Court File No.: CV-08-361644

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

THE POLISH ALLIANCE OF CANADA

Plaintiff

- and –

POLISH ASSOCIATION OF TORONTO LIMITED, MAREK MIASIK aka MAREK ADAM MIASIK, MARIA MIASIK, JAN ARGYRIS aka LOUIS JOHN ELIE ARGYRIS aka LOUIS JOHN ARGYRIS aka JOHN ARGYRIS, WLADYSLAW JASLAN aka WLADYSLAW JULIAN JASLAN, HELENA JASLAN, EUGENIUSZ SKIBICKI, CZESLAWA ERICKSEN, STANISLAW ROGOZ aka STAN ROGOZ, ALBERT JOSEPHFLIS AND RICHARD RUSEK

Defendants

MOTION RECORD
(RETURNABLE 2 SEPTEMBER 2014)

Date: 22 August 2014

GOWLING LAFLEUR HENDERSON LLP
Barristers & Solicitors
Suite 1600, 1 First Canadian Place
100 King Street West
Toronto, Ontario M5X 1G5

E. Patrick Shea (LSUC No. 39655K)
Tel: (416) 369-7399
Fax: (416) 862-7661
Email: patrick.shea@gowlings.com

Solicitors for Collins Barrow Toronto Limited,
Court Appointed Receiver and Manager

TO: **BERNIE ROMANO PROFESSIONAL CORPORATION**
Barrister and Solicitor
22 Goodmark Place, Suite 11
Toronto, Ontario M9W 6R2

Tel: (416) 213-1225, ex. 300
Fax: (416) 213-1251
Email: bernie@romanolaw.ca

AND TO: **PETER I. WALDMANN**
Barrister & Solicitor
183 Augusta Avenue
Toronto, Ontario M5T 2L4

Tel: (416) 921-3185
Fax: (416) 921-3183
Email: peter@peteriwaldmann.com

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TAB 1

Court File No.: CV-08-361644

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

THE POLISH ALLIANCE OF CANADA

Plaintiff

- and –

POLISH ASSOCIATION OF TORONTO LIMITED, MAREK MIASIK aka MAREK ADAM MIASIK, MARIA MIASIK, JAN ARGYRIS aka LOUIS JOHN ELIE ARGYRIS aka LOUIS JOHN ARGYRIS aka JOHN ARGYRIS, WLADYSLAW JASLAN aka WLADYSLAW JULIAN JASLAN, HELENA JASLAN, EUGENIUSZ SKIBICKI, CZESLAWA ERICKSEN, STANISLAW ROGOZ aka STAN ROGOZ, ALBERT JOSEPHFLIS AND RICHARD RUSEK

Defendants

NOTICE OF MOTION

COLLINS BARROW TORONTO LIMITED, in its capacity as Court-appointed Receiver and Manager (in such capacity, the "**Receiver**") of all of the assets, undertakings and properties of Branch 1-7 of The Polish Alliance of Canada (the "**Branch**") and Polish Association of Toronto, Limited, will make a motion to the Court on Tuesday, 2 September 2014, at 10:00 a.m., or as soon after that time as the motion can be heard, at 393 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. Approval of the Receiver's activities set out in the First Report of the Receiver dated 22 August 2014;

2. Directions from the Court regarding documents located in the property over which the Receiver has been appointed that may be subject to privilege;

3. Direction from the Court as to the parties eligible to vote at the election to select the new executive of the Branch, if the Court directs that the election should proceed at this time;

4. An Order approving the Receiver's Statements of Account for the period 20 June 2014 to 31 July 2014;

5. Direction from the Court as to which party(s) is responsible to pay the Receiver's fees and disbursements including legal fees and disbursements; and

6. Such further and other relief as this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE:

1. The grounds set forth in the First Report of the Receiver dated 22 August 2014.

2. Such further and other grounds as counsel may advise and this Honourable Court may accept.

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

1. First Report of the Receiver dated 22 August 2014;

2. Such further and other evidence as this Honourable Court may permit.

22 August 2014

GOWLING LAFLEUR HENDERSON LLP
Barristers & Solicitors
Suite 1600, 1 First Canadian Place
100 King Street West
Toronto, Ontario M5X 1G5

E. Patrick Shea (LSUC No. 39655K)
Tel: (416) 369-7399
Fax: (416) 862-7661

Solicitors for Collins Barrow Toronto Limited,
Court Appointed Receiver and Manager

Court File No.: CV-08-361644

B E T W E E N:

THE POLISH ALLIANCE OF CANADA **v.** **POLISH ASSOCIATION OF TORONTO LIMITED, et al**
-Plaintiff- **-Defendants-**

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

(PROCEEDING COMMENCED AT TORONTO)

NOTICE MOTION

GOWLING LAFLEUR HENDERSON LLP
Barristers and Solicitors
1 First Canadian Place
100 King Street West, Suite 1600
Toronto, ON M5X 1G5

E. Patrick Shea (LSUC No. 39655K)
Tel: (416) 369-7399
Fax: (416) 862-7661

Solicitors for Collins Barrow Toronto Limited,
Court Appointed Receiver and Manager

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TAB 2

Court File No. CV-08-361644

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

THE POLISH ALLIANCE OF CANADA

Plaintiff

- and –

POLISH ASSOCIATION OF TORONTO LIMITED, MAREK MIASIK aka MAREK ADAM MIASIK, MARIA MIASIK, JAN ARGYRIS aka LOUIS JOHN ELIE ARGYRIS aka LOUIS JOHN ARGYRIS aka JOHN ARGYRIS, WLADYSLAW JASLAN aka WLADYSLAW JULIAN JASLAN, HELENA JASLAN, EUGENIUSZ SKIBICKI, CZESLAWA ERICKSEN, STANISLAW ROGOZ aka STAN ROGOZ, ALBERT JOSEPH FLIS AND RICHARD RUSEK

Defendant

FIRST REPORT OF THE RECEIVER

August 22, 2014

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Appendices

I. INTRODUCTION

1. By Order of the Ontario Superior Court of Justice (Commercial List) ("**Court**") dated June 20, 2014 (the "**Appointment Order**"), Collins Barrow Toronto Limited ("**CBTL**") was appointed receiver and manager (the "**Receiver**") without security, of all of the assets, undertakings and properties of Branch 1-7 of The Polish Alliance of Canada (the "**Branch**") and Polish Association of Toronto, Limited ("**PATL**") . A copy of the Appointment Order is attached hereto as **Appendix "A"**. The Endorsement of The Honourable Justice Myers made on June 20, 2014 (the "**Endorsement**") is at **Appendix "B"**. The Receiver has been appointed over land and premises municipally known as 2282, 2284, 2286, 2288 and 2290 Lakeshore Blvd. West, 9, 11, 13 and 17 Louisa Street, and 32 Twenty-Fourth Street in Toronto (the "**Municipal Addresses**"). The properties on Lakeshore Boulevard and Louisa Street are contiguous and include the home of the clubhouse of Branch 1-7 of The Polish Alliance of Canada (the "**Clubhouse**"). The property on Twenty-Fourth Street is a separate property.
2. The Appointment Order, the Endorsement and the Reasons have been posted on the Receiver's website, which can be found at:

   http://www.collinsbarrow.com/en/cbn/branch-1-7-of-the-polish-alliance-of-canada-and-polish-association-of-toron

3. The Receiver has retained Gowling Lafleur Henderson LLP ("**Gowlings**") as counsel.
4. The Appointment Order arose out of Reasons for Decision of Mr. Justice Myers released on 27 May 2014 (the "**Reasons**"), which are at **Appendix "C"**. The Reasons related to a trial that took place March 17 – 28 and April 16 – 17, 2014

in an Action commenced by The Polish Alliance of Canada ("**PAC**") against PATL and various individuals, including Marek Miasik ("Mr. Miasik") and his wife Maria Miasik.

5. On June 26, 2014, the Defendants filed a Notice of Appeal to the Court of Appeal appealing from the Order made on May 27, 2014.

Purpose of First Report

6. The purpose of this first report of the Receiver (the "**First Report**") is to:

   i) provide to the Court details of the Receiver's activities since its appointment on June 20, 2014, to August 15, 2014;

   ii) seek an order approving of the Receiver's activities set out in the First Report;

   iii) seek the direction of the Court regarding documents located at the Clubhouse that may be subject to privilege;

   iv) provide the Court with information on the status of the election of a new executive for Branch 1-7 of PAC and seek the direction of the Court as to whether the election to elect the executive of Branch 1-7 of PAC ("**Election**") should take place in light of the filing of the Notice of Appeal;

   v) seek the direction of the Court as to the parties eligible to vote at the Election if the Court directs that the Election should proceed at this time;

   vi) provide the Court with a summary of both the Receiver's and PATL's cash receipts and disbursements for the period June 20, 2014 to August 15, 2014;

vii) seek an Order approving the Receiver's Statements of Account for the period June 20, 2014 to July 31 2014; and

viii) seek the direction of the Court as to which party(s) is responsible to pay the Receiver's fees and disbursements including legal fees and disbursements.

Terms of Reference

7. In preparing this First Report and making the comments herein, the Receiver has relied upon information prepared or provided by representatives/former representatives of the Branch and PATL (some of which is written in the Polish language), discussions with representatives/former representatives of the Branch and PATL, representatives of the Plaintiff, and their respective counsel, and information from other third-party sources (collectively, the "**Information**"). Certain of the information contained in this First Report may refer to, or is based on, the Information. As the Information has been provided by various parties, or obtained from documents filed with the Court in this matter, the Receiver has relied on the Information and, to the extent possible, reviewed the Information for reasonableness. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.

8. Unless otherwise stated, all dollar amounts contained in the First Report are expressed in Canadian dollars.

II. BACKGROUND

9. A summary of the issues in this matter is described at length in the Reasons.

III. ACTIVITIES OF THE RECEIVER

10. As the Endorsement was being issued by the Court, the Receiver sought the direction of the Court as to whether the Receiver should proceed to change the locks to the Clubhouse. The Court verbally advised the Receiver that the locks should be changed. As a result of the Court's direction, the Receiver changed the locks to the Clubhouse and, as described further below, has taken other steps to take possession of a third party's assets that were considered to be necessary by the Receiver.

The Clubhouse premises

11. The Appointment Order was issued at approximately 4:00 p.m. on Friday, June 20, 2014. At approximately 5:30 p.m. that day, the Receiver arrived at the Clubhouse and was met by Mr. and Mrs. Miasik, Richard Rusik, Andrew Miasik, Albert Flis and their counsel in the Action, Bernie Romano of Bernie Romano Professional Corporation. The Receiver discussed with those individuals the Receiver's appointment.

12. At that time, the Receiver changed the locks to the exterior doors to the Clubhouse and the interior door to the main office. The Receiver has retained possession of the keys to those locks.

13. In addition, the Receiver has:

a) arranged for the Defendant's insurance broker to add the Receiver as additional insured to the Company's existing liability insurance coverage. This matter is discussed later in this report;

b) with reference to Schedule B of the Appointment Order, posted on June 22, 2014 at the two entrances to the Clubhouse premises a notice that the meeting scheduled for 3:00 pm that day was cancelled;

c) engaged, effective June 24, 2014, Tert & Ross Limited ("**T&R**") to attend at the premises when events/office hours are scheduled, to make daily site inspections of the Clubhouse, and to take a preliminary inventory of the fixed assets at the Clubhouse;

d) obtained information from the Defendants as to the tenancies of the residential properties owned by PATL, as well as those individuals renting parking space on the land that is adjacent to the Clubhouse;

e) met with Mr. Miasik to review the records that were at the Clubhouse. While the Receiver has not catalogued those records, the Receiver removed to its office certain records in order to assist the Receiver complete its mandate;

f) permitted Mr. and Mrs. Miasik to remove certain personal property from the Clubhouse;

g) attended at the offices of Bernie Romano Professional Corporation to see the books and records of PATL in its possession, and to obtain copies of certain of those records. The Receiver did not remove the records from Mr. Romano's office since it was the Receiver's view that

pursuant to Schedule "B" of the Appointment Order, and the Notice of Appeal having been filed, Mr. Romano is entitled to retain possession of those records pending further order of the Court; and

h) changed the lock to the secondary office in the Clubhouse used by Mr. Miasik and has retained possession of the keys thereto.

14. The Receiver has not contacted the tenants of the houses owned by PATL, who continue to pay rent to PATL.

15. The Receiver has attempted to not interfere with the operations of the Branch and PATL.

16. At the time the Receiver was appointed, the Branch's office hours were scheduled to be four hours per day (usually late in the afternoon to early evening) on Monday, Wednesday and Friday of each week. The office's operations were primarily run by Mr. and Mrs. Miasik. During office hours, the Branch would respond to enquiries being received for bookings, attend to the payment of various invoices and generally be open to the Polish community. In addition, Mr. Miasik would attend at the premises on a daily basis to ensure that the Clubhouse premises were in order.

17. Aside from office hours, the Clubhouse was open at various times to accommodate community events, or pursuant to rental arrangements with third parties that had been made with the Branch. Mr. and Mrs. Miasik would attend at those times to set up meeting rooms and/or give access to the premises.

18. As a result of Mr. and Mrs. Miasik having been active in and responsible for the Clubhouse's operations for the last number of years, and their knowledge of

same, the Receiver has allowed Mr. and Mrs. Miasik to continue to attend to their responsibilities at the Clubhouse. Mrs. Miasik was paid $1,500 per month by PATL for her services. No amounts appear to have been paid to Mr. Miasik.

19. As a result of the Receiver's appointment, and the resultant uncertainty in the Polish community as to whether event bookings made at the present time will be honoured, the number of enquiries for new bookings has fallen. Accordingly, and due to the reduced activity in the summer, regular office hours have not always been maintained since the Receiver was appointed.

20. Prior to the Receiver's appointment, the Clubhouse's cleaners would attend as required, often during the middle of the night as they were in possession of keys to the premises. The Receiver accommodated the continuation of this service on one occasion, however, due to the cost of the Receiver attending at the premises during the cleaner's attendance and the cleaner's irregular schedule, the Receiver has proposed that alternate arrangements for the cleaning of the premises need to be made. Attempts are being made with the existing cleaner to schedule a more convenient time for the cleaner to attend.

Attendance at the Clubhouse by PAC

21. On August 7, 2014 and confirmed by e-mail on August 8, 2014, Mr. Waldmann informed the Receiver of PAC's request to attend at the Clubhouse to inspect the property and review the documentation located in the Clubhouse. As the Receiver's representative having the most knowledge of the information at the Clubhouse was on vacation until August 11, 2014, the Receiver informed Mr. Waldmann that the Receiver would get back to him on August 11, 2014 with

suggested times and dates. On August 11, 2014, the Receiver proposed to Mr. Waldmann that the PAC representatives could attend on August 14 and 15, 2014 and requested that Mr. Waldmann inform the Receiver who would be attending at the Clubhouse. On August 12, 2014, Mr. Waldmann advised the Receiver that Teresa Szramek, Elizabeth Betowski and Teresa Nielubowicz would be the individuals attending.

22. On August 12, 2014, Mr. Romano advised the Receiver that there were privileged documents at the Clubhouse and of his position that Mr. Miasik was entitled to remove those documents. In an e-mail of the same date, Mr. Waldmann (i) objected to the removal of the documents, (ii) requested that if Mr. Miasik intended to assert privilege, that those documents be sealed to be reviewed by a Judge if necessary to determine the validity of the privileged claim, and (iii) raised other matters relating to the proceedings in this matter.

23. It became apparent to the Receiver that the attendance of the PAC representatives at the Clubhouse would likely create additional issues that might result in additional and further litigation between the parties, which litigation may involve the Receiver. As a result, the Receiver informed Mr. Waldmann that PAC's attendance at the Clubhouse on August 14 and 15 would not take place and that the Receiver would seek an appointment before the Court to seek directions with respect to this and other issues that have arisen since the appointment of the Receiver.

Events Held

24. In addition to the maintaining of semi-regular office hours, the Receiver provided access to the Clubhouse premises for the following events between June 20 and August 15, 2014:

    (a) Dinner buffet held for the Branch on June 21, 2014;

    (b) Weekly church service and associated activities on June 22, June 29, July 6, July 13, July 20, July 27, August 3, and August 10, 2014;

    (c) Weekly church dance program on June 25, July 9, July 16, July 23, July 30, August 6, and August 13, 2014; and

    (d) Rental of hall and parking lot by film crew on July 25, 2014.

25. Due to the fact that the Appointment Order was issued late on June 20, 2014, and in order for the Receiver to better understand the activities of the Branch, representatives of the Receiver attended at the events scheduled for June 21 and 22, 2014. Subsequent to June 22, 2014, representatives of T&R have attended at the Clubhouse during the scheduled events, unless the Receiver was in attendance at the Clubhouse for other purposes.

26. A church rents the Clubhouse on Sundays from approximately 7:30 a.m. to 2:00 p.m. and on Wednesday evenings. The church has not yet paid rent for June, July or August, 2014, and payment of the rent is being followed up by Mrs. Miasik.

27. There are currently no other events scheduled to take place at the Clubhouse over the remaining summer. Beginning in September 2014, the following activities will resume and/or continue at the Clubhouse:

Mondays	10 a.m. to 12:30 p.m. 5 p.m. to 7 p.m.	MILE group Office hours
Wednesdays	10 a.m. to 12:30 p.m. 11 a.m. to 4 p.m. 5 p.m. to 7 p.m. 5 p.m. to 8:30 p.m.	MILE group Bingo Office hours Church dance program
Fridays	5 p.m. to 7 p.m.	Office hours
Sundays (1st Sunday of month) (3rd Sunday of the month)	7 a.m. to 2 p.m. 1 p.m. to 6 p.m. 1 p.m. to 6 p.m.	Church service Women's group Men's group

28. The Receiver was advised by Mr. Miasik that there is property or records belonging to third-parties parties at the Clubhouse, certain of which is stored in a locked filing cabinet or storage room. These third-parties make use of the Clubhouse from time-to-time. The Receiver has not interfered with those parties' access to their property or records.

Third Party Parking at 2282 Lakeshore Blvd. West

29. There are various third parties that pay to park their vehicles/trailers/boats in the Clubhouse parking lot. The Receiver was advised by Mr. Miasik that the arrangements with these parties are informal and there were no written waivers of liability that had been provided to PATL by the renters.

30. There are signs on the property indicating, in effect, that the vehicles are parked at the vehicle owners' risk and that (the landlord) is not responsible for damage or theft to vehicles or vehicle contents.

31. The Receiver was of the view that it needed to notify the vehicle owners of the Receiver's appointment and to specifically advise them that the Receiver

assumed no risk whatsoever for the vehicles parked at the premises. The Receiver obtained the names of the vehicle owners from the Defendant, from information provided by the Defendant, or from information contained on the vehicles, such as name of entity to which the vehicle belongs, license plate, etc. A copy of a form of letter sent by the Receiver to the parties whose contact information was available, or placed on the vehicles pending the Receiver contacting them, is attached hereto as **Appendix "D"**.

PATL Bank Account

32. PATL maintains a chequing account at Royal Bank of Canada ("**RBC**"). Upon the Receiver's appointment, the Receiver corresponded with RBC to make arrangements with RBC in order for the bank account to continue to operate with minimal disruption while at the same time affording the Receiver control to ensure that no unauthorized disbursements were made.

33. Following various exchanges of correspondence and discussions with RBC, on July 21, 2014, the Receiver attended at the RBC branch to effect a change of the signing authorities for PATL's bank account.

34. The Receiver is not aware of any other bank accounts in the name of PATL or the Branch.

35. On June 24, 2014, Mr. Romano, for the purposes of providing disclosure, advised the Receiver that he had been provided with a bank draft in the amount of $59,324 prior to the date of the appointment of the Receiver.

Insurance

36. In view of the terms of the Appointment Order and the changing of locks to the Clubhouse by the Receiver, the Receiver considered it necessary to be adequately insured in respect of the property. Accordingly, the Receiver contacted PATL's insurance broker and requested copies of the insurance policy in place and to be added to the policy as an additional named insured and as a loss payee.

37. The Receiver was provided with a copy of the insurance policy by the insurance broker. The Receiver noted that while the insurance policy included the municipal addresses of the majority of the Municipal Addresses, all the Municipal Addresses were not included in the insurance policy.

38. The Receiver notified the insurance broker accordingly who advised that it would bring this matter to the attention of the insurer.

39. On July 22, 2014, the broker provided the Receiver with a certificate setting out that CBTL is an additional insured on the policy for the purpose of liability, but informed that the Receiver would not be added as a Named Insured on the property insurance as the Receiver did not have an insurable interest in the property or its operations. As a result, the Receiver is not a loss payee on the policy.

40. The insurance policy expired on August 2, 2014. PATL received a renewal invoice in the amount of $10,276.20. Arrangements were made by Mr. Miasik with the insurer to allow the premium payment to be paid over four months, as had been the case in the prior year. The first payment is scheduled to be made on August 19, 2014.

IV. ELECTION OF A NEW EXECUTIVE FOR BRANCH 1-7

41. Mr. Justice Myers ordered PAC to reconstitute the executive of the Branch in accordance with the PAC constitution. The Receiver is required to oversee and supervise the reconstitution of the Branch executive, and to report to the Court any concerns that it may have with respect to the reconstitution of the Branch executive.

42. The Receiver requested and received a copy of the PAC Constitution so as to be in a position to determine what requirements existed with respect to the election of a branch executive under the PAC constitution.

43. As set forth in paragraph 2 of the June 20, 2014 Endorsement, a key aspect of reconstituting the Branch executive is identifying the members of the Branch that are eligible to vote at a meeting to reconstitute the Branch executive. In order to be in a position to "oversee and supervise" the election to reconstitute the Branch executive, the Receiver believed that the first issue that needed to be addressed was to determine which individuals would be entitled to vote (i.e. to identify the members of the Branch).

44. To that end, on July 2, 2014, the Receiver and its counsel engaged in a telephone discussion with Mr. Waldmann to discuss matters relating to an election of a new branch executive. The Receiver sent to Mr. Waldmann a copy of the membership ledger that the Receiver had recovered from the Clubhouse ("**Membership Ledger**"), and requested, among other things, that Mr. Waldmann provide a list setting out the parties that PAC believed were eligible to vote for the election of a new executive for the Branch. A copy of the Receiver's e-mail to Mr.

Waldmann dated July 2, 2014, including the Membership Ledger, is attached as **Appendix "E"**. The Receiver's review of the Membership Ledger is discussed later herein.

45. On July 10, 2014, Mr. Waldmann responded to the Receiver's request. In his letter, Mr. Waldmann set out PAC's position that there were, in fact, no members of the Branch to vote on the reconstitution of the Branch executive. A copy of Mr. Waldmann's letter is attached as **Appendix "F"**.

46. In response to Mr. Waldmann's letter, by letter dated July 14, 2014, Gowlings requested that Mr. Waldmann provide additional information in respect of his July 10, 2014 letter and in particular, Gowlings requested the answers to four questions to help the Receiver assess PAC's position that there were no Branch members. In addition, Gowlings requested that Mr. Waldmann address how PAC proposed that potential members for the Branch be nominated. A copy of Gowlings letter is attached as **Appendix "G"**.

47. By letter dated July 21, 2014, a copy of which is attached as **Appendix "H"**, Mr. Waldmann provided answers to Gowlings' queries pertaining to PAC's analysis of the Membership Ledger and, in particular, provided details to support its position set out in his July 10, 2014 response.

48. Mr. Waldmann also provided PAC's proposed procedure for conducting an election to reconstitute the Branch executive. A summary of that process is set out below:

    a) PAC to invite membership applications by way of advertisement;

b) Interested persons will be asked to submit application forms in the usual way, along with initial dues;

c) Applications for membership in the Branch will be forwarded to the Head Executive Board which will determine the acceptance of the membership application in accordance with Article 4.5.2 of the PAC constitution;

d) Any PAC member which wishes to change branch affiliation to the Branch may apply for approval from the Head Executive Board so long as they reside in the geographic area of the Branch;

e) A minimum number of 12 members is appropriate to reconstitute the Branch;

f) Once members have been accepted, the (new) members would attend the meeting and vote on an executive based on nominations from the floor without a nominating committee being established.

49. The Receiver is concerned that the procedure proposed by PAC is not in accordance with the PAC constitution and does not appear to be what was intended by the Endorsement or the Reasons.

50. On July 25, 2014, Mr. Romano wrote to Gowlings in response to Mr. Waldmann's July 21, 2014 letter. Mr. Romano set out the position of the Branch and PATL that the position of PAC as outlined in Mr. Waldmann's correspondence is inconsistent with the decisions of Justice Myers of May 27, 2014 and June 20, 2014, and disagreed with Mr. Waldmann's position with respect to the membership as set out in Mr. Waldmann's aforementioned correspondence.

51. Mr. Romano further referred to his understanding that an accurate list of the membership of the Branch, as at August 20, 2006, was provided to PAC through the Receiver, and that those were the members to whom notice of the meeting should be given. Attached as **Appendix "I"** is a copy of a handwritten list of parties provided to the Receiver on June 20, 2014 when the Receiver arrived at the Clubhouse.

52. The Receiver undertook its own analysis of the Membership Ledger following Mr. Waldmann's letter of July 21, 2014.

53. By e-mail dated August 8, 2014, the Receiver forwarded to Mr. Waldmann and Mr. Romano draft schedules prepared based on its own analysis at that time of the Membership Ledger and requested that each of them advise the Receiver of any factual errors contained therein, particularly with respect to the information that each of them had provided or referred to the Receiver. A copy of the Receiver's correspondence is attached as **Appendix** "**J**".

54. In response to the Receiver's e-mail, Mr. Waldmann sent an e-mail setting out his objection for various reasons to the Receiver having forwarded its above-noted e-mail to Mr. Romano. A copy of Mr. Waldmann's e-mail is attached as **Appendix** "**K**".

55. As of the date of this Report, the Receiver has not yet received any substantive comment from Mr. Waldmann on the Receiver's draft schedules. On August 13, 2014, Mr. Romano provided to the Receiver a list of 39 individuals whom he indicated would be eligible to vote at a meeting to reconstitute the Branch executive. A copy of Mr. Romano's e-mail is attached hereto as **Appendix "L"**.

56. The Receiver is seeking the direction of the Court with respect to: (a) which individuals, if any, are members of the Branch; and, if there are no members, (b) what process should be engaged to reconstitute the Branch executive. Given Mr. Justice Myers' Reasons of May 27, 2014 with respect to ownership of the properties over which the Receiver has been appointed, the identity of the members of the Branch is of critical importance.

57. The Receiver is concerned that the election procedure put forward by the PAC appears to be aimed at introducing "new" members to the Branch, who will, in turn, elect the Branch's Executive. As a result of the May 27, 2014 Reasons, the new members would become beneficial owners of the property over which the Receiver has been appointed to the possible exclusion of the individuals listed in the Membership Ledger.

V. THE MEMBERSHIP LEDGER

58. Mr. Miasik provided the Receiver with the Membership Ledger. The Membership Ledger contains information on 132 members. In addition, the Receiver undertook a review of the documents in Mr. Romano's possession and at the Clubhouse to determine what further information or documentation might be available with respect to membership in the Branch. The Receiver's efforts were focused on the period around and subsequent to 2006.

59. Attached as **Appendix "M"** is a schedule prepared by the Receiver which summarizes the information contained on the Membership Ledger including information on the individual members, PAC membership numbers where indicated, whether the individuals are still alive and membership dues paid. In

addition, the schedule incorporates: (i) comments provided by Mr. Waldmann in his correspondence of July 21, 2014; (ii) the individuals identified on the handwritten list provided to the Receiver on June 20, 2014 (plus one additional person noted by Mr. Miasik); and (iii) the individuals on the August 13, 2014 list provided to the Receiver by Mr. Romano.

60. The Receiver notes that:

a) it has not attempted to verify the information contained on the Membership Ledger through either the request for death certificates, tracing receipts back to bank statements to confirm receipt of membership dues, etc.;

b) dues were not always paid on a calendar year basis and some members have paid their dues in arrears, and in some instances, it is not clear for which year the membership dues were paid, particularly where the dues for one year appear to have been missed;

c) certain individuals included in the Membership Ledger may be related to the individual Defendants; and

d) not all individuals who paid dues to the Branch prior to August 26, 2006 have a PAC membership number attached to their name.

61. Reviewing the information set out in **Appendix "M"**, it appears to the Receiver that based on the assumptions that: (a) their membership in the Branch has not irrevocably lapsed due to failure to pay dues in prior years; and (b) they did not

know dues were not being paid to PAC or "communicate a knowing resignation to the PAC"[1], there are twenty (20) individuals listed on the Membership Ledger who have paid dues for 2013 and/ or 2014 and who would therefore be eligible to vote in the election to reconstitute the Branch executive. A list of the twenty individuals is attached as **Appendix "N"**.

VI. PAC MEETING ON AUGUST 29, 2014

62. On August 7, 2014, Mr. Waldmann verbally advised the Receiver that the PAC was going to schedule a meeting to reconstitute the Branch board on August 29, 2014 and requested use of the Clubhouse for that purpose. The Receiver replied that it would not be appropriate for the meeting to yet occur and requested that Mr. Waldmann put his request in writing. Aside from an e-mail from Mr. Waldmann requesting that one of the rooms of the Clubhouse be kept on hold for August 29, 2014 pending his letter, no request for use of the Clubhouse has been received by the Receiver.

63. The Receiver is concerned that PAC not make efforts to approve new members of the Branch or hold a meeting to reconstitute the Branch executive without the involvement of the Receiver.

