when we move to Microsoft 365.

- #8 To all communications with respect to director's fees.
- #9 To all communications involved in review of the assets of the respondent companies, how they would be affected by an Order of Consolidation and what assets are owned by those respondent companies and which assets are not owned by the respondent companies what assets are owned by the other non-respondent companies in the Nygard Group of Companies and Mr. Nygard and preparation of a list of assets which are included and excluded from ownership with respect to the respondent companies and collection of documentation to prove same. To that same review with respect to the respondent companies vis-à-vis Nygard Enterprises Ltd. and Nygard Properties Ltd.
- #10 To all matters dealing with the December contested hearing and documents filed subsequent to the December hearing related to the December hearing including all preparation of materials, review of materials from the Receiver, attending at the hearings and preparing materials after the hearings; reviewing materials with clients, answering questions, giving advice, obtaining instructions.

If you have any questions please feel free to contact the writer.

Yours truly,
LEVENE TADMAN GOLUB LAW CORPORATION
Per:

WAYNE M. ONCHULENKO

WMO/dam
encls.

Appendix "I"

In Account With:
FRED TAYAR & ASSOCIATES
PROFESSIONAL CORPORATION

DATE: February 1, 2022

Barristers & Solicitors
65 Queen St. West, Suite 1200
Toronto, Canada M5H 2M5

Telephone: (416) 363-1800
Facsimile: (416) 363-3356

HST Registration No. 847141454

PERSONAL & CONFIDENTIAL

Peter John Nygard
[REDACTED]

Gregory Alvin Fenske
[REDACTED]

Nygard Holdings (USA) Limited, Nygard Inc.,
Fashion Ventures, Inc., Nygard NY Retail, LLC
4093879 Canada Ltd., 4093887 Canada Ltd.,
Nygard International Partnership, Nygard Properties Ltd.
and Nygard Enterprises Ltd. ("Nygard Group of Companies")
[REDACTED]

File No.20-3091

Re: Peter J. Nygard and Nygard Group of Companies - Financial Matters

TO PROFESSIONAL SERVICES rendered in connection with the above-noted matter from November 2, 2021 to January 25, 2022 as set out in the Pre-bill attached.

OUR FEE: \$87,725.74

TAXABLE DISBURSEMENTS

Print Three-photocopies, tabs and cerlox binding	\$14.45
Computerized legal research	\$96.29
Print Three-Photocopies	\$31.55
Print Three-Photocopies, tabs and cerlox binding	\$23.80
Photocopies	\$25.75
Print Three-copies, tabs and cerlox binding	\$14.15
Total Taxable Disbursements	\$205.99

HST (on fee and taxable disbursements only)	11,431.13
TOTAL AMOUNT OF THIS ACCOUNT	<u>\$99,362.86</u>
TRANSFERRED FROM TRUST	67,838.52
BALANCE NOW DUE AND OWING	<u>\$31,524.34</u>

THIS IS OUR STATEMENT OF ACCOUNT

FRED TAYAR & ASSOCIATES
PROFESSIONAL CORPORATION

Per:



Fred Tayar
FT/mt

E. & O.E.

All persons and/or corporations named above are jointly and severally responsible for payment of this account.

Disbursements which are not posted at the time of preparation of this account will be billed at a later time. Accounts due when rendered. All amounts overdue 30 days or more will bear interest at the rate of 1.3% per annum as provided for in Section 138 of the Courts of Justice Act, pursuant to the Solicitors Act. This account is prepared and delivered by Fred Tayar & Associates Professional Corporation (HST# 847141454) on its behalf and on behalf of Mindy Tayar Professional Corporation (HST #855434106).

Peter Nygard
Falcon Lake, Manitoba R0E 0N0

February 1, 2022

PREBILL

Attention:

File #: 20-3091
Inv #: Sample

RE: Peter J. Nygard and Nygard Group of Companies - Financial Matters

10363

DATE	ENTRY #	DESCRIPTION	HOURS	AMOUNT	LAWYER
Nov-02-21	288543	email to [REDACTED], correspondence with W. Onchulenko re recent case; interoffice strategizing over [REDACTED] the November 5 hearing; telephone conversation with [REDACTED]	1.00	565.00	FT
	287309	email exchange with W. Onchulenko; interoffice discussion; review of material and prepare for hearing;	4.20	1,995.00	CL
Nov-03-21	287312	email exchange with W. Onchulenko; preparation for hearing; ; long telephone call with W. Onchulenko re argument;	5.40	2,565.00	CL
Nov-04-21	287375	correspondence from P. Nygard; interoffice conference; emails from B. Taylor; email to P. Nygard;	0.60	339.00	FT
	287369	further preparation for hearing; interoffice discussion of argument; email to W. Onchulenko; telephone conversation with W. Onchulenko; reading recent correspondence; email exchanges with W. Onchulenko; writing up further argument; interoffice discussion and continue with preparation for hearing;	5.80	2,755.00	CL
Nov-05-21	287379	attend motion before Justice Edmond, adjourned; interoffice strategizing; telephone conversation with W. Onchulenko;	2.20	1,243.00	FT
	287392	preparation for and attendance at hearing before Justice Edmond; telephone conversation with W. Onchulenko; email to W. Onchulenko; email to L. Feldman; telephone conversation with L. Feldman re research [REDACTED], interoffice discussion;	5.50	2,612.50	CL

Nov-08-21	287386	correspondence with W. Onchulenko;	0.10	56.50	FT
	287397	reviewing [REDACTED], reviewing file materials;	2.00	950.00	CL
Nov-09-21	287462	interoffice conference about [REDACTED]	0.30	169.50	FT
	287468	further reviewing [REDACTED] re; research on [REDACTED] interoffice discussion;	4.00	1,900.00	CL
Nov-10-21	287483	office conference about [REDACTED]	0.30	169.50	FT
	287476	email to and reply from W. Onchulenko; further email to W. Onchulenko; drafting elements for reply factum; extended interoffice discussion re elements of argument; research;	6.40	3,040.00	CL
Nov-11-21	287487	interoffice conference regarding [REDACTED]	0.50	282.50	FT
	287491	email to and reply from [REDACTED] research on Receiver's issue; telephone conversation [REDACTED] dictating memorandum to file; interoffice discussion re issues and argument; further work on argument;	5.60	2,660.00	CL
Nov-15-21	287519	research and expansion of lengthy memorandum to file; interoffice discussions re various issues; email exchange with L. Feldman;	3.00	1,425.00	CL
	287656	legal research, re: [REDACTED]	0.20	50.00	JT
Nov-16-21	287532	interoffice conference about [REDACTED] email to W. Onchulenko; correspondence from and reply to W. Onchulenko;	0.40	226.00	FT
	287528	interoffice discussion re [REDACTED] telephone conversation with L. Feldman re various issues on upcoming hearing;	0.30	142.50	CL
Nov-17-21	287547	correspondence from and reply to W. Onchulenko; email from M. LaBossiere with draft order;	0.30	169.50	FT

