

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE CONSOLIDATED  
BANKRUPTCY OF PORTUS ALTERNATIVE ASSET  
MANAGEMENT INC. AND PORTUS ASSET  
MANAGEMENT INC.,** both corporations incorporated pursuant  
to the *Business Corporations Act* (Ontario) with its principal place  
of business in the City of Toronto, in the Province of Ontario,  
bankrupts

**MOTION RECORD**

May 14, 2009

**ThorntonGroutFinnigan LLP**  
Barristers and Solicitors  
Suite 3200, P.O. Box 329  
Canadian Pacific Tower  
Toronto-Dominion Centre  
Toronto, ON M5K 1K7

**James H. Grout (LSUC# 22741H 1B)**  
**John L. Finnigan (LSUC# 240408)**  
**Larry Ellis (LSUC# 49313KC)**

Tel: (416) 304-1616  
Fax: (416) 304-1313

Solicitors for KPMG Inc., in its capacity as Trustee  
of the Consolidated Estate of Portus Alternative  
Asset Management Inc. and Portus Asset  
Management Inc., bankrupts

## MOTION RECORD INDEX

<b>TAB</b>	<b>DOCUMENT</b>
<b>1</b>	Notice of Motion Returnable on Wednesday, May 20, 2009
<b>2</b>	Affidavit of Robert Rusko to be sworn
<b>3</b>	Affidavit of James H. Grout sworn May 13, 2009
<b>A</b>	Redacted copies of the bills of costs issued to the Trustee by TGF for fees and disbursements incurred by TGF in the course of the Consolidated Estate of PAAM and PAM between October 1, 2008 and December 31, 2008
<b>B</b>	Schedule summarizing each invoice, the total billable hours charged per invoice, the total fees charged per invoice and the average hourly rate charged per invoice
<b>C</b>	Schedule summarizing the respective years of call and billing rates of each of the solicitors at TGF who acted for the Receiver
<b>4</b>	Affidavit of Michael C. Nicholas sworn May 14, 2009
<b>A</b>	Summaries of the invoices issued to the Trustee by McCarthy for fees and disbursements incurred by McCarthy in the course of the Consolidated Estate of PAAM and PAM between October 1, 2008 and December 31, 2008
<b>B</b>	Schedule summarizing each invoice, the total billable hours charged per invoice, the total fees charged per invoice and the average hourly rate charged per invoice
<b>C</b>	Schedule summarizing the respective years of call and billing rates of each of the solicitors of McCarthy who acted for the Trustee
<b>5</b>	Report of Jonathan Wigley to be filed
<b>6</b>	Draft Order

# TAB 1

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE CONSOLIDATED BANKRUPTCY OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC. AND PORTUS ASSET MANAGEMENT INC.**, both corporations incorporated pursuant to the *Business Corporations Act* (Ontario) with its principal place of business in the City of Toronto, in the Province of Ontario, bankrupts

**NOTICE OF MOTION**

**KPMG INC.** (the “Trustee”), in its capacity as the Trustee of the Consolidated Estate of Portus Alternative Asset Management Inc. (“PAAM”) and Portus Asset Management Inc. (“PAM”), bankrupts (the “Consolidated Estate”), will make a motion before the Honourable Mr. Justice Colin L. Campbell on Wednesday, May 20, 2009 at 10 o’clock in the morning or as soon after that time as the motion can be heard at 330 University Avenue, in the City of Toronto.

**THIS MOTION IS FOR:**

1. an Order assessing and allowing the fees and disbursements of the Trustee and those of its counsel for the period October 1, 2008 to December 31, 2008, as filed; and
2. such further and other relief as counsel may request and this Honourable Court may deem just.

**THE GROUNDS FOR THE MOTION ARE:**

1. the fees and disbursements of the Trustee and those of its counsel for the period October 1, 2008 to December 31, 2008 have been approved by the Inspectors of the Consolidated Estate;
2. pursuant to the provisions of the *Bankruptcy and Insolvency Act* (Canada), the fees and disbursements of the Trustee and those of its counsel must be assessed by this Honourable Court;
3. pursuant to the Order of this Honourable Court dated May 18, 2007, the Honourable Mr. Justice Colin L. Campbell is to assess the accounts of the Trustee and those of its counsel; and
4. such further and other grounds as counsel may advise and this Honourable Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion:

1. the Affidavit of Robert M. Rusko to be sworn;
2. the Affidavit of James H. Grout sworn May 13, 2009;
3. the Affidavit of Michael Nicholas sworn May 14, 2009;
4. Report of the Independent Counsel, to be filed; and
5. such further and other material as counsel may advise and this Honourable Court may permit.

**May 14, 2009**

**ThorntonGroutFinnigan LLP**  
Suite 3200, P.O. Box 329  
Canadian Pacific Tower  
Toronto-Dominion Centre  
Toronto, ON M5K 1K7

**James H. Grout (LSUC# 22741H 1B)**  
**John L. Finnigan (LSUC #24040L)**  
**Larry Ellis (LSUC# 49313KC)**

Tel: (416) 304-1616  
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Solicitors for KPMG Inc., in its capacity as Trustee  
of the Consolidated Estate of Portus Alternative  
Asset Management Inc. and Portus Asset  
Management Inc., bankrupts

**TO:** THIS HONOURABLE COURT

**AND TO:** THE SERVICE LIST

IN THE MATTER OF THE BANKRUPTCY OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC., PORTUS ASSET MANAGEMENT INC., BANCNOTE CORP., SOUTHVIEW ASSET MANAGEMENT INC., SOUTHVIEW CAPITAL CORP., each of which is a corporation incorporated pursuant to the *Business Corporations Act* (Ontario) with its principal place of business in the City of Toronto, in the Province of Ontario

Court File No. 31-OR-207257-T

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**  
Proceeding commenced in Toronto

**NOTICE OF MOTION**

**ThorntonGroutfinnigan LLP**  
Barristers and Solicitors  
100 Wellington Street West  
Suite 3200, P.O. Box 329  
Canadian Pacific Tower  
Toronto, ON M5K 1K7

**James H. Grout (LSUC# 22741H 1B)**  
**John L. Finnigan (LSUC #240408)**  
**Larry Ellis (LSUC #49313K)**

Tel: (416) 304-1616  
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Solicitors for KPMG Inc., in its capacity as  
Trustee of the Estate of Portus Alternative Asset  
Management Inc., a bankrupt

# TAB 2

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)

IN THE MATTER OF THE CONSOLIDATED BANKRUPTCY  
OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC.  
AND PORTUS ASSET MANAGEMENT INC., both corporations  
Incorporated pursuant to the *Business Corporations Act* (Ontario)  
with its principal place of business in the City of Toronto, in the  
Province of Ontario, bankrupts

AFFIDAVIT OF ROBERT M. RUSKO  
(Sworn April \_\_\_\_, 2009)

I, ROBERT M. RUSKO, of the City of Vancouver, in the Province of British Columbia, MAKE OATH AND SAY:

1. I am a Senior Vice President with KPMG Inc., the Trustee of the Consolidated Bankruptcy of Portus Alternative Asset Management Inc. and Portus Asset Management Inc., bankrupts, and as such I have knowledge of the matters to which I herein depose. Where the source of my information is other than myself or other representatives of the Trustee, I have set out the source thereof and I believe it to be true.
2. Pursuant to the Orders of the Honourable Mr. Justice Campbell of the Ontario Superior Court of Justice (Commercial List) in the matter of *Ontario Securities Commission v. Portus Alternative Asset Management Inc., Portus Asset Management Inc. and BancNote Corp.*, Court File No. 05-CL-5792, including, without limitation, the Amended & Restated Order dated June 23, 2005 (the "Amended & Restated Order"), KPMG Inc. ("KPMG") has been appointed Receiver of all of the assets, undertakings and properties of Portus Alternative Asset Management Inc., Portus Asset Management Inc., BancNote Corp. and the entities and assets listed as Schedule "A" to the Amended & Restated Order (collectively, the "Portus Group").
3. Upon the application of the Receiver, Portus Alternative Asset Management Inc. ("PAAM") was adjudged a bankrupt and KPMG Inc. was appointed as Trustee of the Estate (the "PAAM Estate") pursuant to the Order of this Honourable Court dated March 24, 2006 (the "PAAM Bankruptcy Order").

4. The first meeting of the creditors of the PAAM estate was held on June 21, 2006. At that meeting, KPMG Inc. was affirmed as the Trustee of the PAAM Estate and five inspectors were elected (the "PAAM Inspectors").
5. PAAM was a securities firm within the meaning of Part XII of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA"). Accordingly the PAAM Estate was administered in accordance with Part XII of the BIA.
6. Upon the application of the Receiver, Portus Asset Management Inc. ("PAM") was adjudged a bankrupt, KPMG Inc. was named as Trustee of the Estate and the Estate was consolidated with the PAAM Estate on a substantive and procedural basis (the "Consolidated Estate") pursuant to the Order of this Honourable Court dated May 18, 2007 (the "Consolidated Bankruptcy Order").
7. Pursuant to the Consolidated Bankruptcy Order, KPMG Inc., (the "Trustee") is Trustee of the Consolidated Estate and the PAAM Inspectors are the inspectors of the Consolidated Estate (the "Inspectors").
8. The Consolidated Estate is being administered in accordance with Part XII of the BIA.
9. Attached hereto as Exhibit "A" is a true copy of the invoice issued by KPMG Inc. for fees and disbursements incurred between October 1, 2008 and December 31, 2008.
10. Attached hereto as Exhibit "B" is a schedule summarizing the invoice in Exhibit "A", the total billable hours charged per invoice, the total fees charged per invoice and the average hourly rate charged per invoice.
11. Attached hereto as Exhibit "C" is a schedule summarizing the seniority and billing rates for each of the individuals at KPMG Inc. who have acted for the Trustee.
12. The hourly billing rates outlined in Exhibit "C" to this affidavit reflect a discount of the hourly rates changed by the Trustee consistent with files of this nature.
13. Attached hereto as Exhibit "D" is a Resolution of the Inspectors passed on April 13, 2009 approving the Trustee's Interim Statement of Receipts and Disbursements for the period ending December 31, 2008.

14. Attached hereto as Exhibit "E" is a Resolution of the Inspectors passed on April 13, 2009 approving the Trustee's fees and disbursements for the period October 1, 2008 to December 31, 2008 in the amount of \$588,859.43.
15. Attached here to as Exhibit "F" is a Resolution of the Inspectors passed on April 13, 2009 approving the fees for the period October 1, 2008 to December 31, 2008 of ThorntonGroutFinnigan LLP, counsel to the Consolidated Estate in the amount of \$184,583.85.
16. Attached hereto as Exhibit "G" is a Resolution of the Inspectors passed on April 13, 2009 approving the fees for the period October 1, 2008 to December 31, 2008, of McCarthy Tétrault LLP, securities and tax counsel to the Consolidated Estate in the amount of \$8,472.73.
17. Attached hereto as Exhibit "H" is a Resolution of the Inspectors passed on April 13, 2009 approving the fees for the period July 1, 2008 to December 31, 2008 of ThorntonGroutFinnigan LLP), litigation counsel to the Consolidated Estate in the amount of \$24,999.92.
18. I make this affidavit in support of a motion by the Trustee for, among other things, the approval of the fees and disbursements of the Trustee and its legal counsel and for no other or improper purpose.

SWORN before me, at the )  
 City of Toronto, in the )  
 Province of Ontario, this \_\_\_\_ day )  
 of April 2009. )

\_\_\_\_\_  
 Robert M. Rusko

\_\_\_\_\_  
 A Commissioner for taking oaths, etc.