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[1] The Receiver is not able to say what individuals knew or what they were aware of vis-à-vis the Branch. Paragraph 88 of the Reasons provides that the Branch membership will comprise those individuals who never communicated knowing resignation from the PAC and who continued paying dues to the Branch subsequent to August of 2006. Paragraph 1 of the Order made on May 27, 2014 states that "the PAC will recognize as continuing members of Branch 1-7 of the PAC all those who were members as at August 26, 2006 without any requirement to re-apply or to pay arrears from August 26, 2006 **provided that the members did not know that their dues were not being paid to the PAC".**

VII. COMMUNICATIONS BETWEEN THE RECEIVER AND MR. WALDMANN

64. The relationship between the Receiver and Gowlings, and Mr. Waldmann has occasionally been strained. Mr. Waldmann is being an aggressive advocate for his client's interests, but has at times taken an aggressive and somewhat adversarial approach to dealing with the Receiver, refusing to copy Gowlings on correspondence and accusing the Receiver of being delict in its duties. Correspondence between the Receiver and Gowlings, and Mr. Waldmann is attached as **Appendix "O"**. As Mr. Waldmann was advised in one of Gowlings' e-mails, the Receiver is bringing this exchange of e-mails to the Court's attention.

VIII. THE NOTICE OF APPEAL

65. In the Notice of Appeal, the Appellants seek that, *inter alia*,

(a) "the learned trial judge's requirement for the members of Branch 1-7 to be "reconstituted as a branch of the PAC and the procedure prescribed for the said reconstitution be set aside..."; and

(b) "the finding of the learned trial judge that the individual Appellants were to be excluded from membership in Branch 1-7 and that they were effectively banished for life, be set aside".

66. The Receiver is not aware of a date having been set for the hearing of the appeal. As the decision of the Court of Appeal may have an impact on matters to be effected by the Election, the Receiver is seeking the direction of the Court as to whether an election should proceed at this time pending the hearing of the appeal.

67. If the Court decides that the Election should take place, and once the parties eligible to vote at the Election have been identified, the Receiver will then provide the Court with its recommendation regarding the process to be followed for the Election.

IX. RECEIVER'S CASH RECEIPTS AND DISBURSEMENTS

68. Attached hereto as **Appendix "P"** is a statement of the Receiver's Cash Receipts and Disbursements for the period June 20, 2014 to August 15, 2014 which indicates a balance on hand of $6,601.84. In accordance with the Appointment Order, receipts received in respect of PATL's operations are currently being deposited to the Receiver's account and the Receiver is funding the PATL account as required.

69. The receipts set out in Appendix "P" consist primarily of rental payments from (i) tenants, (ii) persons paying for monthly parking in the Clubhouse parking lot, and (iii) parties paying for rental of the Clubhouse facilities. As set out earlier herein, as of August 15, 2014, the church has not remitted rent for the months of June, July and August 2014 and the Receiver understands that PATL is following up with them.

X. PATL'S CASH RECEIPTS AND DISBURSEMENTS

70. Attached hereto as **Appendix "Q"** is a statement of the cash receipts and disbursements for the period June 20, 2014 to August 15, 2014 in respect of the PATL bank account. Upon the Receiver's appointment on June 20, 2014, there was a balance in the account of $16,807.90. As set out in Appendix "**Q**",

disbursements have consisted primarily of the payment of utilities and realty taxes. As at August 15, 2014, the balance in the bank account is $10,320.93.

XI. FEES AND DISBURSEMENTS OF THE RECEIVER

71. The Receiver's accounts total $46,295.00 in fees and $9,189.25 in disbursements for a total amount of $62,697.20 including HST from June 20, 2014 to July 31, 2014 (the "**Receiver's Accounts**"). A copy of the Receiver's Accounts, together with a summary of the personnel, hours and hourly rates of the Receiver, supported by the Affidavit of Daniel Weisz sworn August 22, 2014 is attached as **Appendix "R"**.

72. Attached as **Appendix "S"** is a schedule prepared by the Receiver that allocates the fees incurred by the Receiver by category of service rendered. Due to the fact that the Receiver will have spent time performing multiple tasks on a given day, the information on the schedule is not intended to be exact, but is intended to provide a general indication of the matters in respect of which fees were incurred.

73. The Receiver notes that a considerable amount of its time and cost is the result of the Receiver being in possession of the Clubhouse and other properties, and being responsible for them pending the election of the new executive. The ongoing costs of the receivership could be reduced significantly if the Court directed that the Receiver no longer needs to maintain possession of the Clubhouse and control access thereto. The Receiver anticipates that the cost of

controlling and supervising access to the Clubhouse will increase in September when other regularly scheduled activities resume.

74. On July 7, 2014, the Receiver's invoice #1 for the period June 20, 2014 to June 30, 2014 was provided to counsel for the Plaintiff and Defendant. On July 21, 2014, the Receiver's invoice #2 for the period July 1, 2014 to July 15, 2014 was provided to counsel for the Plaintiff and Defendant.

75. On July 30, 2014, the Receiver sent an e-mail to Mr. Waldmann and Mr. Romano that the Receiver's accounts were unpaid, referred to the Appointment Order and requested that payment of those accounts be made. As of the date of this First Report, payment of the above accounts has not been made to the Receiver. While the Receiver acknowledges that the Court has granted a charge in favour of the Receiver to secure payment of its fees and disbursements, the Receiver does not wish to be in a position where it is required to make an application to the Court to enforce that charge.

76. Paragraph 18 of the Appointment Order provided for the Plaintiff to provide, by no later than June 24, 2014, a retainer of $25,000 plus HST to the Receiver to be held by the Receiver to be applied against its final account. On June 26, 2014, a cheque in the amount of $25,000.00 was received by the Receiver.

XII. OTHER

77. The Receiver notes that the form of Receiver's Certificate attached to the Appointment Order is not complete and, in the Receiver's view, requires

amendment. However, as the Receiver is not contemplating borrowing funds at this time, the Receiver is not in this First Report putting forth suggested amendments to the form of Receiver's Certificate.

XIII. CONCLUSION

78. The Receiver respectfully requests that the Court:

(a) grant an Order approving the First Report and the Receiver's conduct and activities to date as described in the First Report;

(b) provide advice and direction regarding documents located at the Clubhouse that may be subject to privilege;

(c) provide advice and direction as to whether the Election should proceed at this time pending the hearing of the Appeal;

(d) provide advice and direction as to the parties eligible to vote at the Election if the Court directs that the Election should proceed at this time;

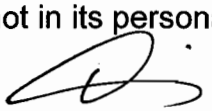
(e) grant an Order approving the Receiver's statement of Cash Receipts and Disbursements and the statement of Cash Receipts and Disbursements relating to PATL's bank account;

(f) grant an Order approving the accounts of the Receiver issued for the period June 20, 2014 to July 31, 2014; and

(g) provide advice and direction as to which party(s) is responsible to pay the Receiver's fees and disbursements including legal fees and disbursements.

All of which is respectfully submitted to this Court as of this 22nd day of August, 2014.

COLLINS BARROW TORONTO LIMITED
In its capacity as Court Appointed Receiver
and Manager of Branch 1-7 of The Polish Alliance
of Canada and Polish Association of Toronto, Limited
and not in its personal capacity



Per: Daniel Weisz, CPA, CA, CIRP
Senior Vice President

APPENDIX A

Court File No. CV-08-361644

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE	)	FRIDAY, THE 20TH
	)	
JUSTICE F. MYERS	)	DAY OF JUNE, 2014

THE POLISH ALLIANCE OF CANADA

Plaintiff

- and -

POLISH ASSOCIATION OF TORONTO LIMITED, MAREK MIASIK aka MAREK ADAM MIASIK, MARIA MIASIK, JAN ARGYRIS aka LOUIS JOHN ELIE ARGYRIS aka LOUIS JOHN ARGYRIS aka JOHN ARGYRIS, WLADYSLAW JASLAN aka WLADYSLAW JULIAN JASLAN, HELENA JASLAN, EUGENIUSZ SKIBICKI, CZESLAWA ERICKSEN, STANISLAW ROGOZ aka STAN ROGOZ, ALBERT JOSEPH FLIS and RICHARD RUSEK

Defendant

ORDER
(appointing Receiver)

THIS MOTION made by the Plaintiff for an Order pursuant to the Reasons for Decision of the Honourable Mr Justice F. Myers released May 27, 2014, appointing Collins Barrow Toronto Limited ~~as interim~~ receiver and manager (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Branch 1-7 of The Polish Alliance of Canada and Polish Association of Toronto, Limited (the "Branch and Corporate Defendant") acquired for, or used in relation to the businesses, services and enterprises carried on by the Branch and Corporate Defendant, was heard this day at 361 University Avenue, Toronto, Ontario.

ON READING the affidavit of Janusz Szajna sworn June 18, 2014 and the Exhibits thereto, and on reading the affidavit of Marianne Rabczak sworn June 19, 2014 and on hearing the submissions of counsel for the Plaintiff and for the Defendants, and on reading the consent of Collins Barrow Toronto Limited to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated[2] so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 101 of the *Courts of Justice Act* and the Order of the Honourable Justice F. Myers made May 27, 2014, Collins Barrow Toronto Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Branch and Corporate Defendant acquired for, or used in relation to any businesses, services or enterprises carried on by the Branch and Corporate Defendants, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

(a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

(b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

(c) to manage, operate, and carry on the business, services or enterprise of the Branch and Corporate Defendant, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Branch or Corporate Defendant;

(d) to engage consultants, appraisers, agents, ~~experts, auditors, accountants~~, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

(e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business, services or enterprises of the Branch and Corporate Defendant or any part or parts thereof;

(f) to receive and collect all monies and accounts now owed or hereafter owing in respect of the Property and to exercise all remedies of the Branch or Corporate Defendant in collecting such monies, including, without limitation, to enforce any security held by the Branch or Corporate Defendant;

~~(g) to settle, extend or compromise any indebtedness owing to in respect of the Property;~~

(h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the

name and on behalf of the Branch or Corporate Defendant, for any purpose pursuant to this Order;

(j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

(i) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding $5,000.00, provided that the aggregate consideration for all such transactions does not exceed $10,000.00; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, [or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

(k) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(l) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(m) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(n) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Branch or Corporate Defendant;

(o) to enter into agreements with any trustee in bankruptcy appointed in respect of the Branch or Corporate Defendant, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Branch or Corporate Defendant;

(p) to exercise any shareholder, partnership, joint venture or other rights which the Branch or Corporate Defendant may have; and

(q) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Branch or Corporate Defendant, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Branch and Corporate Defendant, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any matters relating to the Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such matters relating to the Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the Property, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO INTERFERENCE WITH THE RECEIVER

8. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Branch or Corporate Defendant in respect of the Property, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

9. THIS COURT ORDERS that all Persons having oral or written agreements with the Branch or Corporate Defendant or statutory or regulatory mandates for the supply of goods and/or services to the Property, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Branch or Corporate Defendant are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Branch or Corporate Defendant's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Branch or Corporate Defendant or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

10. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this

Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

11. THIS COURT ORDERS that all employees of the Branch or Corporate Defendant shall remain the employees of the Branch or Corporate Defendant until such time as the Receiver, on the Branch or Corporate Defendant's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

12. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Branch or Corporate Defendant, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

13. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

14. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

15. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this

Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

16. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

17. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

18. THIS COURT ORDER that prior to the commencement of the Receiver's appointment, and by no later than June 24, 2014, the Plaintiff ~~and Defendant~~ shall provide a retainer of $25,000 plus HST to the Receiver to be held by the Receiver to be applied against its final account. The Receiver shall render accounts to Plaintiff and Defendant on a regular basis and shall forthwith pay such accounts upon receipt. In the event that the Receiver is of the view that its unpaid invoices and Work-in-Progress will exceed $25,000, the Receiver shall be at liberty to apply to the Court for its discharge.

FUNDING OF THE RECEIVERSHIP

19. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow ~~by way of a revolving credit or otherwise~~, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed $15,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as

security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

20. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

21. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

22. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

23. THIS COURT ORDERS that the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by email, ordinary mail, courier, personal delivery or facsimile transmission to the Branch and Corporate Defendant's creditors or other interested parties at their respective addresses as last shown on the records of the Branch and Corporate Defendant and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

24. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

25. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give

effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

26. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

27. THIS COURT ORDERS that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Branch or Corporate Defendant's estate with such priority and at such time as this Court may determine.

28. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

ADD SCHEDULE "B"

Order to Issue in the form

J. June 20/14

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

1. THIS IS TO CERTIFY that Collins Barrow Toronto Limited, the receiver (the "Receiver") of the assets, undertakings and properties of the Branch or Corporate Defendant acquired for, or used in relation to any business, services or enterprises carried on by the Branch or Corporate Defendant, appointed by Order of the Ontario Superior Court of Justice Superior Court dated the 20 day of June, 2014 (the "Order") made in an action having Court file number CV-08-361644.

2. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

3. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

4. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 20__.

Collins Barrow Toronto Limited], solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____

Name: Daniel Weisz

Title: Vice Preseident

Schedule "B"

THIS COURT ORDERS THAT Wladyslaw Rabczak, Marianne Rabczak, Marlene Matyszczuk, Teresa Skibicki and anyone with knowledge of this order are prohibited from holding any meeting or a purported meeting of the members of Branch 1-7 of the Polish Alliance of Canada and from conducting or purporting to conduct any election of the executive of Branch 1-7 of the Polish Alliance of Canada.

THIS COURT ORDERS that despite anything in this Order, Mr. Bernie Romano may retain possession of all Property that is currently in his possession on his undertaking to turn such material over to the Receiver or Branch 1-7 of the Polish Alliance of Canada upon the time for appeal from the Order of Justice F. Myers dated May 27, 2014 expiring without an appeal being brought or, if an appeal I brought, to deal with such Property as may be finally directed by the appellate court(s). In the event that the Receiver wishes access to any Property in Mr. Romano's possession, the Receiver and Mr. Romano shall find a cooperative resolution or either may move for directions.

THE POLISH ALLIANCE OF CANADA
PLAINTIFF

and

POLISH ASSOCIATION OF TORONTO LIMITED, ET AL.
DEFENDANTS

(Short title of proceeding)

Court file no. CV 08-361644

ONTARIO SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

ORDER (Appointing receiver)

Name, address and telephone number of solicitor or party

Peter I. Waldmann [LSUC # 23289M]
Barrister and Solicitor
183 Augusta Avenue
Toronto, Ontario M5T 2L4

tel: (416) 921-3185
fax: (416) 921-3183

Lawyer for the Plaintiff.
The Polish Alliance of Canada

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APPENDIX B

SUPERIOR COURT OF JUSTICE - ONTARIO

SHORT TITLE The Polish Alliance of Canada v. Polish Association of Toronto Limited et al.
COURT FILE NO. CV-08-361644
June 20, 2014

BETWEEN:

THE POLISH ALLIANCE OF CANADA

Plaintiff

– and –

POLISH ASSOCIATION OF TORONTO LIMITED, MAREK MIASIK aka MAREK ADAM MIASIK, MARIA MIASIK, JAN ARGYRIS aka LOUIS JOHN ELIE ARGYRIS aka LOUIS aka JOHN ARGYRIS, WLADYSLAW JASLAN aka WLADYSLAW JULIAN JASLAN, HELENA JASLAN, EUGENIUSZ SKIBICKI, CZESLAWA ERICKSEN, STANISLAW ROGOZ aka STAN ROGOZ, ALBERT JOSEPH FLIS and RICHARD RUSEK

Defendants

– and –

POLISH ASSOCIATION OF TORONTO LIMITED, MAREK MIASIK aka MAREK ADAM MIASIK, MARIA MIASIK, JAN ARGYRIS aka LOUIS JOHN ELIE ARGYRIS aka LOUIS JOHN ARGYRIS aka JOHN ARGYRIS, WLADYSLAW JASLAN aka WLADYSLAW JULIAN JASLAN, HELENA JASLAN, EUGENIUSZ SKIBICKI, CZESLAWA ERICKSEN, STANISLAW ROGOZ aka STAN ROGOZ, ALBERT JOSEPH FLIS and RICHARD RUSEK

Plaintiffs by Counterclaim

– and –

THE POLISH ALLIANCE OF CANADA, ROBERT ZAWIERUCHA, TADEUSZ MAZIARZ, ELIZABETH BETOWSKI, DANUTA ZAWIERUCHA, TERESA SZRAMEK, ANDRZEJ SZUBA, ADAM SIKORA, ELZBIETA GAZDA, STANISLAW GIDZINSKI, STANISLAW IWANICKI and TADEUSZ SMIETANA Defendants by Counterclaim

BEFORE: F.L. Myers J.

COUNSEL: P. Waldmann, for the plaintiff/moving party.

B. Romano, for the defendants other than Richard Rusek/respondents.

HEARD: June 20, 2014

ENDORSEMENT

[1] The plaintiff seeks directions on an urgent basis concerning the implementation of my Order dated May 27, 2014. In my Reasons for Judgment dated May 27, 2014, I found that certain lands were held in trust for the members of Branch 1-7 of The Polish Alliance of Canada, (the "Branch"). I also found that the defendants had resigned from The Polish Alliance of Canada (the "PAC") and were not proper representatives of the Branch.

[2] In my Order, I required the PAC to reconstitute the executive of the Branch in accordance with its constitution. To do so, it must determine who the members of the Branch are. In the interim, I required the parties to agree upon a neutral third party to take control of the assets of the Branch pending the election of a new executive. If the parties were unable to agree, I invited them to return to Court to apply for the appointment of a receiver and manager.

[3] Mr. Romano wrote to Mr. Waldmann on June 6, 2014 to advise, among other things, that "The members of Branch 1-7 will proceed to elect a new executive at the earliest possible date...". On June 12, 2014, he wrote to Mr. Waldmann to advise that notices of a meeting of members of the Branch on June 22, 2014 (i.e. in two days from today)were being delivered and have been published in the newspaper.

[4] The defendants' counsel has filed an affidavit from Marianne Rabczak. She swears that she became a member of the Branch in 2008. She says that she is a member of the executive of the Branch and that the existing members of the executive other than the defendants have taken control of the Branch. She also notes that the Branch cannot afford the cost of a receiver. In paragraph 16 of her Affidavit, Ms Rabczak says:

> Pursuant to the Order of Justice Myers, the existing executives who are not Defendants and other members of the branch began immediate actions to reconstitute our branch to elect a new executive. Pursuant to the constitution of the [*sic*] Polish Alliance of Canada, the membership of the branch is and has always been controlled by the members of each branch.

[5] The position advanced by Mr. Romano ignores my finding that after the defendants left the PAC, they were no longer representing the Branch. The defendants had no basis to admit Ms

Rabczak to membership to the Branch. The PAC (or Head Executive Board) has never approved her membership even if that constitutional requirement might have been believed to have been a mere rubber stamp in past. As I said in my Reasons, "...no matter what they may call themselves, upon resigning from the PAC they are manifestly no longer 'members of Branch 1-7 of The Polish Alliance of Canada' in whom equitable title to the branch's property rests". The current executive of the organization on whose board Ms Rabczak sits (with or without the defendants) does not have any entitlement to call a meeting of the Branch to reconstitute its executive.

[6] Mr. Waldmann is also correct that the proposed membership list for the meeting called by Ms Rabczak and her colleagues cannot be a membership list for the Branch. Allowing a meeting based on the list of people whom the current group believe to be members of the PAC would cause nothing but confusion and mischief. Moreover, Mr. Romano points out that there is some urgency afoot. The appeal period from my Order expires in a few days. It is not at all clear how Mr. Romano is purporting to act for the Branch when I have concluded that his clients are not members. He and Mr. Waldmann seem to agree that Mr. Romano may have a conflict in acting for his clients on appeal and then trying at the same time to reconstitute the Branch for others. Mr. Romano says that he acts for PATL which holds the Branch's land in trust for its members and that he can act for the Branch in that capacity. But throughout the trial it was his position that since PATL is not a member of the PAC, it is not subject to regulation under the PAC constitution and I agreed with that submission in my Reasons. There is a void and a need to neutral oversight of the properties and the process of reconstituting the Branch which has become urgent with the passage of time without agreement of the parties. Mr. Waldmann raises the spectre of the invocation of the grievance process in the PAC constitution on membership issues which could take months and result in yet further litigation before a meeting of the branch could be held to elect its new executive. In the meantime there is a rudderless ship and parties who continue to be unable to agree on the time of day.

[7] Absent agreement on a neutral third party, it is just, convenient and urgent to appoint Collins Barrow Toronto Limited as receiver and manager of the Lakeshore Property (as defined in my Reasons for Judgment), 32 Twenty-Fourth Street and PATL pursuant to Rule 60.02(1)(d), s.101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43 and my Order of May 27, 2014. The Receiver is to hold the properties as a neutral officer of the court and is not to take direction from the PAC, the defendants or anyone else. The receiver is to do as little as it views as reasonably possible to take control of all assets of, or held in trust for, the members of the Branch and to hold those assets pending the election of a new executive of the Branch. It should try to allow ongoing programs and uses of the premises as planned subject always to its reasonable concerns for security and protection of the properties under its control.

[8] The receiver will also oversee and supervise the efforts by the PAC to reconstitute the Branch and its executive. The receiver shall report to the court as often as it deems advisable

to ensure that the provisions of the court's orders are being observed. The PAC made certain commitments concerning the reconstitution of the Branch that I incorporated into my Order. I expect that my Order will be followed to the letter and in spirit. All that is required for a pre-Agusut 26, 2006 member to be affirmed by the PAC is that he or she did not know that his or her dues were not being forwarded to the PAC. No loyalty oath was proposed by Mr. Waldmann at trial or incorporated into my Order. As to approval of new members in the ordinary course by the PAC as I have ordered, the ordinary course for this organization has not involved an inquisition. The mere fact that someone may have been at a meeting in which the defendants induced him or her to support a change of the name of the Branch to the old name of the "mother branch", for example, is not, to my mind, *ipso facto* proof that those members chose to leave the PAC or are disloyal. I spoke of that event and the defendants' tactical purposes in changing the name of their group in my Reasons for Judgment. There is no indication that the general body of members knew or participated in the tactics of the leadership. All of the principals in this litigation are charismatic leaders with legal teams behind them. The lay members have been caught up in these events. **It was and is my expectation that the reconstitution of the Branch will be conducted as a good faith effort to protect the Polish community of Toronto and in a spirit of reconciliation with the membership at large. The receiver shall ensure that this is so or report to the court any concerns that it may have.**

[9] Everyone with notice of the receivership order is required to cooperate with the receiver, provide it access to all property of the Branch or its members, including all property being held in trust for the Branch or its members. Everyone with notice of the receivership order shall provide the receiver any and all non-privileged information that it reasonably seeks.

[10] A retainer of $25,000 for the receiver's fees and disbursements, subject to assessment, should be paid by the PAC subject to whatever internal rights it may have to seek indemnity from the Branch, if any, once the new executive is in place. The receiver may borrow up to a further $15,000 from the PAC to fund the fulfillment of its duties. This is a one-time amount and not a revolving credit. The receiver shall have a first fixed charge over the all of the properties under its control as security for its reasonable fees and disbursements as assessed and for its borrowings.

[11] The receiver and anyone affected by the order appointing it or any exercise or threatened exercise of its powers may seek directions on notice to the receiver and anyone affected by the relief then sought.

[12] It follows that the purported members meeting called for this weekend is a nullity. I prohibit the defendants, Wladyslaw Rabczak, Marianne Rabczak, Marlene Matyszczuk, Teresa Skibicki and anyone with knowledge of this order from holding any meeting or a purported meeting of the members of the Branch and from conducting or purporting to conduct any election of the executive of the Branch.

F.L. Myers, J.

Date: June 20, 2014

THE POLISH ALLIANCE OF CANADA
Plaintiff / Defendants by Counterclaim

and

POLISH ASSOCIATION OF TORONTO LIMITED
Defendants / Plaintiffs by Counterclaim

Court File No.: CV-08-361644

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at TORONTO

MOTION RECORD

BERNIE ROMANO PROFESSIONAL CORPORATION
22 Goodmark Place
Suite 11
Toronto, Ontario M9W 6R2
Bernie Romano
Law Society #34447T
Tel: 416-213-1225
Fax: 416-213-1251

Lawyer for the Defendants, except Richard Rusek

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APPENDIX C

CITATION: The Polish Alliance of Canada v. Polish Association of Toronto Limited, 2014 ONSC 3216
COURT FILE NO.: CV-08-361644
DATE: 20140527

ONTARIO

SUPERIOR COURT OF JUSTICE

BETWEEN:	
THE POLISH ALLIANCE OF CANADA Plaintiff	*Peter Waldmann*, for the Plaintiff
– and –	
POLISH ASSOCIATION OF TORONTO LIMITED, MAREK MIASIK aka MAREK ADAM MIASIK, MARIA MIASIK, JAN ARGYRIS aka LOUIS JOHN ELIE ARGYRIS aka LOUIS aka JOHN ARGYRIS, WLADYSLAW JASLAN aka WLADYSLAW JULIAN JASLAN, HELENA JASLAN, EUGENIUSZ SKIBICKI, CZESLAWA ERICKSEN, STANISLAW ROGOZ aka STAN ROGOZ, ALBERT JOSEPH FLIS and RICHARD RUSEK Defendants	*Bernie Romano*, for the Defendants, except for Richard Rusek *Valerie A. Edwards* for the Defendant Richard Rusek
– and –	
POLISH ASSOCIATION OF TORONTO LIMITED, MAREK MIASIK aka MAREK ADAM MIASIK, MARIA MIASIK, JAN ARGYRIS aka LOUIS JOHN ELIE ARGYRIS aka LOUIS JOHN ARGYRIS aka JOHN ARGYRIS, WLADYSLAW JASLAN aka WLADYSLAW JULIAN JASLAN, HELENA JASLAN, EUGENIUSZ SKIBICKI, CZESLAWA ERICKSEN, STANISLAW ROGOZ aka STAN ROGOZ, ALBERT JOSEPH FLIS and RICHARD RUSEK Plaintiffs by Counterclaim	
– and –	
THE POLISH ALLIANCE OF CANADA, ROBERT ZAWIERUCHA, TADEUSZ MAZIARZ, ELIZABETH BETOWSKI, DANUTA ZAWIERUCHA, TERESA SZRAMEK, ANDRZEJ SZUBA, ADAM SIKORA, ELZBIETA GAZDA, STANISLAW GIDZINSKI, STANISLAW IWANICKI and TADEUSZ SMIETANA Defendants by Counterclaim	
	HEARD: March 17-28 and April 16-17, 2014

F.L. MYERS J.

REASONS FOR DECISION

[1] These are my Reasons for Decision arising from the trial of the issues ordered by Mr. Justice Colin Campbell on February 21, 2012.

The Issue

[2] The essential question for resolution in this twelve day trial is: Who owns the land and premises municipally known as Nos. 2282, 2284, 2286, 2288 and 2290 Lakeshore Boulevard West, Nos. 9, 11, 13 and 17 Louisa Street, and No. 32 Twenty-Fourth Street, in Toronto? The properties on Lakeshore Boulevard and Louisa Street are contiguous and are the home of the clubhouse of Branch 1-7 of The Polish Alliance of Canada (the "Lakeshore Property"). The Lakeshore Property is on the waterfront and has been rezoned so that it is available for luxury condominium development. All parties agree that the Lakeshore Property has substantial value if redeveloped to its highest and best use - perhaps over $50 million.

The Parties

[3] The combatants are The Polish Alliance of Canada (the "PAC") represented by its Head Executive Board (board of directors), as plaintiff, and eight individuals (the named individual defendants other than Richard Rusek) purporting to represent Branch 1-7 of The Polish Alliance Canada ("Branch 1-7"). The corporate defendant Polish Association of Toronto Limited ("PATL") is the corporate land-holding vehicle for Branch 1-7. In August 2006, the eight defendants advised the PAC that Branch 1-7 was leaving the PAC. They say that the branch has validly seceded from the PAC and has taken the Lakeshore Property and 32 Twenty-Fourth Street with them for the benefit of the branch's members.

[4] The defendants paint the PAC as a failed dictatorial umbrella organization that has fallen into the grasp of a real estate developer, Elizabeth Betowski. They fear that Ms Betowski is trying to seize and sell their clubhouse that was bought, built and tended with the blood, sweat and tears of the branch members and their forefathers. The PAC, for its part, points to its constitution (corporate bylaw) to argue that the PAC is the one and only legal entity capable of owning property. The PAC claims that under its constitution it owns all property no matter how title is held. The PAC paints the eight defendants as disloyal, disgruntled members who are free to leave the PAC but not to take the PAC's property with them. They raise the fear that if the purported current branch or PATL were to dissolve or to distribute their assets, a very few people, consisting largely of the families of the eight defendants, would unjustly share in tens of millions of dollars.

[5] The arguments have a certain ring of a dispute started long ago and far away. As will become apparent throughout, the parties are locked into a dispute that precedes and transcends the narrow issues that are before me. Both claim to represent the best interests of the Polish community in Toronto. Both believe the other side to be motivated by personal greed and ill will. Some of the rhetoric during the trial sounded suspiciously like a dispute between a

totalitarian government fighting to put down a rebellious group asserting the peoples' right to the fruits of their labour. There is no room for compromise or any acknowledgement of there being an honest disagreement between these parties.

[6] As I indicated to the parties during the trial, it was not very difficult to see when a witness was giving heartfelt testimony concerning events in which he or she took part, as compared to efforts by numerous witnesses to mouth the party line. For example, Ms Betowski had a remarkable facility for a layperson to rhyme off from memory the five classes of documents among the PAC's 234 tabbed productions which she said were not created in the "usual and ordinary course of business". She was plainly marshaling the troops for the PAC side throughout the trial. She has been engaged in much litigation for the PAC and yet she had no compunction in testifying to her voluntary destruction of handwritten notes of meetings that she took after this litigation commenced.