	287558	email from Receiver's counsel; email from counsel;	0.20	95.00	CL
Nov-18-21	287581	multiple emails from and replies to L. Feldman; email exchange with W. Onchulenko re [REDACTED]	0.10	47.50	CL
Nov-22-21	287677	reviewing [REDACTED]; research on [REDACTED] cases re upcoming hearing;	2.30	1,092.50	CL
Nov-24-21	287702	email to L. Feldman; email from Receiver's counsel; reviewing draft order; telephone conversation with W. Onchulenko; email from W. Onchulenko; research on [REDACTED]	2.40	1,140.00	CL
Nov-25-21	287704	email from L. Feldman; email exchange with L. Feldman; research on [REDACTED];	4.10	1,947.50	CL
Nov-26-21	287708	email from counsel; telephone conversation with L. Feldman; email to L. Feldman re insolvency issue;	0.40	190.00	CL
Nov-29-21	287716	email exchange with L. Feldman; reading proceedings from September 16th; email from L. Feldman; beginning review of her new authorities;	4.00	1,900.00	CL
Nov-30-21	287735	interoffice conference about [REDACTED]	0.30	169.50	FT
	287746	research on [REDACTED] reading case law and interoffice conference; begin drafting reply factum;	6.00	2,850.00	CL
Dec-01-21	287774	received and reviewing supplementary Twelfth Report; internal strategizing; received correspondence from W. Onchulenko re [REDACTED] correspondence to client and W. Onchulenko; correspondence from P. Nygard to W. Onchulenko;	1.20	678.00	FT
	287781	email from W. Onchulenko; email from Receiver's counsel; reading Supplementary Brief and Report of Receiver; interoffice conference; work on Reply Factum; email [REDACTED]	6.90	3,277.50	CL
Dec-02-21	287791	telephone conversation with P. Nygard;	0.40	226.00	FT

	287785	further drafting of Reply Factum and review of file materials;	7.80	3,705.00	CL
Dec-03-21	287802	telephone conversation [REDACTED] [REDACTED]	0.40	226.00	FT
	287805	telephone conversation [REDACTED] further drafting of factum;	6.80	46.24	CL
Dec-06-21	287832	received correspondence from W. Onchulenko with yet [REDACTED] [REDACTED] interoffice conference; correspondence from P. Nygard to W. Onchulenko; email to P. Nygard and W. Onchulenko [REDACTED] [REDACTED] telephone conversation with W. Onchulenko; consideration of [REDACTED] [REDACTED] report to client; emails with G. Fenske and W. Onchulenko; telephone conversation [REDACTED]	4.00	2,260.00	FT
	287840	further review of file materials and drafting factum; email from J. Albert; reading document provided by J. Albert; multiple emails from client; interoffice discussion;	6.50	3,087.50	CL
Dec-07-21	287890	numerous emails with G. Fenske, J. Albert and W. Onchulenko re [REDACTED] [REDACTED]; interoffice strategizing; worked on brief;	3.30	1,864.50	FT
	287884	email exchange with L. Feldman; further drafting factum; interoffice discussion of argument; inserting references; email to J. Albert and W. Onchulenko;	6.00	2,850.00	CL
	287880	research re: [REDACTED] [REDACTED] [REDACTED]	3.80	950.00	JT
Dec-08-21	287906	reviewed correspondence [REDACTED] telephone conversation [REDACTED] worked on [REDACTED]	0.70	395.50	FT
	287941	email from J. Albert and W. Onchulenko; further work on brief; dictating notice of motion; reading recent correspondence; work on [REDACTED] [REDACTED] interoffice discussion of strategy and material; continue work on brief; email to counsel;	4.00	1,900.00	CL

Dec-09-21	287944	finalized [REDACTED] [REDACTED] to W. Onchulenko to serve and file; interoffice conference; email from W. Onchulenko; telephone conversation with W. Onchulenko about [REDACTED] [REDACTED]	1.30	734.50	FT
	287960	email exchange with J. Albert; finalizing brief; worked on notice of motion; multiple email exchanges with Winnipeg counsel; long email from J. Albert re [REDACTED] email from L. Feldman; reviewing brief; email to L. Feldman and W. Onchulenko; email exchange with W. Onchulenko;	4.20	1,995.00	CL
Dec-10-21	287973	interoffice conference; correspondence from counsel [REDACTED] interoffice discussion concerning case law [REDACTED] [REDACTED]	0.70	395.50	FT
	287978	email from L. Feldman; reviewing revisions; responsive email; email from and reply to W. Onchulenko; long telephone conversation with L. Feldman re preparation material; email from W. Onchulenko; telephone conversation with W. Onchulenko re argument and material; email from L. Feldman and W. Onchulenko; final review of material; further emails to L. Feldman re brief;	2.80	1,330.00	CL
Dec-12-21	287992	correspondence from counsel [REDACTED] including its brief; interoffice conference concerning case law with respect to [REDACTED] [REDACTED]	0.50	282.50	FT
	288100	legal research re [REDACTED] [REDACTED] [REDACTED]	0.90	225.00	JT
Dec-13-21	288017	office conference re calls [REDACTED]; emails from W. Onchulenko;	0.30	169.50	FT
	287982	interoffice communication re [REDACTED] [REDACTED] email from [REDACTED] [REDACTED], reading [REDACTED] brief; email to T. Doyle; reviewing file material; email from T. Doyle; telephone conversation with T.	2.20	1,045.00	CL

Doyle; interoffice discussion of CRA's position; detailed email exchanges with W. Onchulenko (x4);

Dec-14-21	287987	preparation for hearing; email to T. Doyle;	5.00	2,375.00	CL
	288105	legal research re [REDACTED]	1.90	475.00	JT
Dec-15-21	288031	1 emails re CRA; interoffice conference;	0.50	282.50	FT
	287994	email from T. Doyle; preparation for argument; long telephone conversation with T. Doyle; detailed email to W. Onchulenko re conversation; dictating lengthy memorandum to file; further preparation;	6.00	2,850.00	CL
Dec-16-21	287995	continue with preparation for hearing; interoffice discussion of strategy and argument;	3.00	1,425.00	CL
Dec-17-21	287998	email from Receiver's counsel; reading notice of motion; email to T. Doyle; voicemail message from T. Doyle; detailed email to W. Onchulenko; email from T. Doyle; telephone conversation with T. Doyle; detailed email to T. Doyle; email from W. Onchulenko and client; responsive email; further preparation for hearing; email from T. Doyle; email to W. Onchulenko (x2); emails from Court Office; further exchange of emails with W. Onchulenko; email from W. Onchulenko; telephone conversation with W. Onchulenko; email from and reply to W. Onchulenko; interoffice discussion; email to and reply from W. Onchulenko;	3.60	1,710.00	CL
Dec-19-21	288047	exchange of emails with W. Onchulenko and C. Linthwaite about late breaking settlement offer from B. Taylor; correspondence from and reply to W. Onchulenko re [REDACTED]	0.70	395.50	FT
		correspondence from C. Linthwaite;			
	288001	preparation for hearing and multiple email exchanges with W. Onchulenko re response to Receiver's offer;	2.50	1,187.50	CL

