



*This is the 2<sup>nd</sup> affidavit made in this case by  
Gordon Brown, sworn November 17, 2021*

No. S1910538  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA  
PETITIONER

AND:

QUINSAM COAL CORPORATION, BARCLAYS CANADA LEASING CORPORATION,  
BARCLAYS BANK OF CANADA, ENCECO, INC. and GORD KNIGHT VENTURES  
LTD.

RESPONDENTS

**A F F I D A V I T**

I, Gordon Brown, Chartered Professional Accountant, of 430 – 505 Burrard Street Vancouver, B.C, in the City of Vancouver, in the Province of British Columbia, MAKE OATH AND SAY AS FOLLOWS:

1. I am a Licensed Insolvency Trustee and the Vice President of The Bowra Group Inc., the Receiver (the "**Receiver**") of the assets, undertakings and properties of Quinsam Coal Corporation pursuant to the Order of Mr. Justice Bowden pronounced on September 20, 2019 (the "**Receivership Order**"), and as such I have personal knowledge of the facts and matters hereinafter deposed to, except where stated to be on information and belief and where so stated I verily believe it to be true.
2. This affidavit is intended to be read in conjunction with the Receiver's First Report to Court (the "**First Report**"), filed with this Affidavit, and is intended to specifically address the Receiver's accounts in respect of this matter.

3. In particular, by virtue of paragraph 28 of the Receivership Order the Receiver and its legal counsel shall pass their accounts and, for this purpose, the accounts of the Receiver and its legal counsel are referred to a judge of the Supreme Court of British Columbia, which passing may be heard on a summary basis.
4. The purpose of this Affidavit, when read with the First Report, is to advise the Court as to the factors commonly considered by the Court for the purpose of considering the accounts and passing them summarily in that respect.

**The Receiver's Accounts:**

5. On a regular basis, the Receiver rendered accounts to the Province.
6. Based upon my review of the time recordings, I confirm that the work as described therein was undertaken and was, in my opinion, necessary in order for the Receiver to fulfill its duties and obligations under the Receivership Order.
7. The work undertaken by the Receiver's personnel was done under the direct supervision of Mario Mainella, President of The Bowra Group Inc., or myself, on and where appropriate, the work was delegated. Further, each of the disbursements paid by the Receiver was necessarily incurred in order for the Receiver to fulfill its obligations and incurred in accordance with my instructions.
8. For the period September 26, 2019 to October 31, 2021 the total of these accounts is as follows: summary of receivers fees

	\$
Fees	1,171,244
Disbursements	45,379
GST	60,831
<b>Total</b>	<b><u>1,277,454</u></b>

9. Below is a summary of the Receiver's monthly invoices:

Period	Invoice	Fees	Disbursements	GST	Total
September 20 to October 31, 2019	8800	103,970.50	3,537.00	5,375.38	112,882.88
November 1 to November 30, 2019	8819	61,650.25	2,454.92	3,205.26	67,310.43
December 1 to December 31, 2019	8841	60,149.25	2,593.44	3,137.13	65,879.82
January 1 to January 31, 2020	8862	76,083.25	3,151.20	3,961.72	83,196.17
February 1 to February 29, 2020	8884	49,434.25	2,140.65	2,578.74	54,153.64
March 1 to March 31, 2020	8903	54,255.50	2,107.80	2,818.17	59,181.47
April 1 to April 30, 2020	8920	55,469.25	1,904.40	2,868.68	60,242.33
May 1 to May 31, 2020	8936	36,957.50	1,325.40	1,914.15	40,197.05
June 1 to June 30, 2020	8957	41,726.25	1,426.80	2,157.65	45,310.70
July 1 to July 31, 2020	8967	38,696.50	1,377.60	2,003.71	42,077.81
August 1 to August 31, 2020	8993	35,233.75	1,345.50	1,828.96	38,408.21
September 1 to September 30, 2020	9005	34,966.25	1,467.75	1,821.70	38,255.70
October 1 to October 31, 2020	9020	39,799.00	1,573.50	2,068.63	43,441.13
November 1 to November 30, 2020	9059	45,103.75	1,761.75	2,343.28	49,208.78
December 1 to December 31, 2020	9083	38,020.00	1,497.75	1,975.89	41,493.64
January 1 to January 31, 2021	9100	39,296.25	1,551.00	2,042.36	42,889.61
February 1 to February 28, 2021	9118	38,165.00	1,593.00	1,987.90	41,745.90
March 1 to March 31, 2021	9141	48,220.00	1,884.00	2,505.20	52,609.20
April 1 to April 30, 2021	9173	44,051.25	1,646.25	2,284.88	47,982.38
May 1 to May 31, 2021	9197	37,245.00	1,483.50	1,936.43	40,664.93
June 1 to June 30, 2021	9218	36,572.50	1,473.00	1,902.28	39,947.78
July 1 to July 31, 2021	9229	38,033.75	1,497.75	1,976.58	41,508.08
August 1 to August 31, 2021	9256	35,285.00	1,388.25	1,833.66	38,506.91
September 1 to September 30, 2021	9276	41,841.50	1,625.25	2,173.34	45,640.09
October 1 to October 31, 2021	9297	41,018.25	1,572.00	2,129.51	44,719.76
<b>Total</b>		<b>1,171,243.75</b>	<b>45,379.46</b>	<b>60,831.19</b>	<b>1,277,454.40</b>