[7] Mr. Marek Miasik, the leader of the defendants, for his part, had no concern signing letters to government officials and others deliberately seeking to impair the workings of the PAC or with filing with the government documents that were plainly incorrect and tactical. Much time was spent at trial by the defendants trying to show that the omission by Ms Betowski of a particular document from a set of minutes was deliberate. For its part, the PAC sought to show through several witnesses that Mr. Miasik is a populist demagogue who, at a general meeting, overturned a cart of documents for dramatic effect; whereas his witnesses say that a few documents in a stack fell off the cart. Not a thing turned on whether the omission from the minutes was deliberate or whether Mr. Miasik threw or merely dropped some documents. The point of this recitation is that, as I said during the trial, if the parties are unable to see beyond their historic anger, the person in the room with the least knowledge and experience of what is in the best interests of the Polish community in Toronto would be called upon to decide the outcome of their community centre and properties for them. If this is just a new battle in an ongoing war masquerading as a dispute about land ownership in Toronto, my decision will give no comfort to those who seek a symbolic victory.

The Legal Environment

[8] In order to understand the relevance of some of the factual story, it is useful to set out the basic legal principles applicable to the relationships among participants in a not-for-profit organization. The basic legal approach is not seriously in issue. In *Wawrzyniak v. Jagiellicz* (1988), 64 O.R. (2d) 81 (H.C.J.), A. Campbell J. decided a case that bears some similarity to this one. In that case, an unincorporated national association had a Toronto branch. The local members incorporated a company to own their clubhouse. In 1957, the members went to court for the first time and McRuer C.J.H.C. decided that the corporation held title to the clubhouse in trust for the members of the local branch. The decision was upheld by the Ontario Court of Appeal. In 1982, after problems developed between the local branch and the parent organization, a majority of the members present at a meeting of the branch voted to leave the organization and commenced operating as an independent club under a new constitution through the corporation that then owned the land. An identifiable minority of the members of the branch remained behind and clearly constituted the old local branch. The constitution of the parent

association provided that the assets of the branches are the collective property of the parent association. At pp. 88-89 of the decision, Campbell J. described the legal context as follows:

> Voluntary organizations have a life of their own determined by their charter and constitution and practice. If they acquire property it is theirs according to their own rules. If they give that property to a corporation without unanimity the corporation will ordinarily hold it in trust for the voluntary organization. The members of the association may come and go. Individuals may join and continue until death or they may resign or they may seek to form a new group. The departure of individual members, the formation of a new group, the creation of a new bond of association, have nothing to do with the legal integrity of the original voluntary association unless its constitutional instruments say so. The property of the voluntary association continues to be the property of the members from time to time of the association.
>
> ...
>
> The majority although free to leave ordinarily cannot take with them the assets that belong to the membership at large unless the step is taken with unanimity of all the membership. Unless authorized by the constitution, a mere majority of members cannot cause property to be diverted to another association having different objects. When the majority of an association leave, they trigger the clubman's veto. The clubman's veto was discussed by Blair J.A. in [*Organization of Veterans of Polish Second Corps of Eighth Army v. Army, Navy & Air Force Veterans in Canada* (1978), 20 O.R. (2d) 321, at p. 339, by Wilson J.A., at p. 345, and by Dubin J.A., dissenting, at pp. 324-28 ("*Polish Veterans*")]. They agreed that the transfer of property, as opposed to the transfer of affiliation, could ordinarily be accomplished only by unanimous membership unless the constitution specified otherwise.

[9] The *Polish Veterans* case carves out a very narrow exception to that general rule where a branch was arbitrarily and unjustly dissolved by the parent association and the majority sought to preserve the property of the branch by transferring it to a corporation created for that purpose. On reading the concurring reasons of Wilson J.A. (as she then was) and the dissenting opinion of Dubin J.A. (as he then was), one is left to conclude that the majority result was driven as much by the inequitable facts as by any doctrine that can be readily generalized and applied again. However, in setting out the general approach to unincorporated associations, Blair J.A. wrote the following, at p. 339:

> Because of the peculiar nature of the interest of the members of an unincorporated association in the property of the association the Courts have been zealous to protect that interest where factions develop and the fellowship of the association is broken. They have been particularly concerned to do this where the fragmented association has split into a disloyal faction, which is gone its separate way and attempted to take the association's property with it, and an ongoing loyal group of adherents seeking to preserve the property and the fellowship of the original association. The tempestuous history of religious denominations, fraternal

> societies and trade unions affords many examples of local congregations or units seeking to break away for the parent body either to affiliate with another organization or achieve independence. It is been held many times that, unless authorized by the organization's constitution, a mere majority of members cannot cause property to be diverted to another association having different objects.

[10] The PAC says that, under Article 8 of its constitution, it owns all property, whether it is the equitable title to the Lakeshore Property and 32 Twenty-Fourth Street or title to the shares of PATL the corporate owner of the Lakeshore Property. It says that the defendants fit into Justice Blair's description of a disloyal faction. That means that they cannot take with them the property of the association absent a unanimous vote of all members.

[11] The defendants argue that they are not a disloyal faction at all. They were, are and always will be the Polish Alliance of Canada. They are the ones who built the clubhouse, who ran and run the events, who educated and educate the children, and who carry on the legacy of their forefathers. Their properties belong to their members and are not being diverted to a different group with different objects. The Head Executive Board, they say, is not a "loyal group of adherents seeking to preserve the property and the fellowship of the original association". Rather, it is a group under the influence of an aggressive real estate developer that is trying to take control of the branch clubhouse to obtain profit for themselves or for other branches in a manner that is inconsistent with the fundamental underpinnings of the PAC.

[12] Mr. Waldmann, for the PAC, relies upon a number of Australian cases where, on the facts, the branches had no independent identity from the parent association: *Bacon v. O'Dea* (1989), 88 A.L.R. 486 (F.C.A.); *Williams v. Hursey* (1959), 103 C.L.R. 30 (H.C.A.); *Hall v. Job* (1952), 86 C.L.R. 639 (H.C.A.). They all involve what is sometimes referred to as the "chapter model" of unincorporated associations. However, as noted by Donald J. Bourgeois, *The Law of Charitable and Not-for-Profit Organizations*, 3rd ed. (Markham, Ont.: Butterworths 2002), at p. 187, at the opposite end of the factual spectrum is the "association model", which involves multiple entities that are members of an umbrella organization. An association model organization is analogous to a federation of partially self-governing states united under a federal government. For the reasons set out below, the PAC resembles an association model comprised of independent units far more than a chapter model organization. The Australian cases are therefore of little assistance in resolving the issues in this trial.

[13] As a final guidepost for the assessment of applicable law, I refer as well to the decision of Megarry V.-C. in *In re GKN Bolts & Nuts Ltd. (Automotive Division) Birmingham Works Sports and Social Club*, [1982] 1 W.L.R. 774, and the following words, at p. 776, that strike me as particularly apt to the circumstances before me:

> As is common in club cases, there are many obscurities and uncertainties, and some difficulty in the law. In such cases, the court usually has to take a broad sword to the problems, and eschew an unduly meticulous examination of the rules and resolutions. I am not, of course, saying that these should be ignored; but usually there is a considerable degree of informality in the conduct of the affairs of such clubs, and I think that the courts have to be ready to allow general

> concepts of reasonableness, fairness and common sense to be given more than their usual weight when confronted by claims to the contrary which appear to be based on any strict interpretation and rigid application of the letter of the rules. In other words, allowance must be made for some play in the joints.

The Polish Alliance of Canada

(i) The Polish Alliance Friendly Society of Canada

[14] In 1907, The Sons of Poland Friendly Society was incorporated under *The Ontario Insurance Act*, R.S.O. 1897, c. 203. In 1921, the name of the corporation was changed to Polish Alliance Friendly Society of Canada ("PAFS") to align its name with the nascent PAC with which it had become associated. As a friendly society, the objects of the PAFS were to provide insurance benefits to its members. Not all members of the PAC chose to buy insurance from PAFS and therefore not all members of the PAC were or are members of the PAFS. PAFS stopped issuing new insurance coverage decades ago. Today only a very small handful of members of the PAC remain entitled to a very modest death benefit of $300 through PAFS.

(ii) The Unincorporated Polish Alliance of Canada

[15] At or about the same time as the PAFS was incorporated, other organizations were formed to represent the interests of members of the Polish community. There is very little documentation concerning the early establishment of the PAC. There are pictures and a few sets of meeting minutes indicating that the PAC existed as an organization, or at least a name, from the early years of the 20th century. It appears that the PAC existed only in Toronto until the 1920s. In the late 1920s, a second branch of the PAC opened in Hamilton, Ontario. At that time, the Toronto branch became known as "Branch 1" and the Hamilton branch became "Branch 2".

[16] Excerpts from the PAC's *Golden Jubilee Brochure* were submitted into evidence by the defendants at trial. I ruled that the document was not hearsay because it was a statement made by the plaintiff or its privy in interest. The *Golden Jubilee Brochure* appears to have been written in or about 1957 to celebrate the 50th anniversary of the PAC. It was written at the instruction of the membership at a convention under the guidance of the Head Executive Board. The Author's Note provides:

> The purpose of this brochure is to give a reader essential information about the Polish Alliance of Canada, a Friendly Society. The Polish Alliance of Canada XVth General Meeting passed the resolution to write and publish a brochure presenting the organization in a concise and clear way. The Alliance's Head Executive Board assigned this task to me and I did fulfill it the best way I could. The brochure content is based on my knowledge gained during my seven year long Alliance membership. Moreover, I wish to extend my sincere

> acknowledgments to the Head Executive Board, Polish Alliance Press, Education Council and the Alliance Branches, as well as to all those who supplied me with source materials and statistical data from the previous years
>
> Józef Broda
> Secretary General
> Polish Alliance of Canada

[17] Under the heading "The Polish Alliance of Canada – organization", the *Golden Jubilee Brochure* states:

> Each Alliance Branch is a self-dependent administrative unit existing with a purpose to benefit its members as well as to fulfill needs of the whole Polish community, it is a fully autonomous formation and boasts a complete freedom in all its plans and activities, except for the insurance matters which are taken care of by the Head Executive Board. All assets of each Branch are the [sic] owned by the branch, and therefore owned by the members of the given branch. This should be emphasized in particular, since many existing Polish organizations withhold their plans to join the Polish Alliance of Canada due to apprehension of their property, especially the buildings being taken over by the Head Executive Board. This is a totally incorrect approach and inconsistent with the existing status quo.
>
> ...
>
> Branch No. 1 in Toronto was officially named as such since 1927. As is well-known, Branch No. 1 was established upon merging of three Polish organizations: Sons of Poland Brotherly Aid Society, St. Stanislaus Kostka Society and National Polish Union. The Alliance members used to call Branch 1 a "mother" of the Polish Alliance of Canada.

[18] I attach little weight to this brochure. While it does not lie in the mouth of the PAC to complain about an inability to cross-examine itself, the brochure is not under oath and there is no indication of what the author knew about the legalities of ownership of property by an unincorporated association. The legal determinations as to who owns property will be made below based on appropriate legal principles. The brochure does however give some circumstantial support to the fundamental argument of the eight defendants that structurally the branches of the PAC were not understood to be simply pieces of the whole. Rather, the PAC was but a convenient administrative umbrella under which lay autonomous, independent branches, each with its own properties. It also shows the PAC understanding 60 years ago the sensitivity of the issue of ownership of branch property and actively trying to dispel concern that the PAC could make the very arguments that it is now making in this trial.

[19] As unincorporated associations, the branches were not legal entitles and could not purchase property in their own names. Properties were acquired and held by the branches (and by the PAC prior to its incorporation in 1973) in three ways. First, although technically only an insurer, PAFS had a corporate existence that was used to hold property acquired by local branches and the PAC. Second, some properties were held in trust by named individual trustees

on behalf of the members of a branch. That remains the case with respect to title to 32 Twenty-Fourth Street. Third, corporations were specifically incorporated to hold land purchased by branches. The Lakeshore Property is owned by one such corporation, the defendant PATL. The ownership of the shares of PATL is one of the issues for resolution in this trial.

Polish Association of Toronto Limited

(i) PATL's Structure

[20] PATL was incorporated in 1927 under *The Companies Act*, R.S.O. 1927, c. 218. At that time, there was no separate *Business Corporations Act* to distinguish not-for-profit corporations from "for-profit" corporations. The original objects of PATL included acquiring land to be used as a place of meeting for the Polish people of Ontario and to promote the general educational and social welfare of the Polish people of Ontario. Despite these not-for-profit objects, several aspects of the company's formation are typical of a "for-profit" corporation. For example, PATL's letters patent provide for authorized share capital of 4,000 shares with a par value of $10 each. This was subsequently increased to 10,000 shares with a par value of $10 each. The letters patent provide that the company may distribute its assets *in specie*. The initial bylaw of PATL authorized the board of directors of the company to declare dividends from time to time.

[21] The concern expressed by the PAC with respect to PATL is that its "for-profit" structure creates a risk that PATL could distribute its property to shareholders *in specie*, declare dividends, or dissolve. The PAC fears that shareholders could take the assets or a share of the value of the assets to the exclusion of the membership of the PAC. The defendants argue against the characterization of PATL as "for profit" because, they say, it has always been directed and managed in the interests of its members as if it were a not-for-profit corporation. They point to correspondence from the early 1970s between PATL's lawyers, Osler Hoskin & Harcourt, and provincial taxation authorities, in which PATL sought to be characterized as a not-for-profit entity for tax purposes. However, PATL has never formally changed its structure and continues to file income tax returns as a "for profit" company.

(ii) The Defendants' Recent Effort to restructure PATL

[22] To attempt to mitigate the risk identified by the PAC, the defendants purported to amend the bylaw of PATL in December 2013 to make it look more like a not-for-profit corporation. In December 2013, PATL purported to hold a shareholders' meeting at which the shareholders approved a new general bylaw for the corporation. Mr. Hartley Nathan, the corporate lawyer who guided the restructuring for PATL, frankly conceded that the effort was designed to be completed just prior to the pre-trial conference that was scheduled to be held in this trial of the issues. The purpose of the restructuring was, at least partially, to try to have PATL regarded in this trial as a not-for-profit corporation whose assets are protected from distribution to shareholders. Mr. Nathan explained that there is currently unproclaimed legislation that may assist PATL in converting to not-for-profit status if and when the legislation is proclaimed into force. Until then, in my view, any amendment to the corporation's bylaw is reversible by shareholders and does little to ameliorate the PAC's concerns. To answer these concerns, Mr.

Romano, for the defendants, invites me to add conditions to any declarations that I may make concerning PATL's ownership of the Lakeshore Property to prohibit it from distributing its assets to shareholders and to require it to elect into the new legislation once proclaimed.

[23] A significant amount of time at the trial was devoted to a review of the procedure adopted by PATL in its effort to restructure. The defendants appear to have improperly excluded Ms Betowski from the PATL shareholders' meeting despite her presentation of a valid proxy from the PAC entitling her to vote at least 51 shares. The PAC provided the original share certificates to PATL previously and they are now being held by Mr. Romano pending the outcome of these proceedings. The defendants also refused to let Ms Betowski attend to vote the one share of PATL that the defendants acknowledge is registered in the name of the PAC Head Executive Board in PATL's minute book and their own shareholders' list that is Exhibit 33.[1] In light of my holdings below and the reversibility of any bylaw in any event, I do not see any need to discuss further the details of the December 2013 events.

The Lakeshore Property

[24] It is clear from the evidence and the transcripts of the examinations for discovery that were read-in during the trial, that all of the money used for the purchase and upkeep of the Lakeshore Property came from property and funds held by Branch 1 and Branch 7 of the PAC for their respective members. The two branches merged to form Branch 1-7 in the early 1970s in order to purchase the various parcels that would ultimately comprise the Lakeshore Property.

[25] Both Branch 1 and Branch 7 sold properties to contribute proceeds to the purchase of the Lakeshore Property. In addition, Branch 1 had access to funding from the estate of Stefanie Bilski. Mrs. Bilski left a very significant bequest to "the Polish Alliance of Canada, Branch 1-7, 2282 Lakeshore Boulevard West, Etobicoke, Ontario, for its own use absolutely". The trustees of the estate have treated the funds as being held in trust for the members of the branch. Neither the Head Executive Board nor any other branch of the PAC has claimed entitlement to funds from the Bilski estate prior to this litigation. The Bilski estate bequest provided funds for the purchase of 17 Louisa Street, which forms part of the Lakeshore Property and is registered in the name of PATL.

[26] The Bilski estate owned 32 Twenty-Fourth Street. In 1997, title to that property was transferred by the estate trustees to the defendants Argyris, Flis, Miasik, Rusek and one other as trustees for the members of Branch 1-7 of the PAC.

[27] Absent evidence to the contrary, the presumption of resulting trust applies to the Lakeshore Property. Funds for that property were provided by the members of Branch 1-7 while title was taken in the name of PATL. Unless there is proof that the intention of the funders was that PATL was to hold the equity in the property for itself and its shareholders, the law presumes

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[1] See subsection 44(2) and section 301 of the *Corporations Act*.

that title is held in trust for the funders, i.e. the members of Branch 1-7 of the PAC from time-to-time. See the discussion of *Wawrzyniak* above.

(i) PATL has Shareholders

[28] Does the existence of shareholders who are not composed solely of members of Branch 1-7 mean that the members of Branch 1-7 who decided to buy the Lakeshore Property intended that PATL hold the land for itself and its shareholders and not as trustee for the members of Branch 1-7? Although its authorized capital is limited to 10,000 shares, it appears that there are a few hundred more than 10,000 shares issued and outstanding. More than 9,000 shares are held in the name of or controlled by Branch 1-7 on behalf of its members.[2] A further approximately 400 shares appear to be held by members of the public being principally, but not fully, members of Branch 1-7 or their heirs. A few shares are registered in the names of other branches of the PAC, for example.

[29] A finding that PATL is a trustee is consistent with the limited par value ascribed to its shares. There is correspondence in the record in which PATL at one time indicated a willingness to repurchase its shares at par value irrespective of the underlying value of the assets. Moreover, when considering seceding from the PAC in 2004, Branch 1-7 considered purchasing all of the available shares for $2 dollars a share. Members of the community were issued shares in PATL in return for donating a chair or participating in other fundraising activities for the branch. There was no evidence of any suggestion that shareholders were investing in PATL or that the shares were viewed as more than a symbolic certificate of appreciation. There is certainly no correspondence from shareholders over the past 85 years inquiring as to the performance of their investments. Neither is there any indication of any shareholder asserting that his, her or its shares have value commensurate to that of the Lakeshore Property.

[30] There is also no indication of the Lakeshore property or the PATL shares ever being reported as valuable assets by the shareholders. The shares are not recorded as assets in the financial statements of either the PAC or Branch 1-7. Similarly, neither the PAC nor Branch 1-7 records the value of the land on its financial statements. If the PAC thought that it owned the

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[2] Exhibit 33 is a shareholders' list drawn from the original minute book of PATL as supplemented by due diligence performed by the defendant Rusek, who was counsel at the time, and the defendant Flis. The minute book shows these shares being held either in the name of "Branch 1" or "Branch 1 – members". As noted above, Branch 1 and Branch 7 merged in the early 1970s. There was some argument made by the plaintiff that the formation of Branch 1-7 was never properly approved by the Head Executive Board so it is not the successor to Branch 1. The PAC has accepted dues from Branch 1-7, granted its delegates credentials for conventions, borrowed money from it, and treated it as the successor branch and the proper occupant of the Lakeshore Property for decades. Branch 1-7 is the successor to branches 1 and 7 and the PAC is estopped from asserting otherwise. (I pay no heed to the draft shareholders' list prepared for PATL in 2013 that was prepared by people who were not even provided with the corporate minute book.)

Lakeshore Property outright, the land ought to have been recorded as an asset on its balance sheet. Ms Betowski's evidence was that the financial statements of the PAC would not show the land because the financial statements were not prepared on a consolidated basis. Ms Betowski was not suggesting that Branch 1-7 should be viewed as a subsidiary with unconsolidated financial statements. If it is simply a division of the PAC, as the plaintiff asserts, then the assets of the branch ought to be shown on the PAC's financial statements. As PATL is a separate corporation, if its shares were owned by the PAC, there could be consolidated financial statements prepared for parent and subsidiary. However, this was never done or, apparently, contemplated. In the absence of consolidation, the PATL shares ought to be have been disclosed and reported as assets on the PAC's financial statements if the PAC believed that it owned the shares that are held in the name of Branch 1-7 and that the shares had value.[3]

[31] In all, I see no indication that PATL owns the Lakeshore Property on its own account and no basis to rebut the presumption of resulting trust. PATL's *raison d'être* was to hold land for the members of the unincorporated Branch 1 in 1927. If the historic oral understanding is insufficient to create an express trust for land, then the law of resulting trust fills the gap to properly allocate the value of the property in accordance with the purchasers' presumed intentions. I hold that PATL owns only legal title to the Lakeshore Property and that it holds the equitable title to the land in trust for the members of Branch 1-7 of the PAC from time-to-time.

The Implications of the Incorporation of the PAC

[32] In 1973, the PAC was incorporated as a not-for-profit corporation under letters patent issued under the *Corporations Act*. It has no shareholders. Section 130 of the *Corporations Act* provides that the bylaws of a not-for-profit corporation may divide the members into groups by territory. The bylaws can then allow each group to elect delegates to represent the group for the purpose of electing the directors of the corporation. The plaintiff says that after 1973, the branches were no more than territorial divisions and had no independent legal existence. Whether the branch was an unincorporated association or a territorial division of the PAC does not affect the fact that PATL continues to hold the Lakeshore Property in trust for the members of Branch 1-7 of the PAC from time to time. The objects of the trust remain identifiable with certainty and are the same group of people before and after incorporation. The legal characterization of the organization through which they are identified has no bearing on the members' equitable title. The question then is whether the constitution of the PAC changes that outcome.

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[3] I note that in conjunction with the PATL shareholders' meeting purportedly held in December 2013, the Head Executive Board asserted that the PAC owned just 52 shares of PATL and not the 9,000-plus shares registered in the name of Branch 1.

(i) The Constitution of the Polish Alliance of Canada

[33] I have set out the relevant provision of Articles 8, 9 and 59 of the PAC constitution from 1999 in the Schedule to these Reasons for Decision for ease of reference. Efforts to amend Article 8 in 2005 and 2007 are discussed below.

[34] Mr. Waldmann submits that upon the incorporation of the PAC, the members of the prior unincorporated PAC must be taken to have voluntarily joined the new corporate PAC. As such, the law provides that they are deemed to accept the articles and bylaws of the corporation as a contract that binds all of the members: *Senez v. Montreal Real Estate Board*, [1980] 2 S.C.R. 555, at pp. 566-71. Therefore, the plaintiff claims that all property that is held by or in trust for the branches or their members belongs solely to the PAC under Article 8.

[35] There was no evidence presented before me of any member of the PAC or any branch actually applying to join the corporate PAC in 1973. As far as I can tell, there was a seamless transition from unincorporated association to incorporated legal entity. There is no indication that any individual member ever applied to join the corporation or knew that a change in corporate structure had occurred. There was no transfer of title documented for any property at the time of the incorporation of the PAC. Notwithstanding the legal machinations, there is no evidence indicating that the members at large of the PAC knew that the PAC had formed a corporation, understood any implication from that legality, or agreed to donate their equitable title to the new corporation. There is no indication of unanimity or of any notice being provided to members that could form the basis of a finding that they knowingly and unanimously gave up their property interests or their clubman's veto. Mrs. Szramek, a former member of the Head Executive Board who was called as a witness for the PAC, testified that it would be most unfair if branches were deemed to be stripped of their properties upon the incorporation of the PAC.

(ii) The Transfer of the Lakeshore Property

[36] The purchase of the Lakeshore Property occurred shortly after the PAC was incorporated in 1973. Mr. Argyris testified to his involvement in negotiating the purchase on behalf of Branch 1-7. The branch used the legal services of Mr. Chester Smith, the lawyer for the PAC. Mr. Smith sought instructions as to title from the PAC President and registered the Lakeshore Property in the name of the PAC. When this became known to Branch 1-7, it demanded that title be rectified. Therefore, a correcting deed was prepared and filed in 1975 to transfer the Lakeshore Property to PATL. In the land transfer tax affidavit, the President of the PAC, Mr. Glista, swore the following:

> The lands and premises were purchased in trust by the Transferor for the benefit of the Transferee and is now being conveyed to the Transferee at the request of the Transferee.

[37] This transaction and affidavit, occurring just after the institution of the new PAC corporate constitution, is inconsistent with the interpretation sought by the PAC. The PAC admitted in 1975 that it took title to the Lakeshore Property solely as trustee for PATL. Ms

Betowski, who was not there at the time, claimed that the transfer did not matter to the PAC because it owned the shares of PATL in any event. This is not consistent with the financial statements of the PAC, the evidence of share ownership of PATL, nor the contemporaneous paper trail.

(iii) Branch 5 Dispute

[38] It is telling to note that another branch, Branch 5, had property that was sold with the approval of the Head Executive Board. Some of the proceeds of sale were directed away from the branch by the Head Executive Board. Ms Betowski's relatives were members of Branch 5. At the time she joined the PAC, there was already a dispute between Branch 5 and the Head Executive Board concerning these proceeds. The branch sued Mr. Rusek, the lawyer who was involved in this transaction, as well. Ms Betowski was clear in her evidence that the funds belonged to Branch 5 as the clubhouse that was sold had been funded solely by the members of that branch. Upon being impeached with the transcript of her examination for discovery, she admitted that she labeled the Head Executive Board's actions as a "misappropriation". She tried to distinguish that situation from the case at bar by explaining that before taking Branch 5's funds the Head Executive Board had failed to seek the direction of a general convention of members under Article 59 of the constitution. The statement reflects a misunderstanding of the meaning of Article 59 as explained below. In any event, I reject the notion that a misappropriation of Branch 5's money approved by the general convention would be any less a misappropriation in the eyes of the members of Branch 5 or Ms Betowski.

(iv) The Interpretation of Articles 8, 9 and 59

[39] If Article 8 were intended to be a forced seizure of the pre-existing equitable interests of members then it would have been invalid. It is inconsistent with the clubman's veto and the history and facts. Moreover, in my view, it would have been *ultra vires* the PAC for the reasons of Eberhard J. in *Berry* v. *Indian Park Assn.* (1997), 33 O.R. (3d) 522 (Gen. Div.), aff'd (1999), 44 O.R. (3d) 301 (C.A.).

[40] In my view, the constitution or bylaw of the PAC can be read in a manner consistent with the contemporaneous facts and documents. It is clear that there is a difference between the relationships among the branches and Head Executive Board, on the one hand, and relationships between the PAC and the external world on the other. Within the family, the branches are the dominant units. The branches held the cultural events that fulfilled the organization's objectives. The branches attracted members and, most significantly, funding. The PAC was a cash-starved umbrella organization. Nevertheless, the PAC made several forays into the market to try to be more than the sum of its parts. Unfortunately, each effort failed. But for a time, the PAC held properties and businesses for its own account. It held the crown jewel of the PAC – Place Polonaise in Grimsby – as well as land in Port Hope, a head office on Bloor Street West, Toronto, and shares of Polish Alliance Press and Polish Alliance Travel to name a few. At various times all of these investments had been reported on the financial statements of the PAC. None remains today. The head office, the printing business, the travel agency business, and all

others were lost. The crown jewel, Place Polonaise, was lost. There were many hints in the evidence of wrongdoing against Mr. Chrapka, Mr. Rusek and others associated with the defendants who were said to have then been managing those investments on behalf of the Head Executive Board at the relevant times. It is well beyond to scope of this trial of the issues to try to resolve responsibility for those historical failures. But they do demonstrate the difference in practice between property of the branches, on one hand, and property of the PAC as a whole on the other.

[41] Although the branches were not legal entities, they were recognized internally as separate entities by the PAC. The PAC borrowed money from the branches. The PAC signed formal promissory notes with Branch 1-7. Branch 1-7 sued the PAC on one such note. Internally, the organization recognized the primacy of the branches as independent and largely autonomous entities subject to general reporting and oversight. It was well understood that Branch 1-7 had a facility to raise money, had received the Bilski bequest, and it was willing to loan its members' money to the PAC. If the branch's property belonged to the PAC, the Head Executive Board would not have needed to enter into promissory notes to borrow from Branch 1-7. It would have held or just taken its money.

[42] In my view, to discern the intention of the bylaw, its terms are to be read as a whole and bearing in mind the history of the PAC as an association model consisting of independent parts rather than a chapter model consisting of a unitary whole. While, as noted above, the scope and application of Article 8 cannot have been imposed to confiscate members' equitable interests without their consent, neither can it ignore the internal relations among the parties. Internally the parties are free to organize themselves contractually as they wish. However, externally, lawyers dealing with the PAC and its branches saw a not-for-profit corporation incorporated under the *Corporations Act*. Assets were held in all different names and entities across the province. Branch 38 in Fort Frances held land in the name of Polish Alliance Friendly Society, Branch 38. Branch 7's land on 7th Street had at one time been held in the name of the PAFS itself.

[43] To convey assets to a third-party there has to be recognition of an owner with legal status to do so. There are examples in the record of branch sales of properties being approved by the Head Executive Board and conveyed by the PAC. Mr. Rusek wrote to Branch 38 to reassure it that despite this formality, proceeds would be held for and paid to the branch.

[44] Articles 8, 9 and 59 provide for the ownership and transmission of property internally and externally. Where property is held in an independent corporation, such as PATL, there is no need to involve the PAC in transfers of title or distribution of proceeds. By its terms, Article 8 applies only to property of "*the Alliance and its Branches as a whole*". It establishes only that the PAC can own property in its own right and that PAC property (such as Place Polonaise) belongs to the PAC without the branches, individually or collectively, being able to demand that a share be set over to them despite their primacy in the PAC firmament.

