

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

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT
ACT
R.S.C. 1985 c.C - 36, as amended**

- and -

**IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF
KOREX DON VALLEY ULC**

APPLICANT

NINTH REPORT OF IRA SMITH TRUSTEE & RECEIVER INC.

**IN ITS CAPACITY AS COURT-APPOINTED MONITOR OF
KOREX DON VALLEY ULC**

DATED AUGUST 6, 2009

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**NINTH REPORT OF
IRA SMITH TRUSTEE & RECEIVER INC.**

**IN ITS CAPACITY AS COURT-APPOINTED MONITOR OF
KOREX DON VALLEY ULC**

DATED AUGUST 6, 2009

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Affidavit of Ira Smith on account of the Monitor’s fee and disbursements for the period from July 1, 2009 to August 10, 2009	“A”
Affidavit of Mr. Sanjeev Mitra, Partner of Aird & Berlis LLP, in support of the fee and disbursements of Aird & Berlis LLP for the period from July 1, 2009 to August 5, 2009	“B”

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

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT
ACT
R.S.C. 1985 c.C - 36, as amended**

- and -

**IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF
KOREX DON VALLEY ULC**

APPLICANT

**NINTH REPORT OF IRA SMITH TRUSTEE & RECEIVER INC.
VOLUME 1**

**IN ITS CAPACITY AS COURT-APPOINTED MONITOR OF
KOREX DON VALLEY ULC**

DATED AUGUST 6, 2009

1.0 INTRODUCTION

This Ninth Report (the "**Ninth Report**") is filed by Ira Smith Trustee & Receiver Inc. ("**ISI**") in its capacity as court-appointed monitor (the "**Monitor**") of all of the assets, undertakings and properties of Korex Don Valley ULC ("**Korex**" or the "**Company**").

The Monitor's Eighth Report to Court, Volume 4 was dated July 20, 2009 and was filed with this Honourable Court for the attendance of the parties on July 22, 2009. On that date, the Order of this Honourable Court dated February 6, 2009 (the "**Initial Stay Order**") and the Initial Stay Period (as defined in the Initial Stay Order), was further extended to July 31, 2009 by Order of

the Honourable Mr. Justice Wilton-Siegel. On July 31, 2009, by Order of the Honourable Mr. Justice Wilton-Siegel, the Initial Stay Order and the Initial Stay Period was further extended to August 10, 2009, and the Stay described in paragraph 11 of the Initial Order was partially lifted for the sole purpose of allowing Korex to make an assignment in bankruptcy, so that a sales process might take place.

Korex is bringing a motion, returnable August 10, 2009, for an Order appointing S. Funtig & Associates Inc. as receiver (the “**Receiver**”) of all the assets, undertaking and property (including any interest in real property) of Korex, save and except for the accounts receivable, work in progress and inventory owned by the Applicant as of the close of business on April 30, 2009, defined as the “Comerica Property” in the Order of Justice Wilton-Siegel dated April 30, 2009 (the “**Korex Property**”). It is expected that, in conjunction with the appointment of the Receiver, Korex will make an assignment in bankruptcy.

Purpose of this Report

The purpose of this Ninth Report is:

1. to seek this Honourable Court’s approval of the Monitor’s activities since the Eighth Report;
2. to seek this Honourable Court’s approval of the Monitor’s fees and disbursements in respect of the period from July 1, 2009 to August 10, 2009 in the amount of \$80,145.79 (inclusive of GST), which amount includes an accrual of \$3,500.00 for fees and disbursements to be incurred to the date of the Monitor’s discharge (excluding GST);

3. to seek this Honourable Court's approval of the fees and disbursements of the Monitor's legal counsel, Aird & Berlis LLP, in respect of the period from July 1, 2009 to August 5, 2009 in the amount of \$29,116.58 (inclusive of GST), which amount includes an accrual of \$5,000 for fees and disbursements to be incurred to the date of the Monitor's discharge; and
4. to seek an Order of this Honourable Court discharging ISI from the powers, duties and obligations attendant to its appointment as Monitor, subject to the Monitor's and Aird & Berlis' retention of their respective rights to security through the Administrative Charge (as defined in the Initial Order and as subsequently increased by Orders of this Honourable Court) over the Korex Property.

2.0 MONITOR'S ACTIVITIES SINCE THE DATE OF THE EIGHTH REPORT TO COURT – VOLUME 4

Since July 20, 2009, the date of the Monitor's Eighth Report to Court – Volume 4, the Monitor and its legal counsel have been involved mainly in acting as mediator in negotiations with representatives of UL Canada Inc. ("**Unilever**"), Comerica Bank, the represented unsecured creditors and Korex. Such mediation involved dealing with the offers of Unilever to attempt to settle various outstanding issues as between Unilever and Comerica Bank, while providing a return to the unsecured creditors that the Monitor could recommend to this Honourable Court as being preferable over both the draft Plan of Arrangement filed by Korex for which it was seeking approval to distribute to the creditors to consider and the liquidation of Korex's assets within a bankruptcy proceeding.