Invoice

April 7, 2009

Portus Alternative Asset Management Inc. and  
Portus Asset Management Inc., Bankrupts  
c/o KPMG Inc.  
PO Box 31, Commerce Court West  
Toronto, ON M5L 1B2

GST#: 12236 3153 RT0001

To professional services rendered in connection with the above-noted matter for the period October 1 to December 31, 2008, including:

- Planning for and commencement of a special audit of the claims database and allocation system;
- Preparation for and attendance at the 36<sup>th</sup> meeting of Inspectors;
- Preparation for and attendance at the 37<sup>th</sup> meeting of Inspectors;
- Preparation for and attendance at the 38<sup>th</sup> meeting of Inspectors;
- Continued discussions and meetings with SocGen and our legal counsel as to the availability of information and the terms and conditions of possible early redemption of the notes;
- Continued discussion and attendance at meetings with representatives of Northwater regarding the early redemption of the SocGen notes and monitoring of same;
- Receipt, reviews and comment on court materials regarding Manulife/SocGen Class Action Settlement;
- Preparation of appropriate materials required from the Trustee including agreements and release for Manulife/SocGen Class Action Settlement court approval;
- Establish and populate website portal re Class Action Settlement;
- Arrange for and manage the Notice Program re Class Action Settlement;
- Preparation and issuance of Trustee's Special Reporting Letter;
- Continued handling of assignment of investor claims;
- Continuation of day-to-day processing of proofs of claim received and entering into the database;
- Day-to-day processing of registered product forms and posting to the claims database;
- Review of daily processing and issuance of appropriate correspondence to investors for improperly completed forms;
- Attendance at meetings with legal counsel to review the status of ongoing litigation re the potential recovery of preference and reviewable transaction payments;
- Preparation of court material and attendance at Court for the taxation of the Estate's accounts, including the Trustee's fees;

- Continued monitoring of the call centre as to types and volumes of calls received and updating of the Q&A's for the Manulife/SocGen Class Action Settlement;
- Attendance at meetings re second interim allocation planning;
- Preparation and issuance of second interim allocation;
- Review of funding requirements for second interim allocation and appropriate holdbacks for the ongoing administration of the estate; and
- Overall administration of the bankruptcy, dealing with day-to-day administrative issues, responding to investor and creditor inquiries, updating of website, monitoring operations of the call centre and attendance at all meetings, proceedings and/or Court appearances, as required.

Our Fee	\$560,818.50
GST	<u>28,040.93</u>
TOTAL INVOICE	<u>\$588,859.43</u>

PORTUS ALTERNATIVE ASSET MANAGEMENT INC.					
TRUSTEE'S TIME SUMMARY FOR THE PERIOD OCTOBER 1, 2008 TO DECEMBER 31, 2008					
Name	Level	Oct 1/08 Rate		October 1 to December 31, 2008	
		Std.	Disc.	Hours	Billed Amt
R. Rusko	Partner	\$800	\$640	67.0	\$42,880.00
T. Martin	Partner	\$800	\$640	8.0	5,120.00
D. Benson	Assoc. Partner	\$750	\$605	44.0	26,620.00
G. McRae	Assoc. Partner	\$725	\$605	7.5	4,537.50
W. Ahmad	Senior Mgr	\$620	\$535	0.3	160.50
I. Ang	Senior Mgr	\$620	\$535	10.0	5,350.00
J. Colton	Senior Mgr	\$620	\$535	1.0	535.00
E. DosSantos	Senior Mgr	\$530	\$450	19.7	8,865.00
G. Gutfreund	Senior Mgr	\$690	\$585	385.0	225,225.00
M. Henderson	Manager	\$440	\$375	21.0	7,875.00
S. Singh	Manager	\$440	\$375	0.5	187.50
A. Ching	Specialist	\$345	\$290	0.5	145.00
J. Kwon	Specialist	\$370	\$315	2.0	630.00
M. Schankula	Specialist	\$295	\$250	475.3	118,825.00
J. Hasan	Staff Acct.	\$225	\$205	19.0	3,895.00
M. Knoll	Technician	\$230	\$205	372.1	76,280.50
A. Rzhovsky	Technician	\$230	\$205	11.2	2,296.00
A. Singels-Ludvik	Technician	\$230	\$205	90.3	18,511.50
A. Yousaf	Technician	\$275	\$230	39.0	8,970.00
T. Baye	Admin	\$100	\$85	17.5	1,487.50
P. King-Pearson	Admin	\$100	\$85	28.5	2,422.50
				1,619.4	\$560,818.50
Add: GST					28,040.93
Total					\$588,859.43

PORTUS ALTERNATIVE ASSET MANAGEMENT INC. ET AL  
 TRUSTEE'S SUMMARY OF KPMG STAFF AND RATES  
 DURING THE PERIOD OCTOBER 1, 2008 TO DECEMBER 31, 2008

Name	Oct 1/08 Rate	
	Std.	Disc.
<u>Partner</u>		
T. Martin	\$800	\$640
R. Rusko	\$800	\$640
<u>Associate Partner</u>		
D. Benson	\$750	\$605
G. McRae	\$725	\$605
<u>Senior Manager</u>		
W. Ahmad	\$620	\$535
I. Ang	\$620	\$535
J. Coltson	\$620	\$535
E. DosSantos	\$530	\$450
G. Gutfreund	\$690	\$585
<u>Manager</u>		
M. Henderson	\$440	\$375
S. Singh	\$440	\$375
<u>Specialist</u>		
A. Ching	\$345	\$290
J. Kwon	\$370	\$315
M. Schankula	\$295	\$250
<u>Technician / Senior Accountant</u>		
J. Hasan	\$225	\$205
M. Knoll	\$230	\$205
A. Rzhevksy	\$230	\$205
A. Singels-Ludvik	\$230	\$205
A. Yousaf	\$275	\$230
<u>Administrative</u>		
T. Baye	\$100	\$85
P. King Pearson	\$100	\$85

Court File No. 31-OR-207257-T

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE CONSOLIDATED BANKRUPTCY OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC. AND PORTUS ASSET MANAGEMENT INC.,** both corporations incorporated pursuant to the *Business Corporations Act* (Ontario) with their principal place of business in the City of Toronto, in the Province of Ontario

**INSPECTORS' RESOLUTION**

April 13, 2009

**WHEREAS:**

- A. Portus Alternative Asset Management Inc. ("PAAM") was adjudged a bankrupt on March 24, 2006 and KPMG Inc. ("KPMG") was appointed as the Trustee ("Trustee") of the Estate of PAAM (the "PAAM Estate");
- B. by Order dated May 18, 2007, Portus Asset Management Inc. ("PAM") was adjudged a bankrupt and the Estate of PAM was consolidated with the Estate of PAAM ("the Consolidated Estate") and that KPMG Inc. is the Trustee of the Consolidated Estate;
- C. pursuant to the *Bankruptcy and Insolvency Act*, on June 21, 2006, at the first meeting of creditors to the PAAM Estate, the creditors of the PAAM Estate elected five inspectors (the "Inspectors");
- D. by Order dated May 18, 2007, the Inspectors elected in the PAAM Estate shall continue and shall be the Inspectors in the Consolidated Estate;
- E. the Inspectors are charged with the responsibility of supervising the Trustee in its administration of the Consolidated Estate, including approving the Trustee's Interim Statement of Receipts and Disbursements for the period ended December 31, 2008; and
- F. the Trustee, along with its counsel, has provided the Inspectors with the necessary information in order to consider the issues as they relate to this particular Inspectors' resolution.

**THEREFORE BE IT RESOLVED that:**

1. the Trustee's Interim Statement of Receipts and Disbursements for the period ending December 31, 2008, attached hereto as Schedule "A", be and it is hereby approved.

\_\_\_\_\_  
Name of Inspector: **Rod Bell**

\_\_\_\_\_  
Name of Inspector: **Mark Segal**

\_\_\_\_\_  
Name of Inspector: **David Kerr**

\_\_\_\_\_  
Name of Inspector: **Gregg Clifton**

\_\_\_\_\_  
Name of Inspector: **Edward MacNeil**

Court File No. 31-OR-207257-T

**ONTARIO**  
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IN THE MATTER OF THE CONSOLIDATED BANKRUPTCY  
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their principal place of business in the City of Toronto, in the Province  
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**INSPECTORS' RESOLUTION**

April 13, 2009

**WHEREAS:**

- A. Portus Alternative Asset Management Inc. ("PAAM") was adjudged a bankrupt on March 24, 2006 and KPMG Inc. ("KPMG") was appointed as the Trustee ("Trustee") of the Estate of PAAM (the "PAAM Estate");
- B. by Order dated May 18, 2007, Portus Asset Management Inc. ("PAM") was adjudged a bankrupt and the Estate of PAM was consolidated with the Estate of PAAM (the "Consolidated Estate") and that KPMG Inc. is the Trustee of the Consolidated Estate;
- C. pursuant to *the Bankruptcy and Insolvency Act*, on June 21, 2006, at the first meeting of creditors to the PAAM Estate, the creditors of the PAAM Estate elected five inspectors (the "Inspectors");
- D. by Order dated May 18, 2007, the Inspectors elected in the PAAM Estate shall continue and shall be the Inspectors in the Consolidated Estate;
- E. the Inspectors are charged with the responsibility of supervising the Trustee in its administration of the Consolidated Estate, including approving the fees and disbursements of the Trustee; and
- F. the Trustee, along with its counsel, has provided the Inspectors with the necessary information in order to consider the issues as they relate to this particular Inspectors' resolution.

**THEREFORE BE IT RESOLVED that:**

1. the Trustee's fees and disbursements for the period October 1, 2008 to December 31, 2008 in the amount of \$588,859.43 be and they are hereby approved.
2. the Trustee is authorized and directed by the Inspectors of the Consolidated Estate to make full payment of those fees approved in paragraph one of this resolution.

\_\_\_\_\_  
Name of Inspector: **Rod Bell**

\_\_\_\_\_  
Name of Inspector: **Mark Segal**

\_\_\_\_\_  
Name of Inspector: **David Kerr**

\_\_\_\_\_  
Name of Inspector: **Gregg Clifton**

\_\_\_\_\_  
Name of Inspector: **Edward MacNeil**

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**ONTARIO**  
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IN THE MATTER OF THE CONSOLIDATED BANKRUPTCY  
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**INSPECTORS' RESOLUTION**

April 13, 2009

**WHEREAS:**

- A. Portus Alternative Asset Management Inc. ("PAAM") was adjudged a bankrupt on March 24, 2006 and KPMG Inc. ("KPMG") was appointed as the Trustee ("Trustee") of the Estate of PAAM (the "PAAM Estate");
- B. by Order dated May 18, 2007, Portus Asset Management Inc. ("PAM") was adjudged a bankrupt and the Estate of PAM was consolidated with the Estate of PAAM ("the Consolidated Estate") and that KPMG Inc. is the Trustee of the Consolidated Estate;
- C. pursuant to *the Bankruptcy and Insolvency Act*, on June 21, 2006, at the first meeting of creditors to the PAAM Estate, the creditors of the PAAM Estate elected five inspectors (the "Inspectors");
- D. by Order dated May 18, 2007, the Inspectors elected in the PAAM Estate shall continue and shall be the Inspectors in the Consolidated Estate;
- E. the Inspectors are charged with the responsibility of supervising the Trustee in its administration of the Consolidated Estate, including approving the fees and disbursements of counsel to the Consolidated Estate; and
- F. the Trustee, along with its counsel, has provided the Inspectors with the necessary information in order to consider the issues as they relate to this particular Inspectors' resolution.