[45] Article 9 makes it clear that the Head Executive Board administers and manages PAC property. But the Head Executive Board has never sought under Article 9 to administer, exercise rights of ownership, manage, occupy or involve itself in the affairs of Branch 1-7's properties. Over the past 100 years, the PAC has not administered the properties held in trust for branch

members. The Head Executive Board members were welcomed guests to the Branch 1-7 clubhouse. They never asserted ownership or a right to administer it before Ms Betowski arrived on the scene.

[46] While Article 8 was the focus of the parties, it is Article 59 that is the most instructive. It deals with how the properties that are understood internally to be owned by the branches were to be dealt with in light of the lack of legal capacity of the branches to deal with the external world. Subparagraph 59(c) speaks of "*...proposed agreements regarding purchase and sale of real estate by the Branches...*" It requires that such agreements to be approved by the Head Executive Board. Subparagraph 59(e) speaks of "*Branches which have sold their property...*". That is, the constitution recognizes that the branches own their properties and may agree to sell their own properties. But Article 59 cannot operate in the external world where branches – whether territorial divisions or unincorporated associations – cannot own or convey property. Only the PAC can own or convey property said by the constitution to be owned internally by the branches. This is perfectly open to the parties to agree upon internally. Moreover, as these are major transactions for the organization and the PAC will be required to formally convey title, it is unsurprising that approval of the Head Executive Board was required.

[47] Subparagraph 59(e) prohibits a branch from using capital proceeds of sales for current expenses. That is, it requires the branches to use the capital proceeds derived from such sales for capital projects. It presupposes that the capital proceeds are available to be used by the relevant branch. This is consistent with the internal recognition of branch ownership. In legal terms, this means that the proceeds of sale, even if payable to the PAC as legal vendor, will be held in trust for members and paid over to the use of the relevant branch.

[48] Subparagraph 59(d) provides that the income – as distinct from the capital that is dealt with in subparagraph (e) – will be "*held by the Head Executive Board until such time as a new Branch may be formed in the area*". While not elegantly drafted, it appears that subparagraph 59(d) applies only where a branch is dissolved. Subparagraph 59(e) instructs branches that survive as to how to use their capital as I have said. However, where a branch dissolves, a trust for members of the branch would fail for want of certainty of objects. Where branch property is sold because a branch has dissolved, then to prevent a failure of the trust, Article 59 provides that the Head Executive Board is to use the proceeds for a new branch. Income accrued on the capital proceeds in the interim is not held for the new branch which does not yet exist, so the use of the income is subject to approval of a general convention.

[49] I was troubled during the trial when counsel and witnesses referred to subparagraph 59(d) as providing an entitlement for the Head Executive Board to re-direct capital proceeds of sale. Ms Betowski referred to subparagraph 59(d) in suggesting that the Head Executive Board might have been able to give away some of Branch 5's proceeds under that provision. While the PAC is composed of laypeople, the constitution was written by its corporate counsel. The use of the term "income" in subparagraph 59(d) as contrasted with "capital" in the very next subparagraph cannot have been an accident unless it is assumed that corporate counsel thought the two terms were synonymous. Proceeds of the sale of property are capital. Subparagraph 59(e) itself distinguishes "capital" from "current expenses" (i.e. income statement entries). It does not make sense that subparagraph 59(d) would use the term "income" to refer to the capital proceeds of

sale. Once one understands that Article 59 expressly speaks of branches owning property and then distinguishes the handling of income from capital, the scheme becomes clear.

[50] Where a branch internally owns property but lacks legal capacity *vis-à-vis* the external world, the PAC holds and conveys it for the branch. The PAC is subject to all existing trust obligations associated with such property however. Thus, while the PAC constitution does not reach PATL or its ownership of its properties (in trust for members), it does affect the shares of PATL that are purportedly registered in the name of "Branch 1" or the "Branch 1 –members". Whether an unincorporated association or a territorial division, Branch 1-7 has no capacity to exercise legal ownership of those shares. Effectively, Articles 8, 9 and 59 provide that legal title to branch property is in the PAC and equitable title is in the branch members. Internally, however, the shares are owned, held and administered by the branch. That is, the branch's property, while owned legally by the PAC, is held in trust for the members of the branch just as it would be if it could be owned by the branch itself. Moreover, for internal purposes, although owned by the PAC, the rights of ownership are delegated to and exercisable by the executive of the relevant branch.

[51] This interpretation is consistent with Article 9 and the association model of the PAC. It is consistent with the explanation in the *Golden Jubilee Brochure*. It is also consistent with Article 59 in that formal approval by the Head Executive Board and formal conveyance by the Head Executive Board is required to transfer property held by a non-legal-entity branch. But proceeds realized are to be paid to the Head Executive Board and go to the branch, subject to the restriction in subparagraph 59(e). If the branch no longer exists, the Head Executive Board is to use the funds for a new branch in the same geographic area and can apply income accrued on the proceeds until that happens with approval of a general convention. I read Article 59 as consistent with the recognition of the trust protecting the assets of the members of the branch. Mr. Waldmann made this very assertion to Mr. Rusek in cross-examination that was accepted by Mr. Rusek.

[52] This is not to say that the Head Executive Board has no role internally. Its role is defined by the constitution. In 1994, Branch 1-7 turned to the Head Executive Board to protect incumbent management against a group of newcomers who tried to stack a branch annual meeting to take control of the branch and the Lakeshore Property. That matter went to court and MacPherson J. (as he then was) held that the internal grievance mechanisms set out in the constitution applied. Mr. Miasik conceded that the Head Executive Board is to have internal oversight and supervision of the branches – if only honoured in the breach by Branch 1-7 historically.

(v) Amendment to Article 8 of the PAC Constitution

[53] Having found that the constitution of the PAC does have some impact on the legal ownership of the majority shares of PATL, I must consider the amendments to Article 8 in 2005 and 2007. It is clear that by 2005, the defendants were planning to take Branch 1-7 out of the PAC. Unbeknownst to the PAC, prior to 2005, Branch 1-7 had approved several resolutions authorizing the Executive of the branch to declare independence. What happened in 2005 and 2006 was the culmination of years of events.

(1) The Suspicion around Ms Betowski

[54] Ms Betowski is a relative newcomer to the PAC as compared to nearly all others involved in this trial. She first appeared in approximately 2000 while she worked for the City of Toronto. At that time she was not yet a member of the PAC but she had a chat with the former president of the PAC, Mr. Bycz, about the development potential of the Lakeshore Property. Around the same time, she had a similar chat with Mr. Miasik. Mr. Miasik was not interested in discussing a sale or redevelopment of the clubhouse with her. A couple of years passed and Ms Betowski re-appeared, became a member of Branch 5, and quickly became associated with Mr. Zawierucha and the Head Executive Board. She approached Mr. Miasik again to test his appetite for the redevelopment of the Lakeshore Property. Mr. Miasik again said he had no interest in discussing this with her.

[55] As noted above, in the early 2000s, the PAC was struggling financially. Mr. Zawierucha had become President of the PAC. However, he and Ms Betowski became allies and presented an autocratic front to the branches. The branches with properties came to believe that Ms Betowski and the Head Executive Board represented a threat to them. Article 8 was bandied about as a basis to suggest that the clubhouses of the branches belong to the PAC. (Note that when the Head Executive Board sought to dispel this very fear in the *Golden Jubilee Brochure*, the PAC was not yet incorporated and Article 8 of the constitution did not yet exist. This was a new ground for a very old fear).

[56] In the minutes of a 2004 Branch 1-7 meeting, Mr. Argyris is quoted as saying that the Head Executive Board is deluding itself if it believes that it can take the clubhouses from the branches. Mr. Miasik gave several other reasons for concern regarding alleged lack of communication, lack of fiscal accountability, lack of managerial prowess, and other generalized long standing complaints that he harboured against the Head Executive Board. Many of the complaints pre-dated Mr. Zawierucha's term and others were proven exaggerated in the documents presented in evidence. The issue at play seems to have been the fear of Ms Betowski and the autocratic style adopted by the Head Executive Board when she joined Mr. Zawierucha at the helm. The best support for this concern is that over the past decade, the PAC has done little else but litigate (Grimsby, Port Hope, Polish Alliance Press, W. Reymont Foundation, Branch 1-7, etc.). While the branches (including the current iteration of Branch 1-7) have continued to perform their cultural events and hold dances, pageants, dinners and the like, the PAC Head Executive Board seems to have become a professional litigant under the stewardship of the very organized and officious Ms Betowski. Although she is no longer a member of the Head Executive Board, Ms Betowski was the plaintiff's authorized witness for discovery, its lead witness at trial and, as noted above, was plainly the person in charge for the plaintiff throughout the trial.

(2) Suspicion Surrounding Mr. Chrapka

[57] The alternative theory, propounded by the plaintiff, is that Mr. Miasik was a leader, or at least a participant, in a move by Mr. Kazimierz Chrapka, the W. Reymont Foundation, and other land-owning branches of the PAC to destroy the PAC and take over its properties for personal gain. It was alleged in the documents that Mr. Chrapka had made personal gain in relation to the

PAC's loss of the Bloor Street property. I can make no findings regarding that issue. However the steps taken by Mr. Miasik to aid or in conjunction with Mr. Chrapka deserve some explanation.

(3) W. Reymont Foundation

[58] Mr. Chrapka is the President of the W. Reymont Foundation which was established in 1973 as the charitable arm of the PAC. In the PAC's constitution, the W. Reymont Foundation was to be the beneficiary of the assets of the PAC upon its dissolution. While the financial affairs of the PAC have languished over the past decades, the W. Reymont Foundation has flourished. Mr. Jesse Flis, a former long serving Member of the Parliament of Canada gave testimony at trial concerning the excellent works of the charity under Mr. Chrapka. Unfortunately no one is immune from the effects of the schism in the community perpetuated by this litigation. Mr. Flis gave testimony that he was deeply involved in the charitable works of the W. Reymont Foundation and was on its board of directors. Yet, at the same time, he claimed ignorance concerning the multiple lawsuits between Mr. Chrapka, on behalf of the W. Reymont Foundation, and the PAC. Additionally, he claimed that he had never had a conversation with his brother, the defendant Albert Flis, concerning the issues in this lawsuit. Yet he freely volunteered his view that branches own their own property – the mantra of the defendants. I accept the evidence of Mr. Flis and others that the W. Reymont Foundation does excellent work in the community. This does not diminish the seriousness of the issues surrounding Mr. Chrapka and his involvement with Mr. Miasik in this proceeding. Mr. Flis understandably wanted to stay above that fray.

[59] Until 2005, the bylaws of the W. Reymont Foundation provided that a majority of its directors would be appointed by the Head Executive Board of the PAC. Consistent with it being an arm of the PAC, the W. Reymont Foundation provided funding to the PAC to the tune of several hundred thousand dollars up to that time. The funding was secured by mortgage against Place Polonaise. Under the terms of the most recent lending, the W. Reymont Foundation actually controlled the cash flow of Place Polonaise. It received the rent, paid the expenses and remitted any small excess to the Head Executive Board of the PAC. There is no doubting the sincerity of the pride felt by all witnesses who spoke about Place Polonaise. They were particularly pleased that Prime Minister Trudeau had attended the official opening of their crown jewel. As the PAC's financial fortunes lagged, its ability to maintain Place Polonaise lagged. Rents barely covered expenses. There was not enough activity at Place Polonaise to generate excess revenue. The building was old and was falling apart. Environmental issues arose with respect to the maintenance of the lengthy shoreline that made the property unaffordable in view of the Head Executive Board. Previous general conventions had already approved the sale of Place Polonaise in the event that the Head Executive Board was not able to turn its fortunes around.

[60] Messrs. Miasik and Chrapka, among others, claim to have been distraught over the notion of the loss of the jewel of the PAC notwithstanding the approval of the sale by one or more general conventions of members. They viewed the Head Executive Board as incompetent and they sought to prevent the sale of Place Polonaise. But Mr. Chrapka had a funny way of showing support for maintaining the property in that when Mr. Zawierucha approached him to renew the

PAC's mortgage, the W. Reymont Foundation demanded a business plan showing how the Head Executive Board could carry the property. But Mr. Chrapka knew full well by that time that the Head Executive Board could not carry the property and was seeking to sell it. The plaintiff suggests, with much logic and force, that Mr. Chrapka and Mr. Miasik (wittingly or not) were actually engaged in an effort to destroy the PAC and take its properties. The steps taken by Mr. Chrapka and the W. Reymont Foundation, with the assistance of Mr. Miasik and Branch 1-7 are consistent with this argument. First, in early 2005, the W. Reymont Foundation amended its bylaws to remove the PAC's majority control over its board of directors. Shortly thereafter, both Mr. Chrapka and Mr. Miasik resigned from the Head Executive Board. In October, 2005, Mr. Miasik led a campaign for the successful amendment to Article 8 of the PAC constitution that is discussed below. At a meeting of branch presidents in early 2006, Mr. Chrapka offered to have the W. Reymont Foundation purchase Place Polonaise. He offered to pay $200,000 per year for an undisclosed period of time. This represented but a small fraction of the fair market value of Place Polonaise and engendered a very negative response at the meeting. Mr. Chrapka sued one participant in the meeting for defamation as a result. Other litigation ensued. In August 2006, Branch 1-7 purported to secede from the PAC as is also dealt with below.

[61] In early 2008, Mr. Chrapka, Mr. Miasik, and representatives of other branches with properties sent letters to the Ministry of Government Services purporting to be members in good standing of the PAC complaining about irregularities at the 2007 general convention of the PAC. By that time Mr. Miasik had resigned from the PAC and Mr. Chrapka had been suspended. Both Mr. Chrapka and Mr. Miasik acknowledged in their evidence that the letters were deliberately intended to interfere with the closing of a sale of Place Polonaise for approximately $11 million that had been negotiated by the Head Executive Board. The sale subsequently aborted. The property was ultimately sold in 2010 for about $8 million, which was about $3 million less than the aborted sale price. Among Mr. Miasik's complaints is that there has yet to be an accounting by the Head Executive Board for the proceeds of sale. Mr. Miasik has adopted a two-headed position in which he purports to remain deeply committed to and interested in the affairs of the PAC years after having tried to lead a mass exodus and himself resigning from the organization. However, that is not to say that there is no force to his concerns. In fact, the plaintiff admits that to the extent proceeds have been received to date from the sale of Place Polonaise, they have been fully expended by the Head Executive Board on operations, principally consisting of legal fees.

[62] In 2010, the PAC amended its constitution to remove the W. Reymont Foundation as the residuary beneficiary of its assets and replaced it with other charities committed to Polish culture. Mr. Chrapka admitted in cross-examination that once his organization was no longer the beneficiary of the PAC's properties, he lost interest in dealing with the PAC.

[63] It is clear that Mr. Chrapka and Mr. Miasik perceived the PAC as a weak target. Mr. Chrapka sought to deprive the PAC of mortgage funds – perhaps with good commercial cause – but he cannot have believed in good faith that PAC could keep Place Polonaise. His offer to take it off the PAC's hands for a pittance was telling. The group effort then to try to prevent the sale and invite the government to investigate the PAC similarly could not have been a good faith effort to save Place Polonaise for the PAC and is explicable only as an effort to obtain Place Polonaise for Mr. Chrapka and/or to injure the PAC to reduce its perceived threat to the

Lakeshore Property and the other properties of the other branches involved. Mr. Miasik seeks to excuse his deliberate interference in PAC's sale because of his love for the PAC. He said that "when one listens to his heart instead of his head, he often ends up with the short end of the stick". I cannot tell if his involvement was just a naive association with his enemy's enemy or if, as suggested by Mr. Waldmann, he wanted protect his hold on the Lakeshore Property. While Mr. Miasik's actions are consistent with an effort to wrest the Lakeshore Property from the PAC, there is no basis to say that Mr. Miasik was seeking to do so for personal gain as opposed to protecting the members of Branch 1-7 from losing the Lakeshore Property to the feared redevelopment by the Head Executive Board and Ms Betowski.

(4) The 2005 General Convention

[64] In October 2005, the PAC held its general convention in Brantford. In preparation for a convention, the constitution requires branches to give six months notice of any proposed amendments to the PAC's constitution. Upon receipt of notice from the branches, the Head Executive Board is required to circulate the proposals to all branches three months prior to the convention. The lengthy notice periods are required so that each branch can meet, appoint, and instruct delegates for the convention.

[65] It seems apparent that the defendants, in conjunction with other land-owning branches, determined to bring forward a constitutional amendment to alter article 8 to try to eliminate the argument propounded by the Head Executive Board then and at trial that the PAC owns the branches' properties. Mr. Miasik obtained legal advice about the proposed constitutional amendments days prior to the convention. Delegates who attended the convention volunteered to sit on various committees. Mr. Miasik, Mr. Chrapka and their supporters determined to stack the Constitution Committee.

[66] Several months prior to the convention, proposals to amend Article 8 were advanced by a number of branches. The Head Executive Board denies receiving any of the proposals. The defendants were not able to produce any transmittal sheets, or cover letters evidencing that the wording proposed by the branches was actually sent to and received by the Head Executive Board. Ms Szramek, who was then secretary to the Head Executive Board, testified that no proposals to amend the constitution were received by the Head Executive Board. In cross-examination she seemed to concede that a proposal was received from Branch 43. She reasserted her denial in reply. She also conceded in cross-examination that a proposal was received from Branch 5. However in reply she said that the proposal contained only one page of proposed amendments that did not include Branch 5's proposal concerning Article 8. The acknowledged receipt of Branch 5's proposal, such as it was, without a cover sheet or transmittal letter, takes some of the force from the plaintiff's argument that the absence of cover sheets or transmittal records compels the conclusion that the proposals were not received. Ms Szramek could not explain why, without receiving any proposals, the Head Executive Board discussed proposals to amend Article 8 in June 2005. Nor could she explain why she listed constitutional amendments on the agenda for the convention that she circulated to the branches. Ms Trytko claimed that prior to the convention, Branch 5 withdrew the proposal that it made. No other witness said this. Mr. Zawierucha said that the Branch 5 proposal was rejected as it was not received on a timely basis. That is, it was received (if only the one page).

[67] At the convention, when it came time for members to divide into their various committees, the defendants and representatives of the land owning branches attended the Constitution Committee for which they had signed up previously. Mr. Miasik was elected as Chair of the Committee. Mr. Zawierucha was also on the Committee. Mr. Sikora, the representative of the Head Executive Board for this committee, advised the Committee that the Head Executive Board had determined that no changes to the constitution were required. The Committee disagreed and determined to go through the constitution article by article. Mr. Sikora had with him a file folder containing various branch proposals to amend Article 8. The Committee required Mr. Sikora to distribute the proposals and then discussed them. The Committee started at Article 1 of the constitution and went through each article until it ran out of time after discussing Article 8.

[68] The result of the debate at the Constitution Committee was a consensus to take amendments to Article 8 to the floor of the convention that afternoon, one translation of which is:

Article 8

a) Funds, property and chattels of the Alliance Branches considered as an entity, are owned by the Polish Alliance of Canada particular Branch as well as corporations appointed by that Branch, regardless of the method of acquisition and legal title.

b) Each member and Director of Corporation duly registered by the Alliance Branches and other Organizational Groups will have to meet the requirements to be a full member of the Polish Alliance of Canada.

[69] Subparagraph (a) of the amendment was the upshot of the various proposals put forward by the branches. Subparagraph (b) was suggested by Mr. Zawierucha and was adopted by the Committee and the convention.

[70] Another issue arose at trial when Mr. Zawierucha denied that he signed the Constitution Committee report that appears to bear a copy of his signature as well as those of all of the members present. He was clear and resolute that he did not sign the document and that his signature must have been added to the copy presented at trial. When confronted with the original document that clearly bears his signature, he tried on a few different explanations before settling upon simply stating that he did not remember signing the document. In his zeal to depict the defendants as forgers, Mr. Zawierucha displayed his own one-sided bias that affected his memory at least if not his truthfulness.

[71] The plaintiff argues that the amendments were not validly made because notice was not provided six months in advance by the branches or three months in advance by the Head Executive Board. It seems to me that on a balance of probabilities the Head Executive Board was provided with timely notice of the proposed amendments. No mention of any concern about a lack of notice was recorded in the minutes of the convention. Nor did the Head Executive Board communicate the issue to the branches over the next two years. To the contrary, in March

2006, the Head Executive Board invited Mr. Miasik to re-constitute the Constitution Committee in order to continue the work from the 2005 convention. Mr. Zawierucha testified that he obtained legal advice before December 21, 2005 that the amendment was void due to lack of six months notice. Contrary to what Mr. Zawierucha said, Ms Betowski testified that a lawyer was not consulted for some time because the Head Executive Board had no money to do so. She said that she determined for herself that the amendment was void because she felt it would illegally allow the assets of a not-for-profit corporation to be distributed to members. Ms Betowski did not say where she obtained this legal knowledge. Her statement assumes that the assets are beneficially owned by the PAC. She assumes that the branches are free to transfer assets to their members or to shareholders despite members' beneficial title to the assets. There are far too many assumptions in that statement for it to be regarded as anything more than an *ex post facto* justification.

[72] I cannot accept the evidence of Mr. Zawierucha, Ms Szramek and Ms Trytko on this issue. Mr. Zawierucha was not a trustworthy witness. His testimony was impeached more than once, was inconsistent with that of Mrs. Betowski and Ms Trytko on details and he had a convenient memory. Ms Szramek and Ms Trytko were both argumentative and seemed to be zealously maintaining the party line that the constitution was not amended at the 2005 convention even when their evidence came into conflict with the contemporaneous documents of the PAC, i.e. the agenda and the minutes of the convention that the PAC Head Executive Board wrote and approved.

[73] The PAC cannot shelter under its own failure to circulate the proposed amendments to branches. The plaintiff's witnesses admit that they received some proposals from Branch 5. They knew enough to discuss proposals in advance and reject them; to put the constitution on the agenda; and for Mr. Sikora to have the branches' proposals with him at the Constitution Committee meeting.

[74] Mr. Waldmann also argued that because notice is required under the constitution, if I found that some proposals to amend Article 8 were received, there could be no amendments to those proposals as was done by the Constitution Committee and approved on the floor of the convention. He provided no law to support that argument and I do not believe it to be correct. Provided that there was due notice of the substance of the proposed amendments, as I find there was, it was open to the convention to consider, amend, and pass whatever final proposal the delegates deemed appropriate.

[75] The convention considered the constitutional amendments proposed by the Constitution Committee. One member suggested that since the Constitution Committee had only reached Article 8 in its deliberations, the approval should be deferred until the entire work of the Constitution Committee was done. Mr. Miasik spoke against that proposal and the convention proceeded to pass the amendments by the requisite 2/3 majority.

[76] I need also mention that prior to the 2005 convention, Branch 1-7 had not been granted any delegate credentials for the meeting. This is because the branch had more than one year previously determined that they would refuse to forward fees to the Head Executive Board to protest the alleged lack of response to their ongoing complaints. Under the constitution, a

member whose fees are in default for three months is suspended. Members whose fees are in arrears for one year are automatically expelled. Accordingly, the Head Executive Board took the position that there were no members of Branch 1-7 entitled to attend the 2005 general convention. However, the floor of the convention determined to allow Branch 1-7 two delegates provided that they paid all arrears that day and provided a list of members. Branch 1-7 immediately paid the portion of the members' fees that they had collected for the Head Executive Board. However they never provided a full list of members. It appears that they paid fees for approximately 80 members.

(vi) Branch 1-7 Purports to withdraw from the Polish Alliance of Canada

[77] After having obtained the amendment to article 8 of the PAC Constitution, Mr. Miasik determined that the time was right for the branch to withdraw. Branch 1-7 placed a notice in a Polish newspaper of a proposed extraordinary meeting of the branch to be held on May 28, 2006. The notice contained no detail about the substance of the business proposed for the meeting other than stating that it was important. The minutes of the meeting record the presence of 25 members. The following motion was approved:

> We hereby authorize the Branch 1-7 Board of the Alliance to fully separate the Branch from the Head Executive Board. Until the procedure is completed, we authorize the Branch 1-7 board to retain a counsel in order to legally execute the decision voted for by the Branch membership.

[78] In furtherance of the membership approval, such as it was, the branch executive obtained a legal opinion of Mr. Les Sosnowski dated July 6, 2006. In setting out the facts upon which his opinion was based, Mr. Sosnowski recites that the building used by Branch 1-7 is owned by PATL which is not a member of the PAC. He wrote, "The Branch has no significant assets whatsoever, especially it does not own any real estate." Mr. Sosnowski's ultimate opinion was that nothing in the statute or the constitution of the PAC prevents the members of the branch withdrawing and he opined that the resolution to affect the withdrawal of the branch "is a valid resolution". He qualified his opinion as follows:

> Because Branch 1-7 does not own any real estate nor does it have any other significant assets there is no need for me, at this time, to consider the implications of Art. 8 or the amendments made by the general meeting of the Alliance on October 8-9, 2005 to Art. 8 of the Constitution.

[79] By letter dated August 30, 2006, the eight individual defendants informed the Head Executive Board that "effective immediately, Branch 1-7 is hereby withdrawing from the Polish Alliance Canada".

[80] In my view, the effort to withdraw Branch 1-7 from the PAC was doomed from the outset and was invalid. While members may leave and may call themselves any name they choose in their new iteration, no matter what they may call themselves, upon resigning from the PAC they are manifestly no longer "members of Branch 1-7 of The Polish Alliance of Canada" in whom equitable title to the branch's property rests. Less than one-third of the members of the branch

were in attendance at the meeting. There was no unanimous consent provided by the near 80 branch members. The general rule is that a branch may not disaffiliate without the unanimous consent of its members, unless its rules provide otherwise: *John v. Rees*, [1970] 1 Ch. 345, at p. 391. The form of notice of the meeting did not give members any notice of the substance of the resolution to be put before the meeting. Therefore, I would not consider the possibility that the unanimous consent of the membership might be inferred from the unanimity of those present at the meeting as suggested by Wilson J.A. in *Polish Veterans*, *supra*, at pp. 345-46. Without unanimity of the branch, I do not need to consider if unanimous consent of the full membership of the PAC would have been required.

[81] Had I believed that every member of the Branch 1-7 knew and understood that he or she had not been a member of the PAC for the past eight years, my approach might have been different. However, as far as I can tell, no one has ever provided the members of Branch 1-7 of the PAC with notice of the steps purportedly taken on their behalf. Certainly there were some press reports in the community at the time. But the group that left continued to call itself Branch 1-7. They continued all trappings of being a PAC branch including using the same clubhouse, holding the same monthly meetings, and holding the same annual events. The members have continued to pay their dues after as before August 26, 2006. The PAC has not notified members that the people purporting to represent Branch 1-7 are not properly representatives of the PAC and have not been passing on the constitutionally-required portion of members' dues to the Head Executive Board. PAFS, an insurer, has not provided notice to the few remaining insured members that they have paid their premiums to pretenders who have not paid them to the insurer and unless paid within a specific time, their long-standing insurance coverage will lapse.

[82] In my view, the effort to withdraw Branch 1-7 from The Polish Alliance of Canada failed. It still exists and its members continue other than the eight defendants who resigned and any others who have knowingly done so. The automatic expulsion was not applied at the 2005 convention. Members of Branch 1-7 did not have to re-apply or re-join the PAC. The branch continued to exist and its delegates participated in the 2005 convention. In a similar vein, more than one year after the branch purported to secede, the Head Executive Board offered to discuss an issue concerning the ownership of a statue with Mr. Miasik provided that the branch paid its dues. Even at that late date, all that was sought was payment of arrears. Mr. Zawierucha even addressed his letter to "Branch 1-7 of the Polish Alliance Canada".

[83] During the trial, I pointed out to the parties the significance that I attach to the picture at page 116 of volume 2 of Exhibit 6. The picture is from the gala celebration of the 100th anniversary of The Polish Alliance of Canada Branch 1-7 in 2007. The picture shows a tuxedo-clad Mr. Zawierucha standing with Mr. Miasik in the Lakeshore Property under a banner displaying the logo of the Polish Alliance of Canada that says:

POLISH ALLIANCE OF CANADA BRANCH 1-7 WELCOMES YOU
100TH ANNIVERSARY

[84] More than one year after the defendants purported to withdraw Branch 1-7 from the PAC, the Head Executive Board continued to recognize the branch publicly. The Head Executive Board and the branch have continued operations in a seamless way to members and the public.

In my view, this represents the true state of affairs between these parties when viewed through Megarry V.-C.'s lens of reasonableness, fairness and common sense. Notwithstanding the machinations and legal structures that the parties have attempted to erect, there is an uneasy truce awaiting the outcome of these proceedings. The plaintiff knows that it cannot credibly assert that it is entitled to take the Lakeshore Property from the members of the branch. However, neither can eight disgruntled members withdraw the branch from the PAC while purporting to continue to be the same organization with the same property rights.

[85] In 2010, the defendants purported to re-brand themselves as Branch 1 of the PAFS. They did so to try to fit themselves within a letter written in 1965 in which Branch 1 of the PAFS asserted ownership of the majority shareholdings of PATL. Although the 1965 letter refers to the majority shares of PATL being held by "Branch 1 of the PAFS", the letter was signed under the seal of Branch 1 of the PAC. It is just another example of the interchangeability and confusion among the two different entities. There is no suggestion that Branch 1 of the PAC ever operated the PAFS insurance system. In fact, the defendants' reliance on the *Golden Jubilee Brochure* contradicts that. Moreover, the members of PAFS must hold insurance. All of the defendants' witnesses were clear in asserting that the Lakeshore Property is held for all of the members of Branch 1-7 and not just the very few remaining insured members. Since they have been calling themselves "Branch 1 of the PAFS", the defendants have never sought to obtain the PAFS's books, records or bank account from the PAC. They have purported to recognize and pay some $300 claims from the estates of deceased members but those payments are as easily characterized as compensation by the defendants to hide from the members the fact that they may have jeopardized the members' insurance benefits by purporting to leave the PAC and failing to pass on PAFS members' premiums.