10. A summary of the time spent by members of all of the staff within The Bowra Group Inc. for the period September 26, 2019 to October 31, 2021 is summarized below.

Name	Title	Hours	Average Hourly Rate (\$)
Mario Mainella	President	434.45	562
Gordon Brown	Vice President	1,535.35	403
Kevin Koo	Senior Associate	901.40	253
Andrew Pappel	Senior Associate	0.25	250
Michael Busch	Associate	241.25	178
Sofie Parker	Insolvency Administrator	71.90	185
Estate Administration		190.75	123
		<b>3,375.35</b>	<b>347 *</b>

*\*Average Hourly Rate*

11. In the Receiver's opinion, the time and disbursements incurred in the course of its duties are:
  - (i) fair and reasonable in a receivership of the nature described herein; and,
  - (ii) comparable to receivership assignments of similar scale and complexity.
  
12. The hourly rates charged by the Receiver are:
  - (i) consistent with the hourly rates billed by the Receiver on other engagements; and,
  - (ii) consistent with other insolvency firms of comparable size engaged on similar receivership matters to the Receiver's knowledge.

**The Receiver's Legal Accounts:**

13. The Receiver retained the services of Gowling WLG (Canada) LLP ("**Gowlings**") for a period and then DLA Piper LLP ("**DLA**", and together with Gowlings, the "**Receiver's Counsel**") as its legal counsel.
  
14. The amounts billed by the Receiver's Counsel as to fees and disbursements will be the subject of a separate affidavit to be sworn by DLA.
  
15. However, I can confirm that the Receiver's Counsel regularly invoiced the Receiver for the activities undertaken by them as requested by the Receiver for both their fees and disbursements.
  
16. In summary, the amounts billed to the Receiver is as follows:

<b>Gowling</b>	<b>\$'s</b>
Fees	224,322
Disbursements	1,361
GST	11,271
PST	15,728
<b>Total</b>	<b><u>252,682</u></b>

<b>DLA</b>	<b>\$'s</b>
Fees	148,322
Disbursements	2,123
GST	7,494
PST	10,383
<b>Total</b>	<b><u>168,322</u></b>

17. I reviewed the invoices when and as they were submitted for payment by the Receiver and can confirm:
- (i) the work as described therein was undertaken at the Receiver's request and in accordance with its instructions;
  - (ii) in my opinion, the accounts as rendered are reasonable and reflect an appropriate amount of time for the activities undertaken, given the issues arising in these proceedings, and appropriate and standard disbursements for the work done; and
  - (iii) the Receiver has approved the fees and disbursements in respect of the legal services provided by the Receiver's Counsel.
18. The Receiver requests that the Court summarily approve the legal fees incurred to date.
19. I make this Affidavit in support of the Receiver's passing of its accounts.

SWORN BEFORE ME at the City  
of Vancouver, in the Province of British  
Columbia, this ~~17<sup>th</sup>~~ day of November, 2021

A Commissioner for taking Affidavits  
within British Columbia

GORDON BROWN

**JEFFREY BRADSHAW**  
*Barrister & Solicitor*  
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