The Monitor held various discussions, meetings and conference calls with the parties, and as the Court was advised on July 31, 2009, despite everyone's best efforts, an arrangement to the satisfaction of all parties could not be accomplished.

Accordingly, Korex's application on August 10, 2009, for the appointment of a Court-appointed Receiver and the authority already obtained by Korex to file an assignment in bankruptcy is in order to aid an orderly liquidation of Korex's assets.

3.0 FEE AND DISBURSEMENTS OF THE MONITOR

Attached hereto as **Exhibit "A"** is the sworn Affidavit of Mr. Ira Smith, President of ISI, in support of the fee and disbursements of ISI for the period from July 1, 2009 to August 10, 2009, inclusive. The fee includes an accrual for time on August 7 and 10, 2009 in connection with this Ninth Report and the Monitor's motion for discharge in the amount of \$80,145.79 (inclusive of GST).

4.0 FEE AND DISBURSEMENTS OF AIRD & BERLIS LLP

Attached hereto as **Exhibit "B"** is the sworn Affidavit of Mr. Sanjeev Mitra, Partner of Aird & Berlis LLP, in support of the fee and disbursements of Aird & Berlis LLP for the period from July 1, 2009 to August 5, 2009, inclusive, plus the accrual for time up to the Monitor's discharge, in connection with this Ninth Report and the Monitor's motion for discharge in the amount of \$29,116.58 (inclusive of GST).

5.0 SUMMARY

The Monitor respectfully requests that this Honourable Court:

1. Approve this Ninth Report and the activities described therein.
2. Approve the Monitor's fee and disbursements for the period from July 1, 2009 to August 10, 2009 as set out in Exhibit "A" to the Affidavit of Ira Smith in the amount of \$80,145.79 (inclusive of GST).
3. Approve the fee and disbursement of the Monitor's legal counsel, Aird & Berlis LLP, for the period from from July 1, 2009 to August 5, 2009, inclusive, as set out in Exhibit "A" to the Affidavit of Sanjeev Mitra in the amount of \$\$29,116.58 (inclusive of GST).
4. Discharge ISI from the powers, duties and obligations attendant to its appointment as Monitor subject to the Monitor's and Aird & Berlis' retention of their respective rights to security through the Administrative Charge (as defined in the Initial Order and as subsequently increased by Orders of this Honourable Court) over the Korex Property.
4. Provide such further and other relief as this Honourable Court deems just.

**

**

**

All of which is respectfully submitted at Toronto, Ontario this 6th day of August, 2009.

IRA SMITH TRUSTEE & RECEIVER INC.
solely in its capacity as Court-Appointed Monitor
of Korex Don Valley ULC and not in its personal Capacity

A handwritten signature in black ink, appearing to read 'I. Smith', written in a cursive style.

Per: _____
President

Court File No. 08-CL-7925

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*
R.S.C. 1985, c. C - 36, as amended

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
KOREX DON VALLEY ULC

APPLICANT

AFFIDAVIT OF IRA SMITH
(Sworn August 6, 2009)

I, **Ira Smith**, of the City of **Vaughan**, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am the President of Ira Smith Trustee & Receiver Inc. ("**ISI**"). By an Order of the Court dated February 6, 2009 (the "**Initial Stay Order**"), ISI was named, pursuant the provisions of the *Companies' Creditors Arrangement Act*, as the Court-appointed monitor (the "**Monitor**") of Korex Don Valley ULC. As such, I have knowledge of the matters hereinafter deposed to, except where stated to be on information and belief and whereso stated I verily believe it to be true.
2. Pursuant to paragraph 26 of the Initial Stay Order, the Monitor and its legal counsel are required to pass their accounts from time to time.
3. Attached hereto and marked as **Exhibit "A"** to this my Affidavit is a summary of the fees charged and accounts rendered by the Monitor in respect of the proceedings (the "**Accounts Summary**") for the period from July 1 to August 6, 2009 (the "**Monitor Application Period**"). A copy of the invoice rendered by the Monitor and referenced in the Accounts Summary are attached to this my Affidavit as **Exhibit "B"**.

4. The Monitor has filed its Ninth Report with this Honourable Court, which outlines, among other things, the Monitor's overall actions and activities since July 20, 2009.

5. A total of 199.3 hours were expended by the Monitor in connection with this matter during the Monitor Application Period, giving rise to fees totalling \$65,797.50 (excluding GST). The Monitor has also accrued the additional amount of \$3,500.00 (excluding GST) for work performed on August 7 and 10, 2009 in connection with the Monitor's application to Court on August 10, 2009. Together, this time results in an average hourly rate of \$330.14 and allocated approximately as outlined in the Accounts Summary.

6. To the best of my knowledge, the rates charged by the Monitor throughout the course of these proceedings are comparable to the rates charged by other accounting firms in the Greater Toronto Area for the provision of similar services.

7. The average hourly billing rates outlined on the Accounts Summary are the normal average hourly rates charged by the Receiver for services rendered in relation to similar proceedings.