Dec-20-21	288053 email from W. Onchulenko; telephone call with W. Onchulenko about proposed revisions to this morning's letter to B. Taylor; received and reviewed revised draft email to B. Taylor; made comments in email to W. Onchulenko; attend full day motion on subordination and consolidation issues; telephone conference with W. Onchulenko and C. Linthwaite after today's hearing;	6.50	3,672.50	FT
	288074 message for W. Onchulenko; preparation for hearing; telephone conversation with W. Onchulenko; reading correspondence; attendance and argument of hearing; multiple emails and interoffice discussions re argument;	8.00	3,800.00	CL
Dec-21-21	288069 correspondence from P. Nygard [REDACTED] [REDACTED] correspondence to P. Nygard; further correspondence [REDACTED] [REDACTED]	0.40	226.00	FT
	288075 reading recent correspondence; research and preparation of submissions respecting issues raised by B. Taylor in oral argument; email to W. Onchulenko; telephone conversation with W. Onchulenko; email from L. Feldman;	5.00	2,375.00	CL
Dec-22-21	288078 attend motion before Edmond J., telephone conference with W. Onchulenko and C. Linthwaite;	3.50	1,977.50	FT
	288077 preparation for argument; attend to argument of motion hearing before Justice Edmond; interoffice discussion; exchange of messages with W. Onchulenko; telephone conference call with W. Onchulenko and F. Tayar;	5.00	2,375.00	CL
Dec-23-21	288089 telephone attendance upon W. Onchulenko to discuss [REDACTED] [REDACTED] [REDACTED] [REDACTED]; email to Peter Nygard;	0.40	226.00	FT
Dec-29-21	288090 email and lengthy telephone attendance with Peter Nygard to discuss [REDACTED]	1.40	791.00	FT

[REDACTED]
 correspondence from C. Linthwaite
 regarding [REDACTED]
 [REDACTED]

	288120	detailed email from F. Tayar re possible outcome of hearing; detailed responsive email; further email from F. Tayar;	0.30	142.50	CL
Dec-30-21	288097	received, reviewed and considered response to brief concerning the cost of \$1,150,000 sought by Peter/NPL; emails with C. Linthwaite to strategize on how to respond;	0.70	395.50	FT
	288121	email from F. Tayar re Receiver's new brief; email from Receiver's counsel; reading brief; detailed response to F. Tayar; email exchange with F. Tayar; email to W. Onchulenko and L. Feldman;	0.50	237.50	CL
Jan-05-22	288165	reading recent correspondence'	0.10	47.50	CL
Jan-07-22	288153	received and reviewed L. Feldman's factum on costs;	0.20	113.00	FT
	288174	reading supplementary brief of respondents filed by W. Onchulenko;	0.30	142.50	CL
Jan-21-22	288443	telephone conversation with W. Onchulenko;	0.10	56.50	FT
Jan-25-22	288381	correspondence from P. Nygard;	0.10	56.50	FT
	Totals		188.30	\$87,725.74	
	HST on Fees			\$11,404.35	

FEE SUMMARY:

Lawyer	Hours	Effective Rate	Amount
Fred Tayar	33.30	\$565.00	\$18,814.50
Colby Linthwaite	148.20	\$453.52	\$67,211.24
Joshua Tayar	6.80	\$250.00	\$1,700.00

DISBURSEMENTS

	Disbursements	Receipts
Nov-03-21 287372 Print Three-photocopies, tabs and cerlox binding	14.45	

Nov-12-21	287506 Quicklaw Research	16.33
Nov-26-21	287713 Quicklaw Research	11.03
Nov-30-21	287763 Print Three-Photocopies	31.55
	287807 Quicklaw Research	10.71
Dec-13-21	287977 Print Three-Photocopies, tabs and cerlox binding	23.80
Dec-22-21	288063 Photocopies	25.75
Dec-31-21	288309 Quicklaw Research	58.22
Jan-07-22	288159 Print Three-copies, tabs and cerlox binding	14.15

Totals	\$205.99	\$0.00
HST on Disbursements	\$26.78	
Total Fees, Disbursements & HST		\$99,362.86

In Account With:
FRED TAYAR & ASSOCIATES
PROFESSIONAL CORPORATION

DATE: April 5, 2022

Barristers & Solicitors
65 Queen St. West, Suite 1200
Toronto, Canada M5H 2M5

Telephone: (416) 363-1800
Facsimile: (416) 363-3356

HST Registration No. 847141454

PERSONAL & CONFIDENTIAL

Peter John Nygard
[REDACTED]

Gregory Alvin Fenske
[REDACTED]

Nygard Holdings (USA) Limited, Nygard Inc.,
Fashion Ventures, Inc., Nygard NY Retail, LLC
4093879 Canada Ltd., 4093887 Canada Ltd.,
Nygard International Partnership, Nygard Properties Ltd.
and Nygard Enterprises Ltd. ("Nygard Group of Companies")
[REDACTED]

File No.20-3091

Re: Peter J. Nygard and Nygard Group of Companies - Financial Matters

TO PROFESSIONAL SERVICES rendered in connection with the above-noted matter from February 7, 2022 to April 1, 2022 as set out in the Pre-bill attached.

OUR FEE: \$28,381.50

TAXABLE DISBURSEMENTS

Print Three-photocopies and cerlox binding	\$16.35
Photocopies	\$183.00
Computerized legal research	\$100.85
	<hr/>
Total Taxable Disbursements	\$300.20
HST (on fee and taxable disbursements only)	3,728.63
	<hr/>
TOTAL AMOUNT OF THIS ACCOUNT	\$32,410.33
PREVIOUS BALANCE	31,524.34

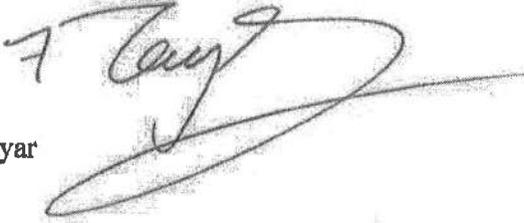
BALANCE NOW DUE AND OWING

\$63,934.67

THIS IS OUR STATEMENT OF ACCOUNT

**FRED TAYAR & ASSOCIATES
PROFESSIONAL CORPORATION**

Per:



Fred Tayar
FT/mt

E. & O.E.

All persons and/or corporations named above are jointly and severally responsible for payment of this account.

Disbursements which are not posted at the time of preparation of this account will be billed at a later time. Accounts due when rendered. All amounts overdue 30 days or more will bear interest at the rate of 1.3% per annum as provided for in Section 138 of the Courts of Justice Act, pursuant to the Solicitors Act. This account is prepared and delivered by Fred Tayar & Associates Professional Corporation (HST# 847141454) on its behalf and on behalf of Mindy Tayar Professional Corporation (HST #855434106).

Peter Nygard
Falcon Lake, Manitoba R0E 0N0

April 4, 2022

PREBILL

Attention:

File #: 20-3091
Inv #: Sample

RE: Peter J. Nygard and Nygard Group of Companies - Financial Matters

10492

DATE	ENTRY #	DESCRIPTION	HOURS	AMOUNT	LAWYER
Feb-07-22	288662	email from and reply to G. Fenske; telephone conversation with P. Nygard about [REDACTED]	1.20	702.00	FT
Feb-09-22	288732	reviewed correspondence from client; email to client;	0.30	175.50	FT
Feb-10-22	288755	correspondence from Luba with [REDACTED] [REDACTED] correspondence to Luba to revise;	0.20	117.00	FT
Feb-14-22	288814	voicemail message from P. Nygard about [REDACTED]	0.10	58.50	FT
Feb-15-22	288830	email from L. Feldman [REDACTED] [REDACTED]; correspondence	0.20	117.00	FT
Feb-16-22	288859	received correspondence from and reply to W. Onchulenko's office with [REDACTED]	0.20	117.00	FT
Feb-17-22	288892	received correspondence from and replied to W. Onchulenko re [REDACTED] [REDACTED] email and telephone conversation with W. Onchulenko; memorandum to file;	0.60	351.00	FT
Feb-18-22	288911	emai from P. Nygard with [REDACTED] [REDACTED] email to Peter and W. Onchulenko; email to [REDACTED] correspondence from G. Fenske;	0.40	234.00	FT
Feb-21-22	288914	correspondence from and reply to P. Nygard; correspondence from P. Nygard about [REDACTED] email to client; further correspondence with P. Nygard [REDACTED]	1.10	643.50	FT