**THEREFORE BE IT RESOLVED that:**

1. the fees for the period October 1, 2008 to December 31, 2008 of ThorntonGroutFinnigan LLP, counsel to the Trustee, in the amount of \$184,583.85 be and they are hereby approved.
2. the Trustee is authorized and directed by the Inspectors of the Consolidated Estate to make full payment of those fees approved in paragraph one of this resolution.

\_\_\_\_\_  
Name of Inspector: **Rod Bell**

\_\_\_\_\_  
Name of Inspector: **Mark Segal**

\_\_\_\_\_  
Name of Inspector: **David Kerr**

\_\_\_\_\_  
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\_\_\_\_\_  
Name of Inspector: **Edward MacNeil**

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**ONTARIO**  
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of Ontario

**INSPECTORS' RESOLUTION**

April 13, 2009

**WHEREAS:**

- A. Portus Alternative Asset Management Inc. ("PAAM") was adjudged a bankrupt on March 24, 2006 and KPMG Inc. ("KPMG") was appointed as the Trustee ("Trustee") of the Estate of PAAM (the "PAAM Estate");
- B. by Order dated May 18, 2007, Portus Asset Management Inc. ("PAM") was adjudged a bankrupt and the Estate of PAM was consolidated with the Estate of PAAM ("the Consolidated Estate") and that KPMG Inc. is the Trustee of the Consolidated Estate;
- C. pursuant to *the Bankruptcy and Insolvency Act*, on June 21, 2006, at the first meeting of creditors to the PAAM Estate, the creditors of the PAAM Estate elected five inspectors (the "Inspectors");
- D. by Order dated May 18, 2007, the Inspectors elected in the PAAM Estate shall continue and shall be the Inspectors in the Consolidated Estate;
- E. the Inspectors are charged with the responsibility of supervising the Trustee in its administration of the Consolidated Estate, including approving the fees and disbursements of counsel to the Consolidated Estate; and
- F. the Trustee, along with its counsel, has provided the Inspectors with the necessary information in order to consider the issues as they relate to this particular Inspectors' resolution.

**THEREFORE BE IT RESOLVED that:**

1. the fees for the period July 1, 2008 to December 31, 2008 of ThorntonGroulFinnigan LLP, litigation counsel to the Trustee, in the amount of \$24,999.92 be and they are hereby approved.
2. the Trustee is authorized and directed by the Inspectors of the Consolidated Estate to make full payment of those fees approved in paragraph one of this resolution.

\_\_\_\_\_  
Name of Inspector: **Rod Bell**

\_\_\_\_\_  
Name of Inspector: **Mark Segal**

\_\_\_\_\_  
Name of Inspector: **David Kerr**

\_\_\_\_\_  
Name of Inspector: **Gregg Clifton**

\_\_\_\_\_  
Name of Inspector: **Edward MacNeil**

IN THE MATTER OF THE BANKRUPTCY OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC., PORTUS ASSET MANAGEMENT INC., BANCNOTE CORP., SOUTHWEST ASSET MANAGEMENT INC., SOUTHWEST CAPITAL CORP., each of which is a corporation incorporated pursuant to the *Business Corporations Act* (Ontario) with its principal place of business in the City of Toronto, in the Province of Ontario

Court File No. 31-OR-207257-T

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**  
Proceeding commenced in Toronto

**AFFIDAVIT OF ROBERT RUSKO**

**ThorntonGroutFinnigan LLP**  
Barristers and Solicitors  
100 Wellington Street West  
Suite 3200, P.O. Box 329  
Canadian Pacific Tower  
Toronto, ON M5K 1K7

**James H. Grout (LSUC# 22741H 1B)**  
**John L. Finnigan (LSUC #240408)**  
**Larry Ellis (LSUC #49313K)**

Tel: (416) 304-1616  
Fax: (416) 304-1313

Solicitors for KPMG Inc., in its capacity as  
Trustee of the Estate of Portus Alternative Asset  
Management Inc., a bankrupt

# TAB 3

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE CONSOLIDATED  
BANKRUPTCY OF PORTUS ALTERNATIVE ASSET  
MANAGEMENT INC. AND PORTUS ASSET  
MANAGEMENT INC.**, both corporations incorporated pursuant  
to the *Business Corporations Act* (Ontario) with its principal place  
of business in the City of Toronto, in the Province of Ontario,  
bankrupts

**AFFIDAVIT OF JAMES H. GROUT**  
*(Sworn May 13, 2009)*

I, **James H. Grout**, of the City of Toronto, in the Province of Ontario, **MAKE  
OATH AND SAY AS FOLLOWS:**

1. I am a Barrister and Solicitor qualified to practice law in the Province of Ontario. I am a founding partner of ThorntonGroutFinnigan LLP (“TGF”), solicitors for KPMG Inc. (the “Trustee”), in its capacity as Trustee of the Consolidated Estate of Portus Alternative Asset Management Inc. (“PAAM”) and Portus Asset Management Inc. (“PAM”), bankrupts and, as such, I have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.
2. Attached hereto as Exhibit “A” are copies of the bills of costs issued to the Trustee by TGF for fees and disbursements incurred by TGF in the course of the Consolidated Estate of PAAM and PAM between October 1, 2008 and December 31, 2008. These bills of costs have been redacted to prevent the disclosure of privileged information.
3. Attached hereto as Exhibit “B” is a schedule summarizing each invoice in Exhibit “A”, the total billable hours charged per invoice, the total fees charged per invoice and the average hourly rate charged per invoice.



# TAB 3A

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE CONSOLIDATED BANKRUPTCY  
OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC.  
AND PORTUS ASSET MANAGEMENT INC.** both corporations  
incorporated pursuant to the *Business Corporations Act* (Ontario) with  
its principal place of business in the City of Toronto, in the Province  
of Ontario, bankrupts

**TWENTY-SEVENTH INTERIM BILL OF COSTS OF THE SOLICITORS  
FOR THE TRUSTEE OF THE CONSOLIDATED ESTATE OF  
PORTUS ALTERNATIVE ASSET MANAGEMENT INC. and  
PORTUS ASSET MANAGEMENT INC., BANKRUPTS**

**For the period ending October 31, 2008**

Oct-01-08	Emails and met with counsel for Societe Generale and L. Ellis regarding production and privilege issues; emails regarding status of PAIMF; letter regarding PDP Trust bank account in Switzerland; [REDACTED] emails with counsel for Societe Generale regarding unwind process;	3.80	JHG
	Review Minutes of Inspectors Meeting; revisions to same;	0.90	KF
	Telephone conference call with Bahamian counsel;	0.60	KF
	Review email from J. Poulos; review historical correspondence with Societe Generale regarding the unwind of Societe Generale notes; meeting with J. Grout to discuss next steps for verifying unwind values; call with K. Borg; exchange email correspondence with P. Osborne; meeting with J. Grout to prepare for meeting with P. Osborne; attend at Lenczner Slaght for meeting with J. Grout, K. Borg and P. Osborne; [REDACTED] meeting with K. Ferreira to discuss status of draft correspondence; provide comments to draft correspondence and make revisions; review suggested revisions to draft correspondence and review finalized letter; continued to work on package of information to Inspectors; exchanged correspondence with K. Ferreira and S. Gomez regarding time for call; review minutes of settlement and provide comments to K. Ferreira;	7.40	LE

exchange emails with S. Tenai;

Oct-02-08	Emails [REDACTED]; review article regarding hedge fund liquidity;	1.00	JHG
	Emails regarding letter to RCMP;	0.30	JLF
	Exchange emails with S. Tenai; [REDACTED] work with Court to schedule time to hear disclosure motion; review correspondence from J. Poulos regarding unwind verification process; continue to review outstanding correspondence related to unwind process; review latest Inspectors' meeting minutes; work on package of information for Inspectors, including revising draft discussion notes for the previous two meetings; begin drafts of clean minutes of meeting as well as clean resolutions;	4.20	LE
	Update notes from 35th Inspector's meeting;	0.50	SCW
Oct-03-08	Emails regarding Manulife class action; emails regarding Societe Generale payouts on notes at maturity;	0.80	JHG
	Emails and review Cesselli defence to preference action;	0.40	JHG
	Conference call with KPMG and Mr. Northwater; discussion with J. Poulos; review emails;	1.30	KF
	Review email from Bahamian counsel; review attachment;	0.40	KF
	Call with K. Ferreira to discuss list of things to cover during the day; exchange multiple emails with K. Ferreira; review emails from J. Poulos; review emails from team regarding time for follow up call with Northwater; review emails to and from S. Tenai; review September 2, 2008, correspondence; review V. Cesselli's statement of defence; review draft correspondence from S. Gomez and begin drafting revisions and list of responding questions;	3.10	LE
Oct-06-08	Discussions with Manulife's counsel and client regarding Societe Generale negotiations, [REDACTED]; revise letter to Receiver;	2.20	JHG

	Review Societe Generale's proposed unwind process for the notes and Northwater's comments;	0.80	JHG
	Conference with L. Ellis; conference with L. Ellis and S. Tenai;	0.70	KF
	Meeting with K. Ferreira to discuss outstanding issues, including executed directions by M. Mendelson, call with S. Tenai and letter from Bahamian counsel; review terms of B. Manor's bail; review correspondence from A. Fournier providing update of Sheriff's efforts to enforce; meeting with J. Grout to discuss correspondence between Societe Generale's counsel and J. Leon; call with S. Tenai and K. Ferreira; review letter from S. Gomez and provide extensive revisions;	5.10	LE
Oct-07-08	Conference call with clients and Northwater regarding Societe General's proposed unwind process for the notes; emails to Manulife's counsel and clients regarding settlement negotiations; letters to F. Manor's counsel regarding her settlement offer; letter to Societe Generale's counsel regarding production of documents; discussions with Manulife's counsel;	2.20	JHG
	Exchange emails with K. Ferreira regarding M. Mendelson's execution of the direction; call with Northwater and KPMG team to discuss status of wind down and fairness of value received in redemption of the first notes; [REDACTED] continue revisions to draft letter from Bahamian counsel; attend at M. Mendelson's place of residence to discuss execution of directions; obtain executed directions from M. Mendelson; review correspondence from J. Poulos regarding Northwater meeting; review emails from K. Ferreira regarding draft letter from Bahamian counsel;	4.40	LE
Oct-08-08	Review draft letter to Bahamian counsel for the Officer and Director's Trust and met with L. Ellis; emails to Manulife's counsel and clients regarding settlement negotiations with Societe Generale; review Sheriff's reports on execution upon Manor; discussions with F. Manor's counsel; emails with Societe Generale and clients;	2.20	JHG
	Review Mendelson directions to Officers and Director's Trust and two law firms and related correspondence;	0.40	JHG
	Office conference with L. Ellis and K. Ferreira regarding O&D trust;	0.40	JLF
	Review letter from Bahamian counsel; discussion with J. Finnigan and L. Ellis;	1.10	KF