8. I verily believe that the Monitor's accounts are fair and reasonable in the circumstances.

9. Attached as Exhibit "A" to the Affidavit of Sanjeev Mitra sworn August 6, 2009, and filed in support of the within motion are copies of the accounts rendered by Aird & Berlis LLP ("**Aird & Berlis**"), counsel to the Monitor, for the period from July 1 to August 6, 2009, inclusive.

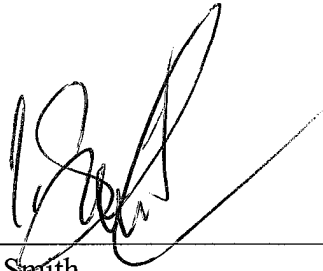
10. Aird & Berlis has rendered services throughout these proceedings consistent with instructions from the Monitor, the Monitor has approved all such accounts and I verily believe that the fees and disbursements of Aird & Berlis are fair and reasonable in the circumstances.

11. The said Affidavit is sworn in connection with the Monitor's motion to have, among other things, its fees and disbursements approved by this Honourable Court and for no improper purpose.

SWORN BEFORE ME at the City of
Vaughan, in the Province of Ontario,
on August 6, 2009.



A Commissioner for taking affidavits



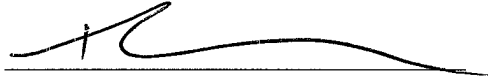
Ira Smith

**Brandon Smith, a Commissioner, etc.,
Province of Ontario, for Ira Smith Trustee
& Receiver Inc. Trustee in Bankruptcy.
Expires May 2, 2011.**

Attached is Exhibit "A"
Referred to in the
AFFIDAVIT OF IRA SMITH

Sworn before me

this 6th day of August, 2009



Commissioner for taking Affidavits, etc

**Brandon Smith, a Commissioner, etc.,
Province of Ontario, for Ira Smith Trustee
& Receiver Inc. Trustee in Bankruptcy.
Expires May 2, 2011.**

**IRA SMITH TRUSTEE & RECEIVER INC.
MONITOR OF
KOREX DON VALLEY ULC**

JULY 1 TO AUGUST 6, 2009

Staff Member	Title	Total Hours	Hourly Rate (\$CDN)	Amount Billed (\$CDN)
Ira Smith MBA, CA•CIRP, Trustee	President	39.2	400.00	15,680.00
Stanley Sugar CA	Senior Manager	131.0	325.00	42,575.00
Martin Wolfe CA	Senior Manager	14.3	325.00	4,647.50
Brandon Smith BA	Estate Manager	7.8	250.00	1,950.00
Cheryl Meads	Technician	<u>7.0</u>	150.00	<u>945.00</u>
Total		<u>199.3</u>	Average hourly rate of \$330.14	65,797.50
Disbursements (as at May 31, 2009)				<u>2,281.82</u>
Net Fees and Disbursements (excluding the accrual of time for August 7 and 10 and GST)				<u>\$68,079.32</u>

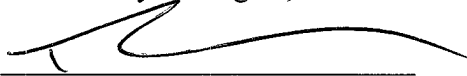
Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF IRA SMITH

Sworn before me

this 6th day of August, 2009



Commissioner for taking Affidavits, etc

**Brandon Smith, a Commissioner, etc.,
Province of Ontario, for Ira Smith Trustee
& Receiver Inc. Trustee in Bankruptcy.
Expires May 2, 2011.**

Ira Smith

TRUSTEE & RECEIVER INC.
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CCAA-KOREX

GST # 86236 5699

August 6, 2009

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF KOREX DON VALLEY ULC

For professional services rendered for the period from July 1 to August 6, 2009 inclusive, in acting as Court-appointed Monitor of Korex Don Valley ULC in accordance with the Order of the Ontario Superior Court of Justice (Commercial List) dated February 6, 2009 as follows (detail attached):

<u>Staff</u>	<u>Hourly rate</u>	<u>Hours</u>	
I. Smith, MBA, CA-CIRP, President and Trustee	\$400	39.2	
S. Sugar, CA, Estate Manager	\$325	131.0	
M. Wolfe, CA, Estate Manager	\$325	14.3	
B. Smith, BA, Estate Manager	\$250	7.8	
C. Meads, Technician	\$135	<u>7.0</u>	
		<u>199.3</u>	
			\$65,797.50
Accrual for I. Smith for August 7 th through 10 th 2009:			3,500.00
Disbursements (July 1 to August 6, 2009):			
Printing and photocopy	\$ 155.26		
Postage, long distance and fax	110.54		
Equipment appraisal fee	1,250.00		
Premises lease appraisal fee	3,500.00		
Travel and courier ¹	<u>2,016.02</u>		
			<u>7,031.82</u>
			\$76,329.32
	GST		<u>3,816.47</u>
			<u>\$80,145.79</u>

¹ Includes \$1,746.00 inadvertently omitted from the billing dated July 14, 2009 for the period from May 1 to June 30, 2009