	289489	reviewing file materials and Reasons of Justice Edmond [REDACTED] [REDACTED] interoffice discussion; telephone conversation with W. Onchulenko and F. Tayar [REDACTED] research on related issues; email to W. Onchulenko;	4.50	2,362.50	CL
Mar-23-22	289491	interoffice conference about appeal merits; telephone conversation with W. Onchulenko about time to appeal extension; emails with G. Fenske and W. Onchulenko; telephone conversation with P. Nygard;	1.20	702.00	FT
	289508	completing review of Reasons of Justice Edmond; making notes to L. Feldman; dictating outline re appeal; email exchange with L. Feldman; extended interoffice discussion re appeal; research on legal issues;	6.50	3,412.50	CL
Mar-24-22	289506	received emails from L. Valgardson, W. Onchulenko and C. Linthwaite;	0.40	234.00	FT
	289514	reviewing draft motion material; detailed email to Winnipeg counsel; responsive email; reviewing notes on Edmond J's decision; drafting long detailed email to Winnipeg counsel re appeal; email exchanges with Winnipeg counsel;	5.70	2,992.50	CL
Mar-25-22	289522	email from counsel; revision and expansion of brief; email to Winnipeg counsel; further email from Winnipeg counsel;	1.30	682.50	CL
Mar-29-22	289560	correspondence from and reply to W. Onchulenko about further amended notice of appeal sought by B. Taylor on [REDACTED]; correspondence from and reply to W. Onchulenko re consolidation matter in notice of appeal; further exchange of emails with W. Onchulenko re emails with B. Taylor;	1.00	585.00	FT
	289565	reading recent correspondence; interoffice discussion; reading recent correspondence;	0.30	157.50	CL
Mar-30-22	289581	correspondence with W. Onchulenko about brief for motion to extend the time; interoffice meeting with C. Linthwaite;	0.30	175.50	FT

	289577	reading recent correspondence; interoffice discussion; revising and expanding notes on Decision; reviewing file materials; email to Winnipeg counsel;	3.10	1,627.50	CL
Mar-31-22	289590	emails from L. Feldman and W. Onchulenko with [REDACTED] worked on revising brief; correspondence to W. Onchulenko;	3.00	1,755.00	FT
	289620	email from L. Feldman (x2); brief review of factum; interoffice discussion with F. Tayar;	0.30	157.50	CL
Apr-01-22	289627	email to and responses from W. Onchulenko and L. Feldman; several further emails about Receiver filing responding material; received copy of correspondence from Nygard [REDACTED]	0.60	351.00	FT
	289646	reading recent correspondence; interoffice discussion; email to W. Onchulenko re brief; email exchange with W. Onchulenko (x3); reading recent correspondence re Court of Appeal; email exchange with W. Onchulenko; telephone conversation with W. Onchulenko; emails from counsel [REDACTED] interoffice discussion; reading cases on issues relevant to appeal; interoffice discussion;	5.20	2,730.00	CL
Totals			51.90	\$28,381.50	
HST on Fees				\$3,689.60	

FEE SUMMARY:

Lawyer	Hours	Effective Rate	Amount
Fred Tayar	18.90	\$585.00	\$11,056.50
Colby Linthwaite	33.00	\$525.00	\$17,325.00

DISBURSEMENTS

		Disbursements	Receipts
Feb-28-22	288967	Print Three-photocopies and cerlox binding	16.35
	288990	Photocopies	107.50
Mar-18-22	289449	Quicklaw Research	2.30
Mar-28-22	289525	Quicklaw Research	68.68
Mar-31-22	289607	Photocopies	75.50

289652 Quicklaw Research

29.87

Totals

\$300.20

\$0.00

HST on Disbursements

\$39.03

Total Fees, Disbursements & HST

\$32,410.33

In Account With:

FRED TAYAR & ASSOCIATES
PROFESSIONAL CORPORATION

DATE: May 11, 2022

Barristers & Solicitors
65 Queen St. West, Suite 1200
Toronto, Canada M5H 2M5

Telephone: (416) 363-1800
Facsimile: (416) 363-3356

HST Registration No. 847141454

PERSONAL & CONFIDENTIAL

Peter John Nygard
c/o Gregory A. Fenske
369 River Road
Winnipeg, MB
R2M 4A1

Nygarde Holdings (USA) Limited, Nygard Inc.,
Fashion Ventures, Inc., Nygard NY Retail, LLC
4093879 Canada Ltd., 4093887 Canada Ltd.,
Nygard International Partnership, Nygard Properties Ltd.
and Nygard Enterprises Ltd. ("Nygard Group of Companies")
c/o Gregory A. Fenske
369 River Road
Winnipeg, MB
R2M 4A1

Gregory A. Fenske
369 River Road
Winnipeg, MB
R2M 4A1

File No.20-3091

Re: Peter J. Nygard and Nygard Group of Companies - Financial Matters

TO PROFESSIONAL SERVICES rendered in connection with the above-noted matter as set out in the pre-bill attached.

OUR FEE:

\$65,732.00

TAXABLE DISBURSEMENTS	\$289.99	
HST (on fee and taxable disbursements only)		\$8,582.86
TOTAL AMOUNT OF THIS ACCOUNT		\$74,604.85

Peter Nygard
Falcon Lake, Manitoba R0E 0N0

May 11, 2022

PREBILL

Attention:

File #: 20-3091
Inv #: Sample

RE: Peter J. Nygard and Nygard Group of Companies - Financial Matters

10453

DATE	ENTRY #	DESCRIPTION	HOURS	AMOUNT	LAWYER
Apr-04-22	289670	interoffice conference [REDACTED]; [REDACTED];	0.20	117.00	FT
	289703	reading cases [REDACTED]; further research on appeal issues;	6.00	3,150.00	CL
Apr-05-22	289737	reading cases on appeal issues, especially [REDACTED]	4.50	2,362.50	CL
Apr-06-22	289764	[REDACTED] [REDACTED] interoffice conference regarding Edmond J's misdirecting himself and not giving adequate reasons;	0.60 0.3	351.00 -(63)	FT
	289741	extensive research on [REDACTED] issues; extended interoffice discussion of law and issues;	5.60	2,940.00	CL
Apr-07-22	289770	[REDACTED]			FT
	289778	worked on file; further reading cases on various possible arguments on appeal; interoffice discussion; further research and discussions with F. Tayar;	5.10	2,677.50	CL
Apr-08-22	289790	office conference about appeal issues;	0.20	117.00	FT
	289792	email to L. Feldman (x2); further work on appeal argument and review of Decision; dictating memorandum re argument on appeal; extended interoffice discussion re argument and strategy;	5.50	2,887.50	CL
	289937	research on grounds for appealing consolidation order judgment; began drafting memorandum on law;	4.50	1,237.50	JT