	Review voicemail from M. Mendelson; meeting with K. Ferreira to discuss M. Mendelson documents and to discuss L. Kennelly settlement; call to G. Gutfreund; meeting with K. Ferreira to review J. Finnigan Affidavit and to review draft letter from Bahamian counsel; review outstanding correspondence with J. Berman; review letter from J. Grout to P. Osborne; begin draft of letter to B. Simms to request that the Bahamian Trustee's pay funds to KPMG Inc.; review letter from J. Grout to P. Osborne regarding production of documents; meeting with J. Finnigan to discuss interpretation of defined term "clients" as it appears in Directors and Officers' Trust Declaration; meetings with J. Grout and K. Ferreira to discuss same; review Receiver's Ninth Report; draft letter to B. Simms;	<b>7.40</b>	<b>LE</b>
Oct-09-08	Revise letter to Bahamian counsel for the Officers and Directors Trust; review emails regarding preference litigation;	<b>0.80</b>	<b>JHG</b>
	Review letter from L. Ellis; draft Statement of Claim regarding fraud action;	<b>1.50</b>	<b>KF</b>
	Meeting with K. Ferreira to discuss outstanding litigation and to review status of each outstanding action; work on package of information to Inspectors; finalize letter to B. Simms and discuss with J. Grout; complete J. Grout's revisions to B. Simms letter; circulate letter to team;	<b>4.70</b>	<b>LE</b>
Oct-10-08	Emails regarding preference litigation;	<b>0.40</b>	<b>JHG</b>
	Review email from K. Ferreira regarding the limitations period on service of the statement of claim;	<b>0.20</b>	<b>LE</b>
Oct-14-08	Emails regarding Kennelly settlement negotiations; letters to Societe Generale's counsel regarding settlement negotiations and production of documents; emails regarding third party litigation;	<b>1.00</b>	<b>JHG</b>
	Draft Statement of Claim;	<b>2.00</b>	<b>KF</b>
	Review email from L. Kennelly regarding settlement; review L. Kennelly settlement agreement to determine next steps; discussion with K. Ferreira to discuss best course for moving forward with settlement; review correspondence from J. Grout to P. Osborne regarding status of settlement and production of documents; review email from J. Poulos; work on package of information to Inspectors;	<b>3.90</b>	<b>LE</b>

Oct-15-08	Letters to Societe Generale's counsel regarding production of documents and settlement negotiations; discussions and emails with counsel for Societe Generale; letters and emails regarding third party preference litigation;	1.80	JHG
	Review Orders from Bankruptcy Court;	1.00	KF
	Review draft statement of claim against B. Manor and M. Mendelson and provide suggested revisions; review judgments against B. Manor; review fraudulent preference statement of claim against B. Manor; review and exchange emails with P. Osborne; review correspondence from J. Grout to B. Rusko; review correspondence from J. Grout to P. Osborne; review correspondence from J. Finnigan regarding Affidavit; review email correspondence from G. Gutfreund; review correspondence from team regarding P. Greene's offer to settle and provide comments; review email from K. Ferreira regarding J. Sorkin;	4.70	LE
Oct-16-08	Emails and discussions with client regarding settlement negotiations with Societe Generale;	0.40	JHG
	Review email from B. Rusko; review email correspondence from S. Tenai; review draft mutual release proposed by S. Tenai; review emails from team regarding draft mutual release; review correspondence from K. Ferreira regarding comments on draft mutual release; continue working on package of information to Inspectors;	3.10	LE
Oct-17-08	Emails regarding F. Manor litigation and litigation issues;	0.60	JHG
	Incorporate J. Grout's revisions into draft letter to B. Simms and circulate to team; call with K. Ferreira to discuss outstanding issues related to litigation; review correspondence from K. Ferreira regarding limitation issue; review email correspondence to S. Tenai;	1.10	LE
Oct-18-08	Review and revise draft letter to Bahamian counsel for D&O Trust;	0.60	JLF
Oct-20-08	Discussions with F. Manor's counsel and memo; memo regarding Manor claim; discussions with Manulife's counsel and client emails regarding bid prices;	1.80	JHG
	Review email from J. Poulos; review mark up from J. Finnigan; meeting with K. Ferreira to discuss revisions to draft B. Simms letter to and discuss revisions to B. Manor and M. Mendelson	4.70	LE

	Statement of Claim; review correspondence from S. Gomez; review correspondence from K. Ferreira regarding status of draft letter to B. Simms; call with G. Gutfreund to discuss status of Inspector notes; organize all uncompleted notes and begin drafting minutes of meetings;		
Oct-21-08	Discussions with Manulife's counsel, Societe Generale's counsel, clients and emails regarding settlement negotiations; discussions with client regarding principal protected notes;	2.60	JHG
	Review email from J. Grout regarding possible settlement with Societe Generale; call with J. Grout to discuss possible settlement with Societe Generale; research viability of proposal to obtain necessary releases from investors;	2.50	LE
Oct-22-08	Met with counsel for Manulife and Societe Generale to negotiate settlement; met with L. Ellis; discussions with Manulife's counsel; review proposal provisions of BIA; discussions with client;	4.40	JHG
	Research bankruptcy trustee's ability to compromise third party claims in a proposal; prepare for and attend meeting with J. Leon, D. Hausman, D. Milner, K. Borg, R. Slaght, J. Grout and P. Osborne; meeting with J. Grout to discuss going forward; call with B. Rusko; research bankruptcy trustee's ability to complete a BIA proposal where the goal is to effect a settlement and not restructure a company; review letter to B. Simms and J. Finnigan's suggested revisions; incorporate J. Finnigan's changes; meeting with J. Finnigan to review Trust Indenture and to incorporate additional revisions to draft letter to B. Simms; meeting with K. Ferreira to discuss draft letter to B. Simms; exchange multiple emails with P. Osborne; exchange emails with F. Spizziri; review J. Pizzacalla's settlement to determine post closing document delivery requirements; exchange emails with J. Poulos regarding updated Northwater analysis;	9.10	LE
Oct-23-08	Emails regarding Societe Generale negotiations;	0.40	JHG
	Review email correspondence from K. Ferreira regarding B. Manor's efforts to have default judgment quashed; review correspondence from A. Fournier; review default judgments against B. Manor and Infinity; research ability of trustee to use proposal to bind third parties; review recent case law and pleadings from the ABCP case; begin working to collect post closing requirements for J. Pizzacalla settlement;	6.40	LE
Oct-24-08	Emails regarding settlement negotiations with Manulife and Societe Generale;	0.60	JHG

	Review correspondence from team regarding P. Greene settlement; research ability to use class action settlement to estop investors that opt out from obtaining a dividend in the PAAM distribution to investors; review revised B. Manor statement of claim; review email correspondence from M. Segal; work on package of information to Inspectors;	3.90	LE
Oct-25-08	Emails regarding Basel Trust and account information;	0.40	JHG
Oct-27-08	Emails regarding bid prices; discussions with Societe Generale's counsel regarding settlement terms;	0.60	JHG
	Review email correspondence from J. Poulos and G. Gutfreund regarding the Societe Generale notes; review email exchange with S. Tenai and K. Ferreira regarding time for call; meeting with K. Ferreira to discuss going forward with L. Kennelly, S. Tenai and Bahamian counsel; review email to L. Kennelly; review email to S. Gomez;	1.30	LE
Oct-28-08	Letter from Societe Generale's counsel setting out a settlement offer; memo to clients; met with L. Ellis regarding time line's for a proposal; discussions with clients; emails from clients and the inspectors;	1.60	JHG
	Conference call with J. Carlen's counsel and L. Ellis; conference call with Bahamian counsel;	0.60	KF
	Call with J. Grout to discuss research assignment; research timing to call a meeting of creditors where authorized by the Inspectors; follow up call with J. Grout; review letter from R. Slaght regarding proposed settlement process; meeting with K. Ferreira to discuss revised letter to B. Simms; call with S. Tenai and K. Ferreira to discuss release language and steps required to finalize release; call with S. Gomez and K. Ferreira to discuss draft letter to B. Simms; review letter from J. Grout to team regarding next steps for settlement with Societe Generale;	3.90	LE
Oct-29-08	Emails regarding proposed settlement of preference claim; met with L. Ellis; review Northwater analysis of Societe Generale notes; conference call with clients regarding settlement of class action law suit; discussions with B. Rusko;	5.20	JHG
	Meeting with K. Ferreira to discuss outstanding litigation; review email from K. Ferreira regarding L. Kennelly; call with B. Rusko, G. Gutfreund, J. Poulos and J. Grout to discuss settlement options; meeting with J. Grout to discuss options for	6.50	LE

finalizing settlement with Societe Generale and obtaining a release; call to B. Rusko; meeting with G. Gutfreund to obtain closing documents for J. Pizzacalla settlement; exchange emails with F. Spizziri regarding J. Pizzacalla's settlement; exchange emails with D. Kerr; research whether a Trustee in bankruptcy can be bound by a Court order to ignore obligations under the BIA; review email from J. Poulos setting out Northwater's latest analysis;

Oct-30-08	Emails with clients and counsel regarding settlement negotiations with Societe Generale; discussions with client and Manulife's counsel regarding those settlement negotiations; emails regarding collection efforts;	<b>2.00</b>	<b>JHG</b>
	Review email from J. Carlen's counsel;	<b>0.10</b>	<b>KF</b>
	Review emails from K. Ferreira and J. Finnigan regarding B. Manor's response to default judgments; review letter to F. Spizziri; review correspondence from S. Tenai regarding revised release;	<b>0.80</b>	<b>LE</b>
Oct-31-08	Emails with counsel, clients and inspectors and met with counsel for Manulife and Societe Generale regarding proposed settlement;	<b>3.60</b>	<b>JHG</b>
	Meeting with J. Grout to discuss next steps with Societe Generale; attend at J. Leon's office for meeting with D. Hausman, J. Grout and J. Leon; conference call with J. Leon, J. Grout, D. Hausman, K. Borg and P. Osborne to discuss potential structure of settlement; call with J. Grout and B. Rusko; review revised release as provided for by S. Tenai; research ability of Court to confirm and approve third party releases by way of proposal; review Class Action legislation;	<b>4.90</b>	<b>LE</b>
Nov-03-08	Review emails from team regarding J. Sorkin settlement; review memorandum prepared by K. Ferreira regarding ability to use Justice Campbell's previous Orders against B. Manor to enforce on B. Manor for the amounts identified in those Orders; meeting with K. Ferreira to discuss J. Sorkin's offer; call with J. Grout and K. Ferreira to discuss J. Sorkin's offer;	<b>1.10</b>	<b>LE</b>
Nov-04-08	Meeting with J. Grout and B. Rusko to discuss settlement with Societe Generale; exchange emails with counsel to Societe Generale and Manulife regarding settlement meeting; attend meeting with J. Leon, B. Rusko and K. Borg to discuss settlement structure; research possible obligations that class plaintiff can attach to opt out rights; call with J. Poulos to discuss meeting with Societe Generale and Manulife; review email	<b>3.90</b>	<b>LE</b>

correspondence from Northwater; review updated Northwater analysis; review email correspondence from G. Gutfreund;

Discuss 2005 court orders with K. Ferreira, review Courts of Justice Act regarding orders for payment in foreign currency,  
[REDACTED] 1.00 AF

Take notes at Portus meeting discussing settlements, class proceedings, and approvals to be sought from Campbell J.; 2.00 SCW

Nov-05-08 Prepare for and attend thirty-sixth meeting of Inspectors; exchange emails with K. Ferreira regarding settlement discussions; exchange emails with Manulife's counsel and Societe Generale's counsel; call with J. Grout, D. Houseman, J. Leon, B. Rukso, K. Borg and P. Osborne; meeting with J. Grout, R. Bell and B. Rusko to discuss going forward; call from G. Gutfreund; organize list of outstanding things to do prior to Inspector signing meeting; 6.90 LE

And to all other necessary telephone communications, attendances and correspondence with respect to the conduct of this matter

And to engrossing this Bill of Costs, service on the trustee, receive signed Bill of Costs, prepare Notice of Assignment for Assessment and forward the same to the Superintendent and Trustee and attending upon the assessment and serving the Trustee with the assessed Bill of Costs.