Ira Smith Trustee & Receiver Inc. Detail Time Sheet

Period from: 2009-07-01 to 2009-08-06

Key name	Full Estate Name	Date	Name	Duration	Activity	\$
C - Korex	Korex Don Valley - CCAA Monitor	7-May-09	Martin Wolfe	1.3	make arrangements to attend inventory at Korex Chicago - INADVERTENTLY OMITTED FROM THE BILLING DATED JULY 14, 2009 FOR THE PERIOD FROM MAY 1 TO 31, 2009	422.50
		8-May-09	Martin Wolfe	13.0	fly to and return from Chicago and attend inventory in Chicago INADVERTENTLY OMITTED FROM THE BILLING DATED JULY 14, 2009 FOR THE PERIOD FROM MAY 1 TO 31, 2009	4,225.00
		1-Jul-09	Stan Sugar	1.3	emails from and to S. Mitra - Aird & Berlis, IraS re court June 30th Unilever fixed asset listing - information requested	422.50
		2-Jul-09	Stan Sugar	2.6	meeting with IraS re Unilever fixed asset listing - memo report discussion and overview as to additional field work required; Telcon with Mr. T. Kiely - Travelex Canada re o/s payment of 24K due to Travelex funds rec'd in error by KDV - not repaid; Telcon with S. Tovee - review of various issues and information gathering re capital asset methodology procedures, data sort and review re Machinery & Equipment	845.00
		3-Jul-09	Stan Sugar	7.6	Microsoft xls spreadsheet data work ups re fixed assets - Unilever and KDV years 2002 through 2008 into PDF file formats	2,470.00
		4-Jul-09	Stan Sugar	0.6	email from S. Funtig - enquiry, email response returned, email IraS re accounts receivable issue tba	195.00
		6-Jul-09	Stan Sugar	5.1	letter to and Telcon with Enbridge Gas on behalf of KDV; lengthy Telcon with J. Bojkovski re Unilever capital expenditure listing and go forward information needed and field work preparation; Telcon with S. Funtig, email letter response with enclosures as requested	1,657.50
		7-Jul-09	Stan Sugar	10.7	field work preparation of financial information in response to Unilevers request re information required in support of capital expenditure records lengthy Telcon with S. Mitra and IraS re information requested and schedules requested and updates needed	3,477.50
		8-Jul-09	Stan Sugar	7.6	meetings with IraS, copious emails from respective legal counsel re Unilever preparation of further requested information in response to Unilever position and info requested memo; letter to S. Mitra at Aird & Berlis	2,470.00
		9-Jul-09	Stan Sugar	2.7	Telcons with J. Bojkovski Various emails to and from legal counsel re Unilever issues, APA agreement review new info rec'd from KDV	877.50
		10-Jul-09	Stan Sugar	4.3	re review of past emails rec'd from legal counsel last two days Unilever issues related thereto and numbers recalculation; conference call with S. Babe, IraS, S. Friedman B. Darlington; conference call with S. Babe, IraS, S. Friedman B. Darlington, + G. Hall, H. Meredith, J. Kugler, R. Frank and K. Kraft; further emails re conference calls, memo to file and IraS	1,397.50

Ira Smith Trustee & Receiver Inc. Detail Time Sheet

Period from: 2009-07-01 to 2009-08-06

Key name O- Korex	Full Estate Name Korex Don Valley - CCAA Monitor	<u>Date</u>	<u>Name</u>	<u>Duration</u>	<u>Activity</u>	<u>\$</u>
		13-Jul-09	Stan Sugar	8.4	attendance at KDV for the day, fixed asset review with Unilever staff meetings with J. Bojkovski, S. Tovee, F. Ahmed and D. Gray project list examination, plant inspection of asset list selections and related matters	2,730.00
		14-Jul-09	Ira Smith	1.2	Prep of updated accounts for July 22 attendance	480.00
		14-Jul-09	Stan Sugar	8.2	Telcon with J. Bojkovski and further site visit requested attendance at KDV for the day, fixed assets further review CIP asset listing meeting with S. Tovee to perform further project list and project file examinations, plant inspection of project CIP asset list; emails to and from S. Mitra and IraS	2,665.00
		15-Jul-09	Stan Sugar	7.9	Telcon with J. Bojkovski and his email and calculations provided by JB memo to file, and to IraS re attendance and conclusions re KDV site visits July 13th and and July 14th	2,567.50
		16-Jul-09	Brandon Smith	1.0	deliver affidavit to Aird & Berlis	250.00
		16-Jul-09	Stan Sugar	7.2	meeting with IraS, email from J. Bojkovski re numbers and revision of schedules and memo to file and finalize emails to and from legal counsel	2,340.00
		17-Jul-09	Stan Sugar	0.6	emails to and from legal counsel	195.00
		20-Jul-09	Ira Smith	5.4	Korex Eighth Report to Court Volume 4	2,160.00
		20-Jul-09	Stan Sugar	3.3	meeting with IraS, review of draft Eighth report to court Volume 4 re suggested changes and comments and redrafts and updates received emails to and from in response to email from G. Hall - McCarthy Tetrault	1,072.50
		21-Jul-09	Ira Smith	2.8	Korex Eighth Report to Court Volume 4	1,120.00
		21-Jul-09	Ira Smith	0.6	Telcon w. Sanj Mitra re issues prior to 6PM conference call	240.00
		21-Jul-09	Ira Smith	0.4	Issuance of Volume 4 of Eighth Report	160.00
		21-Jul-09	Ira Smith	1.2	Conf call w. S. Mitra, B. Darlington and S. Friedman re issues for Court tomorrow	480.00
		21-Jul-09	Stan Sugar	2.3	meeting with IraS, review of email letter rec'd from G. Hall on behalf of Unilever and implications thereto; review of final version of Eighth report Volume 4 to the court dated July 20th 2009 and exhibits attached; file review of documents and emails re court attendance on July 22nd	747.50
		22-Jul-09	Ira Smith	5.6	Travel to and from and attend Court on Korex w. neg's w. Unilever and attendance on motion for approval of reports and fees	2,240.00
		22-Jul-09	Stan Sugar	7.9	attendance at Superior Court of Justice for the day with IraS and B. Smith before Justice Wilton-Siegel; Telcon with J. Bojkovski re court and further information needed	2,567.50
		23-Jul-09	Brandon Smith	2.5	discussions w/ S. Sugan re needs for bankruptcy/prep C. Deshane/Prep Uberbase/review docs from S. Funtig/ Further discussion w/ S. Sugar	625.00
		23-Jul-09	Ira Smith	0.6	Telcon w. B. Darlington re ongoing funding between now and July 31	240.00