[86] In order to facilitate their withdrawal, the defendants filed several documents with various government entities purporting to be PAFS, to appear to be directors and officers of PAFS, and to be entitled to a municipal business license to operate PAFS. These documents were not properly filed and do not reflect the true state of affairs. At no time have any of the defendants been authorized by PAFS or its members to represent, operate, bind, or to be officers or directors of PAFS. Even if they honestly believe themselves to be the successors of the "mother branch", they had no legal basis to usurp that corporation without obtaining proper authority of the corporation in accordance with its bylaw or constitution.

(vii) The 2007 General Convention of the PAC

[87] At the 2007 convention, after Mr. Zawierucha was re-elected as President, with no notice to branches whatsoever, he took the floor and moved to rescind the 2005 amendment to Article 8 because he said it was void for lack of notice. The proposal passed. If the 2005 amendment was indeed void, then there was no need to rescind it. The motion could only have vitality if the 2005 amendment was valid. If the 2005 amendment was valid, as I have found, then a proposal to amend it required notice just as the 2005 amendment did. The minutes record Mr. Zawierucha referring to the 2005 amendment as a "major change" with "significant implications" for the PAC. (So much for the evidence of the plaintiff's witnesses who echoed the party line that the 2005 amendment was not passed because it was simply a proposal for future consideration.) At trial, Mr. Zawierucha tried to deny saying that the 2005 amendment was a major change. He

claimed that he was referring to the proposed changes to the *Corporations Act*. Try as he might, the 2007 meeting minutes, as drafted for and circulated for approval by the Head Executive Board, cannot be bent to that shape. These are just more examples of witnesses' testimony straying from credibility when they try to mouth the party line instead of testifying to what they actually recall. As I have found the 2005 amendments valid, the 2007 amendments are invalid for the very want of notice that the plaintiff alleges against the defendants.

Summary

[88] In my view, as I said above, PATL and the trustees of 32 Twenty-Fourth Street hold title to their respective properties in trust for the members from time to time of Branch 1-7 of the Polish Alliance Canada. The branch continues to exist notwithstanding the actions of the defendants. It consists of those members of the PAC who have never communicated a knowing resignation to the PAC and who continued to pay dues to the branch in the hands of the defendants subsequent to August 26, 2006.

[89] I do not see the 1999 version of Article 8 affecting that outcome. Legal title of PATL to the Lakeshore Property, the legal title of the trustees of 32 Twenty-Fourth Street, and the equitable title to both properties in the members from time-to-time of Branch 1-7 are not assets of the PAC or its branches as a whole under Article 8. This is consistent with the application of Article 9 throughout and to date. But branches themselves cannot own property despite the internal organization of the PAC. Article 59 provides that property thought internally to be held by the branch for its members is in fact legally held by the PAC in trust for the members. Under Article 59, it is apparent that management of the legal title is delegated internally to the branch. The amendment to Article 8 cannot have constituted the branches as legal entitles capable of owning property at law. The members of the PAC do not have that authority. They can write their own internal law only. Perhaps the amendment can be viewed as a written confirmation of the intention of the internal law which I have referred to as delegation above. However, the amendment also sweeps into the purview of the PAC the management of the corporations holding properties for the branches. Mr. Zawierucha convinced Mr. Miasik and the Constitution Committee to add article 8(b) to the amendment and it was accepted by the convention. Although the PAC cannot force PATL to do anything, the members of the PAC can agree on how to deal with their shareholdings in corporations like PATL and they seem to have done so. Once the executive of Branch 1-7 is reconstituted, an early order of business for the executive will be to elect a proper board of directors for PATL in accordance with Article 8(b) of the constitution.

[90] Early in the trial, I advised counsel and the parties that I had the authority to add terms or conditions to any declaration that I might make and I invited counsel to consider terms that might be appropriate - especially any that might be helpful to protect the membership generally. I have the authority to add terms to my declaratory orders whether under the general law and rules applicable to declaratory orders (see *Jordan* v. *McKenzie* (1998), 3 C.P.C. (2d) 220 (O.H.C.J.)) or as an additional issue that I am authorized to raise under the Order to Campbell J. establishing this trial of the issues. That is, I raised an issue as to the remedial terms that should properly follow from the declarations being sought. Counsel both proposed terms and made argument on the terms proposed. In paragraph [22] above, I referred to terms suggested by Mr. Romano to

alleviate concerns raised by the PAC with respect to the corporate structure of PATL. In closing argument, Mr. Waldmann for the PAC fairly invited me to make the following directions as conditions in respect of the declarations that he sought:

(A) The PAC will recognize as continuing members of Branch 1-7 of The Polish Alliance of Canada all those who were members as at August 26, 2006 without any requirement to re-apply or to pay arrears from August 26, 2006 provided that the members did not know that their dues were not being paid to the PAC;

(B) The PAC will accept membership applications for Branch 1-7 of The Polish Alliance of Canada in the ordinary course from anyone who qualifies other than the defendants; and

(C) The shares of PATL shown in the name of Branch 1 and Branch 1 members in the minute book of PATL as amended by Exhibit 33 should be held by the PAC.

[91] I agree that these are appropriate terms to make with the following additions:

(D) The following is added to Condition (C) above: "pending reconstitution of the executive of Branch 1-7 who will then then hold and administer the shares on behalf of the PAC. In both cases the shares are held in trust for the members of Branch 1-7 of the PAC";

(E) The PAC will take steps to reconstitute the executive of Branch 1-7 of The Polish Alliance of Canada in accordance with the constitution of the PAC provided that a meeting of members of the branch for that purpose shall be held as soon as is practicable and need not wait for the next annual general meeting;

(F) The parties shall agree on a neutral third party who will take control of the assets and undertaking of Branch 1-7 of The Polish Alliance of Canada pending the election of a new executive. If the parties cannot agree either may apply for the appointment of an interim receiver and manager for that purpose. I will hear that motion if it is brought; and

(G) The defendants, PATL, and all those managing the Lakeshore Property and 32 Twenty-Fourth Street are enjoined and prohibited from making any payments out of the ordinary course of business and from transferring in any manner any of any assets of PATL, any shares of PATL, the assets of Branch 1-7 of The Polish Alliance of Canada and any and all assets held in trust by any of them for the members of Branch 1-7 of The Polish Alliance of Canada pending delivery of same to the reconstituted executive of the branch, an interim neutral third party, or an interim receiver and manager as the case may be.

[92] In answer to the questions posed in the order of Mr. Justice Campbell constituting this trial of issues, I make the following declarations on terms (A) through (G) set out above:

(a) Other than the shares referred to in the next sentence, the legal owners of the shares of the Polish Association of Toronto Limited are the people listed in the minute book of the corporation as updated in the shareholders' list that is Exhibit 33 subject to any amendments that any shareholder may prove by succession or proper transfer. Legal title to the shares shown in Exhibit 33 as being owned by PAC-Br 1-members and any other branch of the PAC is held by the PAC but that management of that title is delegated to the executive of the relevant branch. All of the shares of PATL are held in trust for the members from time to time of Branch 1-7 of the PAC as properly constituted under the constitution of the PAC and in accordance with these reasons.

(b)(i) to (v) The legal owners of the Lakeshore Property and 32 Twenty-Fourth Street are, respectively, PATL and the defendants Argyris, Flis, Miasik, Rusek and Mr. Stan Rogoz as trustees. The beneficial owners of all of these properties are the members from time to time of Branch 1-7 of the PAC as properly constituted under the constitution of the PAC and in accordance with these reasons.

(vi) PATL is the legal owner of all of its assets and holds them all in trust for the members from time to time of Branch 1-7 of the PAC as properly constituted under the constitution of the PAC and in accordance with these reasons.

(c) Branch 1-7 of the PAC is an independent organization within the constitutional structure of the PAC. While not a legal entity, as between the parties it is recognized as distinct, can lend and borrow, manage property interests delegated to it, and exercise the rights of a branch under the PAC constitution.

(d) None of the defendants, the group under their executive leadership, or Branch 1-7 of the PAC is the PAFS or the PAFS Branch 1.

(e) If they are not already in the possession of the Head Executive Board of the PAC, the assets, records, documents, reports, correspondence, corporate seal and other material of PAFS shall be returned to the Head Executive Board.

Costs

[93] I do not regard either side as having been successful in this proceeding. The plaintiff's success is that it holds paper title to a corporation that is itself a trustee. That has no practical value. The plaintiff did not win equitable title to the properties. Moreover, its claim to own the branches' properties was not reasonable in light of its history and its own witnesses' testimony. The defendants had good reason to suspect the plaintiff's *bona fides*. The defendants, by

contrast, failed in their efforts to secede from the PAC with the properties of Branch 1-7. They proved that the members of Branch 1-7 hold equitable title to their properties, but the defendants themselves are not among those members/owners. Their days in the PAC are over due to their own choices. Moreover their acts, however motivated, may have seriously jeopardized the interests of the PAC as a whole and their own members' status and insurance.

[94] This litigation has been typified by tactics and a lack of cooperation. The 2007 effort by the PAC to repeal the amendment to Article 8 of its constitution and the 2013 shareholders' meeting of PATL are both examples of legally-driven, transparent, and ultimately invalid tactics. Both sides played production of documents games procedurally. There was little or no cooperation among counsel in preparation for the trial. There were surprises during the trial. Instead of a joint book of documents and cooperation as ordered at the pre-trial conference, hundreds of documents were filed unnecessarily with no prior agreement on admissibility. The testimony of the lead witnesses on both sides was repeatedly and successfully impeached. In all, neither side behaved like transparent and accountable fiduciaries fulfilling their duties of care, honesty and good faith as the members of the PAC are entitled to expect. I order that there be no costs of this trial of the issues.

F.L. Myers J.

Released: May 27. 2014

SCHEDULE

The following articles of the 1999 version of the corporate bylaw or constitution of the PAC are relevant:

ARTICLE 8

The assets of the Alliance and its Branches as a whole, regardless of how they were acquired and their legal title, are the sole property of the Polish Alliance of Canada, A Non Profit Organization.

ARTICLE 9

The exercise of the powers of ownership and the administration of the assets of the Alliance is governed by the Head Executive Board according to the directions of the General Conventions of the Alliance.

ARTICLE 59

...

(c) All proposed agreements regarding purchase and sale of real estate by the Branches must be submitted in writing to the Head Executive Board for approval.

(d) In the case of a sale of property agreed to by the Head Executive, all income derived from such sale will be held by the Head Executive Board until such time as a new Branch may be formed in the area. The General Convention retains the final decision as to the use of these funds.

(e) Branches which have sold their property cannot use the capital so derived for current expenses of the Branch. [emphasis added]

CITATION: The Polish Alliance of Canada v. Polish Association of Toronto Limited, 2014 ONSC 3216
COURT FILE NO.: CV-08-361644
DATE: 201405-

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

THE POLISH ALLIANCE OF CANADA

Plaintiff

– and –

POLISH ASSOCIATION OF TORONTO LIMITED, MAREK MIASIK aka MAREK ADAM MIASIK, MARIA MIASIK, JAN ARGYRIS aka LOUIS JOHN ELIE ARGYRIS aka LOUIS aka JOHN ARGYRIS, WLADYSLAW JASLAN aka WLADYSLAW JULIAN JASLAN, HELENA JASLAN, EUGENIUSZ SKIBICKI, CZESLAWA ERICKSEN, STANISLAW ROGOZ aka STAN ROGOZ, ALBERT JOSEPH FLIS and RICHARD RUSEK

Defendants

– and –

POLISH ASSOCIATION OF TORONTO LIMITED, MAREK MIASIK aka MAREK ADAM MIASIK, MARIA MIASIK, JAN ARGYRIS aka LOUIS JOHN ELIE ARGYRIS aka LOUIS JOHN ARGYRIS aka JOHN ARGYRIS, WLADYSLAW JASLAN aka WLADYSLAW JULIAN JASLAN, HELENA JASLAN, EUGENIUSZ SKIBICKI, CZESLAWA ERICKSEN, STANISLAW ROGOZ aka STAN ROGOZ, ALBERT JOSEPH FLIS and RICHARD RUSEK

Plaintiffs by Counterclaim

– and –

THE POLISH ALLIANCE OF CANADA, ROBERT ZAWIERUCHA, TADEUSZ MAZIARZ, ELIZABETH BETOWSKI, DANUTA ZAWIERUCHA, TERESA SZRAMEK, ANDRZEJ SZUBA, ADAM SIKORA, ELZBIETA GAZDA, STANISLAW GIDZINSKI, STANISLAW IWANICKI and TADEUSZ SMIETANA

Defendants by Counterclaim

REASONS FOR DECISION

F.L. Myers J.

Released: May 27, 2014

APPENDIX D

Collins Barrow

Collins Barrow Toronto Limited
Collins Barrow Place
11 King Street West
Suite 700, Box 27
Toronto, Ontario
M5H 4C7 Canada

T. 416.480.0160
F. 416.480.2646

www.collinsbarrow.com

June __, 2014

Dear _____:

Polish Association of Toronto, Limited ("PATL")

This is to advise that on June 20, 2014, Collins Barrow Toronto Limited ("**CBTL**") was appointed receiver and manager of Branch 1-7 of The Polish Alliance of Canada and Polish Association of Toronto, Limited (the "**Receiver**").

We understand that you are renting parking space in the parking lot of PATL's property at 2282 Lakeshore Blvd. W. (the "**PATL Lot**"). Please take notice that items that are on the PATL Lot are not insured under PATL's insurance policy and that neither PATL nor the Receiver assumes any responsibility whatsoever for your vehicle (or other property) or the contents thereof that are on the PATL Lot. By continuing to park on the PATL Lot, you acknowledge and accept that you park on the PATL Lot at your own risk.

Please continue to make your rent cheques payable to "Polish Association of Toronto, Limited" and to forward them to PATL at 2282 Lakeshore Blvd. W., Toronto.

If you have any questions, please contact the undersigned at 647-727-3621.

Yours truly,

COLLINS BARROW TORONTO LIMITED in its capacity as
Court Appointed Receiver and Manager of
Branch 1-7 of the Polish Alliance of Canada and
Polish Association of Toronto, Limited
and not in its personal capacity

Per: Brenda Wong
Senior Manager

APPENDIX E

Brenda Wong

From: Daniel Weisz
Sent: Wednesday, July 02, 2014 4:12 PM
To: peter@peteriwaldmann.com
Cc: Shea, Patrick; Brenda Wong
Subject: PAC - Election Matters
Attachments: Branch 1-7 Membership ledger.pdf

Peter,

With reference to our conference call today with you, Patrick, Brenda and me, please find enclosed a copy of the membership ledger we obtained from the premises in respect of Branch 1-7.

As discussed, we request that you provide us with a list setting out the parties that PAC believes is eligible to vote at a meeting to reconstitute the executive of Branch 1-7, together with PAC's reasoning for either adding to, or deleting, names from the attached ledger.

In addition, we discussed that it would be prudent for (i) the voting list; (ii) the process to conduct the vote; and (iii) the process for nominating members of the executive, to be approved by the Court and in that regard we requested that you provide us with the process(es) you suggest be put forward in that regard.

Lastly, you indicated that PAC would like to attend at the Branch 1-7 premises. As we discussed, it would be helpful if PAC could advise us in advance as to the documents it wishes to see in order that we can attempt to have that information available ahead of time.

Please let me or Patrick know if you have any questions on the above or require any additional information.

Thank you,

Danny

Daniel Weisz, *Senior Vice-President* | Collins Barrow Toronto Limited
T: 416-646-8778 F: 416-480-2646 E: dweisz@collinsbarrow.com
11 King St. W., Suite 700, Box 27, Toronto, Ontario, Canada, M5H 4C7

An independent member of Baker Tilly International

Connect with me on LinkedIn: http://ca.linkedin.com/in/danielweisz

FILED SEPARATELY DUE TO PERSONAL INFORMATION BEING REFLECTED IN THE LEDGER

APPENDIX F

PETER I. WALDMANN
BARRISTER & SOLICITOR
member of the British Columbia, Ontario, USCA (11th Cir.) and New York Bars

PETER I. WALDMANN PROFESSIONAL CORPORATION

183 Augusta Avenue
Toronto, Ontario
CANADA M5T 2L4
Email: peter@peteriwaldmann.com
TEL: (416) 921-3185
FAX: (416) 921-3183

July 10, 2014

Daniel Weisz
Senior Vice-President
Collins Barrow Toronto Limited
11 King Street West - Suite 700
Toronto, Ontario M9W 6R2

By email attachment

Dear Mr Weisz:

RE: The Polish Alliance of Canada v. Polish Association of Toronto Limited et al.
Court File no. CV-08-361644

My client has examined the Branch 1-7 Membership Ledger which you forwarded. You indicated the Membership Ledger was found in the Lakeshore premises where the locks were changed.

The Membership Ledger had not been disclosed before, and my client has now examined it.

From my client's examination, there appear to be no eligible members for re-admission on the basis that they paid dues without knowing their dues were not being paid to the PAC (para. 1 of the May 27, 2014 Order of Justice Myers).

Most of the persons listed stopped paying dues to the Branch some time earlier and lost any claim to membership. Many were never members of PAC prior to August 26, 2006, or are deceased. Only 13 former PAC members are shown in the Membership Register as current in paying dues. Of these, 5 are immediate family members of the Defendant. All of these 13 would be aware of the purported separation by the Defendants from PAC in 2006 and that their dues were not being forwarded. For instance, two of these 13 are identified in the Minutes of the May 28, 2006 Branch meeting where there was a unanimous vote of those present to separate. The attendance list for that meeting has not been produced.

In the circumstances, we may have to schedule an attendance before the Court to address the mechanics under the PAC Constitution for PAC to reconstitute Branch 1-7 of PAC.

Yours truly,

PIW/ts
cc. Bernie Romano

APPENDIX G

gowlings montréal · ottawa · toronto · hamilton · waterloo region · calgary · vancouver · beijing · moscow · london

July 14, 2014

VIA FACSIMILE

E. Patrick Shea
Direct 416-369-7399
patrick.shea@gowlings.com
File No. T998294

Peter I. Waldmann
Barrister & Solicitor
183 Augusta Avenue
Toronto, ON M5T 2L4

Dear Mr. Waldmann:

Re: The Polish Alliance of Canada ("PAC") v. Polish Association of Toronto Limited et al
Court File No. CV-08-361644

Thank you very much for your letter dated 10 July 2014.

In order to properly consider your assertion that there are no members of Branch 1-7 that would, according to the decision of Mr. Justice Myers of 27 May 2014, be able to vote at a meeting to reconstitute the Branch 1-7 Executive, we require some additional information from your client. Specifically, we would like your clients to answer the following questions:

1. Can your client please identify, by name, the individuals listed on the Membership Ledger that it asserts are deceased.

2. Can your client please identify, by name, the individuals that it asserts are not current in the payment of dues, the basis for the assertion and why this fact excludes them from being able to vote at a meeting to reconstituting the Branch 1-7 Executive?

3. Can your client identify, by name, the individuals that it asserts were members of Branch 1-7 prior to 26 August 2006 but not PAC, why these individuals were not members of PAC and are not entitled to be members of PAC, and why they are not entitled to vote at the meeting to reconstitute the Branch 1-7 Executive?

4. Can your client please identify, by name, the 13 individuals that it asserts would be members of Branch 1-7 were it not for the fact that your client believes that they had knowledge that their dues are not being forwarded to PAC and the basis for your client's assertion that each of these individuals had knowledge that their dues were not being forwarded to PAC. Can you also please provide the relationship your client believes exists between the 5 "immediate family members" of the Defendants and the Defendants.

We would also like your clients to address how if proposes that potential Executive members for Branch 1-7 be nominated. The PAC Constitution contemplates that at the Branch meeting prior

to the election of the Executive a nomination committee will be elected by the members of the Branch and that nominating committee will propose a slate of candidates for the Branch Executive (Article 9.3.9).

Once we have had an opportunity to consider your response to the foregoing, we will prepare a report and make arrangements for an attendance before His Honour to seek directions.

Sincerely,

GOWLING LAFLEUR HENDERSON LLP

E. Patrick Shea
EPS:fs

cc: Bernie Romano
Client

TOR_LAW\ 8476847\1

APPENDIX H

PETER I. WALDMANN
BARRISTER & SOLICITOR
member of the British Columbia, Ontario, USCA (11th Cir.) and New York Bars

PETER I. WALDMANN PROFESSIONAL CORPORATION

183 Augusta Avenue
Toronto, Ontario
CANADA M5T 2L4
Email: peter@peteriwaldmann.com
TEL: (416) 921-3185
FAX: (416) 921-3183

July 21, 2014

E. Patrick Shea
Gowlings
Barristers & Solicitors
1 First Canadian Place
100 King Street West
Suite 1600
Toronto, Ontario M5X 1G5

by email attachment

Dear Mr Shea:

RE: The Polish Alliance of Canada v. Polish Association of Toronto Limited et al.
Court File no. CV-08-361644

Further to your request in your letter of July 14, 2014:

1) Attached as Schedule A is a list of 37 former Branch 1-7 members shown as deceased in the Membership Ledger which Mr. Weisz located on the Lakeshore premises;

2) Attached as Schedule B is a list of 20 persons shown in the Defendants' Membership Ledger who have never been admitted to membership in PAC, and joined the Defendants' group after it purported to secede from PAC or Branch 1-7 never submitted their membership to PAC for admission as required under the Constitution for membership;

3) Attached as Schedule C is a list of members who did not pay dues in 2005, as membership automatically is lost if dues are not paid for a year under the 1999 Constitution, or 3 months under Article 4.8.1.2 of the March 27, 2010 current Constitution;

4) Attached as Schedule D is a list of members who stopped paying dues or failed to pay dues to the Defendants' Group for at least a year between 2006 and 2013; and

5) Attached as Schedule E is a list of 9 members who are shown on the Membership Ledger located on the Lakeshore Premises as having paid dues to the Defendants' Group but would have known their dues are not being forwarded by the Defendants to the PAC; these include three members who are shown as being in the Minutes of the May 28, 2006 branch meeting when there was a unanimous vote to secede from the PAC; in addition listed are 8 immediate family members of the Defendants, most of whom are also listed on Schedules C and D above, but who would have known their dues are not forwarded

At this point, the Defendants have not disclosed the attendance list for the 25 members who unanimously voted to secede from the PAC at their May 28, 2006 meeting. However, the Minutes of that meeting identify 3 persons who are noted as being present and must have voted in favour of leaving the PAC.

The PAC proposes to invite membership applications by way of advertisement. The potential interested persons will asked to submit application forms in the usual way, along with initial dues. The membership applications together with dues will be forwarded to the Head Executive Board in accordance with Article 4.5 of the Constitution and the Head Executive Board will determine acceptance of the membership application in accordance with Article 4.5.2.

In addition, any PAC member who wishes to change branch affiliation to Branch 1-7 may apply for approval from the Head Executive Board so long as they reside in the geographic area of Branch 1-7.

To create a branch requires at least 12 membership applications under s. 9.1 of the Constitution.

There is no provision for reconstituting a branch which has no members in the Constitution, although there is provision for the Head Executive Board to dissolve an existing branch if there are no members: Article 9.2 of the Constitution.

The PAC proposes that a minimum of 12 members is appropriate to reconstitute Branch 1-7. The Head Executive Board will follow the procedure in Article 9.1 by giving a notice by mail to the accepted members of the reconstituted branch's next meeting.

At that meeting, the members then in good standing by reason of their membership applications and dues being accepted, may attend. Those members in good standing attending will vote for a new executive. Although a nomination committee process is set out in Article 9.3.9 for existing branches prior to the January Annual Meeting, as the Order of the Court directs this to proceed prior to the usual Annual Meeting, a nominating committee step is not needed.

Note, the branch requires 9 executive members. under Article 9.3.12 (not including past-President which does not apply in these circumstances), plus Audit Committee, Grievance Committee, delegates, etc. under Article 9.3.8. The oath of office under Article 9.3.11 would be administered by a member of the Head Executive Board.

I trust the above is of assistance to you.

Yours ~~truly~~,

PIW/ts
Encls.
cc. Daniel Weisz (Collins Barrow)
Bernie Romano

SCHEDULE A

The following people included in the records retrieved by the Receiver passed away

		Member #	
1.J	Daszkiewicz	2044	Died 2000
2. Agata	Bugaj	1084	Died 2002
3. Helena	Bialy	11359	Died 2003
4. Helena	Daszkiewicz	2034	Died 2005
5. Henryk	Engler	8718	Died 2005
6. Mike	Gulbinski	12125	Died 2000
7. Stefan	Prus	1094	Died 2001
8. Stefania	Syposz	1349	Died 2001
9. Michal	Wolnik	1735	Died 2001
10. Aniela	Kotulska	6284	Died 2002
11. Adele	Pawlowska	10643	Died 2002
12. Felicja	Rychlicka	7385	Died 2002
13. Jan	Zak	4500	Died 2002
14. Julian	Goldas	5097	Died 2003
15. Paulina	Urbanska	11383	Died 2003
16. Karol	Mohr	2507	Died 2004
17. Janina	Kuberska	5060	Died 2005
18. Janina	Purcelewska	11380	Died 2005
19. Feliks	Radomski	6263	Died 2005
20. Anna	Swistara	1410	Died 2005
21. Jozef	Gumienny	12172	Died 2006
22. Jozef	Kowalski	8205	Died 2006
23. Jean	Roslaniec	11979	Died 2006
24. Stanislaw	Trzeciak	1712	Died 2006
25. Karol	Pisarzowski	11917	Died 2007
26. Michalina	Wolnik	1736	Died 2007
27. Katarzyna	Kostecka	2001	Died 2008
28. Ludwik	Krawczyk	12092	Died 2008
29. Albert	Klemensiewicz	2517	Died 2009
30. Waclaw	Kucharski	11348	Died 2009
31. Jozef	Stochon	None	Died 2009
32. Mieczyslaw	Zalewski	11883	Died 2010
33. Adolf	Sosiewicz	1285	Died 2011
34. Wladyslaw	Jaslan	7194	Died 2011
35. Wanda	Wimmer	1138	Died 2011
36. Eugieniusz	Skibicki	7895	Died 2013
37. Cecylia	Tomecsko	None	Died 2013

SCHEDULE B

The following people never joined the PAC, but joined Miasik's group:

	Name		Date of joining Miasik	Last dues Paid to Miaisk's Group
1.	Eugnieniusz	Neuff	2005	2014
2.	Ksawera	Neuff	2005	2014
3.	Helena	Celej	2005	2014
4.	Teresa	Chudoba	2007	2014
5.	Barbara	Glogowska	no dues paid	
6.	Krzysztof	Gora	2005	2014
7.	Urszula	Gora	2005	2014
8.	Anna	Gulbinska	Never admitted to PAC; no dues paid	
9.	Halina	Kwiatkowska	2011	2011
10.	Marlena	Matyszczuk	2007	2013
11.	Bozena	Najgebaur	2009	2014
12.	Pawel	Najgebauer	2009	2014
13.	Janina	Pomorska	2005	2013
14.	Lucjan	Pomorski	2005	2013
15.	Andrzej	Rabczak	2007	2013
16.	Halina	Rabczak	2007	2013
17.	Marianne	Rabczak	2007	2013
18.	Wladyslaw	Rabczak	2007	2013
19.	Arthur	Skibicki	2008	2013
	son of Defendant Eugieniusz Skibicki			
20.	Teresa	Skibicka	2006	2013
	wife of Defendant Eugieniusz Skibicki			

SCHEDULE C

The following individuals stopped paying dues in 2005:

1	Jadwiga	Bilicz	Did not paid dues and died
2	Jozef	Dumanski	Did not pay dues
3	Mary	Dumanski	Did not pay dues
8	Wanda	Krawczyk	Did not pay dues
9	Marek	Miasik	Did not pay dues
10	Adam	Miasik	Did not pay dues
11	Andrzej	Miasik	Did not pay dues
12	Maria	Miasik	Did not pay dues
13	Piotr	Miasik	Did not pay dues
14	Renata	Miasik	Did not pay dues
15	Ewa	Miasik	Did not pay dues
17	Irena	Tilley	Did not pay dues

The Miasik family never paid dues in 2005.