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
James H. Grout	42.00	\$625.00	\$26,250.00
John L. Finnigan	1.30	\$625.00	\$812.50
Kim Ferreira	10.20	\$250.00	\$2,550.00
Larry Ellis	105.20	\$275.00	\$28,930.00
Annette Fournier (Law Clerk)	1.00	\$175.00	\$175.00
Stephen Wolpert (Student)	2.50	\$175.00	\$437.50
OUR FEE HEREIN		\$59,155.00	
GST on Fee		\$2,957.75	
<b>Total Fee and GST</b>			<b>\$62,112.75</b>

**Disbursements:**

Binding	\$8.68
Photocopies	\$271.75
Total Taxable Disbursements	\$280.43
GST on Disbursements	14.02
Total Non-Taxable Disbursements	\$0.00

**Total Disbursements and GST** **\$294.45**

**Total Fees, Disbursements & GST** **\$62,407.20**

**ASSESSED AND ALLOWED at Toronto, this      day of      , 2008.**

\_\_\_\_\_  
**Colin L. Campbell, J.**

The undersigned hereby certifies that it has examined the above interim bill of costs, that the services therein described have been duly authorized and rendered and the charges in our opinion are fair and reasonable. The receipts to date of this Estate after payment of secured creditors' claims amounts to approximately \$ .

We hereby waive notice of the time and place of the taxation of this bill.

**KPMG Inc.**

**Per:** \_\_\_\_\_

The undersigned, being the Inspectors of the Consolidated Estate of Portus Alternative Asset Management Inc. and Portus Asset Management Inc., hereby approve payment of the within legal costs..

\_\_\_\_\_  
Gregg Clifton

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David Kerr

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Mark Segal

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Rod J. Bell

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Edward MacNeil

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Matter No. 508-018  
Invoice No. 20098  
Date: Nov 12/08

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE CONSOLIDATED BANKRUPTCY  
OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC.  
AND PORTUS ASSET MANAGEMENT INC.** both corporations  
incorporated pursuant to the *Business Corporations Act* (Ontario) with  
its principal place of business in the City of Toronto, in the Province  
of Ontario, bankrupts

**TWENTY-EIGHTH INTERIM BILL OF COSTS OF THE SOLICITORS  
FOR THE TRUSTEE OF THE CONSOLIDATED ESTATE OF  
PORTUS ALTERNATIVE ASSET MANAGEMENT INC. and  
PORTUS ASSET MANAGEMENT INC., BANKRUPTS**

**For the period ending November 30, 2008**

Nov-03-08	Emails regarding issuing writs v. Boaz Manor for June 23 and December 8, 2005 Orders;	<b>0.60</b>	<b>JLF</b>
	Review Orders binder for J. Campbell's Order requiring Manor to produce the diamonds; prepare memo to TGF team; review email;	<b>1.50</b>	<b>KF</b>
Nov-04-08	Discussions with client and conference call with clients; emails regarding settlement negotiations and discussions with client and counsel;	<b>1.60</b>	<b>JHG</b>
Nov-05-08	Prepare and attend inspectors meeting; conference call with counsel for Manulife and Societe Generale; met with client and L. Ellis; emails with counsel regarding opt out rights; emails regarding preference actions;	<b>4.80</b>	<b>JHG</b>
	Email to Bahamian counsel regarding letter to Trustee's counsel;	<b>0.10</b>	<b>KF</b>
Nov-06-08	Met with L. Ellis and email to Court regarding settlement discussions; emails regarding opt out rights; emails regarding preference litigation;	<b>4.40</b>	<b>JHG</b>
	Find case law relating to the Class Proceedings Act and its provisions governing opting out of the class;	<b>1.70</b>	<b>SCW</b>

Nov-07-08	Met with L. Ellis; memo regarding settlement structure; emails with counsel regarding Societe Generale; conference call with clients; met with L. Ellis and G. Gutfreund and B. Rusko by conference call; review revised Northwater analysis; emails to Manulife's counsel;	4.20	JHG
	Review Northwater analysis regarding possible upside on Societe Generale notes; call with J. Leon to discuss next steps for proceeding; call with B. Rusko and G. Gutfreund to provide them with an update; meeting with J. Grout to provide him with an update; make revisions to J. Grout's draft memorandum; meeting with J. Grout to discuss steps in draft memorandum; call with J. Grout, B. Rusko and G. Gutfreund to discuss possible next steps for settling with Societe Generale and Manulife; revise memorandum to include interest clause; exchange multiple emails with J. Grout regarding finalizing memorandum; review emails from D. Milner and J. Leon regarding draft memorandum;	4.70	LE
Nov-08-08	Emails regarding proposed settlement; renew case law on class action proceedings;	2.60	JHG
	Review emails from team regarding J. Leon's suggested course for proceeding; consider and note issues related to J. Leon's suggestions;	1.10	LE
Nov-09-08	Review case law on class action proceedings;	2.20	JHG
	Exchange multiple emails with team regarding J. Leon's suggested course for proceeding;	0.50	LE
Nov-10-08	Draft memo regarding settlement structure; met with L. Ellis; revise memo and emails with clients;	5.60	JHG
	Meeting with J. Grout to discuss going forward with Societe Generale and Manulife settlement; meeting with J. Leon, D. Milner, J. Grout, D. Hausman, A. Pelletier and E. Hoaken to discuss settlement with Societe Generale; review revised memorandum and provide comments; call with G. Gutfreund to provide update; review comments on memorandum from Manulife team; review emails from J. Poulos regarding the Societe Generale notes; review email correspondence from K. Ferreira regarding S. Tenai's latest revisions to the draft mutual release and to discuss Bahamian counsel's status; review finalized J. Grout memorandum;	5.50	LE

Nov-11-08	Finalize memo regarding settlement structure; memo to counsel; memo to A. Fournier regarding Basel Trust documents; draft settlement agreement with Societe Generale;	2.40	JHG
	Review comments from E. Murphy and D. Milner regarding revised memorandum to Societe Generale; review J. Sorkin settlement documents and revise; call with G. Gutfreund to discuss proposed settlement documents for J. Sorkin; meeting with J. Sorkin and K. Ferreira to finalize settlement; call with G. Gutfreund to discuss update on Societe Generale settlement discussions; review email to J. Grout; review settlement memorandum and meeting with J. Grout to discuss final revisions; review emails from P. Osborne; calls with client;	4.50	LE
Nov-12-08	Draft settlement agreement with Societe Generale and agency agreement with Manulife; emails to and discussions with clients and counsel;	3.60	JHG
	Call with E. Hoaken and J. Grout to discuss revisions to draft settlement agreements; review email correspondence from J. Grout to the settlement team; call with K. Borg to discuss the settlement; meeting with J. Grout to discuss call with K. Borg; review clean and black line of Class Action Settlement Agreement as circulated by E. Hoaken;	3.30	LE
Nov-13-08	Revise agreements with Societe Generale and Manulife; attend in Chambers to schedule hearings; discussions with counsel; met with L. Ellis; discussions with client regarding publication issues and costing;	6.20	JHG
	Review class action case law;	0.80	JHG
	Review email from J. McAuley regarding his comments on the Class Action Settlement Agreement; review exchange of emails between K. Borg and J. Grout; review draft of the Trustee Settlement Agreement and the Administrative Agent Agreement; exchange emails with counsel to arrange for meeting;	2.10	LE
Nov-14-08	Review agreements with Societe Generale and Manulife; emails with counsel and clients;	3.20	JHG

	Review emails from F. Spizziri and responding emails from K. Ferreira; review documents provided for by F. Spizziri; review J. McAuley's comments on Class Action Settlement Agreement; review emails from J. Poulos regarding settlement documents; review emails from E. Hoaken; review emails from D. Hausman; review revised Class Action Settlement Agreement; revise Trustee Settlement Agreement and Administrative Agent Agreement;	<b>2.90</b>	<b>LE</b>
Nov-15-08	Review Basel Trust files;	<b>3.00</b>	<b>JHG</b>
	Review email from J. Poulos; review Class Action Settlement Agreement; review Class Action Settlement Agreement;	<b>0.50</b>	<b>LE</b>
Nov-16-08	Exchange emails with J. Grout regarding meeting with R. Slaght and Manulife team;	<b>0.20</b>	<b>LE</b>
Nov-17-08	Met with counsel for Manulife and Societe Generale to discuss settlement; review and revise settlement agreements; emails with counsel and clients; review Basel Trust files;	<b>9.20</b>	<b>JHG</b>
	Review emails from KPMG team regarding Societe Generale settlement;	<b>0.50</b>	<b>KF</b>
	Prepare for and attend meeting at Lenczner Slaght with Manulife team and Societe Generale team to discuss final business points to negotiate; review email correspondence from J. Poulos regarding the Societe Generale notes; meeting and exchange of emails with K. Ferreira to discuss recovery of funds from L. Kennelly; review email correspondence from E. Hoaken regarding 9:30 Chambers appointment; review J. Grout's email providing update of discussions with Societe Generale and Manulife; emails from team regarding 9:30 Chambers appointment;	<b>6.50</b>	<b>LE</b>
Nov-18-08	Emails regarding current bid prices; emails with counsel regarding Court attendance; prepare and attend in Court; discussions with clients and counsel and revise settlement agreements; review motion materials; emails with inspectors and calls to criminal counsel;	<b>8.20</b>	<b>JHG</b>
	Review email from Bahamian counsel; discussion with L. Ellis;	<b>0.40</b>	<b>KF</b>

	Review email correspondence from J. Grout; review email correspondence from K. Borg regarding 9:30 Chambers appointment; review email from K. Ferreira and attached email from S. Gomez; review global settlement structure drafted by J. Grout; review resolution proposed to the Inspectors and corresponding responses from the Inspectors; review email from J. McAuley regarding distribution to investors; review draft motion record as provided for by A. Pelletier; review black line of the Trustee Settlement Agreement, the Administrative Agent Agreement and the Class Action Settlement Agreement; review email correspondence from E. Hoaken; review special reporting letter of the Trustee; calls with J. Poulos and G. Gutfreund; calls with B. Rusko to provide updates;	<b>6.00</b>	<b>LE</b>
Nov-19-08	Review and revise settlement documents; emails and calls with counsel and clients; revise notices; discussions with counsel and L. Ellis;	<b>5.20</b>	<b>JHG</b>
	Numerous emails regarding draft settlement documents for Manulife-Societe General	<b>0.70</b>	<b>JLF</b>
	Review emails from KPMG regarding settlement of Class Action and Agreement with Societe Generale;	<b>1.00</b>	<b>KF</b>
	Call with G. Gutfreund to discuss timing for advertisement and mailing; review email from E. Murphy regarding draft special reporting letter of the Trustee; review emails from team and provide comments on draft reporting letter of the Trustee; review black lined versions of the Trustee Settlement Agreement, the Administrative Agent Agreement and the Class Action Settlement Agreement; review comments from clients regarding same; finalized minutes and all related documents for the thirtieth, thirty-third and thirty-fourth meeting of Inspectors; review correspondence from K. Borg; review multiple emails from D. Hausman, J. Leon and E. Hoaken; multiple calls with D. Hausman, J. Leon and E. Hoaken; call with J. Grout to provide him with an update on the settlement status; work with Manulife's team to complete the Long Form Notice and the Short Form Notice; review responding letter from F. Spizziri; review revised special reporting letter of the trustee; receive and review Societe Generale's business offer to finalize settlement; review email from J. Grout regarding motion materials; review email from J. Poulos regarding Northwater's comments on proper rate of interest;	<b>8.80</b>	<b>LE</b>