Ira Smith Trustee & Receiver Inc.

Detail Time Sheet

Period from: 2009-07-01 to 2009-08-06

Key name Full Estate Name
O- Korex Korex Don Valley - CCAA Monitor

<u>Date</u>	<u>Name</u>	<u>Duration</u>	<u>Activity</u>	<u>\$</u>
23-Jul-09	Ira Smith	0.4	Mtg. w. S. Sugar and B. Smith re Korex going forward	160.00
23-Jul-09	Stan Sugar	8.1	various meetings during the day with IraS and B. Smith emails to and from S. Mitra - Aird & Berlis; draft memo to B. Darlington - Davis LLP re information required from KDV	2,632.50
24-Jul-09	Brandon Smith	1.0	Discussions w/ S. Sugar re memo to B. Darlington; revise and opine re required information and timing	250.00
24-Jul-09	Cheryl Deshane	1.2	INPUT CREDITORS INTO UBERBASE	162.00
24-Jul-09	Ira Smith	0.1	Email to John Leslie re Comerica payout statement	40.00
24-Jul-09	Ira Smith	0.7	Telcon w. S. Pensler re new DIP financing and CCAA issues	280.00
24-Jul-09	Stan Sugar	4.5	meetings with IraS, and B. Smith revise and finalize memo to B. Darlington; Telcon with J. Bojkovski; emails to and from counsel; Telcon with G. Chu - Solicitor City of Toronto legal dept	1,462.50
27-Jul-09	Brandon Smith	0.5	Various discussions w/ S. Sugar re bankruptcy and CCAA deadlines	125.00
27-Jul-09	Cheryl Deshane	5.8	Input creditors into Uberbase	783.00
27-Jul-09	Ira Smith	1.2	Various discussions w. Stan Sugar re memo on reauthorization	480.00
27-Jul-09	Ira Smith	3.1	Various matters including Hydro issue, potential for new offer from S. Pensler, new increase to DIP charge, dealing with negotiations btwn Unilever and Unsecureds	1,240.00
27-Jul-09	Stan Sugar	8.2	meetings with Ira S; realization revised calculations and schedules re Unilever and TCL; memo to IraS based on analysis work; emails to and from legal counsel	2,665.00
28-Jul-09	Brandon Smith	1.0	Discussion w/ Stan re possible new CCAA offer from KDV & DIP charge	250.00
28-Jul-09	Ira Smith	2.7	Various telcons re Unilever and Unsecured's issue, emails w. Sanj Mitra, conf call w. Mitra, Darlington and Friedman re Unilever offer, CCAA and liquidation	1,080.00
28-Jul-09	Stan Sugar	7.8	meetings with IraS and B. Smith; field work preparation analysis and response to IraS and S. Mitra re various; dollars re Unilever and Comerica Bank - document review; emails to and from legal counsel; Telcon creditor - Estes Express Lines Richmond VA by it's solicitor	2,535.00
29-Jul-09	Ira Smith	1.5	Attendance at Aird & Berlis for conference call w. Unsecured's and holding conference call and discussion after w. S. Mitra	600.00
29-Jul-09	Stan Sugar	4.2	meetings with B. Smith; further analysis re security of Comerica Bank and memo to IraS and S. Mitra; conference call with counsel for unsecured major creditors	1,365.00
30-Jul-09	Brandon Smith	0.3	Email from B. darlington, discuss w/ S. sugar and respond relative to employee privacy concerns	75.00
30-Jul-09	Ira Smith	4.2	Rvw of material, telcons, prep for court tomorrow	1,680.00
30-Jul-09	Stan Sugar	3.8	meeting with B. Smith re insolvency filing issues; emails to and from various legal counsel; file information source as needed and requested; analysis of various scenarios re emails rec'd	1,235.00

Ira Smith Trustee & Receiver Inc.