SCHEDULE D

Members who lost membership due to non-payment of dues for 1 year
2006 - 2013

The following members stopped paying dues in 2006:

1	Jan	Dzida	Did not pay dues
2	Stanislaw	Knopp	Did not pay dues
3	John	Wolwowicz	Did not pay dues
4	Bernice	Zub	Did not pay dues

The following members stopped paying dues in 2007:

1	Jadwiga	Dunwoody	Did not pay dues
2	Harriet	Jasinski	Did not pay dues
3	Jozef	Kowalski	Did not pay dues
4	Barbara	Snaglewski	Did not pay dues

The following members stopped paying dues in 2008:

1	Andrzej	Chomentowski	Did not pay dues
2	Ewa	Miasik	Did not pay dues

The following members stopped paying dues in 2009:

1	Marek	Miasik	Did not pay dues until 2011 & did not pay dues in 2005
2	Adam	Miasik	Did not pay dues until 2011 & did not pay dues in 2005
3	Andrzej	Miasik	Did not pay dues until 2011 & did not pay dues in 2005
4	Piotr	Miasik	Did not pay dues until 2011 & did not pay dues in 2005
5	Maria	Miasik	Did not pay dues until 2011 & did not pay dues in 2005
6	Renata	Miasik	Did not pay dues until 2011 & did not pay dues in 2005
7	Malgorzata	Mielec	Did not pay dues

The following members stopped paying dues in 2010:

1	Edward	McPherson	Did not pay dues
2	Wanda	McPherson	Did not pay dues
3	Sophia	Ogurian	Did not pay dues
4	Edmund	Pogoda	Did not pay dues

The following members stopped paying dues in 2011:

1. Stan	Rogoz	Did not pay dues - Defendant
2. Maria	Sierota	Did not pay dues - moved to nursing home
3. Josephine	Slojewski	Did not pay dues
4. Danuta	Warszawski	Did not pay dues
5. Zygmunt	Warszawski	Did not pay dues
6. Michalina	Gadzala	Did not pay dues

The following members stopped paying dues in 2012:

1	Halina	Kwiatkowska	Did not pay dues
2	Stanislaw	Mielec	Did not pay dues

The following members did not pay dues in 2013:

1	Jolanta	Cabaj	Did not pay dues
2	Zbigniew	Koprowski	Did not pay dues

SCHEDULE E

Members who knew their dues were not forwarded by Defendants to the PAC
(including members who voted to leave the PAC May 28, 2006
as shown in Minutes of Meeting)

1)	Marian	Celej	
2)	Emily	Flis	- voted to secede
3)	Helena	Grabowski	- voted to secede
4)	Krystyna	Kowalkska	- voted to secede
5)	Wladyslawa	Kucharska	
6)	Juno	Pilz	
7)	Virginia	Ross	
8)	Constance	Zbloch	
9)	Cecylia	Zwara	

In addition, the following are immediate family members of the Defendants and knew their dues were not being forwarded by the Defendants

Adam Miasik
Andrzej Miasik
Ewa Miasik
Piotr Miasik
Renata Miasik
Emily Flis
Arthur Skibicki
Teresa Skibicki

APPENDIX I

CABAJ
Celej M
Celej H
DLEHER
DANWOODY
Fus
GADZALA
GRABOWSKI
Jasinska
KLOPKOWSKI
KOWALSKA
KUCHARSKA
McPEARSON
A. MIASIK
AN. MIASIK
P. MIASIK
R. MIASIK
MIELEC
Mielec
NEUFF
NEUFF
PIEKUT
PILTZ
POMORSKA
POMORSKA
Ross
SIEROTA
SLIBICKA

Stojewska
Wschi
Zygmunt
ZBOCH
ZWARA

APPENDIX J

Daniel Weisz

From: Daniel Weisz
Sent: Friday, August 08, 2014 3:56 PM
To: peter@peteriwaldmann.com; Bernie Romano (bernie@romanolaw.ca)
Cc: Shea, Patrick
Subject: PAC vs PATL - Re proposed election
Attachments: 2010_001.pdf; Document1.docx

Counsel,

As we have previously indicated to you, the Receiver is in the process of preparing its report to the Court. In that regard, we are taking this opportunity to forward to you at this time the portions of the report relating to the election referred to by the Court. As this document is still draft, the Receiver reserves the right to amend the attached paragraphs and to bring it current for matters that may arise between now and the finalization of the report.

The appendices being provided to you include the Receiver's analysis of the Membership Ledger and the handwritten list provided on June 20, 2014. If you require copies of the other appendices referred to in the draft report, please let us know and we will forward them to you.

We would ask that you review the schedules and advise us if you are aware of any factual inaccuracies contained therein, particularly with respect to the comments attributed to Mr. Waldmann's schedules (by Mr. Waldmann) and the list provided on June 20 , 2014 (by Mr. Romano).

Mr. Romano, you will note that the draft report presently references your correspondence to the Receiver dated July 25, 2014 which was sent "without prejudice". We request that you advise whether the Receiver may include that letter in the Receiver's report.

Thank you,

Danny

Daniel Weisz, *Senior Vice-President* | Collins Barrow Toronto Limited
T: 416-646-8778 F: 416-480-2646 E: dweisz@collinsbarrow.com
11 King St. W., Suite 700, Box 27, Toronto, Ontario, Canada, M5H 4C7

An independent member of Baker Tilly International

Connect with me on LinkedIn: http://ca.linkedin.com/in/danielweisz

penalties. Should the facts communicated to us be incorrect or incomplete or should the law or its interpretation change, our advice may be inappropriate. We are not responsible for updating our advice for changes in law or interpretation after the date hereof.

111

CABAJ
Celej M
Celej H
DLUGER
DANWOODY
FUS
GADZALA
GLABOWSKI
JACINSKA
KLOPROWSKI
KOWALSKA
KUCHARSKA
McPEARSON
A. MIASIK
AN. MIASIK
P. MIASIK
R. MIASIK
MIELEC
MIELEC
NEUFF
NEUFF
PIEKUT
PILTZ
POMORSKA
POMORSKA
ROSS
SIEROTA
SLABICKA

Stojewska
Wszki
Zygmunt
ZBOCH
ZWARA

Exh. 5, f "J"

"Members" of Branch 1-7 of the Polish Alliance of Canada

Status per Branch membership ledger											Listed on Waldmann Schedules				
Name	PAC Membership Number	2006 Member	Year Joined*	Date 1st Dues Paid*	Notes re dues paid**	Deceased	Last year for which dues paid	List provided on June 20, 2014	Defendant in litigation	Refer to Receiver's Report	Sch. A Deceased	Sch. B not PAC	Sch. C 2005 not paid	Sch. D stopped paying	Sch. E knew dues not paid to PAC
Argyris Jan	6231	Yes					2013		Yes	b					
Bialy, Helena	11359					Yes	2003			a	x				
Bilicz, Jadwiga	12173						2004			c			x		
Buczak, Helen	11390						2000			c					
Bugaj, Agata	1084					Yes	2000			a	x				
Cabaj, Jolanta	11831	Yes					2012	Yes		d				2013	
Celej, Helena		Yes	2005	16-Jan-05			2014	Yes		f		x			
Celej, Marian	12222	Yes					2014	Yes		f					knew
Chomentowski, Andrzej	7364	Yes					2007			d				2008	
Choromanska, Barbara	8713						2000			c					
Chudoba, Teresa			2008	16-Mar-08			2014			f		x			
Daszkiewicz, Halina	203					Yes	2005			a	x				
Daszkiewicz, J.	204					Yes	2000			a	x				
Dreher, Maria	8416	Yes					2013	Yes		e					
Dumanski, Jozef	11391						2004			c			x		
Dumanski, Mary	11392						2004			c			x		
Dunwoody, Jadwiga	12180				paid dues to January 2006		2006	Yes		d				2007	
Dzida, Jan	11589						2004			c				2006	
Engler, Henryk	8718					Yes	2004			a	x				
Ericksen, Chessie	11981	Yes					2014		Yes	b					
Firlit, Zofia	276						2001			c					
Flis, Albert	3172	Yes					2014		Yes	b					
Flis, Emily	11409	Yes					2014	Yes		f					voted/family
Flis, Jesse							honorary			g					
Gadzala, Michalina	11227	Yes					2010	Yes		d				2011	
Gadzala, Zofia			2000	Dec-00			2000			c					
Galardos, Tadeusz	11243				no information					h					
Glogowska, Barbara	333						honorary			g		x			
Gola, Wanda	9839						2003			c					
Goldas, Julian	5097					Yes	2003			a	x				
Gora, Krzysztof Kazimierz			2005	16-Jan-05			2005			c		x			
Gora, Urszula Malgorzata			2005	16-Jan-05			2005			c		x			
Grabowski, Helena	11362	Yes			2005-2007 paid in 2008; 2009 paid in 2010		2014	Yes		f					voted
Gulbinska, Anna			2000	Jan-00			2000			c		x			
Gulbinska, Maria	10184						2003			c					
Gulbinski, Mike	11640					Yes	2000			a	x				
Gumienny, Jozef	112172					Yes	2004			a	x				
Jagielski, Robert	10544						1999			c					
Janeczek, Katarzyna	11365						2002			c					
Jasinski, Jadwiga	12125	Yes					2006	Yes		d				2007	
Jaslan, WL	7194	Yes			dues paid were $30	Yes	2010		Yes	a	x				
Jaslaw, Helena	11658	Yes					2010		Yes	b					
Klemensiewicz, Albert	2517	Yes				Yes	2008			a	x				
Knopp, Stanislaw	3066						1999			c				2006	
Koprowski, Zbigniew	11832	Yes					2012	Yes		d				2013	

3/11

	Status per Branch membership ledger										Listed on Waldmann Schedules				
Name	PAC Membership Number	2006 Member	Year Joined*	Date 1st Dues Paid*	Notes re dues paid**	Deceased	Last year for which dues paid	List provided on June 20, 2014	Defendant in litigation	Refer to Receiver's Report	Sch. A Deceased	Sch. B not PAC	Sch. C 2005 not paid	Sch. D stopped paying	Sch. E knew dues not paid to PAC
Kostecka, Katarzyna	2001	Yes				Yes	2008			a	x				
Kotulska, Aniela	628						2002			c	x				
Kowalska, Krystyna	9863	Yes					2014	Yes		f					voted
Kowalski, Jozef	8205	Yes				Yes	2006			a	x			2007	
Kozar, Zbiciew	11918						2003			c					
Krawczyk, Ludwik	12092	Yes				Yes	2008			a	x				
Krawczyk, Wanda	7158						2004			c			x		
Kuberska, Janina	5060					Yes	2005			a	x				
Kucharska, Wladyslawa	10329	Yes			2006 dues paid in April 2007		2014	Yes		f					knew
Kucharski, Waclaw	11348					Yes	2005			a	x				
Kuczynski, Teresa	11372						1999			c					
Kuczynski, Zenon	11373						1999			c					
Kulesza, Jozefa	11371					Yes	2002			a					
Kupiec, Jean	12182						2004			c					
Kupiec, Ted	12181						2004			c					
Kwiatkowska, Halina			2011	20-Feb-11			2011			d		x		2012	
Lachowicz, Zofia	11889						2003			c					
Matyszczuk, Marlena Emilia			2007	16-Sep-07			2013			e		x			
McPherson, Edward	11398	Yes					2009	Yes		d				2010	
McPherson, Wanda	8208	Yes					2009	Yes		d				2010	
Miasik, Adam	10560	Yes			appears dues not paid for portion of 2006; 2009 & 2010 paid in 2011; 2012 paid in 2013		2014	Yes	Yes	b			x	2009	family
Miasik, Andrzej	10561	Yes			did not pay either 2005 or 2006; 2009 & 2010 paid in 2011; 2012 paid in 2013		2014	Yes		f			x	2009	family
Miasik, Ewa	11370	Yes			did not pay either 2005 or 2006		2008			d			x	2008	family
Miasik, Marek	9681	Yes			did not pay either 2005 or 2006; 2009 & 2010 paid in 2011; 2012 paid in 2013		2014		Yes	b			x	2009	
Miasik, Maria	11007	Yes			did not pay either 2005 or 2006; 2009 & 2010 paid in 2011; 2012 paid in 2013		2014		Yes	b			x	2009	
Miasik, Piotr	10563	Yes			did not pay either 2005 or 2006; 2009 & 2010 paid in 2011; 2012 paid in 2013		2014	Yes		f			x	2009	family
Miasik, Renata	11006	Yes			did not pay either 2005 or 2006; 2009 & 2010 paid in 2011; 2012 paid in 2013		2014	Yes		f			x	2009	family
Mielec, Malgorzata	12094	Yes					2008	Yes		d				2009	
Mielec, Stanislaw	1209	Yes			2006 dues paid in June 2007		2011	Yes		d				2012	
Mikus, Anna	9937						1999			c					
Mikus, Janusz	9936						1999			c					
Mohr, Karol	2507					Yes	2004			a	x				

Status per Branch membership ledger											Listed on Waldmann Schedules				
Name	PAC Membership Number	2006 Member	Year Joined*	Date 1st Dues Paid*	Notes re dues paid**	Deceased	Last year for which dues paid	List provided on June 20, 2014	Defendant in litigation	Refer to Receiver's Report	Sch. A Deceased	Sch. B not PAC	Sch. C 2005 not paid	Sch. D stopped paying	Sch. E knew dues not paid to PAC
Mokracki, Frank	2904						2003			c					
Najgebauer, Bozena			2010	21-Mar-10			2014			f		x			
Najgebauer, Pawel			2010	21-Mar-10			2014			f		x			
Neuff, Eugieniusz		Yes	2006	21-Oct-05			2014	Yes		f		x			
Neuff, Ksawera		Yes	2006	21-Oct-05			2014	Yes		f		x			
Ogurian, Sophie	12220	Yes			2006 dues paid in Jan. 2007		2009			d				2010	
Pawlowska, Adele	10643					Yes	2001			a	x				
Piekut, Anna	11379	Yes					2008	Yes		d					
Piltz, Juno	12089	Yes					2014	Yes		f					knew
Pisarzowski, Karol	11917					Yes	2001			a	x				
Pogoda, Edward	10649	Yes					2009			d				2010	
Pomorska, Janina		Yes	2005	13-Mar-05	2009 not paid		2013	Yes		e		x			
Pomorski, Lucjan		Yes	2005	13-Mar-05	2009 not paid		2013	Yes		e		x			
Prus, Stefan	1094					Yes	2002			a	x				
Purcelewska, Janina	11380					Yes	2005			a	x				
Rabczak, Andrzej			2007	18-Mar-07			2013			e		x			
Rabczak, Halina			2007	18-Mar-07			2014			f		x			
Rabczak, Marianne			2007	16-Sep-07			2013			e		x			
Rabczak, Wladyslaw			2007	18-Mar-07			2014			f		x			
Radomski, Felix	6263					Yes	2004			a	x				
Rogoz, Stanislaw	4575	Yes					2010		Yes	b				2011	
Roslaniec, Jean	11979	Yes				Yes	2006			a	x				
Ross, Virginia	9840	Yes			2006 dues paid Oct. 2008		2014	Yes		f					knew
Rusek, Richard							2001		Yes	b					
Rychlicka, Felicja	7385					Yes	1999			a	x				
Sierota, Maria	3232	Yes					2010	Yes		d				2011	
Skibicki, Arthur			2008	20-Jan-08			2013			e		x			family
Skibicki, Eugene	7895	Yes				Yes	2012		Yes	a	x				
Skibicki, Teresa		Yes	2006	19-Mar-06			2014	Yes		f		x			family
Slojewski, Josephine	10418	Yes					2010	Yes		d				2011	
Snaglewska, Barbara	11350	Yes					2006			d				2007	
Sosiewicz, Adolf	1285	Yes				Yes	2011			a	x				
Stachon, Jozef Jan			2007	16-Sep-07		Yes	2008			a	x				
Swistara, Anna	1410					Yes	2005			a	x				
Syposz, Stefania	1349					Yes	2001			a	x				
Syposz, Tadeusz	9208						2003			c					
Szafran, Daniella	11412						2002			c					
Taudel, Olympia	11413						1998			c					
Tilly, Irine	11382						2004			c			x		
Tomecsko, Cecylia			2009	19-Nov-09		Yes	2013			a	x				
Trzeciak, Stanislaw	1712	Yes				Yes	2006			a	x				
Urbanska, Paulina	11383					Yes	2002			a	x				
Warszawski, Danuta	8415	Yes					2010	Yes		d				2011	
Warszawski, Zygmunt	10793	Yes					2010	Yes		d				2011	
Wimmer, Wanda	1138	Yes				Yes	2006			a	x				
Wolnik, Michal	1736					Yes	2001			a	x				
Wolnik, Michalina	1735					Yes	2004			a	x				

Status per Branch membership ledger											Listed on Waldmann Schedules				
Name	PAC Membership Number	2006 Member	Year Joined*	Date 1st Dues Paid*	Notes re dues paid**	Deceased	Last year for which dues paid	List provided on June 20, 2014	Defendant in litigation	Refer to Receiver's Report	Sch. A Deceased	Sch. B not PAC	Sch. C 2005 not paid	Sch. D stopped paying	Sch. E knew dues not paid to PAC
Wolwowicz, John							2005			c				2006	
Wrobel, Stanislaw	2552					Yes	2004			a					
Zak, Jan	4500					Yes	2002			a	x				
Zalewski, Mieczyslaw	11883					Yes	2000			a	x				
Zboch, Constance	11414	Yes			2006 dues paid in Feb. 2007		2013	Yes		e					knew
Zub, Bernice	8729						2005			c				2006	
Zub, Lillian	9842						2005			c					
Zwara, Cecylia	11980	Yes			prepaid dues to Apr. 2016		2016	Yes		f					knew
Count:															
132		55				38	131	34	11	132	37	20	12	31	16

Notes

* This information is provided on this schedule for only those "members" who do not have PAC Membership Number.

1. Branch 1-7 allowed members to pay dues late and to make up for prior years' dues not paid. They did not terminate members who had not paid for over a year.
2. Six members joined in 2005 or early 2006 but did not receive PAC membership numbers.
3. Some of the PAC membership numbers in the Membership Ledger are coded with the letter "U" after the number, which relates to whether the individual member was insured
4. Included in the column titled "List provided on June 20, 2014" includes the name of one person subsequently added to the list.

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Exhibit K

"Members" of Branch 1-7 of the Polish Alliance of Canada

Status per Branch membership ledger											Listed on Waldmann Schedules				
Name	PAC Membership Number	2006 Member	Year Joined*	Date 1st Dues Paid*	Notes re dues paid**	Deceased	Last year for which dues paid	List provided on June 20, 2014	Defendant in litigation	Refer to Receiver's Report	Sch. A Deceased	Sch. B not PAC	Sch. C 2005 not paid	Sch. D stopped paying	Sch. E knew dues not paid to PAC
Celej, Helena		Yes	2005	16-Jan-05			2014	Yes		f		x			
Celej, Marian	12222	Yes					2014	Yes		f					knew
Chudoba, Teresa			2008	16-Mar-08			2014			f		x			
Dreher, Maria	8416	Yes					2013	Yes		e					
Flis, Emily	11409	Yes					2014	Yes		f					voted/family
Grabowski, Helena	11362	Yes			2005-2007 paid in 2008; 2009 paid in 2010		2014	Yes		f					voted
Kowalska, Krystyna	9863	Yes					2014	Yes		f					voted
Kucharska, Wladyslawa	10329	Yes			2006 dues paid in April 2007		2014	Yes		f					knew
Matyszczuk, Marlena Emilia			2007	16-Sep-07			2013			e		x			
Miasik, Andrzej	10561	Yes			did not pay either 2005 or 2006; 2009 & 2010 paid in 2011; 2012 paid in 2013		2014	Yes		f			x	2009	family
Miasik, Piotr	10563	Yes			did not pay either 2005 or 2006; 2009 & 2010 paid in 2011; 2012 paid in 2013		2014	Yes		f			x	2009	family
Miasik, Renata	11006	Yes			did not pay either 2005 or 2006; 2009 & 2010 paid in 2011; 2012 paid in 2013		2014	Yes		f			x	2009	family
Najgebauer, Bozena			2010	21-Mar-10			2014			f		x			
Najgebauer, Pawel			2010	21-Mar-10			2014			f		x			
Neuff, Eugieniusz		Yes	2006	21-Oct-05			2014	Yes		f		x			
Neuff, Ksawera		Yes	2006	21-Oct-05			2014	Yes		f		x			
Piltz, Juno	12089	Yes					2014	Yes		f					knew
Pomorska, Janina		Yes	2005	13-Mar-05	2009 not paid		2013	Yes		e		x			
Pomorski, Lucjan		Yes	2005	13-Mar-05	2009 not paid		2013	Yes		e		x			
Rabczak, Andrzej			2007	18-Mar-07			2013			e		x			
Rabczak, Halina			2007	18-Mar-07			2014			f		x			
Rabczak, Marianne			2007	16-Sep-07			2013			e		x			
Rabczak, Wladyslaw			2007	18-Mar-07			2014			f		x			
Ross, Virginia	9840	Yes			2006 dues paid Oct. 2008		2014	Yes		f					knew
Skibicki, Arthur			2008	20-Jan-08			2013			e		x			family
Skibicki, Teresa		Yes	2006	19-Mar-06			2014	Yes		f		x			family
Zboch, Constance	11414	Yes			2006 dues paid in Feb. 2007		2013	Yes		e					knew
Zwara, Cecylia	11980	Yes			prepaid dues to Apr. 2016		2016	Yes		f					knew
28		19				0	28	19	0	28	0	15	3	3	14

Notes

* This information is provided on this schedule for only those "members" who do not have PAC Membership Number.

1. Branch 1-7 allowed members to pay dues late and to make up for prior years' dues not paid. They did not terminate members who had not paid for over a year.
2. Six members joined in 2005 or early 2006 but did not receive PAC membership numbers.
3. Some of the PAC membership numbers in the Membership Ledger are coded with the letter "U" after the number, which relates to whether the individual member was insured
4. Included in the column titled "List provided on June 20, 2014" includes the name of one person subsequently added to the list.

11

I. ELECTION OF A NEW EXECUTIVE FOR BRANCH 1-7

1. In the May 27 Order, the Court ordered PAC to reconstitute the executive of the Branch in accordance with the PAC Constitution. The Endorsement sets out, in Paragraph 8 thereto, that "the receiver will oversee and supervise the efforts by the PAC to reconstitute the Branch and its executive.....**It was and is my expectation that the reconstitution of the Branch will be conducted as a good faith effort to protect the Polish community of Toronto and in a spirit of reconciliation with the membership at large. The receiver shall ensure that this is so or report to the court any concerns that it may have.**"

2. The main issue, in the Receiver's view, was to determine which individuals would be entitled to vote at the Election.

3. To that end, on July 2, 2014, the Receiver and its counsel engaged in a telephone discussion with counsel to PAC, Mr. Waldmann, to discuss matters relating to an election of a new branch executive. Pursuant to that discussion, the Receiver forwarded on that day to Mr. Waldmann a copy of the membership ledger that the Receiver had obtained from the Branch ("**Membership Ledger**"), and requested, among other things, that Mr. Waldmann provide a list setting out the parties that PAC believed were eligible to vote for the election of a new executive. A copy of the Receiver's e-mail to Mr. Waldmann dated July 2, 2014 is attached as Appendix "**E**".

4. On July 10, 2014, Mr. Waldmann responded to the Receiver's request. In his letter, Mr. Waldmann set out that based on his client's examination, "there appear to be no eligible members for re-admission on the basis that they paid

dues without knowing their dues were not being paid to the PAC (para. 1 of the May 27, 2014 Order of Justice Myers)". A copy of Mr. Waldmann's letter is attached as Appendix **"F"**.

5. In response to Mr. Waldmann's letter, by letter dated July 14, 2014, Gowlings requested that Mr. Waldmann provide additional information in respect of his July 10, 2014 response and in particular, Gowlings requested the answers to four questions to help the Receiver assess PAC's position. In addition, Gowlings requested that Mr. Waldmann address how PAC proposed that potential members for the Branch be nominated. A copy of Gowlings letter is attached as Appendix "**G**".

6. By letter dated July 21, 2014, Mr. Waldmann provided answers to Gowlings' queries pertaining to PAC's analysis of the Membership Ledger and, in particular, provided details to support its position set out in his July 10, 2014 response.

7. Mr. Waldmann also provided PAC's proposed method for the election. A summary of that process is set out below:

   a) PAC proposes to invite membership applications by way of advertisement;

   b) Interested persons will be asked to submit application forms in the usual way, along with initial dues;

   c) The membership applications will be forwarded to the Head Executive Board which will determine the acceptance of the membership application in accordance with Article 4.5.2 of the PAC constitution;

d) Any PAC member which wishes to change branch affiliation to the Branch may apply for approval from the Head Executive Board so long as they reside in the geographic area of the Branch;

e) A minimum number of 12 members is appropriate to reconstitute the Branch;

f) Once members have been accepted, the members in good standing by reason of their membership applications and dues being accepted could attend the meeting. Those members would vote on the executive without the need for a nominating committee to be set up.

A copy of Mr. Waldmann's letter is attached as Appendix "**H**".

8. On July 25, 2014, Mr. Romano wrote to Gowlings on a "without prejudice" basis in response to Mr. Waldmann's July 21, 2014 letter. Mr. Romano set out the position of the Branch and PATL that the position of PAC as outlined in Mr. Waldmann's correspondence is inconsistent with the decisions of Justice Myers of May 27, 2014 and June 20, 2014, and disagreed with Mr. Waldmann's position with respect to the membership as set out in Mr. Waldmann's aforementioned correspondence.

9. Mr. Romano further referred to his understanding that an accurate list of the membership of the Branch, as at August 20, 2006, was provided to PAC through the Receiver, and that those were the members to whom notice of the meeting should be given.

10. Attached as Appendix "**I**" is a copy of a handwritten list of parties provided to the Receiver on June 20, 2014 when the Receiver arrived at the clubhouse upon its

appointment to change the locks to the premises. The Receiver did not circulate the list at that time (based on the form of the list and the informal manner in which it was provided).

11. Based on Mr. Waldmann's correspondence, it is PAC's position that none of the current members of the Branch are entitled to vote in the Election. It appears to be Mr. Romano's position that the 33 of the individuals listed on the Membership Ledger can vote. Mr. Marek subsequently advised the Receiver that one person should be added to the list thereby increasing the list to 34 individuals.

12. Due to the extent of the litigation between the parties to date, and the positions being taken by both the Plaintiff and the Defendant as to which parties would be eligible to vote at the election, the Receiver is seeking the direction of the Court with respect to determining which parties can vote at the election.

13. In order to assist the Court in this regard, the Receiver has conducted its own review of the Membership Ledger and provides its analysis below.

II. THE MEMBERSHIP LEDGER

14. The Receiver was provided by Mr. Miasik with the Membership Ledger. The Membership Ledger contains information on 132 members.

15. Attached as Appendix "**J**" is a schedule prepared by the Receiver which summarizes the information contained on the Membership Ledger and includes information on the individual members, PAC membership numbers where indicated, whether the individuals are still alive and membership dues paid. In addition, the schedule incorporates comments provided by Mr. Waldmann in his correspondence, as well as the individuals that were included on the handwritten

list (plus the one addition noted above) that was provided to the Receiver on June 20, 2014.

16. The Receiver notes that in preparing the summary schedule, that:

a) the Receiver has not attempted to verify the information contained on the Membership Ledger through either the request for death certificates, tracing receipts back to bank statements, etc.;

b) some members have paid their dues in arrears;

c) in some instances, it is not clear for which year the membership dues were paid, particularly where the dues for one year appear to have been missed;

d) certain individuals included in the Membership Ledger may be related to the individual Defendants;

e) dues were not always paid on a calendar year basis; and

f) not all individuals who paid dues to the Branch prior to August 26, 2006 have a PAC membership number attached to their name on the ledger.

17. As set out on Appendix "J", of the 132 members on the list:

a) 38 members are deceased;

b) 9 members are defendants who are not deceased ;

Of those 85 individuals not deceased and who are not named defendants in the litigation:

c) 34 members ceased paying dues prior to August 26, 2006 or earlier;

d) 20 members ceased paying dues subsequent to 2006;

e) 8 members paid dues in 2013 but had not yet paid dues for 2014;

f) 20 members paid dues for 2014;

g) 2 members are honorary members; and

h) 1 member had no information on the ledger sheet.

18. Based on the information set out in Appendix "J", and the Reasons and the Endorsement, it appears to the Receiver that, at most, 28 individuals referred in the Membership Ledger, being those individuals whose dues are paid through 2013 and 2014 and who are not defendants in the litigation, would be eligible to vote in the Election.

19. Attached as Appendix "**K**", is a schedule that lists only the 28 individuals and their status. In reviewing this list, the Receiver notes that with respect to 22 individuals on the list:

a) 9 individuals began paying dues after 2006;

b) 4 individuals began paying dues prior to 2006, but do not have a PAC membership number;

c) 3 individuals paid certain dues in arrears, and did not pay dues for either 2005 or 2006;

d) 4 individuals paid portions of their dues in arrears; and

e) 2 individuals did not pay dues in 2009.

20. The Receiver has not at this time attempted to determine whether the members who paid their 2013 and 2014 dues were aware that their dues were not being forwarded to PAC.

III. THE NOTICE OF APPEAL

21. In the Notice of Appeal, the Appellants seek that, *inter alia*,

    (a) "the learned trial judge's requirement for the members of Branch 1-7 to be "reconstituted as a branch of the PAC and the procedure prescribed for the said reconstitution be set aside..."; and

    (b) "the finding of the learned trial judge that the individual Appellants were to be excluded from membership in Branch 1-7 and that they were effectively banished for life, be set aside".

22. The Receiver is not aware of a date having been set for the hearing of the appeal. As the decision of the Court of Appeal may have an impact on matters to be effected by the Election, the Receiver is seeking the direction of the Court as to whether an election should proceed at this time pending the hearing of the appeal.

23. If the Court decides that the Election should take place, and once the parties to vote at the Election have been identified, the Receiver will then provide the Court with its recommendation regarding the process to be followed for the Election.

APPENDIX K

Daniel Weisz 126

From: Peter Waldmann <peter@peteriwaldmann.com>
Sent: Friday, August 08, 2014 5:23 PM
To: Daniel Weisz; Bernie Romano (bernie@romanolaw.ca)
Cc: Shea, Patrick
Subject: RE: PAC vs PATL - Re proposed election

I object to Mr Romano receiving this and being asked for comments until and unless he specifies for whom he is acting. As you know, his clients before the Honourable Justice Myers quit The Polish Alliance of Canada, and by necessity quit Branch 1-7 of the Polish Alliance of Canada, and the Court has so ruled.

Further, they are not eligible to reapply for membership by the Court Order, and so have no interest in this matter.

If they wish to take a position, it is my client's position they would have to bring a motion under the *Rules of Civil Procedure* for status to intervene.