Nov-20-08	Review and revise settlement documents; prepare and attend on inspectors meeting; prepare and attend in Court; revise notices and settlement documents;	<b>7.20</b>	<b>JHG</b>
	Discussions with L. Ellis; email to Bahamian counsel; review email from Bahamian counsel; discussion with L. Ellis;	<b>0.50</b>	<b>KF</b>
	Review revised Trustee Settlement Agreement, Administrative Agent Agreement and Class Action Settlement Agreement; exchange emails with D. Hausman to discuss plan for delivering materials to Justice Campbell; review K. Borg's comments on the Notice documents; review comments from team on Notice Documents; call with G. Gutfreund to discuss comments on Notice documents; calls with G. Gutfreund throughout the day to discuss various outstanding issues; finalize all documents related to the Inspectors' thirty-fifth meeting; review multiple emails from K. Borg regarding additional comments on settlement documents; revise trustee's special reporting letter; work with Manulife team to finalize trustee's special reporting letter and to provide additional outstanding information; review Societe Generale's comments on Class Action Settlement Agreement; review email correspondence from S. Spizziri regarding release of documents; review and comment on draft trustee's special reporting letter; review revised motion record from Manulife team; review finalized motion record; review email correspondence from K. Ferreira to S. Gomez; call with E. Hoaken to discuss completion of the Trustee Settlement Agreement and the Administrative Agency Agreement; attend thirty seventh inspectors meeting; calls with G. Gutfreund; draft resolutions for Inspectors' meeting; call with J. Poulos to discuss status of final special Trustee's letter; review email from J. Poulos setting out proposed schedule "B"; to special Trustee's letter and Long Form Notice; meeting with K. Ferreira to discuss Bahamian counsel issues; call with E. Hoaken to discuss finalization of three outstanding agreements; review email from B. Moree regarding draft letter; review email from R. Slaght; review multiple emails from J. Poulos regarding revisions to agreements; meeting with J. Grout to discuss revisions to three agreements; call with E. Hoaken to insert J. Grout's changes into three agreements and Notices; review email from team regarding further revisions and timing for execution; call with K. Borg to discuss timing for execution;	<b>8.90</b>	<b>LE</b>
Nov-21-08	Emails with clients and counsel; review and revise SGC release; review and revise settlement agreements; letter from Faye Manor's counsel; met with L. Ellis; discussions with SGC's counsel;	<b>2.60</b>	<b>JHG</b>

	Review emails and attachments from KPMG/TGF; review emails and attachments from counsel for Societe Generale;	<b>0.80</b>	<b>KF</b>
	Email to team to provide update on revisions to Class Action Settlement Agreement, Trustee Settlement Agreement and Administrative Agency Agreement; review emails from G. Gutfreund; review emails from K. Borg; calls with K. Borg to discuss form of release and to discuss revisions to Trustee Settlement Agreement; review letter from RBCDS and email from J. Poulos; review emails from E. Hoaken; review endorsement from J. Campbell; call with G. Gutfreund to discuss Inspectors minutes and provided him with revised 29th Meeting package of information; review E. Hoaken's suggested revisions to the Trustee Settlement Agreement and Administrative Agency Agreement; review email from J. Poulos regarding her conversation with J. Sinclair; review revised draft Trustee Release; review revisions to the Long Form and Short Form Notices; review K. Borg's comments on the Trustee Settlement Agreement; continue with revisions to Notices and three primary Agreements; review multiple emails from E. Hoaken regarding revisions; review multiple emails from K. Borg regarding revisions to primary agreements; calls with G. Gutfreund to discuss Client's suggested revisions to the Notices; calls with E. Hoaken to input suggested revisions to the Notices; multiple calls with E. Hoaken; calls with B. Rusko to provide updates; review Special Trustee's letter; review final Notices and provide additional suggested revisions after call with client; review draft judgment provided for by K. Borg;	<b>9.10</b>	<b>LE</b>
Nov-22-08	Prepare notes of inspectors meeting; review revised settlement documents;	<b>1.20</b>	<b>JHG</b>
	Review amended Class Action Settlement Agreement; exchange emails with J. Grout regarding settlement agreements;	<b>1.10</b>	<b>LE</b>
Nov-23-08	Review and revise Administrative Settlement Agreement; discussions and emails with L. Ellis regarding settlement agreements and releases;	<b>1.20</b>	<b>JHG</b>
	Review emails from KPMG and TGF team;	<b>0.50</b>	<b>KF</b>
	Exchange emails with E. Hoaken regarding changes to settlement documents; call with E. Hoaken to discuss same; call with J. Grout to discuss changes to settlement documents and form of release; email to team regarding release; review	<b>1.50</b>	<b>LE</b>

	responding emails from team regarding release; emails to J. Grout;		
Nov-24-08	Discussions with clients, L. Ellis and counsel; emails with clients and counsel all regarding settlement documents; conference call with client and OSC;	4.20	JHG
	Review emails from Bahamian counsel; review revised letter to Trustees counsel; discussion with L. Ellis;	0.30	KF
	Email TGF/KPMG team; review emails from team;	0.50	KF
	Review email from B. Moree and provide response; review comments from team regarding schedule "A" to the release; review revised Trustee Settlement Agreement and Administrative Agent Agreement; circulate execution copies of the Trustee Settlement Agreement to K. Borg; calls with K. Borg to discuss additional changes to Trustee Settlement Agreement; circulate execution copy of the Administrative Agent Agreement to D. Hausman; call with D. Hausman to make additional changes to Agreement; review and respond to draft letter from B. Moree; emails to team to provide continuous updates on the status of various agreements; review draft letter from B. Moree and provide responding email with comments; review emails from team regarding form of release and discussing parties that the release should exclude; review email from G. Gutfreund regarding the next Inspectors' meeting; review emails from D. Hausman regarding status of execution of Trustee Settlement Agreement; begin review of documents to be posted on the class action settlement website; review overview document; calls with D. Hausman; calls with J. Leon; calls with K. Borg and R. Slaght; review email from E. Hoaken and attached Order; review correspondence regarding F. Manor; review final special Trustee reporting letter; review revised Trustee Release; review email from K. Daniels; call with J. Grout to provide update on status of three primary agreements;	9.50	LE
Nov-25-08	Revise settlement documents; emails and discussions with clients and counsel;	2.20	JHG
	Review email from K. Ferreira regarding S. Tenai's release and status thereof; exchange emails with K. Ferreira regarding draft B. Moree letter; review email from K. Borg regarding draft release; calls with D. Hausman to discuss status of execution and mail out; calls with J. Leon to discuss status of execution and mail out; calls with K. Borg and R. Slaght to discuss status	5.90	LE

of execution and mail out; calls with B. Rusko and G. Gutfreund to provide updates on status of execution; call with B. Rusko and J. Leon to discuss possible steps to accelerate execution of Trustee Settlement Agreement; email to Manulife team and Societe Generale team to provide update on mail out; review revised releases and email form K. Borg; exchange multiple emails with K. Borg and R. Slaght to finalize the Trustee Settlement Agreement; calls with D. Hausman and B. Rusko regarding Manulife's press release; meeting with J. Grout to discuss Manulife's press release; review Manulife's draft press release; work on revisions to Long Form Notice; calls with A. Pelletier to discuss status of Long Form Notice; review issued and entered Order; exchange emails with K. Borg regarding schedule "A" to the Trustee's release;

Nov-26-08	Met with L. Ellis; emails and discussions with clients and counsel regarding settlement negotiations; revise releases;	<b>2.80</b>	<b>JHG</b>
	Calls with G. Gutfreund to discuss status of website, status of signature pages, status of release, status of Inspectors minutes and other things related to the class action settlement; call with H. Craig; call with B. Rusko to provide status updates; meetings with J. Grout to discuss various outstanding issues and next steps; email to Bohemian counsel regarding draft correspondence; call with E. Hoaken; call with D. Hausman; review draft releases; review email from K. Borg regarding releases and other outstanding issues;	<b>2.90</b>	<b>LE</b>
Nov-27-08	Finalize settlement with Societe Generale and Manulife; letter regarding PWC class action;	<b>1.60</b>	<b>JHG</b>
	Discussion with S. Morgan Gomez;	<b>0.20</b>	<b>KF</b>
	Call with E. Hoaken to discuss outstanding issues, including Trustee's plan to report to Manulife with respect to opt out notices; begin review of draft Court materials as provided for by J. Grout; review correspondence from K. Ferreira regarding the finalization of the B. Moree letter; review list of required documents to complete B. Moree's letter; calls with G. Gutfreund to provide updates; calls with B. Rusko to provide updates; review emails from E. Murphy and J. Grout regarding draft Court materials;	<b>3.60</b>	<b>LE</b>
Nov-28-08	Prepare and attend on inspectors meeting to authorize second allocation and approve fees;	<b>1.00</b>	<b>JHG</b>

Continue review of Court materials; review responding comments from team regarding Court materials; attend Inspectors meeting; call with J. Grout to provide update of meeting; call with E. Hoaken to discuss Affidavit of G. Gutfreund; multiple calls with D. Hausman; multiple calls with G. Gutfreund regarding outstanding issues to be completed; 2.80 LE

Nov-30-08 Review email from M. Segal and consider response; review Class Action Settlement Agreement in preparation for response to M. Segal; 0.40 LE

And to all other necessary telephone communications, attendances and correspondence with respect to the conduct of this matter

And to engrossing this Bill of Costs, service on the trustee, receive signed Bill of Costs, prepare Notice of Assignment for Assessment and forward the same to the Superintendent and Trustee and attending upon the assessment and serving the Trustee with the assessed Bill of Costs.

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
James H. Grout	91.20	\$625.00	\$57,000.00
John L. Finnigan	1.30	\$625.00	\$812.50
Kim Ferreira	6.30	\$250.00	\$1,575.00
Larry Ellis	92.30	\$275.00	\$25,382.50
Stephen Wolpert (Student)	1.70	\$175.00	\$297.50
OUR FEE HEREIN		\$85,067.50	
GST on Fee		\$4,253.38	
<b>Total Fee and GST</b>			<b>\$89,320.88</b>

**Disbursements:**

Binding	\$12.46
Computer Research	\$16.04
Photocopies	\$473.75

Telephone	\$114.72	
Transportation	\$85.71	
Fee for Filing Court Materials with Commercial List	\$127.00	
Total Taxable Disbursements	\$829.68	
GST on Disbursements	41.48	
Total Non-Taxable Disbursements	\$0.00	
<b>Total Disbursements and GST</b>		<b>\$871.16</b>
<b>Total Fees, Disbursements &amp; GST</b>		<b>\$90,192.04</b>

**ASSESSED AND ALLOWED at Toronto, this      day of      , 2008.**

\_\_\_\_\_  
**Colin L. Campbell, J.**

The undersigned hereby certifies that it has examined the above interim bill of costs, that the services therein described have been duly authorized and rendered and the charges in our opinion are fair and reasonable. The receipts to date of this Estate after payment of secured creditors' claims amounts to approximately \$ .

We hereby waive notice of the time and place of the taxation of this bill.

**KPMG Inc.**

**Per:** \_\_\_\_\_

The undersigned, being the Inspectors of the Consolidated Estate of Portus Alternative Asset Management Inc. and Portus Asset Management Inc., hereby approve payment of the within legal costs.