Detail Time Sheet

Period from: 2009-07-01 to 2009-08-06

Key name Full Estate Name
O- Korex Korex Don Valley - CCAA Monitor

<u>Date</u>	<u>Name</u>	<u>Duration</u>	<u>Activity</u>	<u>\$</u>
31-Jul-09	Ira Smith	7.5	Travel to and from and attend in Court on Unilever and other CCAA issues; mtg after w. J. Leslie re Comerica and CCAA progression for court on Aug 10; travel back	3,000.00
31-Jul-09	Stan Sugar	6.1	attendance at Superior Court of Justice for the day; IraS, S. Mitra before Justice Wilton-Siegel	1,982.50
6-Aug-09	Brandon Smith	1.5	Preparation of exhibits to court report	375.00
		199.3		65,797.50

<u>Employee name</u>	<u>Hourly Rate</u>	<u>Amount</u>
IRA SMITH	39.2	15,680.00
STAN SUGAR	131.0	42,575.00
MARTIN WOLFE	14.3	4,647.50
BRANDON SMITH	7.8	1,950.00
CHERYL DESHANE	7.0	945.00

Total: 199.3 65,797.50

Average Hourly Rate: 330.14

APPLICANT

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

PROCEEDINGS COMMENCED AT TORONTO

AFFIDAVIT

AIRD & BERLIS LLP
Barristers and Solicitors
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Toronto, Ontario M5J 2T9
Tel: 416.863.1500
Fax: 416.863.1515

Sanjeev Mitra – LSUC # 37934 U
Tel: 416.863.1500
Fax: 416.863.1515

Solicitors for the Monitor

Court File No. 08-CL-7925

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*
R.S.C. 1985, c. C - 36, as amended

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
KOREX DON VALLEY ULC

APPLICANT

AFFIDAVIT OF SANJEEV MITRA
(Sworn August 6, 2009)

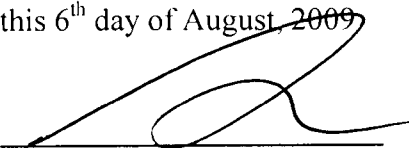
I, Sanjeev Mitra, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am a Partner at Aird & Berlis LLP and, as such, I have knowledge of the matters to which I hereinafter depose.
2. Aird & Berlis LLP has acted as counsel for Ira Smith Trustee & Receiver Inc., in its capacity as Court-appointed monitor (the "**Monitor**") of Korex Don Valley ULC by Order of the Court dated February 6, 2009.
3. Aird & Berlis LLP has prepared a Statement of Account in connection with its mandate as counsel to the Monitor, namely,
 - (a) An account dated August 6, 2009 in respect of the period from July 1, 2009 to August 5, 2009.


Attached hereto and marked as **Exhibit "A"** to this my affidavit is a copy of the Statement of Account. The average hourly rate of Aird & Berlis LLP is \$417.00.

4. This Affidavit is made in support of a motion to, *inter alia*, approve the attached accounts of Aird & Berlis LLP and the fees and disbursements detailed therein and for no improper purpose.

SWORN before me at the City of)
Toronto, in the Province of Ontario)
this 6th day of August, 2009)



A Commissioner, etc.
SAN JAY



SANJEEV MITRA

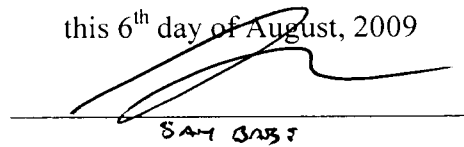
Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF SANJEEV MITRA

Sworn before me

this 6th day of August, 2009

A handwritten signature in black ink, appearing to read "SANJAY", is written over a horizontal line.

Commissioner for taking Affidavits, etc

IN ACCOUNT WITH:

AIRD & BERLIS LLP

Barristers and Solicitors

Brookfield Place, 181 Bay Street
Suite 1800, Box 754
Toronto, Ontario M5J 2T9
Canada

Ira Smith Trustee & Receiver Inc.
6-167 Applewood Crescent
Concord, Ontario
Canada L4K 4K7