However, if Mr Romano is representing someone other than the Defendants in the litigation, I would think he would have to disclose exactly whom he is representing, and if they are not parties to the litigation, he would have to seek intervener status for them, unless he is conflicted representing both the Defendants and these people, if they exist at all.

There is a rule in the Rule of Civil Procedure concerning this, and I will seek instructions whether I should serve the appropriate notice or demand on Mr Romano to advise at who his client may be, and if refused, to bring the appropriate motion to the Masters' court.

Peter I. Waldmann

Barrister & Solicitor

183 Augusta Avenue

Toronto, Ontario M5T 2L4

(416) 921-3185

(416) 921-3183 [fax]

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This message is confidential and may be solicitor-client privileged. If you receive it by mistake, please contact us.

From: Daniel Weisz [mailto:dweisz@collinsbarrow.com]
Sent: Friday, August 08, 2014 3:56 PM
To: Peter Waldmann; Bernie Romano (bernie@romanolaw.ca)
Cc: Shea, Patrick
Subject: PAC vs PATL - Re proposed election

Counsel,

As we have previously indicated to you, the Receiver is in the process of preparing its report to the Court. In that regard, we are taking this opportunity to forward to you at this time the portions of the report relating to the election referred to by the Court. As this document is still draft, the Receiver reserves the right to amend the attached paragraphs and to bring it current for matters that may arise between now and the finalization of the report.

The appendices being provided to you include the Receiver's analysis of the Membership Ledger and the handwritten list provided on June 20, 2014. If you require copies of the other appendices referred to in the draft report, please let us know and we will forward them to you.

We would ask that you review the schedules and advise us if you are aware of any factual inaccuracies contained therein, particularly with respect to the comments attributed to Mr. Waldmann's schedules (by Mr. Waldmann) and the list provided on June 20 , 2014 (by Mr. Romano).

Mr. Romano, you will note that the draft report presently references your correspondence to the Receiver dated July 25, 2014 which was sent "without prejudice". We request that you advise whether the Receiver may include that letter in the Receiver's report.

Thank you,

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Danny

Daniel Weisz, *Senior Vice-President* | Collins Barrow Toronto Limited

T: 416-646-8778 F: 416-480-2646 E: dweisz@collinsbarrow.com

11 King St. W., Suite 700, Box 27, Toronto, Ontario, Canada, M5H 4C7

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Connect with me on LinkedIn: http://ca.linkedin.com/in/danielweisz

APPENDIX L

Daniel Weisz 130

From: Bernie Romano <bernie@romanolaw.ca>
Sent: Wednesday, August 13, 2014 11:36 AM
To: 'Shea, Patrick'; 'Peter Waldmann'
Cc: Daniel Weisz
Subject: RE: Email re PATL and PAC - without prejudice to rights of appeal
Attachments: List of Members of Branch 1-7, per Myers J. Judgment, Aug 13, 2014.pdf

Mr. Shea/Mr. Waldmann:

Attached is a list of the members of Branch 1-7 who, according to the judgment of Myers J., are eligible to vote. There are 39 names on the list. Our understanding is that the members have been ready, willing and able to meet to elect a new executive for some time. Mr. Miasik is available to review the branch documents with Mr. Weisz to assist in understanding how that list was prepared.

Our further understanding is that PAC takes the position that there are zero (0) members of Branch 1-7 eligible to vote, and it proposes to allow Mr. Zawierucha, Ms. Betowski and their friends and relatives on the Head Executive Board to "reconstitute" the branch. It is the position of the Appellants that this is contrary to the letter and spirit of the Orders of Myers J.

Under the circumstances, we oppose any efforts by the PAC to inspect the subject properties at this time. It is the Defendants' submission that the PAC is not acting in good faith and is not in compliance with the Judgment of Myers J.

Please advise as to the intended date to appear before Myers J.

In addition, we are preparing motion materials for a stay at the Court of Appeal. This email may be used in support of that motion.

Bernie Romano

Bernie Romano Professional Corporation

Barrister and Solicitor
22 Goodmark Place, Suite 11

Toronto, Ontario

M9W 6R2

Phone: (416) 213-1225, ex. 300

Fax: (416) 213-1251
Email: bernie@romanolaw.ca

From: Shea, Patrick [mailto:Patrick.Shea@gowlings.com]
Sent: Wednesday, August 13, 2014 6:49 AM
To: Peter Waldmann
Cc: Daniel Weisz; Bernie Romano
Subject: Re: Email re PATL and PAC

To clarify, we are not saying that you are not entitled to raise the issues that you have raised, if you believe raising those issues may assist in advancing your client's position. However the Receiver is not a litigant, but an officer of the court appointed to perform the functions assigned by the Court. The assertions you are making are such that we believe directions from the Court are necessary before the matter moves forward. The issues of privilege raised Mr Romano - which likely have merit - and your dispute of that assertion raises further issues relating to access and review of documents.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Shea, Patrick

Sent: Wednesday, August 13, 2014 06:42 132

To: Peter Waldmann

Cc: Daniel Weisz; Bernie Romano

Subject: Re: Email re PATL and PAC

There is nothing personal Mr Waldmann. I don't know you. You, however, have taken what can only be described as an extremely aggressive approach. In your last e-mail you went so far as to challenge my competence.

All of your issues will be raised with His Honour, who can determine how this matter should unfold going forward. There is no prejudice to delaying your clients' attendance at the premises until the issues of conflict, competence to act, privilege, etc are resolved. As matters currently stand any attendance would likely create more issues than it resolves.

We will ensure that all of your e-mails (and our e-mails) are before the court. His Honour may disagree with the position taken re the attendance, but at this point the issues with respect to privileged documents alone, combined with your extremely adversarial approach, gives rise to serious concerns with respect to providing access to what may include privileged documents.

You can raise all of your issues before His Honour and I am sure you will do so.

Thank you. I am sorry it has come to this, but your approach to the Receiver, an officer of the Court, is so aggressive that we have justifiable concerns that all issues of conflict, competence, privilege, etc be addressed by the Court before we move forward.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Peter Waldmann

Sent: Wednesday, August 13, 2014 06:23

To: Shea, Patrick

Cc: Daniel Weisz; Bernie Romano

Mr Shea,

I have no animosity towards Gowlings and I would ask you to confirm this with Clifford Cole of your firm, who is in the litigation department and with whom I am currently dealing on an unrelated matter concerning a bankruptcy.

I do not think that my raising serious issues requires an unfortunate form of reply from you, which is apparently personal from its content if not its tone. I note we have never met in person to my knowledge or had any prior professional dealings.

I also have no animosity towards the Receiver, and I would ask Mr Weisz to confirm this with Carolyn Seaquist of Collins Barrow who recommended Mr Weisz to my office, and to also confirm this with Larry Rotstein and Ian Wollach of Collins Barrow, with both of whom I have had years of dealings. I not long ago called Larry Rotstein as a witness in a trial in Newmarket before Nelson J.

Nor does it warrant a reaction which may prejudice my client by the Receiver by breaking the Receiver's commitment to permit my client to examine its own documents in the Lakeshore property. I state "its own documents" since Branch 1-7 is a part of The Polish Alliance of Canada, subject to the nuances in the May 27, 2014 Reasons for Judgment, which nuances are now the subject of my client's Cross-Appeal.

It is my obligation to act in my client's interest regardless, and my pointing out an obvious and perhaps not curable conflict on the part of Gowlings is not evidence of animosity, or a basis to launch an attack against counsel for raising same. I note that a few months ago, I was acting for a gentleman called Lino Novielli where Gowlings was acting for the Toronto-Dominion Bank. After close to two years of litigation, my client disclosed documents which demonstrated clearly that Gowlings had acted for him personally in an obviously related matter. The response at that point was that Gowlings voluntarily withdrew on the eve of its summary judgment motion. There was no animosity or personality disputes. It was simply clear upon investigation that the conflict of interest was irreconcilable and the Gowlings' conflicts check had somehow failed to reveal it when Gowlings was retained by the Toronto-Dominion Bank to sue Mr Novielli. The matter is proceeding to a new summary judgment hearing date in Milton with substitute counsel for the Bank.

However, I am under a duty to raise every concern and identify any inconsistency and demand compliance with best practices by the Receiver. I still do not understand why a Receiver with the skills required for the tasks it accepted under the June 20, 2014 requires counsel to fulfill its job. I have no problem or objection with the

Receiver seeking whatever assistance it wishes, and if the Receiver considers it needs legal advice, then the Receiver is at liberty to get it. However, my client's concern is that any bills rendered by the Receiver are then not added to the Receiver's account as disbursements, since it is duplicative and unnecessary and wasteful. It would be different perhaps if some party sued the Receiver. But no one is suing the Receiver at this point. The Receiver does not need a lawyer to make its report to Court if the Receiver is acting within its area of expertise and within the Order.

Concerning the "charts" of the Receiver which you mention, please ask Mr Weisz to send them to me, since I do not recall receiving any such charts.

Concerning the Thursday, August 14, 2014 inspection by Ms Szramek, Ms Betowski and Ms Nielubowicz, they are all volunteers and not being paid. They are members of my client. They have arranged their time to attend. I ask you to reconsider your cancellation of the Receiver's commitment made to my client for the inspection this Thursday and Friday.

I will not be in attendance, as shown by the list of people I provided yesterday to your client.

So I do not see what reason there may be now for cancelling the inspection. You have already determined to seal the documents for which Mr Miasik or any of the other Defendants may claim privilege as put forward yesterday by Mr Romano.

Mr Romano added three years to this litigation because he made allegations I was a material witness for attending another meeting of my client, and then abandoned the Defendants' motion to remove me as the lawyer for the Plaintiff The Polish Alliance of Canada before his affiants had answered all their undertakings ordered by Master Abrams. He then proposed to Colin Campbell, J., the case management judge at the time, to proceed with the Trial of the Issue with myself as counsel which resulted in the hearing before Myers, J., to which I and Ms Edwards, counsel for Mr Rusek, agreed.

Given this history in this case, I do not think I should provide another opportunity for delay by the Defendants.

So, I do not see the connection between your expressed concerns, even if they had any merit, which they do not, with your cancellation of the Receiver's commitment.

I would ask you to review this matter with Danny Weisz, and reverse your resiling from the Receiver's commitment to permit the inspection this Thursday and Friday.

Of course, if the Receiver needs to address this before the Court, then please arrange with my office a mutually convenient time. You already have my dates which were sent to Mr Weisz respecting a different issue.

Peter I. Waldmann

Barrister & Solicitor

183 Augusta Avenue

Toronto, Ontario M5T 2L4

(416) 921-3185

(416) 921-3183 [fax]

From: Shea, Patrick [mailto:Patrick.Shea@gowlings.com]
Sent: Wednesday, August 13, 2014 5:36 AM
To: Peter Waldmann
Cc: Daniel Weisz; Bernie Romano
Subject: Re: Email re PATL and PAC

Mr Waldmann;

We have no interest in dealing with your empty accusations. We can certainly provide the handwritten list. You have the charts the Receiver prepared. We will ask His Honour if we are required to produce for you all of the documents that could, perhaps, be considered "lists" or which you believe might be considered "lists". I cannot imagine how requiring that the Receiver provide you with pictures of members or books containing names of

members is relevant. First, His Honour provided a "start date" for determining membership. Second, is your position not that there are no members of the Branch?

Given the clear animosity you have towards Gowlings and the Receiver, and the issues that have arisen with respect to potentially privileged documents at the premises, it may be best that your clients not visit the premises this week. An attendance before His Honour is clearly required to address the various issues that you have raised.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Peter Waldmann

Sent: Tuesday, August 12, 2014 22:03

To: Shea, Patrick

Cc: Daniel Weisz; Bernie Romano

Subject: RE: Email re PATL and PAC

Mr Shea,

Please forward a copy of:

- The handwritten "list" of who think they are members from whoever you describe as being "from the other side" and please identify where the Receiver got them in a more specific manner than: "from the other side".

- The "charts" the Receiver prepared which you cite below; and

- Those other documents you mention which the Receiver has looked at - I am not asking for anything which the Receiver has not looked at, nor am I asking the Receiver to look at them - the Receiver's duties are set out in the Court Order and they do not necessarily involve examining documents, rather they are focused on just maintaining the security of the property, most of which they accomplished just by changing the locks on the evening of June 20th, 2014.

I do not think it appropriate for you to be questioning the integrity and sincerity of my requests by suggesting, even if it may be an attempt at light-hearted and well-meant humour, by asserting that you are concerned at being subject to a "trick" or "skill-testing" question.

I note from your Gowlings website that you are listed as a certified specialist in Bankruptcy and Insolvency, which puzzles me since there is no one either bankrupt or insolvent in this matter. Perhaps you can advise why the Receiver needs help from you to do its job.

These are serious questions and they are questions that affect all the current members of The Polish Alliance of Canada, whose membership even today approaches 850 persons who were not active participants in this litigation but have valid and honourable interests to protect and pursue.

Peter I. Waldmann

Barrister & Solicitor

183 Augusta Avenue

Toronto, Ontario M5T 2L4

(416) 921-3185

(416) 921-3183 [fax]

From: Shea, Patrick [mailto:Patrick.Shea@gowlings.com]
Sent: Tuesday, August 12, 2014 7:10 PM
To: Peter Waldmann
Cc: Daniel Weisz; Bernie Romano
Subject: Re: Email re PATL and PAC

Thank you for your e-mail.

In terms of lists of members, the only thing that could be considered a "list" taken by the Receiver from the books and records of the Branch is the Membership Ledger(s) that were provided, and they you confirm to receiving. From you we have the "list" of who you think are (not) members. From the other side I believe there is a handwritten"list" of who they think are members. Neither of these documents are Branch books or records. In addition, there are the charts - which I suppose could be considered lists - the Receiver prepared, which are not Branch books and records. There may be other documents in existence that could be considered a "list" of members - things like minutes of meetings with lists of attendees, invitations to events, books or brochures, wall plaques, pictures and the like - but the Receiver has, you will understand, not looked at every piece of paper and the only document it has identified that is specifically relating to identifying individuals who joined the Branch and paid dues is the Membership Ledger(s). I hope that answers your question....I am not sure what else you would like and or if this is not a "trick" or "skill-testing" question that I am missing? I also note that the Receiver did not feel it necessary to examine documents or records for the early years of the Branch.

Please let me know if there is anything else that we can do to assist you.

Sent from my iPad

On Aug 12, 2014, at 6:43 PM, "Peter Waldmann" <peter@peteriwaldmann.com> wrote:

> Mr Shea,
>
> In our phone call, in which either you or Mr Weisz referred to the trial judge as "Fred", and in which you accused me of cross-examining the Receiver when I attempted to ask questions and get answers, I raised the question which I set out in my earlier letter.
>
> Namely, Mr Romano wrote a letter saying the Receiver had given me a "List" of members of Branch 1-7 of The Polish Alliance of Canada.
>
> I wrote then and asked if there was such a "List" because no such "List" was provided to me.

I asked in our phone call whether there was such a "List" and Mr Weisz confirmed that he was unaware any "List" and the only thing he sent was what we referred to as the "Membership Ledger(s)" which Collins Barrow took and scanned and emailed as an attachment to me.

I would appreciate this being put into writing by Mr Weisz as the Receiver, confirming there is no "List" other than the "Membership Ledger(s)" which Mr Weisz emailed to me.

The Membership Ledger(s) which Mr Weisz forwarded were the material we relied upon to provide you our position set out in my letter that there were no eligible persons to re-apply for membership in The Polish Alliance of Canada Branch 1-7 without going through the membership application process and without having to pay back dues. This only applies in Justice Myers' Order to persons who were not aware their dues were being confiscated and not forwarded to The Polish Alliance of Canada by the Defendants.

I would refer you to the issued and entered Order of the Honourable Justice F.L. Myers made May 27, 2014.

To repeat, I would ask for a letter or other document signed by the Receiver confirming the above respecting the so-called "List" as opposed to the Membership Ledger(s).

I trust this is clear, but if it is still ambiguous to you, please contact me about it.

Regarding your potential conflict of interest, you are certainly aware of your professional responsibilities and I do not understand how Mr Romano can help you with them other than directing you to the pleadings in this action and counterclaim. If Mr Romano volunteers to dismiss the allegations against Mr Gidzinski, and remove the allegations against the HEB members of The Polish Alliance of Canada as set out in the pleadings, perhaps that may assist you.

Peter I. Waldmann

Barrister & Solicitor

183 Augusta Avenue

Toronto, Ontario M5T 2L4

(416) 921-3185

(416) 921-3183 [fax]

From: Shea, Patrick [mailto:Patrick.Shea@gowlings.com]
Sent: Tuesday, August 12, 2014 6:31 PM
To: Peter Waldmann
Cc: Bernie Romano; Daniel Weisz; Shea, Patrick
Subject: Re: Email re PATL and PAC

Given Mr Waldmann's assertions, it appears that the best course of action with respect to privileged documents, is that, under the supervision of the Receiver, they be placed in a sealed box to be kept and brought before the Court by the Receiver. I assume, although it may be unwise to do so in this case, that this is acceptable to all concerned?

I understood that we had fully addressed your issue with respect to potential members on our call and in the documents sent to you by the Receiver. If there is a specific question or issue, we'd be pleased to try to assist by providing an answer. Is there a specific question or issue?

I am, frankly, not certain as to the basis for your assertion that Gowlings a conflict, but we will certainly look into the assertion that one exists and we will ensure that issue is addressed in then Receiver's report to the court. I will speak to Mr Romano as to how Mr Gidzinski fits into the dispute with respect to the re-constitution of the Branch executive and the receivership.

Sent from my iPad

On Aug 12, 2014, at 6:06 PM, "Peter Waldmann" <peter@peteriwaldmann.com> wrote:

Mr Shea,

My client objects to Mr Miasik removing any documents.

If Mr Miasik claims privilege over any such documents, he must identify whose privilege he is claiming, ie. his own, Polish Association of Toronto Limited's privilege, or whoever else whose privilege Mr Miasik may be asserting.

I note that Mr Miasik has no standing to claim privilege for any person but himself. He was never a qualified director of Polish Association of Toronto Limited, and he is not and has never been a shareholder of Polish Association of Toronto Limited, as confirmed by the Reasons of May 27, 2014 released by the Honourable Mr Justice F.L. Myers.

If Mr Miasik intends to assert any privilege, I would ask that the specific documents be sealed so they can be reviewed by a Judge if necessary to determine the validity of the privilege claim. My client is prepared to bring a Motion challenging any assertion by Mr Miasik of any privilege if it is made and appears to be colourable or an abuse of the court process.

I also confirm that Mr Romano's message attests to him remaining as lawyer for the appealing Defendants, and having no status regarding acting for any person who may wish to apply for membership in Branch 1-7 of The Polish Alliance of Canada, or who may assert a position that they in fact are members despite the information we provided to you earlier.

I further note that the Receiver, nor anyone on its behalf, has responded in writing to my message asking for the 'so-called' "List" of Members of Branch 1-7 of The Polish Alliance of Canada to which Mr Romano referred to in his earlier correspondence. In our oral telephone conference of last week, you and Mr Weisz confirmed there was no such "List" but the only document was the Membership Ledger which you forwarded to our office by email attachment, and to which we provided our analysis.

My client is obviously concerned that Mr Miasik may, either deliberately or inadvertently, remove documents that do not belong to him and may provide facts and evidence which is necessary for the Court, particularly as Mr Romano has indicated he has instructions from someone, although it is not absolutely clear whether it is the Defendants he represents or some other person or persons, and intends to bring a stay of proceedings. It is also not clear what proceedings Mr

Romano wants to stay, as my client has brought forward a motion to strike out Mr Romano's clients' counterclaims against the Plaintiff, and the other defendants by counterclaim including various members of the Head Executive Board of The Polish Alliance of Canada, past and some present. These include Elizabeth Betowski and Stan Gidzinski.

I note that Stan Gidzinski is a former client of the Gowling, Henderson, LaFleur LLP law firm and I alert you to the clear conflict of Gowlings acting for the Receiver in respect of the same proceeding as in which Stan Gidzinski is a named party in possible adverse interest. I mention that the role of Stan Gidzinski is one of the allegations raised by these Defendants in the course of the narrative evidence of the trial before Justice Myers.

I direct you to read Mr Romano's clients' Statement of Defence and Counterclaim and the other relevant pleadings and documents with respect to Gowlings' client Stan Gidzinski. If you have any questions, please do not hesitate to contact me concerning same.

Peter I. Waldmann

Barrister & Solicitor

183 Augusta Avenue

Toronto, Ontario M5T 2L4

(416) 921-3185

(416) 921-3183 [fax]

From: Bernie Romano [mailto:bernie@romanolaw.ca]
Sent: Tuesday, August 12, 2014 4:26 PM
To: 'Shea, Patrick'

Cc: Peter Waldmann
Subject: Email re PATL and PAC

Mr. Shea:

This confirms I represent the Appellants in this matter.

My previous correspondence marked "without prejudice" related to a concern that same was without prejudice to the Appellants' appeal rights. We do not object to the letter of July 25, 2014 being brought to the attention of the court.

Our present intention is to bring a motion for a stay of proceedings.

Regarding a meeting with Myers J. , please advise me of proposed dates and I will confirm.

Meanwhile, I am advised that there are privileged documents at the Subject Lakeshore Property which include communications between the Appellants and their counsel. Please confirm that Mr. Miasik is entitled to remove these documents and further please confirm that if the Receiver or its representatives inadvertently review any such documents, that they will notify Mr. Miasik.

Thank you.

Bernie Romano

Bernie Romano, B.Sc., LL. B.

Bernie Romano Professional Corporation

Barrister and Solicitor
22 Goodmark Place, Suite 11

Toronto, Ontario

M9W 6R2

Phone: (416) 213-1225, ex. 300

Fax: (416) 213-1251
Email: bernie@romanolaw.ca

List of Members of Branch 1-7

Date: August 13, 2014

In accordance with the Decisions of Myers J. of May 27, 2014 and June 20, 2014

Number	Name
1	Cebej, Marian
2	Cebej, Helen
3	Chomentowski, Andrzej
4	Dreher, Maria
5	Danwoody, Jadwiga
6	Flis, Emily
7	Gadzala, Michalina
8	Grabowski, Helena
9	Jasinski, Jadwiga
10	Koprowski, Szbigniew
11	Kowalska, Krystyna
12	Kucharska, Wladyslawa
13	McPherson, Edward
14	McPherson, Wanda
15	Miasik, Adam
16	Miasik, Eva
17	Miasik, Andrzej
18	Miasik, Piotr
19	Miasik, Renata
20	Mielec, Malgorzata
21	Mielec, Stanislaw
22	Neuff, Eugieniusz
23	Neuff, Ksawera
24	Ogurian, Sophie
25	Piekut, Anna
26	Piltz, Juno
27	Pomorska, Janina
28	Pomorski, Lucjan
29	Ross, Virginia
30	Sierota, Maria
31	Skibicki, Teresa
32	Slojewski, Josephine
33	Snaglewska, Barbara
34	Warszawski, Danuta
35	Warszawski, Zygmunt
36	Zboch, Constance
37	Zwara, Cecylia
38	Zub, Bernice
39	Zub, Lillian

APPENDIX M

"Members" of Branch 1-7 of the Polish Alliance of Canada

Status per Branch membership ledger											Listed on Waldmann Schedules				
Name	PAC Membership Number	2006 Member	Year Joined*	Date 1st Dues Paid*	Notes re dues paid**	Deceased	Last year for which dues paid	List provided on June 20, 2014	List provided on August 13, 2014	Defendant in litigation	Sch. A Deceased	Sch. B not PAC	Sch. C 2005 not paid	Sch. D stopped paying	Sch. E knew dues not paid to PAC
Argyris Jan	6231	Yes					2013			Yes					
Bialy, Helena	11359					Yes	2003				x				
Bilicz, Jadwiga	12173						2004						x		
Buczak, Helen	11390						2000								
Bugaj, Agata	1084					Yes	2000				x				
Cabaj, Jolanta	11831	Yes					2012	Yes						2013	
Celej, Helena		Yes	2005	16-Jan-05			2014	Yes	Yes			x			
Celej, Marian	12222	Yes					2014	Yes	Yes						knew
Chomentowski, Andrzej	7364	Yes					2007		Yes					2008	
Choromanska, Barbara	8713						2000								
Chudoba, Teresa			2008	16-Mar-08			2014					x			
Daszkiewicz, Halina	203					Yes	2005				x				
Daszkiewicz, J.	204					Yes	2000				x				
Dreher, Maria	8416	Yes					2013	Yes	Yes						
Dumanski, Jozef	11391						2004						x		
Dumanski, Mary	11392						2004						x		
Dunwoody, Jadwiga	12180				paid dues to January 2006		2006	Yes	Yes					2007	
Dzida, Jan	11589						2004							2006	
Engler, Henryk	8718					Yes	2004				x				
Ericksen, Chessie	11981	Yes					2014			Yes					
Firlit, Zofia	276						2001								
Flis, Albert	3172	Yes					2014			Yes					
Flis, Emily	11409	Yes					2014	Yes	Yes						voted/family
Flis, Jesse							honorary								
Gadzala, Michalina	11227	Yes					2010	Yes	Yes					2011	
Gadzala, Zofia			2000	Dec-00			2000								
Galardos, Tadeusz	11243				no information										
Glogowska, Barbara	333						honorary					x			
Gola, Wanda	9839						2003								
Goldas, Julian	5097					Yes	2003				x				
Gora, Krzysztof Kazimierz			2005	16-Jan-05			2005					x			
Gora, Urszula Malgorzata			2005	16-Jan-05			2005					x			
Grabowski, Helena	11362	Yes			2005-2007 paid in 2008; 2009 paid in 2010		2014	Yes	Yes						voted
Gulbinska, Anna			2000	Jan-00			2000					x			
Gulbinska, Maria	10184						2003								
Gulbinski, Mike	11640					Yes	2000				x				
Gumienny, Jozef	112172					Yes	2004				x				
Jagielski, Robert	10544						1999								
Janeczek, Katarzyna	11365						2002								
Jasinski, Jadwiga	12125	Yes					2006	Yes	Yes					2007	
Jaslan, WL	7194	Yes			dues paid were $30	Yes	2010			Yes	x				
Jaslaw, Helena	11658	Yes					2010			Yes					
Klemensiewicz, Albert	2517	Yes				Yes	2008				x				
Knopp, Stanislaw	3066						1999							2006	
Koprowski, Zbigniew	11832	Yes					2012	Yes	Yes					2013	
Kostecka, Katarzyna	2001	Yes				Yes	2008				x				
Kotulska, Aniela	628						2002				x				
Kowalska, Krystyna	9863	Yes					2014	Yes	Yes						voted

Status per Branch membership ledger											Listed on Waldmann Schedules				
Name	PAC Membership Number	2006 Member	Year Joined*	Date 1st Dues Paid*	Notes re dues paid**	Deceased	Last year for which dues paid	List provided on June 20, 2014	List provided on August 13, 2014	Defendant in litigation	Sch. A Deceased	Sch. B not PAC	Sch. C 2005 not paid	Sch. D stopped paying	Sch. E knew dues not paid to PAC
Kowalski, Jozef	8205	Yes				Yes	2006				x			2007	
Kozar, Zbiciew	11918						2003								
Krawczyk, Ludwik	12092	Yes				Yes	2008				x				
Krawczyk, Wanda	7158						2004						x		
Kuberska, Janina	5060					Yes	2005				x				
Kucharska, Wladyslawa	10329	Yes			2006 dues paid in April 2007		2014	Yes	Yes						knew
Kucharski, Waclaw	11348					Yes	2005				x				
Kuczynski, Teresa	11372						1999								
Kuczynski, Zenon	11373						1999								
Kulesza, Jozefa	11371					Yes	2002								
Kupiec, Jean	12182						2004								
Kupiec, Ted	12181						2004								
Kwiatkowska, Halina			2011	20-Feb-11			2011					x		2012	
Lachowicz, Zofia	11889						2003								
Matyszczuk, Marlena Emilia			2007	16-Sep-07			2013					x			
McPherson, Edward	11398	Yes					2009	Yes	Yes					2010	
McPherson, Wanda	8208	Yes					2009	Yes	Yes					2010	
Miasik, Adam	10560	Yes			appears dues not paid for portion of 2006; 2009 & 2010 paid in 2011; 2012 paid in 2013		2014	Yes	Yes				x	2009	family
Miasik, Andrzej	10561	Yes			did not pay either 2005 or 2006; 2009 & 2010 paid in 2011; 2012 paid in 2013		2014	Yes	Yes				x	2009	family
Miasik, Ewa	11370	Yes			did not pay either 2005 or 2006		2008		Yes				x	2008	family
Miasik, Marek	9681	Yes			did not pay either 2005 or 2006; 2009 & 2010 paid in 2011; 2012 paid in 2013		2014			Yes			x	2009	
Miasik, Maria	11007	Yes			did not pay either 2005 or 2006; 2009 & 2010 paid in 2011; 2012 paid in 2013		2014			Yes			x	2009	
Miasik, Piotr	10563	Yes			did not pay either 2005 or 2006; 2009 & 2010 paid in 2011; 2012 paid in 2013		2014	Yes	Yes				x	2009	family
Miasik, Renata	11006	Yes			did not pay either 2005 or 2006; 2009 & 2010 paid in 2011; 2012 paid in 2013		2014	Yes	Yes				x	2009	family
Mielec, Malgorzata	12094	Yes					2008	Yes	Yes					2009	
Mielec, Stanislaw	1209	Yes			2006 dues paid in June 2007		2011	Yes	Yes					2012	
Mikus, Anna	9937						1999								
Mikus, Janusz	9936						1999								
Mohr, Karol	2507					Yes	2004				x				
Mokracki, Frank	2904						2003								
Najgebauer, Bozena			2010	21-Mar-10			2014					x			
Najgebauer, Pawel			2010	21-Mar-10			2014					x			
Neuff, Eugieniusz		Yes	2006	21-Oct-05			2014	Yes	Yes			x			
Neuff, Ksawera		Yes	2006	21-Oct-05			2014	Yes	Yes			x			