Apr-11-22	289833 email from W. Onchulenko; telephone conversation with W. Onchulenko;	0.30	175.50	FT
	289849 reading [REDACTED]; revisions to notes;	2.70	1,417.50	CL
	289939 further legal research and worked on memorandum regarding potential grounds for appealing [REDACTED] order;	2.90	797.50	JT
Apr-12-22	289867 further reading cases and work on argument;	4.00	2,100.00	CL
	289951 chronologically consolidated notes about Edmond J's decision;	0.50	137.50	JT
Apr-13-22	289880 email to W. Onchulenko; email from B. Taylor about approval of fees; email to B. Taylor; [REDACTED]	1.10 0.4	643.50 (-0.6)	FT
	289874 further interoffice discussion and work on argument;	3.00	1,575.00	CL
	289953 research about [REDACTED]	4.10	1,127.50	JT
	289891 commence preparation of bills for payment by receiver;	0.50	262.50	MT
Apr-14-22	290027 [REDACTED]		(-1.5)	FT
	289955 research and finalize memorandum about [REDACTED] in order;	4.10	1,127.50	JT
	289892 review bills and redact for delivery to receiver for payment;	0.60	315.00	MT
Apr-21-22	290064 email to W. Onchulenko;	0.10	58.50	FT
Apr-22-22	289992 message from W. Onchulenko re timelines; email to W. Onchulenko; review file material; further email from W. Onchulenko; telephone conversation with W. Onchulenko; worked on file;	0.70	367.50	CL
Apr-25-22	290078 interoffice conference; telephone conversation with W. Onchulenko;	0.40	234.00	FT

	290003	telephone conversation with W. Onchulenko; telephone conversation with F. Tayar re argument in Court of Appeal; reading file materials in advance of argument;	2.20	1,155.00	CL
	289969	research about adequacy of a motion judge's reasons and [REDACTED] and about [REDACTED]	1.20	330.00	JT
Apr-26-22	290009	reading memorandum to file re legal issues; reviewing file materials and research; work on argument [REDACTED]	5.50	2,887.50	CL
Apr-27-22	290092	read recent case for [REDACTED]	0.20	117.00	FT
	290010	further research and drafting of argument on [REDACTED] interoffice discussion; further work on argument and research;	5.80	3,045.00	CL
Apr-28-22	290107	brief review of B. Taylor's brief; office conference and telephone conversation with W. Onchulenko;	0.50	292.50	FT
	290014	further drafting argument; interoffice discussion; further work on argument; reading Receiver's Motion Brief; interoffice discussion; messages for Winnipeg counsel; telephone conversation with W. Onchulenko and F. Tayar;	5.70	2,992.50	CL
Apr-29-22	290114	[REDACTED] worked on notice of appeal;	2.50 0.7	1,462.50 (- 1.5)	FT
	290019	drafting amended notice of appeal; further drafting amended notice of appeal; interoffice discussion; email to Winnipeg counsel;	6.10	3,202.50	CL
May-02-22	290142	read Liam's legal memorandum on this week's motion to extend time to appeal; telephone conference with W. Onchulenko, L. Feldman and C. Linthwaite about motion issues; correspondence from P. Nygard; reply to client; several emails with W. Onchulenko about B. Taylor's letter to Court Registrar; telephone conversation with W. Onchulenko; telephone conversation with G. Fenske;	2.00	1,170.00	FT

of results; conference call with W. Onchulenko and F. Tayar; reading memorandum on legal issues; email to W. Onchulenko; responsive email;

	290248	searched for authorities about [REDACTED] [REDACTED] [REDACTED]	3.10	852.50	JT
May-06-22	290224	email to P. Nygard; telephone conversation with P. Nygard; emails with G. Fenske;	0.40	234.00	FT
	290225	redrafting notice of appeal; research; interoffice discussion; reading recent correspondence; reviewing file materials;	6.40	3,360.00	CL
May-09-22	290290	[REDACTED] out [REDACTED]; telephone conversation with P. Nygard; [REDACTED] [REDACTED]; worked on drafting of notice of appeal;	0.70 0.5 -(0.2)	409.50	FT
	290284	revision to notice of appeal; interoffice discussion; email to [REDACTED]; email exchange with [REDACTED] reviewing file materials;	2.00	1,050.00	CL
May-10-22	290303	[REDACTED] es;	0.10 -(0.1)	58.50	FT
	290326	interoffice strategizing; [REDACTED]; email to counsel; email to counsel; work on argument;	0.90	472.50	CL
	Totals		133.80	\$65,732.00	#63,216.50
	HST on Fees			\$8,545.16	8,218.15

FEE SUMMARY:

Lawyer	Hours	Effective Rate	Amount
Fred Tayar	12.70	-(4.3) \$585.00	\$7,429.50
Colby Linthwaite	98.90	\$525.00	\$51,922.50
Joshua Tayar	21.10	\$275.00	\$5,802.50
Mindy Tayar	1.10	\$525.00	\$577.50
			4,914-

DISBURSEMENTS

Apr-08-22	289798 Quicklaw Research
Apr-25-22	289903 Print Three-photocopies, tabs and cerlox binding
Apr-29-22	289907 Photocopies
	289982 Quicklaw Research
May-03-22	290154 Print Three - photocopies, tabs and cerlox binding

Disbursements

63.83
36.90
44.25
75.91
69.10

Receipts

Totals
HST on Disbursements

<u>\$289.99</u>
\$37.70

\$0.00

Total Fees, Disbursements & HST

~~\$74,604.85~~

69,052.03

Total Tax: \$8,582.86

* tax-exempt

HST (on fee and taxable disbursements only)

5,499.03

TOTAL AMOUNT OF THIS ACCOUNT

\$47,799.25

Peter Nygard
 c/o Gregory A. Fenske
 369 River Road
 Winnipeg, MB R2M 4A1

June 16, 2022

PREBILL

File #: 20-3091
 Inv #: Sample

Attention:

RE: Peter J. Nygard and Nygard Group of Companies - Financial Matters

10486

DATE	ENTRY #	DESCRIPTION	HOURS	AMOUNT	LAWYER
May-11-22	290348	correspondence from B. Taylor regarding approval of fees matter; response to B. Taylor; [REDACTED]; [REDACTED]; [REDACTED]; interoffice conference; worked on notice of appeal; telephone conversation with W. Onchulenko about [REDACTED]	1.30 1.7	760.50 (-6)	FT
	290363	emails from [REDACTED]; interoffice discussion re next steps; work on appeal material;	2.20	1,155.00	CL
May-16-22	290993	telephone conversations with P. Nygard about [REDACTED]	0.40	234.00	FT
	290451	email from client; interoffice discussion; email to other counsel; email to [REDACTED]; [REDACTED] email from [REDACTED]	0.30	157.50	CL
May-17-22	290453	email exchange with [REDACTED]	0.10	52.50	CL
May-20-22	290515	reading detailed email from [REDACTED] and reading revised amended notice of appeal; telephone conversation with lawyer at [REDACTED]; interoffice discussion; reviewing file materials;	2.00	1,050.00	CL
May-24-22	290540	message for W. Onchulenko; work on factum;	4.50	2,362.50	CL
May-25-22	290576	email exchanges with W. Onchulenko re notice; work on factum;	4.50	2,362.50	CL
May-26-22	290581	email exchanges with Winnipeg counsel re notice of appeal;	0.10	52.50	CL