\_\_\_\_\_  
Gregg Clifton

\_\_\_\_\_  
David Kerr

Mark Segal

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Rod J. Bell

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Edward MacNeil

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Matter No. 508-018  
Invoice No. 20230  
Date: Dec 10/08

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE CONSOLIDATED BANKRUPTCY  
OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC.  
AND PORTUS ASSET MANAGEMENT INC.** both corporations  
incorporated pursuant to the *Business Corporations Act* (Ontario) with  
its principal place of business in the City of Toronto, in the Province  
of Ontario, bankrupts

**TWENTY-NINTH INTERIM BILL OF COSTS OF THE SOLICITORS  
FOR THE TRUSTEE OF THE CONSOLIDATED ESTATE OF  
PORTUS ALTERNATIVE ASSET MANAGEMENT INC. and  
PORTUS ASSET MANAGEMENT INC., BANKRUPTS**

**For the period ending December 31, 2008**

Nov-06-08	Exchange emails with K. Ferreira regarding J. Sorkin settlement; meeting with K. Ferreira to discuss preparation for J. Sorkin trial and legal test for insolvency; meeting with J. Grout to discuss status of J. Berman's offers; call to J. Leon; review emails from K. Borg, J. Leon and P. Osborne; call to J. Berman; review correspondence from G. Gutfreund; review correspondence from E. Murphy; review correspondence from J. Leon and from P. Osborne regarding draft settlement agreement; review draft settlement agreement; call with G. Gutfreund to discuss draft settlement agreement; meeting with J. Grout to review draft settlement agreement and to discuss revisions thereto; call with G. Gutfreund and B. Rusko to discuss draft settlement agreement; review minutes of settlement related to J. Sorkin settlement; meeting with J. Grout; email exchange with J. Leon to discuss going forward in completing settlement;	<b>6.90</b>	<b>LE</b>
Dec-01-08	Review motion materials; emails and discussions with client and counsel; met with L. Ellis and K. Ferreira regarding litigation issues; discussions with class action counsel;	<b>2.40</b>	<b>JHG</b>
	Revise litigation memo; discussion with L. Ellis; meeting with L. Ellis and J. Grout;	<b>1.70</b>	<b>KF</b>

	Review letter from J. Grout regarding comments on draft Order; review draft Order; review Court documents; review emails from J. Poulos and E. Murphy regarding draft Court materials; review comments from G. Gutfreund on Court materials; emails from B. Rusko and J. McAuley; review email from J. Poulos regarding the Societe Generale Notes;	2.20	LE
Dec-02-08	Discussions with client regarding Court Report; emails with clients and counsel regarding motion;	0.60	JHG
	Emails regarding settlement offer from Mrs. Manor;	0.40	JHG
	Emails regarding motion to approve class action settlement;	0.40	JHG
	Regarding: Class Action Settlement - discussion with L. Ellis; meeting with G. Gutfreund; revise Affidavit of Service; discussion with Bennett Jones; email exchange with Bennett Jones; discussion with G. Gutfreund;	2.20	KF
	Review emails from E. Murphy; call with E. Murphy regarding execution of Court Report; calls with E. Hoaken regarding G. Gutfreund Affidavit; calls with K. Ferreira and G. Gutfreund regarding G. Gutfreund Affidavit; review emails from J. McAuley and E. Murphy regarding N. Freeman; review letter from J. Grout; review final Affidavit of G. Gutfreund; review email from E. Hoaken; review Bennett Jones draft Court materials; review correspondence from K. Ferreira; review correspondence from K. Borg; review draft judgment of E. Hoaken;	4.40	LE
Dec-03-08	Review and comment upon class action settlement approval motion; emails with counsel; revise motion materials for Trustee motion; conference call with clients and L. Ellis regarding administrative issues;	2.40	JHG
	Discussion with E. Hoaken; review and finalize Affidavit; discussion and meeting with G. Gutfreund;	1.00	KF
	Review email from A. Pelletier; continue review of Bennett Jones Court materials; meeting with J. Grout to discuss hearing to approve settlement; emails from G. Gutfreund;	1.90	LE
Dec-04-08	Finalize and serve motion materials;	1.00	JHG



	Prepare for and attend at 330 University for motion to approve fees of the Receiver and Trustee; call with J. Leon to discuss schedule of litigation; meeting with K. Ferreira to discuss form of litigation schedule;	2.80	LE
Dec-11-08	Emails regarding third party litigation; met with K. Ferreira; finalize letters to Carlen's counsel; [REDACTED]	1.20	JHG
	[REDACTED]	0.20	JLF
	Discussion with J. Grout; review Consolidated Report; discussion with L. Ellis; telephone call with J. Leon;	1.30	KF
	Review email from Bahamian counsel; discussion with L. Ellis; email to Bahamian counsel;	0.30	KF
	[REDACTED] review email from J. Grout regarding ability to sue third parties; review status chart and emails from A. Fournier; [REDACTED] review letter to J. McAuley;	1.10	LE
Dec-14-08	Review case law for motion to approve class action settlement;	3.00	JHG
Dec-15-08	Review motion materials for approval of class action settlement;	3.00	JHG
	Exchange multiple emails with E. Hoaken regarding written objections; email to client regarding number of written objections; review responding emails; review email from J. Poulos regarding payment of Societe Generale notes that mature; reviewed endorsement and entered Order; review correspondence from E. Murphy regarding status of IFSA claim;	1.10	LE
Dec-16-08	Review factum for class action settlement approval motion; review emails regarding class action;	1.60	JHG
	Review email from E. Murphy regarding the IFSA; review email from J. Grout regarding strategy for dealing with IFSA funds; review email from J. Poulos regarding funds related to redeemed Societe Generale notes;	0.40	LE

Dec-17-08	Prepare notes of inspectors' meeting;	0.60	JHG
	Review fax letter from M. Vaturi; review email from G. Gutfreund regarding general update;	0.40	LE
Dec-18-08	Prepare and attend in Court on motion to approve class action settlement; emails with criminal counsel; met with clients; [REDACTED]	3.80	JHG
	Emails regarding class action against PWC and discussions with plaintiffs counsel;	0.40	JHG
	Review draft judgment as provided for by K. Ferreira; review endorsement of Justice Campbell regarding the Class Action Settlement approval hearing;	0.40	LE
Dec-19-08	Letters regarding [REDACTED] third party law suits and Malcom action;	0.80	JHG
	[REDACTED] review draft letter to S. Turton;	0.30	LE
Dec-21-08	Review class action pleadings in law suits against PWC and law firms and correspondence with Vale;	2.20	JHG
Dec-22-08	Letter to class action counsel in PWC proceeding; review Orders and letter to client regarding termination of hardship Program;	1.00	JHG
	Finalize memo and letter regarding class action against PWC;	0.40	JHG
	Review email and respond to J. Leon; review correspondence from S. Turton regarding his client's Affidavit of Documents;	0.40	LE
Dec-23-08	Finalize memo and letter regarding class action against PWC;	0.40	JHG
	Review letter to H. Juroviesky; review J. Finnigan's comments on letter to H. Juroviesky;	0.40	LE
Dec-25-08	Reviewed settlement offer from M. Vaturi;	0.20	LE
Dec-30-08	Email from client regarding Hardship Program;	0.20	JHG

And to all other necessary telephone communications, attendances and correspondence with respect to the conduct of this matter

And to engrossing this Bill of Costs, service on the trustee, receive signed Bill of Costs, prepare Notice of Assignment for Assessment and forward the same to the Superintendent and Trustee and attending upon the assessment and serving the Trustee with the assessed Bill of Costs.

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
James H. Grout	31.80	\$625.00	\$19,875.00
John L. Finnigan	0.20	\$625.00	\$125.00
Kim Ferreira	6.50	\$250.00	\$1,625.00
Larry Ellis	30.20	\$275.00	\$8,305.00
OUR FEE HEREIN		\$29,930.00	
GST on Fee		\$1,496.50	
<b>Total Fee and GST</b>			<b>\$31,426.50</b>

**Disbursements:**

Binding	\$34.51
Computer Research	\$43.76
Couriers	\$153.76
Photocopies	\$46.75
Telephone	\$44.25
Filed Affidavit	\$18.50
Fee for service/filing court documents - Entered Order	\$22.00
Fee for service/filing court documents - Picked up Bills of Costs from Registrar	\$67.00
Fee for service/filing court documents - Filed Bill of Costs at Commercial Court	\$27.00
Fee for service/filing court documents - Filed Bill of Costs at Bankruptcy Court	\$27.00
Fee for service/filing court documents - Filed Bill of Costs at Toronto SCC	\$47.00

Total Taxable Disbursements	\$531.53	
GST on Disbursements	26.58	
Total Non-Taxable Disbursements	\$0.00	
<b>Total Disbursements and GST</b>		<b>\$558.11</b>
<b>Total Fees, Disbursements &amp; GST</b>		<b>\$31,984.61</b>

ASSESSED AND ALLOWED at Toronto, this      day of      , 2009.

\_\_\_\_\_  
Colin L. Campbell, J.

The undersigned hereby certifies that it has examined the above interim bill of costs, that the services therein described have been duly authorized and rendered and the charges in our opinion are fair and reasonable. The receipts to date of this Estate after payment of secured creditors' claims amounts to approximately \$ .

We hereby waive notice of the time and place of the taxation of this bill.

KPMG Inc.

Per: \_\_\_\_\_

The undersigned, being the Inspectors of the Consolidated Estate of Portus Alternative Asset Management Inc. and Portus Asset Management Inc., hereby approve payment of the within legal costs.

\_\_\_\_\_  
Gregg Clifton

\_\_\_\_\_  
David Kerr

\_\_\_\_\_  
Mark Segal

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Rod J. Bell

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Edward MacNeil

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Matter No. 508-018  
Invoice No. 20408  
Date: Jan 21/09

# TAB 3B

## EXHIBIT "B"

Calculation of Average Hourly Billing Rates of  
ThorntonGroutFinnigan LLP  
for the period October 1, 2008 to December 31, 2008

Invoice No.	Fees	Disbursements	GST	Hours	Average Rate	Total
20098	\$ 59,155.00	\$ 280.43	\$2,971.77	162.2	\$364.70	\$ 62,407.20
20230	85,067.50	829.68	4,294.86	192.8	441.22	90,192.04
20408	29,930.00	531.53	1,523.08	68.7	435.66	31,984.61
	<b>\$174,152.50</b>	<b>\$1,641.64</b>	<b>\$8,789.71</b>			<b>\$184,583.85</b>

# TAB 3C

## EXHIBIT "C"

### Billing Rates of ThorntonGroutFinnigan LLP

For the period October 1, 2008 to December 31, 2008

	<u>Rate</u>	<u>Year of Call</u>
James H. Grout	\$625.00	1983
John L. Finnigan	\$625.00	1984
Larry Ellis	\$275.00	2004
Kim Ferreira	\$250.00	2005
Annette Fournier	\$175.00	Law Clerk
Stephen Wolpert	\$175.00	Student-at-Law

IN THE MATTER OF THE BANKRUPTCY OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC., PORTUS ASSET MANAGEMENT INC., BANCNOTE CORP., SOUTHVIEW ASSET MANAGEMENT INC., SOUTHVIEW CAPITAL CORP., each of which is a corporation incorporated pursuant to the *Business Corporations Act* (Ontario) with its principal place of business in the City of Toronto, in the Province of Ontario

Court File No. 31-OR-207257-T

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**  
Proceeding commenced in Toronto

**AFFIDAVIT OF JAMES H. GROUT**

**ThorntonGroutFinnigan LLP**  
Barristers and Solicitors  
100 Wellington Street West  
Suite 3200, P.O. Box 329  
Canadian Pacific Tower  
Toronto, ON M5K 1K7

**James H. Grout (LSUC# 22741H 1B)**  
**John L. Finnigan (LSUC #240408)**  
**Larry Ellis (LSUC #49313K)**

Tel: (416) 304-1616  
Fax: (416) 304-1313

Solicitors for KPMG Inc., in its capacity as  
Trustee of the Estate of Portus Alternative Asset  
Management Inc., a bankrupt