Attention: Mr. Ira Smith

Account No.: 369459

PLEASE WRITE ACCOUNT NUMBERS
ON THE BACK OF ALL CHEQUES

File No.: 34489/101330

August 6, 2009

Re: Korex Don Valley ULC

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended August 5, 2009

LAWYER	DATE	TIME	DESCRIPTION
SPM	01/07/09	0.30	Email exchange with G. Hall and company re: steps to be taken re: information exchange and steps to be taken for site visit by Unilever
SPM	02/07/09	0.20	Email exchange with counsel for Unilever and company re timing of site visit and information exchange
SPM	07/07/09	0.20	Email exchange with S. Friedman and counsel for Unilever regarding exchange of financial information
SPM	07/07/09	1.80	Email exchange with client re delivery of information to Unilever; Telephone call S. Sugar re information to be disclosed to Unilever; Draft amended notice of motion for fee approval and email to client and arrange for billing; Telephone call with S. Sugar re information and analysis surrounding information to be disclosed to Unilever
SB	08/07/09	0.10	Discussion with S. Mitra
RHE	08/07/09	0.50	Review emails re: various issues relating to quantification of Unilever's interest in Korex assets
SPM	08/07/09	1.00	Email exchange with H. Meredith regarding appraisals; Telephone call client; Telephone call S. Friedman; Telephone call H. Meredith re purpose of appraisal; Telephone call client to discuss position
SPM	08/07/09	0.80	Telephone call M. Russel to provide update on information flow; Telephone call K. Kraft to provide update on information flow; Review and revise draft email from client

LAWYER	DATE	TIME	DESCRIPTION
			re information request
SPM	08/07/09	0.50	Email exchange with client with information to be provided to Unilever from company; Email to counsel for company and Unilever; Email exchange with H. Meredith to set up conference call re position of Unilever on exercise of option and need for appraisal
SPM	08/07/09	0.50	Email exchange with client with information to be provided to Unilever from company; Email to counsel for company and Unilever; Email exchange with H. Meredith to set up conference call re position of Unilever on exercise of option and need for appraisal
SB	09/07/09	1.10	Emails from and to S. Mitra; emails from and to R. Epstein; email from I. Smith; email from Caley Wray; emails from and to S. Friedman
RHE	09/07/09	0.60	Review emails relating to Unilever exercise of option; Emails to Monitor and working group re: site visit by UL and whether a commitment has been made
SB	10/07/09	2.20	Attend conference call with Monitor, S. Friedman and B. Darlington; attend conference call with service list; emails from and to S. Mitra; emails from and to service list; phone call from S. Sugar; emails from and phone call to I. Smith; email from G. Misra
RHE	10/07/09	0.50	Review and respond to emails re: conference call among the parties and the outcome of the call
SPM	10/07/09	0.50	Email exchange with S. Babe and R. Epstein re position and strategy on call with Unilever; Review emails with results of call
SPM	13/07/09	0.30	Review email from I. Smith re fee and arrange to finalize fee affidavit and supplementary motion record
SB	14/07/09	0.30	Emails from S. Mitra and I. Smith
RHE	14/07/09	0.20	Review supplemental motion record
SPM	14/07/09	0.50	Attend to finalize fee affidavits and arrange for service of supplementary motion record to obtain fee approval; Telephone call B. Darlington re further report to court; Email to client requesting status of information exchange and further report to client
SB	16/07/09	0.30	Email from G. Hall; email from Miller Canfield; emails from S. Mitra
RHE	16/07/09	0.50	Review various emails; Email to I. Smith re: UL's position;

LAWYER	DATE	TIME	DESCRIPTION
			Review letter to G. Hall
SPM	16/07/09	0.90	Review letter from counsel to Unilever regarding status of calculations for buyout; Review memo from S. Sugar and email to client re volume 4 of Eighth Report
PW	16/07/09	0.60	Filed Supplementary Motion Record for July 22/09
SB	17/07/09	0.20	Emails from S. Mitra; email from B. Darlington
RHE	17/07/09	0.70	Review amended DIP terms sheet; Review motion record
SB	20/07/09	0.40	Emails from S. Mitra; email from I. Smith
RHE	20/07/09	0.50	Review Monitor's report as well as various emails
SPM	20/07/09	0.60	Telephone call I. Smith to discuss Volume 4 of Eighth Report; Email to G. Hall to follow up for formula price
SPM	20/07/09	2.20	Review and revise draft Volume 4 of Eight Report and email exchange with client; Arrange for service and filing of report
SPM	20/07/09	0.30	Review settlement offer from Unilever and email exchange with client
RHE	21/07/09	1.00	Review emails to/from K. Kraft; Review final monitor's report
SPM	21/07/09	3.00	Telephone call J. Leslie re settlement offer from Unilever and strategy; Telephone call client regarding settlement offer and position of Unilever and Comerica; Telephone call G. Hull re settlement and strategy; Email exchange with counsel for Korex regarding settlement and strategy; Conference call with company and client re position on settlement; Telephone call G. Hall re potential stalking horse and positions on motions
PW	21/07/09	0.60	Filed Eighth Report at judges administration
SB	22/07/09	1.10	Prepare for and attend court
RHE	22/07/09	0.20	Review emails
SPM	22/07/09	6.00	Prepare for and attend motion to approve fees and reports of Monitor; Negotiations with Unilever and stakeholders to discuss settlement
RQK	22/07/09	2.00	Attendance at commercial list with S. Mitra on Korex CCAA proceedings.
SPM	23/07/09	0.70	Telephone call G. Hall re revised potential offer and telephone call I. Smith re strategy