May-27-22	290608	work on appeal material;	2.80	1,470.00	CL
May-30-22	290632	message for W. Onchulenko; research and work on appeal material;	2.30	1,207.50	CL
May-31-22	290638	drafting factum;	5.00	2,625.00	CL
Jun-01-22	290691	further research and drafting factum; reading Richter's memorandum on income tax returns for NPL; extended interoffice discussion; conference call with W. Onchulenko and F. Tayar re next steps;	5.40	2,835.00	CL
Jun-02-22	290694	research and drafting factum;	4.30	2,257.50	CL
Jun-03-22	290800	further drafting and review of file materials; emails from Winnipeg counsel and review of attached material; interoffice discussion; email to W. Onchulenko;	4.70	2,467.50	CL
Jun-06-22	290804	reading recent correspondence; drafting factum; email exchanges with W. Onchulenko re motion material; reviewing draft motion material; research;	6.70	3,517.50	CL
Jun-07-22	290842	further research and review of file materials and work on appeal material;	5.90	3,097.50	CL
Jun-08-22	290872	drafting factum; research and review of file materials;	6.30	3,307.50	CL
Jun-09-22	290874	email exchanges with W. Onchulenko; research, drafting and revisions of appeal factum;	7.20	3,780.00	CL
Jun-10-22	290891	reading recent correspondence and drafting factum; email exchanges with W. Onchulenko re appeal material;	7.00	3,675.00	CL
Jun-12-22	290892	received correspondence from [REDACTED] to W. Onchulenko about the proposed amended notice of appeal;	0.10	58.50	FT
Jun-13-22	290907	email from counsel for Receiver and W. Onchulenko; telephone conversation with W. Onchulenko; email from Court of Appeal office; further drafting factum, research and review of file materials; email from Winnipeg Counsel re motion to Court of Appeal;	7.10	3,727.50	CL

Totals
HST on Fees

80.20 \$42,213.00
\$5,487.69

4,862-
5,442.06

FEE SUMMARY:

Lawyer	Hours	Effective Rate	Amount
Fred Tayar	1.80 (-.6)	\$585.00	\$1,053.00 702
Colby Linthwaite	78.40	\$525.00	\$41,160.00

DISBURSEMENTS

May-31-22 290586 Photocopies
Jun-08-22 290830 Quicklaw Research

Disbursements
48.25
38.97

Receipts

Totals
HST on Disbursements

\$87.22
\$11.34

\$0.00

Total Fees, Disbursements & HST

\$47,799.25

\$47,402.62

Total Tax: \$5,499.03

* tax-exempt

In Account With:
FRED TAYAR & ASSOCIATES
PROFESSIONAL CORPORATION

DATE: July 12, 2022

Barristers & Solicitors
65 Queen St. West, Suite 1200
Toronto, Canada M5H 2M5

Telephone: (416) 363-1800
Facsimile: (416) 363-3358

HST Registration No. 847141454

PERSONAL & CONFIDENTIAL

Peter John Nygard
c/o Gregory A. Fenske
Nygard Holdings (USA) Limited, Nygard Inc.,
Fashion Ventures, Inc., Nygard NY Retail, LLC
4093879 Canada Ltd., 4093887 Canada Ltd.,
Nygard International Partnership, Nygard Properties Ltd.
and Nygard Enterprises Ltd. ("Nygard Group of Companies")
369 River Road
Winnipeg, MB R2M 4A1

Gregory A. Fenske
369 River Road
Winnipeg, MB R2M 4A1

File No. 20-3091

Re: Peter J. Nygard and Nygard Group of Companies – Receivership

TO PROFESSIONAL SERVICES rendered in connection with the above-noted matter from June 8, 2022 to July 11, 2022 as set out in the pre-bill attached.

OUR FEE:		\$26,233.00
TAXABLE DISBURSEMENTS		
Computerized legal research	\$47.46	
Print Three-photocopies, tabs and cerlox binding	\$51.80	
Photocopies	<u>\$70.00</u>	
Total Taxable Disbursements		\$169.26
HST (on fee and taxable disbursements only)		\$3,432.29
TOTAL AMOUNT OF THIS ACCOUNT		\$29,834.55

Peter Nygard
c/o Gregory A. Fenske
369 River Road
Winnipeg, MB R2M 4A1

July 12, 2022

PREBILL

File #: 20-3091
Inv #: Sample
10525

Attention:

RE: Peter J. Nygard and Nygard Group of Companies - Financial Matters

DATE	ENTRY #	DESCRIPTION	HOURS	AMOUNT	LAWYER
Jun-08-22	291039	legal research and memo about [REDACTED] [REDACTED] [REDACTED]	4.10	1,127.50	JT
Jun-09-22	291043	further research and memo for [REDACTED] [REDACTED]	2.40	660.00	JT
Jun-14-22	291015	further work on appeal material; interoffice discussion, strategizing and research;	6.70	3,517.50	CL
Jun-15-22	291017	email to W. Onchulenko; further work on factum;	7.00	3,675.00	CL
Jun-16-22	291070	further work on factum; email exchanges with W. Onchulenko; telephone conversation with W. Onchulenko; telephone conversation with [REDACTED] email to W. Onchulenko and [REDACTED] email from Bruce Taylor;	6.60	3,465.00	CL
Jun-17-22	291098	email from B. Taylor; exchange of emails with W. Onchulenko; work on appeal material; further email from B. Taylor; research on various issues; revisions and expansion of factum; email to and reply from [REDACTED]	5.70	2,992.50	CL
Jun-20-22	291120	worked on court of appeal factum;	0.80	468.00	FT
	291159	interoffice strategizing re recent events and next steps; email exchanges with [REDACTED] [REDACTED] re factum; reviewing [REDACTED] changes; interoffice discussion; revisions to factum; further interoffice discussion; email to W. Onchulenko;	3.00	1,575.00	CL

Jun-22-22	291150	interoffice meeting with C. Linthwaite to discuss W. Onchulenko's [REDACTED] brief; email to W. Onchulenko; telephone discussion with W. Onchulenko and C. Linthwaite;	0.40	234.00	FT
	291162	reading recent correspondence; reviewing draft facta and notice of motion received from W. Onchulenko; interoffice discussion; conference call with W. Onchulenko and F. Tayar re material; email from [REDACTED] reviewing and revising draft factum; email to Winnipeg counsel; interoffice discussion;	3.20	1,680.00	CL
Jun-24-22	291193	email from Receiver's counsel and L. Valgardson; reading facta filed on motion; email exchange with L. Valgardson; interoffice discussion; telephone conversation with W. Onchulenko; reviewing draft appeal book and file materials;	3.20	1,680.00	CL
Jun-27-22	291213	reviewing file materials re appeal book; drafting detailed email to Winnipeg counsel re appeal book and argument; second email to counsel; interoffice discussion;	3.00	1,575.00	CL
Jun-28-22	291245	email from Receiver's counsel; telephone conversation with W. Onchulenko; reviewing motion material in advance of argument; reading long Court of Appeal case [REDACTED] telephone conversation with W. Onchulenko; further telephone conversation with W. Onchulenko re adjournment;	4.20	2,205.00	CL
Jun-29-22	291262	received correspondence from W. Onchulenko to the Service List re adjournment of motion from June 30 to August 10;	0.10	58.50	FT
	291254	email from W. Onchulenko (x2); message from W. Onchulenko; diarizing dates;	0.10	52.50	CL
Jul-04-22	291382	reviewing Receiver's material; email to Winnipeg counsel;	0.50	262.50	CL
Jul-05-22	291432	email from Winnipeg counsel; responsive email; reviewing draft Order; email to	0.40	210.00	CL

		counsel; interoffice discussion of next steps;			
Jul-07-22	291484	interoffice discussion re [REDACTED] [REDACTED] [REDACTED] reading case and revising factum; multiple emails from Winnipeg counsel;	0.40	210.00	CL
Jul-10-22	291502	correspondence from and reply to W. Onchulenko re [REDACTED]	0.20	117.00	FT
Jul-11-22	291517	examined sections [REDACTED] of the Income Tax Act; prepared response to B. Taylor concerning the Receiver's entitlement to file tax returns for NPL;	0.80	468.00	FT
	Totals		52.80	\$26,233.00	
	HST on Fees			\$3,410.29	