# TAB 4

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE CONSOLIDATED BANKRUPTCY OF PORTUS  
ALTERNATIVE ASSET MANAGEMENT INC. AND PORTUS ASSET  
MANAGEMENT INC.**, both corporations incorporated pursuant to the *Business  
Corporations Act* (Ontario) with its principal place of business in the City of Toronto, in  
the Province of Ontario, bankrupts

**AFFIDAVIT OF MICHAEL C. NICHOLAS  
(Sworn May 14, 2009)**

I, **Michael C. Nicholas** of the City of Toronto, in the Province of Ontario, **MAKE OATH AND  
SAY AS FOLLOWS:**

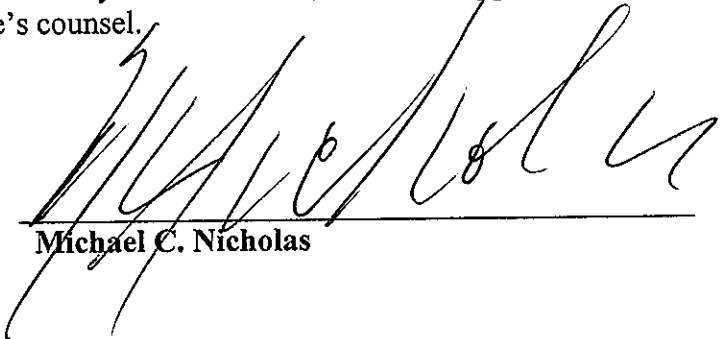
1. I am a Barrister and Solicitor qualified to practice law in the Province of Ontario. I am a partner of McCarthy Tétrault LLP ("McCarthy"), the securities and tax law solicitors for KPMG Inc. (the "Trustee"), in its capacity as the Trustee of the Consolidated Estate of Portus Alternative Asset Management Inc. and Portus Asset Management Inc., bankrupts (the "Consolidated Estate"), and as such, I have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true.
2. Attached hereto as Exhibit "A" are summaries of the invoices that were issued to the Trustee by McCarthy for fees and disbursements incurred by McCarthy in the course of the bankruptcy of the Consolidated Estate between October 10, 2008 and December 15, 2008.
3. Attached hereto as Exhibit "B" is a schedule summarizing each invoice attached as Exhibit A indicating, among other things, the total fees and disbursements charged per invoice, the total billable hours charged per invoice and the average hourly rate charged per invoice.
4. Attached hereto as Exhibit "C" is a schedule summarizing the respective years of call and billing rates of each of the solicitors of McCarthy who acted for the Trustee.
5. To the best of my knowledge, the rates charged by McCarthy throughout the course of these proceedings are lower than the rates that would have been charged by comparable law firms in the Toronto market for the provision of similar services.

6. The hourly rates outlined in Exhibit "C" to this affidavit are significantly lower than the hourly rates charged by McCarthy for services rendered in relation to similar proceedings because the hourly rates outlined in Exhibit "C" reflect the application of a 15% discount to McCarthy's regular hourly rates. McCarthy agreed to reduce the rates that it would otherwise have charged for its services to the Trustee in the interests of approximately 26,000 investors and the public in general in maximizing the recoveries for investors and maintaining the confidence in the public markets of Canada.
7. I make this affidavit in support of a motion by the Trustee for, *inter alia*, approval of the fees and disbursements of the Trustee's counsel.

**SWORN BEFORE ME**  
at the City of Toronto, in the Province  
of Ontario this 14<sup>th</sup> day of May, 2009.



A commissioner for taking oaths, etc.



Michael C. Nicholas

# TAB 4A

EXHIBIT "A"

**McCarthy Tétrault LLP**

KPMG Inc.  
Commerce Court West, 199 Bay Street .  
Suite 3300, P.O. Box 31  
Toronto, ON M5L 1B2

Date November 12, 2008

Attention: Elizabeth Murphy

Invoice No: 2282289  
File No.: 198036-382448

**Re: In the Matter of the Bankruptcy of Portus Alternative Asset Management Inc. et al.**

**TO ALL PROFESSIONAL SERVICES RENDERED with respect to the above-noted matter for the period ending October 31, 2008.**

Considering Trustee's inquiries regarding requirements governing the transfer of assets from old Ontario life income funds to new Ontario life income funds after 2008; Preparing letter responding to Trustee's inquiries.

Total Fees	\$ 3,563.20
GST on Fees	\$ 178.16
<b>Total Fees and GST</b>	<b>\$ 3,741.36</b>
Total Taxable Disbursements	\$ 0.25
GST on Disbursements	\$ 0.01
Total Non-Taxable Disbursements	\$ 0.00
<b>Total Disbursements and GST</b>	<b>\$ 0.26</b>
<b>OUR ACCOUNT HEREIN</b>	<b>\$ 3,741.62</b>

E.& O.E. GST # R116532839

Terms: Payment upon receipt. In accordance with Section 33 of the Solicitors Act, interest will be charged at a rate of 3.80% per annum on unpaid fees, charges or disbursements..

This invoice may include charges relating to prior periods that were posted to your account after the preparation of previous invoices.

## McCarthy Tétrault LLP

KPMG Inc.  
Commerce Court West, 199 Bay Street  
Suite 3300, P.O. Box 31  
Toronto, ON M5L 1B2

Date December 30, 2008

Attention: Elizabeth Murphy

Invoice No: 2295644  
File No.: 198036-382448

**Re: In the Matter of the Bankruptcy of Portus Alternative Asset Management Inc. et al.**

**TO ALL PROFESSIONAL SERVICES RENDERED with respect to the above-noted matter for the period ending December 15, 2008.**

Completing letter responding to Trustee's inquiries regarding requirements governing the transfer of assets from old Ontario life income funds to new Ontario life income funds after 2008; Preparing Bills of Costs for periods ending September 30, 2008 and October 31, 2008; Considering and responding to Trustee's inquiries in relation to the conversion of locked-in-retirement income funds into life income funds; Considering and responding to Trustee's inquiries in relation to registered retirement savings plan beneficiary designations.

Total Fees	\$ 4,455.31
GST on Fees	\$ 222.77
<b>Total Fees and GST</b>	<b>\$ 4,678.08</b>
Total Taxable Disbursements	\$ 50.50
GST on Disbursements	\$ 2.53
Total Non-Taxable Disbursements	\$ 0.00
<b>Total Disbursements and GST</b>	<b>\$ 53.03</b>
<b>OUR ACCOUNT HEREIN</b>	<b>\$ 4,731.11</b>

E.& O.E. GST # R116532839

Terms: Payment upon receipt. In accordance with Section 33 of the Solicitors Act, interest will be charged at a rate of 4.50% per annum on unpaid fees, charges or disbursements..

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# TAB 4B

EXHIBIT "B"

Calculation of Average Hourly Billing Rates of  
McCarthy Tétraut LLP  
for the period March 25, 2008 to September 26, 2008

Date	Invoice No.	Fees	Disbursements	GST	Hours	Average Rate	Total Including Tax
		\$	\$	\$		\$	\$
11/12//08	2282289	3,563.20	0.25	178.17	9.40	379.06	3,741.62
12/30/08	2295644	4,455.31	50.50	225.30	14.60	305.16	4,731.11
	<b>TOTAL</b>	<b>8,018.51</b>	<b>50.75</b>	<b>403.47</b>	<b>24.00</b>	<b>684.22</b>	<b>8,472.73</b>

# TAB 4C

**EXHIBIT "C"**

**Billing Rates for McCarthy Tétrault LLP**

For the period October 10, 2008 to December 15, 2008

<b>Timekeeper</b>	<b>Rate</b>		<b>Year of Call</b>
	\$		
Allard, Lorraine	578.00		1996
Dietrich, Bernadette	590.25		1988
Fera, James	365.50		2005
MacNeill, Henriette	191.25		n/a
Jensen-Taillefer, Lifa	233.75		n/a

IN THE MATTER OF THE BANKRUPTCY OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC., PORTUS ASSET MANAGEMENT INC., BANCNOTE CORP., SOUTHWEST ASSET MANAGEMENT INC., SOUTHWEST CAPITAL CORP., each of which is a corporation incorporated pursuant to the *Business Corporations Act* (Ontario) with its principal place of business in the City of Toronto, in the Province of Ontario

Court File No. 31-OR-207257-T

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**  
Proceeding commenced in Toronto

**AFFIDAVIT OF MICHAEL C.**  
**NICHOLAS**

**ThorntonGrouthFinnigan LLP**  
Barristers and Solicitors  
100 Wellington Street West  
Suite 3200, P.O. Box 329  
Canadian Pacific Tower  
Toronto, ON M5K 1K7

**James H. Grout (LSUC# 22741H 1B)**  
**John L. Finnigan (LSUC #240408)**  
**Larry Ellis (LSUC #49313K)**

Tel: (416) 304-1616  
Fax: (416) 304-1313

Solicitors for KPMG Inc., in its capacity as  
Trustee of the Estate of Portus Alternative Asset  
Management Inc., a bankrupt

# TAB 5

**REPORT OF  
JONATHAN WIGLEY,  
INDEPENDENT COUNSEL,  
TO BE FILED**

# TAB 6



2. **THIS COURT ORDERS** that the fees and disbursements of ThorntonGroutFinnigan LLP, counsel to the Trustee, for the period October 1, 2008 to December 31, 2008 be and they are hereby assessed and allowed as filed.

3. **THIS COURT ORDERS** that the fees and disbursements of McCarthy Tétrault LLP, securities and tax counsel to the Trustee, for the period October 1, 2008 to December 31, 2008 be and they are hereby assessed and allowed as filed.

---

IN THE MATTER OF THE BANKRUPTCY OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC., PORTUS ASSET MANAGEMENT INC., BANCNOTE CORP., SOUTHWEST ASSET MANAGEMENT INC., SOUTHWEST CAPITAL CORP., each of which is a corporation incorporated pursuant to the *Business Corporations Act* (Ontario) with its principal place of business in the City of Toronto, in the Province of Ontario

Court File No. 31-OR-207257-T

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**  
Proceeding commenced in Toronto

**ORDER**

**ThorntonGroutfinnigan LLP**  
Barristers and Solicitors  
100 Wellington Street West  
Suite 3200, P.O. Box 329  
Canadian Pacific Tower  
Toronto, ON M5K 1K7

**James H. Grout (LSUC# 22741H 1B)**  
**John L. Finnigan (LSUC #240408)**  
**Larry Ellis (LSUC #49313K)**

Tel: (416) 304-1616  
Fax: (416) 304-1313

Solicitors for KPMG Inc., in its capacity as  
Trustee of the Estate of Portus Alternative Asset  
Management Inc., a bankrupt

IN THE MATTER OF THE BANKRUPTCY OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC., PORTUS ASSET MANAGEMENT INC., BANCNOTE CORP., SOUTHWEST ASSET MANAGEMENT INC., SOUTHWEST CAPITAL CORP., each of which is a corporation incorporated pursuant to the *Business Corporations Act* (Ontario) with its principal place of business in the City of Toronto, in the Province of Ontario

Court File No. 31-OR-207257-T

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**  
Proceeding commenced in Toronto

**MOTION RECORD**

**ThorntonGrouffinnigan LLP**  
Barristers and Solicitors  
100 Wellington Street West  
Suite 3200, P.O. Box 329  
Canadian Pacific Tower  
Toronto, ON M5K 1K7

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Solicitors for KPMG Inc., in its capacity as  
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Management Inc., a bankrupt

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