LAWYER	DATE	TIME	DESCRIPTION
SPM	24/07/09	0.30	Telephone call G. Hall re settlement and report to I. Smith; Exchange messages with B. Darlington re urgent motion for funding
SPM	24/07/09	0.40	Telephone call B. Darlington re need for agent application for funding and to request supporting information; Report to client
RHE	27/07/09	0.80	Review emails; Telephone call with I. Smith to discuss file generally and where things are headed including possible outcomes; Review email from S. Friedman.
SPM	27/07/09	0.40	Review message from S. Friedman re telephone call G. Hall re status of action against debtor
SPM	27/07/09	0.40	Telephone call I. Smith to provide update regarding status of discussions with Unilever and strategy; Arrange conference call with stakeholders
SPM	27/07/09	0.40	Review analysis from client on various settlement and liquidation scenarios; Email exchange with client
SPM	28/07/09	1.30	Telephone call G. Hall re structure of proposed settlement; Telephone call B. Darlington re increased DIP and options for Friday; Email exchange with B. Darlington to schedule call with company; Email exchange with I. Smith and S. Sugar re status and strategy
SPM	28/07/09	0.70	Conference Call with client and counsel for Comerica; Email to G. Hall re settlement
RHE	29/07/09	0.50	Discussion with S. Mitra and I. Smith re: status of the file and next steps
SPM	29/07/09	2.50	Meeting with I. Smith to review Unilever offer and presentations to unsecured creditors; Multiple discussions with B. Darlington re alternate offer; Conference call with unsecured; Telephone call G. Hall to report on lack of support; Telephone call J. Leslie regarding lack of support for Unilever plan
SPM	29/07/09	1.10	Telephone call B. Darlington re potential bid from S. Pensler; Email exchange with G. Hall re final offer; Review draft settlement documentation from Unilever
SB	30/07/09	0.20	Email from S. Friedman; email from K. Kraft; emails from service list
RHE	30/07/09	0.30	Review materials from Company counsel; Review email from S. Mitra to working group

LAWYER	DATE	TIME	DESCRIPTION
SPM	30/07/09	4.50	Attend to numerous lengthy communications and negotiations with Unilever stakeholders, company, and stakeholders regarding partial settlement
SB	31/07/09	0.30	Email from and discussion with S. Mitra; email from R. Epstein
RHE	31/07/09	0.80	Review various emails; Email exchange with S. Mitra re: wrapping up monitor engagement, etc.; Telephone call with I. Smith
SPM	31/07/09	4.50	Prepare for and attend hearing to report to court on settlement; Final negotiations with stakeholders; Arrange for motion for discharge of Monitor
SB	03/08/09	0.40	Emails from S. Mitra; email from B. Darlington
SPM	03/08/09	0.30	Email exchange re form of Receivership Order
SB	04/08/09	0.10	Email from I. Smith
RHE	04/08/09	0.20	Review emails re: winding up of monitoring engagement
SB	05/08/09	0.20	Emails from and discussion with S. Mitra
SPM	05/08/09	0.30	Email exchange re revised draft Receivership Order; email to S. Babe to follow up for discharge motion
TOTAL:		<u>54.80</u>	

OUR FEE \$22,850.00
 GST at 5% \$1,142.50

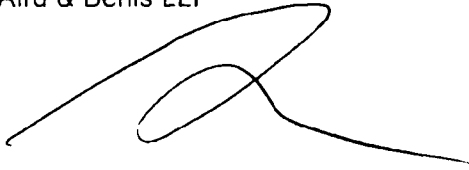
DISBURSEMENTS

Subject to GST

Taxi	\$51.42
Photocopies - Local	\$10.50
Photocopies	\$20.25
Binding and Tabs	\$14.50
Long Distance Charges	\$21.50
Total Disbursements	\$118.17
GST at 5%	\$5.91

AMOUNT NOW DUE \$24,116.58

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP



fr. Richard Epstein

E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 0.5% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

OUR GOODS AND SERVICES GST REGISTRATION NUMBER IS 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2 Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference.

5636547.1

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF KOREX DON VALLEY ULC

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

PROCEEDINGS COMMENCED AT TORONTO

AFFIDAVIT OF FEES

AIRD & BERLIS LLP
Barristers and Solicitors
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181 Bay Street
Toronto, Ontario M5J 2T9
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Fax: 416.863.1515

Sanjeev Mitra – LSUC # 37934 U
Sam Babe – LSUC # 49498 B
Tel: 416.863.1500
Fax: 416.863.1515

Solicitors for the Monitor

**IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT
R.S.C. 1985 c.C - 36, as amended**

- and -

**IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF
KOREX DON VALLEY ULC**

APPLICANT

Court File No. 08-CL-7925

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

**NINTH REPORT OF
IRA SMITH TRUSTEE & RECEIVER INC.
IN ITS CAPACITY AS COURT-APPOINTED MONITOR OF
KOREX DON VALLEY ULC
DATED AUGUST 6, 2009**

**IRA SMITH TRUSTEE & RECEIVER INC.
Suite 6-167 Applewood Crescent
Concord, Ontario L4K 4K7**

**Ira Smith, MBA CA•CIRP
Tel: 905.738.4167
Fax: 905.738.9848**