FEE SUMMARY:

Lawyer	Hours	Effective Rate	Amount
Fred Tayar	2.30	\$585.00	\$1,345.50
Colby Linthwaite	44.00	\$525.00	\$23,100.00
Joshua Tayar	6.50	\$275.00	\$1,787.50

DISBURSEMENTS

		Disbursements	Receipts
Jun-20-22	291112 Quicklaw Research	8.61	
Jun-27-22	291199 Print Three-photocopies, tabs and cerlox binding	51.80	
Jun-30-22	291293 Quicklaw Research	2.68	
Jul-01-22	291275 Photocopies	70.00	
Jul-08-22	291519 Quicklaw Research	36.17	
	Totals	\$169.26	\$0.00
	HST on Disbursements	\$22.00	

Total Fees, Disbursements & HST

\$29,834.55

Total Tax: \$3,432.29

* tax-exempt

In Account With:
FRED TAYAR & ASSOCIATES
PROFESSIONAL CORPORATION

DATE: August 4, 2022

Barristers & Solicitors
65 Queen St. West, Suite 1200
Toronto, Canada M5H 2M5

Telephone: (416) 363-1800
Facsimile: (416) 363-3356

HST Registration No. 847141454

PERSONAL & CONFIDENTIAL

Peter John Nygard
Nygard Holdings (USA) Limited, Nygard Inc.,
Fashion Ventures, Inc., Nygard NY Retail, LLC
4093879 Canada Ltd., 4093887 Canada Ltd.,
Nygard International Partnership, Nygard Properties Ltd., and
Nygard Enterprises Ltd. ("Nygard Group of Companies")
Gregory Alvin Fenske
369 River Road
Winnipeg, MB R2M 4A1

File No.20-3091

Re: Peter J. Nygard and Nygard Group of Companies – Receivership

TO PROFESSIONAL SERVICES rendered in connection with the above-noted matter from July 12, 2022 to August 4, 2022 as set out in the pre-bill attached.

OUR FEE:	\$4,213.50
HST (on fee and taxable disbursements only)	<u>\$547.76</u>
TOTAL AMOUNT OF THIS ACCOUNT	\$4,761.26

Peter Nygard
c/o Gregory A. Fenske
369 River Road
Winnipeg, MB R2M 4A1

August 4, 2022

PREBILL

File #: 20-3091

Inv #: Sample

10541

Attention:

RE: Peter J. Nygard and Nygard Group of Companies - Financial Matters

DATE	ENTRY #	DESCRIPTION	HOURS	AMOUNT	LAWYER
Jul-12-22	291562	correspondence with W. Onchulenko [REDACTED]	0.20	117.00	FT
Jul-13-22	291568	email from PJN; finalized and sent out letter to B. Taylor re Tax Memorandum for NPL; received and caught upon yesterday's emails from client;	0.20	117.00	FT
Jul-14-22	291596	reading recent case [REDACTED] [REDACTED];	0.30	157.50	CL
Jul-15-22	291610	reviewing draft appeal book received from Winnipeg counsel [REDACTED] detailed responsive email to counsel;	3.00	1,575.00	CL
Jul-20-22	291648	reading cases on [REDACTED] [REDACTED];	3.30	1,732.50	CL
Jul-21-22	291674	reading recent correspondence;	0.20	105.00	CL
Jul-29-22	291770	received correspondence from W. Onchulenko to B. Taylor and Justice Edmond concerning his fees;	0.20	117.00	FT
Aug-03-22	291906	correspondence from Court Clerk Hildebrand about motion re W. Onchulenko's fees; correspondence from W. Onchulenko; correspondence from B. Taylor; further emails with the Court; telephone conversation with W. Onchulenko about participation in the motion concerning Wayne's legal fees; received correspondence from W. Onchulenko, Manitoba Court and B. Taylor;	0.50	292.50	FT

Totals	7.90	\$4,213.50
HST on Fees		\$547.76

FEE SUMMARY:

Lawyer	Hours	Effective Rate	Amount
Fred Tayar	1.10	\$585.00	\$643.50
Colby Linthwaite	6.80	\$525.00	\$3,570.00

Total Fees, Disbursements & HST	\$4,761.26
--	-------------------

Total Tax: \$547.76

* tax-exempt

In Account With:
FRED TAYAR & ASSOCIATES
PROFESSIONAL CORPORATION

DATE: September 7, 2022

Barristers & Solicitors
65 Queen St. West, Suite 1200
Toronto, Canada M5H 2M5

Telephone: (416) 363-1800
Facsimile: (416) 363-3356

HST Registration No. 847141454

PERSONAL & CONFIDENTIAL

Peter John Nygard
Nygard Holdings (USA) Limited, Nygard Inc.,
Fashion Ventures, Inc., Nygard NY Retail, LLC
4093879 Canada Ltd., 4093887 Canada Ltd.,
Nygard International Partnership, Nygard Properties Ltd., and
Nygard Enterprises Ltd. ("Nygard Group of Companies")
Gregory A. Fenske
369 River Road
Winnipeg, MB R2M 4A1

File No.20-3091

Re: Peter J. Nygard and Nygard Group of Companies – Receivership

TO PROFESSIONAL SERVICES rendered in connection with the above-noted matter from August 2, 2022 to August 31, 2022 as set out in the pre-bill attached.

OUR FEE:		\$20,961.00
TAXABLE DISBURSEMENTS		
Computerized legal research	<u>\$10.48</u>	
Total Taxable Disbursements		\$10.48
HST (on fee and taxable disbursements only)		<u>\$2,726.29</u>
TOTAL AMOUNT OF THIS ACCOUNT		\$23,697.77

Peter Nygard
c/o Gregory A. Fenske
369 River Road
Winnipeg, MB R2M 4A1

September 7, 2022

PREBILL

File #: 20-3091

Inv #: Sample

Attention:

RE: Peter J. Nygard and Nygard Group of Companies - Financial Matters

10564

DATE	ENTRY #	DESCRIPTION	HOURS	AMOUNT	LAWYER
Aug-02-22	292446	email from Registrar of Manitoba Court of Appeal re upcoming motion; reading recent correspondence;	0.10	52.50	CL
Aug-03-22	292447	email from W. Onchulenko and Manitoba Court of Appeal office;	0.10	52.50	CL
Aug-04-22	292448	email from Registrar of Manitoba Court of Appeal re motion;	0.10	52.50	CL
Aug-05-22	292449	email from Manitoba Court of Appeal re motion;	0.10	52.50	CL
Aug-08-22	291993	interoffice discussion of recent events; reviewing motion materials in preparation for argument of motion; reading and noting up cases; interoffice strategizing re argument; email exchanges with W. Onchulenko;	6.30	3,307.50	CL
Aug-09-22	292049	telephone conversation with W. Onchulenko; drafting expansion of argument for tomorrow's motion; interoffice discussion; further telephone conversation with W. Onchulenko; finalizing prep;	6.20	3,255.00	CL
Aug-10-22	292081	preparation for and attendance at hearing of the motion before Manitoba Court of Appeal; interoffice conference; message for W. Onchulenko; telephone conversation with W. Onchulenko; worked on file; email from Court of Appeal Office;	6.00	3,150.00	CL
Aug-11-22	292085	attendance to hear oral reasons of Manitoba Court of Appeal; interoffice discussion; beginning work on factum;	6.40	3,360.00	CL

message for W. Onchulenko; telephone conversation with W. Onchulenko;

Aug-12-22	292103	cutting down factum per direction from Manitoba Court of Appeal;	6.60	3,465.00	CL
Aug-15-22	292129	worked on factum for Manitoba Court of Appeal; interoffice conference re same;	1.00	585.00	FT
	292134	further work on factum; email to W. Onchulenko; interoffice discussion re revised factum; revisions; further email to W. Onchulenko;	3.60	1,890.00	CL
Aug-16-22	292150	telephone conversation with W. Onchulenko re revised factum; interoffice discussion;	0.20	105.00	CL
Aug-17-22	292152	email from Winnipeg counsel; emailing sections [redacted] reviewing material sent by counsel; email exchanges with Winnipeg counsel; message for W. Onchulenko; email from J. Refvik; email exchanges with J. Refvik; review and revise factum; email to J. Refvik and W. Onchulenko;	2.40	1,260.00	CL
Aug-19-22	292211	reading [redacted] a; interoffice discussion;	0.20	105.00	CL
		[redacted]			(-1) FT
	292263	[redacted]			(-1) CL
		[redacted]			(-2) CL
		[redacted]			(-1) CL
Totals			39.80	\$20,961.00	
HST on Fees				\$2,724.93	

FEE SUMMARY:

Lawyer	Hours	Effective Rate	Amount
Fred Tayar	1.10	(-1) \$585.00	\$643.50 585.00
Colby Linthwaite	38.70	(-4) \$525.00	\$20,317.50 20107.50

DISBURSEMENTS

Aug-15-22 292138 Quicklaw Research
Aug-19-22 292218 Quicklaw Research

Disbursements

6.73
3.75

Receipts

Totals
HST on Disbursements

\$10.48
\$1.36

\$0.00

Total Fees, Disbursements & HST

~~\$23,697.77~~

~~\$23,588.3~~
\$23,394.36

Total Tax: \$2,726.29

* tax-exempt

Appendix "J"

Nygaard Properties – 40 Fieldstone

August 26.21	Rec'd balance to close		\$951,368.81
Aug 27	Paid Century 21 comm.balance	\$ 6,500.00	
Aug 27	Pd. City of Vaughan bal.of taxes	\$ 3,357.26	
Aug 27	Paid to discharge mortgage	\$315,078.09	
Sept 1	Paid Levene Tadman	\$ 5,115.77	
Sept 7	Paid G. Fenske Director's fee	\$ 6,500.00	
Oct 1	Paid G. Fenske Director's fee	\$ 6,500.00	
Oct 1	Paid Levene Tadman	\$ 50,000.00	
Oct 20	Paid Fred Tayar Retainer	\$ 50,000.00	
Oct 20	Paid Albert Gelman	\$ 25,000.00	
Nov 30	Paid Fred Tayar Retainer	\$ 50,000.00	
Nov 30	Paid Levene Tadman	\$ 50,000.00	
Nov 30	Paid G. Fenske Director's fee	\$ 6,500.00	
Dec 21	Paid Albert Gelman Inc.	\$ 25,000.00	
Dec 23	Paid Levene Tadman	\$150,000.00	
Jan 1/22	Received from ACU Interest On Daily Interest Account		\$ 528.36
Jan 5/22	Paid G. Fenske Director's fee	\$ 6,500.00	
Jan. 24	Paid City of Vaughan Final water bill	\$ 504.46	
Feb 24.22	Paid G. Fenske Director's fee	\$ 6,500.00	
April 6.22	Paid G. Fenske Director's fee Feb and March 2022	\$ 13,000.00	

May 6.22	Paid G. Fenske Director's fee April 2022	\$ 6,500.00	
June 1.22	Paid G. Fenske Director's fee May 2022	\$ 6,500.00	
July 7.22	Paid G. Fenske Director's fee June 2022	\$ 6,500.00	
Aug 3.22	Paid G. Fenske Director's fee July 2022	\$ 6,500.00	
Balance in trust		<u>\$ 149,841.59</u>	
TOTALS		\$ 951,897.17	\$951,897.17

Nygaard Properties Ltd. Sale of Falcon Lake Property

Feb. 12/21	Received from purchaser (deposit)		\$100,000.00
Feb. 26	Received from purchaser (additional deposit)		\$400,000.00
March 19	Received from Pitblado – balance to close		\$1,024,408.40
March 29	Paid to Pitblado – overpayment	\$ 136.13	
March 30	Transfer LTG 117083 to 113885 fees	\$ 88,999.00	
March 31	Paid Albert Belman Inc.	\$ 42,870.29	
	Paid Albert Belman Inc. wire fees	95.74	
	Paid Fred Tayar & Associates	\$ 114,824.15	
	Paid Fred Tayar wire fees	\$ 135.00	
April 1	Transfer LTG 117083 to 113885 fees from new retainer	\$ 44,434.55	
April 12	Paid 2361342 Ontario	\$ 720,989.39	
April 16	Paid Sigmar MacKenzie – balance of commission – portion to estate and to NPL depending on valuation of Lot 16 (Estate = \$20,475.00 NPL = \$32,025.00)	\$ 32,025.00	
May 11/21	Rec'd Hydro credit		\$ 3,132.12
May 11/21	Paid to Steve Mager settlement agreement	\$ 55,000.00	
	Paid to 11997688 Canada Inc. settlement agreement	\$ 71,500.00	
	Paid to LTG receivable 113885 (\$44,434.55 + \$55,565.45 = \$100,000.00)	\$ 55,565.45	

May 12/21	Paid to Albert Gelman Retainer plus Wire fee	\$ 50,110.00	
	Paid to Fred Tayer retainer plus Wire fee	\$ 100,135.00	
	Paid to LTG receivable re sale(NW)	\$ 14,290.75	
May 27/21	Transfer to LTG Retainer	\$ 100,000.00	
May 27/21	Paid to 11997688 (G. Fenske Monthly Director Fee)	\$ 6,500.00	
July 5/21	Paid to 11997688 (G. Fenske Monthly Director Fee)	\$ 6,500.00	
July 29/21	Paid to 11997688 (G. Fenske Monthly Director Fee)	\$ 6,500.00	
Oct. 28/21	Paid to 11997688 (G. Fenske Monthly Director Fee)	\$ 6,500.00	
Balance in trust		<u>\$ 10,430.07</u>	<hr/>
		\$1,527,540.52	\$1,527,540.52