Status per Branch membership ledger											Listed on Waldmann Schedules				
Name	PAC Membership Number	2006 Member	Year Joined*	Date 1st Dues Paid*	Notes re dues paid**	Deceased	Last year for which dues paid	List provided on June 20, 2014	List provided on August 13, 2014	Defendant in litigation	Sch. A Deceased	Sch. B not PAC	Sch. C 2005 not paid	Sch. D stopped paying	Sch. E knew dues not paid to PAC
Ogurian, Sophie	12220	Yes			2006 dues paid in Jan. 2007		2009		Yes					2010	
Pawlowska, Adele	10643					Yes	2001				x				
Piekut, Anna	11379	Yes					2008	Yes	Yes						
Piltz, Juno	12089	Yes					2014	Yes	Yes						knew
Pisarzowski, Karol	11917					Yes	2001				x				
Pogoda, Edward	10649	Yes					2009							2010	
Pomorska, Janina		Yes	2005	13-Mar-05	2009 not paid		2013	Yes	Yes			x			
Pomorski, Lucjan		Yes	2005	13-Mar-05	2009 not paid		2013	Yes	Yes			x			
Prus, Stefan	1094					Yes	2002				x				
Purcelewska, Janina	11380					Yes	2005				x				
Rabczak, Andrzej			2007	18-Mar-07			2013					x			
Rabczak, Halina			2007	18-Mar-07			2014					x			
Rabczak, Marianne			2007	16-Sep-07			2013					x			
Rabczak, Wladyslaw			2007	18-Mar-07			2014					x			
Radomski, Felix	6263					Yes	2004				x				
Rogoz, Stanislaw	4575	Yes					2010			Yes				2011	
Roslaniec, Jean	11979	Yes				Yes	2006				x				
Ross, Virginia	9840	Yes			2006 dues paid Oct. 2008		2014	Yes	Yes						knew
Rusek, Richard							2001			Yes					
Rychlicka, Felicja	7385					Yes	1999				x				
Sierota, Maria	3232	Yes					2010	Yes	Yes					2011	
Skibicki, Arthur			2008	20-Jan-08			2013					x			family
Skibicki, Eugene	7895	Yes				Yes	2012			Yes	x				
Skibicki, Teresa		Yes	2006	19-Mar-06			2014	Yes	Yes			x			family
Slojewski, Josephine	10418	Yes					2010	Yes	Yes					2011	
Snaglewska, Barbara	11350	Yes					2006		Yes					2007	
Sosiewicz, Adolf	1285	Yes				Yes	2011				x				
Stachon, Jozef Jan			2007	16-Sep-07		Yes	2008				x				
Swistara, Anna	1410					Yes	2005				x				
Syposz, Stefania	1349					Yes	2001				x				
Syposz, Tadeusz	9208						2003								
Szafran, Daniella	11412						2002								
Taudel, Olympia	11413						1998								
Tilly, Irine	11382						2004						x		
Tomecsko, Cecylia			2009	19-Nov-09		Yes	2013				x				
Trzeciak, Stanislaw	1712	Yes				Yes	2006				x				
Urbanska, Paulina	11383					Yes	2002				x				
Warszawski, Danuta	8415	Yes					2010	Yes	Yes					2011	
Warszawski, Zygmunt	10793	Yes					2010	Yes	Yes					2011	
Wimmer, Wanda	1138	Yes				Yes	2006				x				
Wolnik, Michal	1736					Yes	2001				x				
Wolnik, Michalina	1735					Yes	2004				x				
Wolwowicz, John							2005							2006	
Wrobel, Stanislaw	2552					Yes	2004								
Zak, Jan	4500					Yes	2002				x				
Zalewski, Mieczyslaw	11883					Yes	2000				x				
Zboch, Constance	11414	Yes			2006 dues paid in Feb. 2007		2013	Yes	Yes						knew
Zub, Bernice	8729						2005		Yes					2006	
Zub, Lillian	9842						2005		Yes						

Status per Branch membership ledger											Listed on Waldmann Schedules				
Name	PAC Membership Number	2006 Member	Year Joined*	Date 1st Dues Paid*	Notes re dues paid**	Deceased	Last year for which dues paid	List provided on June 20, 2014	List provided on August 13, 2014	Defendant in litigation	Sch. A Deceased	Sch. B not PAC	Sch. C 2005 not paid	Sch. D stopped paying	Sch. E knew dues not paid to PAC
Zwara, Cecylia	11980	Yes			prepaid dues to Apr. 2016		2016	Yes	Yes						knew
Count:															
132		55				38	131	34	39	10	37	20	12	31	16

Notes

* This information is provided on this schedule for only those "members" who do not have PAC Membership Number.

1. Branch 1-7 allowed members to pay dues late and to make up for prior years' dues not paid. They did not terminate members who had not paid for over a year.
2. Six members joined in 2005 or early 2006 but did not receive PAC membership numbers.
3. Some of the PAC membership numbers in the Membership Ledger are coded with the letter "U" after the number, which relates to whether the individual member was insured
4. Included in the column titled "List provided on June 20, 2014" includes the name of one person subsequently added to the list.

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APPENDIX N

"Members" of Branch 1-7 of the Polish Alliance of Canada

Status per Branch membership ledger											Listed on Waldmann Schedules				
Name	PAC Membership Number	2006 Member	Year Joined*	Date 1st Dues Paid*	Notes re dues paid**	Deceased	Last year for which dues paid	List provided on June 20, 2014	List provided on August 13, 2014	Defendant in litigation	Sch. A Deceased	Sch. B not PAC	Sch. C 2005 not paid	Sch. D stopped paying	Sch. E knew dues not paid to PAC
Celej, Helena		Yes	2005	16-Jan-05			2014	Yes	Yes			x			
Celej, Marian	12222	Yes					2014	Yes	Yes						knew
Dreher, Maria	8416	Yes					2013	Yes	Yes						
Flis, Emily	11409	Yes					2014	Yes	Yes						voted/family
Grabowski, Helena	11362	Yes			2005-2007 paid in 2008; 2009 paid in 2010		2014	Yes	Yes						voted
Kowalska, Krystyna	9863	Yes					2014	Yes	Yes						voted
Kucharska, Wladyslawa	10329	Yes			2006 dues paid in April 2007		2014	Yes	Yes						knew
Miasik, Adam	10560	Yes			appears dues not paid for portion of 2006; 2009 & 2010 paid in 2011; 2012 paid in 2013		2014	Yes	Yes				x	2009	family
Miasik, Andrzej	10561	Yes			did not pay either 2005 or 2006; 2009 & 2010 paid in 2011; 2012 paid in 2013		2014	Yes	Yes				x	2009	family
Miasik, Piotr	10563	Yes			did not pay either 2005 or 2006; 2009 & 2010 paid in 2011; 2012 paid in 2013		2014	Yes	Yes				x	2009	family
Miasik, Renata	11006	Yes			did not pay either 2005 or 2006; 2009 & 2010 paid in 2011; 2012 paid in 2013		2014	Yes	Yes				x	2009	family
Neuff, Eugieniusz		Yes	2006	21-Oct-05			2014	Yes	Yes			x			
Neuff, Ksawera		Yes	2006	21-Oct-05			2014	Yes	Yes			x			
Piltz, Juno	12089	Yes					2014	Yes	Yes						knew
Pomorska, Janina		Yes	2005	13-Mar-05	2009 not paid		2013	Yes	Yes			x			
Pomorski, Lucjan		Yes	2005	13-Mar-05	2009 not paid		2013	Yes	Yes			x			
Ross, Virginia	9840	Yes			2006 dues paid Oct. 2008		2014	Yes	Yes						knew
Skibicki, Teresa		Yes	2006	19-Mar-06			2014	Yes	Yes			x			family
Zboch, Constance	11414	Yes			2006 dues paid in Feb. 2007		2013	Yes	Yes						knew
Zwara, Cecylia	11980	Yes			prepaid dues to Apr. 2016		2016	Yes	Yes						knew
Count:															
20		20				0	20	20	20	0	0	6	4	4	14

Notes

* This information is provided on this schedule for only those "members" who do not have PAC Membership Number.

1. Branch 1-7 allowed members to pay dues late and to make up for prior years' dues not paid. They did not terminate members who had not paid for over a year.
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3. Some of the PAC membership numbers in the Membership Ledger are coded with the letter "U" after the number, which relates to whether the individual member was insured
4. Included in the column titled "List provided on June 20, 2014" includes the name of one person subsequently added to the list.

APPENDIX O

154

Shea, Patrick

From: Shea, Patrick
Sent: August-12-14 7:10 PM
To: Peter Waldmann
Cc: Daniel Weisz; Bernie Romano
Subject: Re: Email re PATL and PAC

Thank you for your e-mail.

In terms of lists of members, the only thing that could be considered a "list" taken by the Receiver from the books and records of the Branch is the Membership Ledger(s) that were provided, and they you confirm to receiving. From you we have the "list" of who you think are (not) members. From the other side I believe there is a handwritten"list" of who they think are members. Neither of these documents are Branch books or records. In addition, there are the charts - which I suppose could be considered lists - the Receiver prepared, which are not Branch books and records. There may be other documents in existence that could be considered a "list" of members - things like minutes of meetings with lists of attendees, invitations to events, books or brochures, wall plaques, pictures and the like - but the Receiver has, you will understand, not looked at every piece of paper and the only document it has identified that is specifically relating to identifying individuals who joined the Branch and paid dues is the Membership Ledger(s). I hope that answers your question....I am not sure what else you would like and or if this is not a "trick" or "skill-testing" question that I am missing? I also note that the Receiver did not feel it necessary to examine documents or records for the early years of the Branch.

Please let me know if there is anything else that we can do to assist you.

Sent from my iPad

On Aug 12, 2014, at 6:43 PM, "Peter Waldmann" <peter@peteriwaldmann.com> wrote:

> Mr Shea,
>
> In our phone call, in which either you or Mr Weisz referred to the trial judge as "Fred", and in which you accused me of cross-examining the Receiver when I attempted to ask questions and get answers, I raised the question which I set out in my earlier letter.
>
> Namely, Mr Romano wrote a letter saying the Receiver had given me a "List" of members of Branch 1-7 of The Polish Alliance of Canada.
>
> I wrote then and asked if there was such a "List" because no such "List" was provided to me.
>
> I asked in our phone call whether there was such a "List" and Mr Weisz confirmed that he was unaware any "List" and the only thing he sent was what we referred to as the "Membership Ledger(s)" which Collins Barrow took and scanned and emailed as an attachment to me.
>
> I would appreciate this being put into writing by Mr Weisz as the Receiver, confirming there is no "List" other than the "Membership Ledger(s)" which Mr Weisz emailed to me.
>
> The Membership Ledger(s) which Mr Weisz forwarded were the material we relied upon to provide you our position set out in my letter that there were no eligible persons to re-apply for membership in The Polish Alliance of Canada Branch 1-7 without going through the membership application process and without having to pay back dues. This only applies in Justice Myers' Order to persons who were not

aware their dues were being confiscated and not forwarded to The Polish Alliance of Canada by the Defendants.

I would refer you to the issued and entered Order of the Honourable Justice F.L. Myers made May 27, 2014.

To repeat, I would ask for a letter or other document signed by the Receiver confirming the above respecting the so-called "List" as opposed to the Membership Ledger(s).

I trust this is clear, but if it is still ambiguous to you, please contact me about it.

Regarding your potential conflict of interest, you are certainly aware of your professional responsibilities and I do not understand how Mr Romano can help you with them other than directing you to the pleadings in this action and counterclaim. If Mr Romano volunteers to dismiss the allegations against Mr Gidzinski, and remove the allegations against the HEB members of The Polish Alliance of Canada as set out in the pleadings, perhaps that may assist you.

Peter I. Waldmann
Barrister & Solicitor
183 Augusta Avenue
Toronto, Ontario M5T 2L4
(416) 921-3185
(416) 921-3183 [fax]

From: Shea, Patrick [mailto:Patrick.Shea@gowlings.com]
Sent: Tuesday, August 12, 2014 6:31 PM
To: Peter Waldmann
Cc: Bernie Romano; Daniel Weisz; Shea, Patrick
Subject: Re: Email re PATL and PAC

Given Mr Waldmann's assertions, it appears that the best course of action with respect to privileged documents, is that, under the supervision of the Receiver, they be placed in a sealed box to be kept and brought before the Court by the Receiver. I assume, although it may be unwise to do so in this case, that this is acceptable to all concerned?

I understood that we had fully addressed your issue with respect to potential members on our call and in the documents sent to you by the Receiver. If there is a specific question or issue, we'd be pleased to try to assist by providing an answer. Is there a specific question or issue?

I am, frankly, not certain as to the basis for your assertion that Gowlings a conflict, but we will certainly look into the assertion that one exists and we will ensure that issue is addressed in then Receiver's report to the court. I will speak to Mr Romano as to how Mr Gidzinski fits into the dispute with respect to the re-constitution of the Branch executive and the receivership.

Sent from my iPad

On Aug 12, 2014, at 6:06 PM, "Peter Waldmann" <peter@peteriwaldmann.com> wrote:

Mr Shea,

My client objects to Mr Miasik removing any documents.

If Mr Miasik claims privilege over any such documents, he must identify whose privilege he is claiming, ie. his own, Polish Association of Toronto Limited's privilege, or whoever else whose privilege Mr Miasik may be asserting.

I note that Mr Miasik has no standing to claim privilege for any person but himself. He was never a qualified director of Polish Association of Toronto Limited, and he is not and has never been a shareholder of Polish Association of Toronto Limited, as confirmed by the Reasons of May 27, 2014 released by the Honourable Mr Justice F.L. Myers.

If Mr Miasik intends to assert any privilege, I would ask that the specific documents be sealed so they can be reviewed by a Judge if necessary to determine the validity of the privilege claim. My client is prepared to bring a Motion challenging any assertion by Mr Miasik of any privilege if it is made and appears to be colourable or an abuse of the court process.

I also confirm that Mr Romano's message attests to him remaining as lawyer for the appealing Defendants, and having no status regarding acting for any person who may wish to apply for membership in Branch 1-7 of The Polish Alliance of Canada, or who may assert a position that they in fact are members despite the information we provided to you earlier.

I further note that the Receiver, nor anyone on its behalf, has responded in writing to my message asking for the 'so-called' "List" of Members of Branch 1-7 of The Polish Alliance of Canada to which Mr Romano referred to in his earlier correspondence. In our oral telephone conference of last week, you and Mr Weisz confirmed there was no such "List" but the only document was the Membership Ledger which you forwarded to our office by email attachment, and to which we provided our analysis.

My client is obviously concerned that Mr Miasik may, either deliberately or inadvertently, remove documents that do not belong to him and may provide facts and evidence which is necessary for the Court, particularly as Mr Romano has indicated he has instructions from someone, although it is not absolutely clear whether it is the Defendants he represents or some other person or persons, and intends to bring a stay of proceedings. It is also not clear what proceedings Mr Romano wants to stay, as my client has brought forward a motion to strike out Mr Romano's clients' counterclaims against the Plaintiff, and the other defendants by counterclaim including various members of the Head Executive Board of The Polish Alliance of Canada, past and some present. These include Elizabeth Betowski and Stan Gidzinski.

I note that Stan Gidzinski is a former client of the Gowling, Henderson, LaFleur LLP law firm and I alert you to the clear conflict of Gowlings acting for the Receiver in respect of the same proceeding as in which Stan Gidzinski is a named party in possible adverse interest. I mention that the role of Stan Gidzinski is one of the allegations raised by these Defendants in the course of the narrative evidence of the trial before Justice Myers.

I direct you to read Mr Romano's clients' Statement of Defence and Counterclaim and the other relevant pleadings and documents with respect to Gowlings' client Stan

Gidzinski. If you have any questions, please do not hesitate to contact me concerning same.

Peter I. Waldmann
Barrister & Solicitor
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From: Bernie Romano [mailto:bernie@romanolaw.ca]
Sent: Tuesday, August 12, 2014 4:26 PM
To: 'Shea, Patrick'
Cc: Peter Waldmann
Subject: Email re PATL and PAC

Mr. Shea:

This confirms I represent the Appellants in this matter.

My previous correspondence marked "without prejudice" related to a concern that same was without prejudice to the Appellants' appeal rights. We do not object to the letter of July 25, 2014 being brought to the attention of the court.

Our present intention is to bring a motion for a stay of proceedings.

Regarding a meeting with Myers J. , please advise me of proposed dates and I will confirm.

Meanwhile, I am advised that there are privileged documents at the Subject Lakeshore Property which include communications between the Appellants and their counsel. Please confirm that Mr. Miasik is entitled to remove these documents and further please confirm that if the Receiver or its representatives inadvertently review any such documents, that they will notify Mr. Miasik.

Thank you.

Bernie Romano

Bernie Romano, B.Sc., LL. B.

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Namely, Mr Romano wrote a letter saying the Receiver had given me a "List" of members of Branch 1-7 of The Polish Alliance of Canada.

I wrote then and asked if there was such a "List" because no such "List" was provided to me.

I asked in our phone call whether there was such a "List" and Mr Weisz confirmed that he was unaware any "List" and the only thing he sent was what we referred to as the "Membership Ledger(s)" which Collins Barrow took and scanned and emailed as an attachment to me.

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Shea, Patrick

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Thank you.

Bernie Romano

Bernie Romano, B.Sc., LL. B.

Bernie Romano Professional Corporation
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22 Goodmark Place, Suite 11
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M9W 6R2

Phone: (416) 213-1225, ex. 300
Fax: (416) 213-1251
Email: bernie@romanolaw.ca

Shea, Patrick

From: Shea, Patrick
Sent: August-13-14 12:03 PM
To: Peter Waldmann
Cc: Daniel Weisz; Bernie Romano (bernie@romanolaw.ca)
Subject: Re: PAC vs PATL - Re proposed election

Mr Waldmann,

I note that you continue to engage in direct communications with out client without copying me. Please ensure that we are copied on all direct communications.

Thank you.

Sent from my iPad

On Aug 8, 2014, at 6:53 PM, "Peter Waldmann" <peter@peteriwaldmann.com> wrote:

> I object to Mr Romano receiving this and being asked for comments until and unless he specifies for whom he is acting. As you know, his clients before the Honourable Justice Myers quit The Polish Alliance of Canada, and by necessity quit Branch 1-7 of the Polish Alliance of Canada, and the Court has so ruled.
>
> Further, they are not eligible to reapply for membership by the Court Order, and so have no interest in this matter.
>
> If they wish to take a position, it is my client's position they would have to bring a motion under the *Rules of Civil Procedure* for status to intervene.
>
> However, if Mr Romano is representing someone other than the Defendants in the litigation, I would think he would have to disclose exactly whom he is representing, and if they are not parties to the litigation, he would have to seek intervener status for them, unless he is conflicted representing both the Defendants and these people, if they exist at all.
>
> There is a rule in the Rule of Civil Procedure concerning this, and I will seek instructions whether I should serve the appropriate notice or demand on Mr Romano to advise at who his client may be, and if refused, to bring the appropriate motion to the Masters' court.

Peter I. Waldmann
Barrister & Solicitor
183 Augusta Avenue
Toronto, Ontario M5T 2L4
(416) 921-3185
(416) 921-3183 [fax]

From: Daniel Weisz [mailto:dweisz@collinsbarrow.com]
Sent: Friday, August 08, 2014 3:56 PM
To: Peter Waldmann; Bernie Romano (bernie@romanolaw.ca)

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Cc: Shea, Patrick
Subject: PAC vs PATL - Re proposed election

Counsel,

As we have previously indicated to you, the Receiver is in the process of preparing its report to the Court. In that regard, we are taking this opportunity to forward to you at this time the portions of the report relating to the election referred to by the Court. As this document is still draft, the Receiver reserves the right to amend the attached paragraphs and to bring it current for matters that may arise between now and the finalization of the report.

The appendices being provided to you include the Receiver's analysis of the Membership Ledger and the handwritten list provided on June 20, 2014. If you require copies of the other appendices referred to in the draft report, please let us know and we will forward them to you.

We would ask that you review the schedules and advise us if you are aware of any factual inaccuracies contained therein, particularly with respect to the comments attributed to Mr. Waldmann's schedules (by Mr. Waldmann) and the list provided on June 20 , 2014 (by Mr. Romano).

Mr. Romano, you will note that the draft report presently references your correspondence to the Receiver dated July 25, 2014 which was sent "without prejudice". We request that you advise whether the Receiver may include that letter in the Receiver's report.

Thank you,

Danny

Daniel Weisz, *Senior Vice-President* | Collins Barrow Toronto Limited
T: 416-646-8778 F: 416-480-2646 E: dweisz@collinsbarrow.com
11 King St. W., Suite 700, Box 27, Toronto, Ontario, Canada, M5H 4C7

An independent member of Baker Tilly International

Connect with me on LinkedIn: http://ca.linkedin.com/in/danielweisz

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Shea, Patrick

From: Shea, Patrick
Sent: August-13-14 6:49 AM
To: Peter Waldmann
Cc: Daniel Weisz; Bernie Romano
Subject: Re: Email re PATL and PAC

To clarify, we are not saying that you are not entitled to raise the issues that you have raised, if you believe raising those issues may assist in advancing your client's position. However the Receiver is not a litigant, but an officer of the court appointed to perform the functions assigned by the Court. The assertions you are making are such that we believe directions from the Court are necessary before the matter moves forward. The issues of privilege raised Mr Romano - which likely have merit - and your dispute of that assertion raises further issues relating to access and review of documents.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Shea, Patrick
Sent: Wednesday, August 13, 2014 06:42
To: Peter Waldmann
Cc: Daniel Weisz; Bernie Romano
Subject: Re: Email re PATL and PAC

There is nothing personal Mr Waldmann. I don't know you. You, however, have taken what can only be described as an extremely aggressive approach. In your last e-mail you went so far as to challenge my competence.

All of your issues will be raised with His Honour, who can determine how this matter should unfold going forward. There is no prejudice to delaying your clients' attendance at the premises until the issues of conflict, competence to act, privilege, etc are resolved. As matters currently stand any attendance would likely create more issues than it resolves.

We will ensure that all of your e-mails (and our e-mails) are before the court. His Honour may disagree with the position taken re the attendance, but at this point the issues with respect to privileged documents alone, combined with your extremely adversarial approach, gives rise to serious concerns with respect to providing access to what may include privileged documents.

You can raise all of your issues before His Honour and I am sure you will do so.

Thank you. I am sorry it has come to this, but your approach to the Receiver, an officer of the Court, is so aggressive that we have justifiable concerns that all issues of conflict, competence, privilege, etc be addressed by the Court before we move forward.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Peter Waldmann
Sent: Wednesday, August 13, 2014 06:23
To: Shea, Patrick
Cc: Daniel Weisz; Bernie Romano

Subject: RE: Email re PATL and PAC

Mr Shea,

I have no animosity towards Gowlings and I would ask you to confirm this with Clifford Cole of your firm, who is in the litigation department and with whom I am currently dealing on an unrelated matter concerning a bankruptcy.

I do not think that my raising serious issues requires an unfortunate form of reply from you, which is apparently personal from its content if not its tone. I note we have never met in person to my knowledge or had any prior professional dealings.

I also have no animosity towards the Receiver, and I would ask Mr Weisz to confirm this with Carolyn Seaquist of Collins Barrow who recommended Mr Weisz to my office, and to also confirm this with Larry Rotstein and Ian Wollach of Collins Barrow, with both of whom I have had years of dealings. I not long ago called Larry Rotstein as a witness in a trial in Newmarket before Nelson J.

Nor does it warrant a reaction which may prejudice my client by the Receiver by breaking the Receiver's commitment to permit my client to examine its own documents in the Lakeshore property. I state "its own documents" since Branch 1-7 is a part of The Polish Alliance of Canada, subject to the nuances in the May 27, 2014 Reasons for Judgment, which nuances are now the subject of my client's Cross-Appeal.

It is my obligation to act in my client's interest regardless, and my pointing out an obvious and perhaps not curable conflict on the part of Gowlings is not evidence of animosity, or a basis to launch an attack against counsel for raising same. I note that a few months ago, I was acting for a gentleman called Lino Novielli where Gowlings was acting for the Toronto-Dominion Bank. After close to two years of litigation, my client disclosed documents which demonstrated clearly that Gowlings had acted for him personally in an obviously related matter. The response at that point was that Gowlings voluntarily withdrew on the eve of its summary judgment motion. There was no animosity or personality disputes. It was simply clear upon investigation that the conflict of interest was irreconcilable and the Gowlings' conflicts check had somehow failed to reveal it when Gowlings was retained by the Toronto-Dominion Bank to sue Mr Novielli. The matter is proceeding to a new summary judgment hearing date in Milton with substitute counsel for the Bank.

However, I am under a duty to raise every concern and identify any inconsistency and demand compliance with best practices by the Receiver. I still do not understand why a Receiver with the skills required for the tasks it accepted under the June 20, 2014 requires counsel to fulfill its job. I have no problem or objection with the Receiver seeking whatever assistance it wishes, and if the Receiver considers it needs legal advice, then the Receiver is at liberty to get it. However, my client's concern is that any bills rendered by the Receiver are then not added to the Receiver's account as disbursements, since it is duplicative and unnecessary and wasteful. It would be different perhaps if some party sued the Receiver. But no one is suing the Receiver at this point. The Receiver does not need a lawyer to make its report to Court if the Receiver is acting within its area of expertise and within the Order.

Concerning the "charts" of the Receiver which you mention, please ask Mr Weisz to send them to me, since I do not recall receiving any such charts.

Concerning the Thursday, August 14, 2014 inspection by Ms Szramek, Ms Betowski and Ms Nielubowicz, they are all volunteers and not being paid. They are members of my client. They have arranged their time to attend. I ask you to reconsider your cancellation of the Receiver's commitment made to my client for the inspection this Thursday and Friday.

I will not be in attendance, as shown by the list of people I provided yesterday to your client.

So I do not see what reason there may be now for cancelling the inspection. You have already determined to seal the documents for which Mr Miasik or any of the other Defendants may claim privilege as put forward yesterday by Mr Romano.

Mr Romano added three years to this litigation because he made allegations I was a material witness for attending another meeting of my client, and then abandoned the Defendants' motion to remove me as the lawyer for the Plaintiff The Polish Alliance of Canada before his affiants had answered all their undertakings ordered by Master Abrams. He then proposed to Colin Campbell, J., the case management judge at the time, to proceed with the Trial of the Issue with myself as counsel which resulted in the hearing before Myers, J., to which I and Ms Edwards, counsel for Mr Rusek, agreed.

Given this history in this case, I do not think I should provide another opportunity for delay by the Defendants.

So, I do not see the connection between your expressed concerns, even if they had any merit, which they do not, with your cancellation of the Receiver's commitment.

I would ask you to review this matter with Danny Weisz, and reverse your resiling from the Receiver's commitment to permit the inspection this Thursday and Friday.

Of course, if the Receiver needs to address this before the Court, then please arrange with my office a mutually convenient time. You already have my dates which were sent to Mr Weisz respecting a different issue.

Peter I. Waldmann
Barrister & Solicitor
183 Augusta Avenue
Toronto, Ontario M5T 2L4
(416) 921-3185
(416) 921-3183 [fax]

From: Shea, Patrick [mailto:Patrick.Shea@gowlings.com]
Sent: Wednesday, August 13, 2014 5:36 AM
To: Peter Waldmann
Cc: Daniel Weisz; Bernie Romano
Subject: Re: Email re PATL and PAC

Mr Waldmann;

We have no interest in dealing with your empty accusations. We can certainly provide the handwritten list. You have the charts the Receiver prepared. We will ask His Honour if we are required to produce for you all of the documents that could, perhaps, be considered "lists" or which you believe might be considered "lists". I cannot imagine how requiring that the Receiver provide you with pictures of members or books containing names of members is relevant. First, His Honour provided a "start date" for determining membership. Second, is your position not that there are no members of the Branch?

Given the clear animosity you have towards Gowlings and the Receiver, and the issues that have arisen with respect to potentially privileged documents at the premises, it may be best that your clients not visit the

premises this week. An attendance before His Honour is clearly required to address the various issues that you have raised.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Peter Waldmann
Sent: Tuesday, August 12, 2014 22:03
To: Shea, Patrick
Cc: Daniel Weisz; Bernie Romano
Subject: RE: Email re PATL and PAC

Mr Shea,

Please forward a copy of:

- The handwritten "list" of who think they are members from whoever you describe as being "from the other side" and please identify where the Receiver got them in a more specific manner than: "from the other side".

- The "charts" the Receiver prepared which you cite below; and

- Those other documents you mention which the Receiver has looked at - I am not asking for anything which the Receiver has not looked at, nor am I asking the Receiver to look at them - the Receiver's duties are set out in the Court Order and they do not necessarily involve examining documents, rather they are focused on just maintaining the security of the property, most of which they accomplished just by changing the locks on the evening of June 20th, 2014.

I do not think it appropriate for you to be questioning the integrity and sincerity of my requests by suggesting, even if it may be an attempt at light-hearted and well-meant humour, by asserting that you are concerned at being subject to a "trick" or "skill-testing" question.

I note from your Gowlings website that you are listed as a certified specialist in Bankruptcy and Insolvency, which puzzles me since there is no one either bankrupt or insolvent in this matter. Perhaps you can advise why the Receiver needs help from you to do its job.

These are serious questions and they are questions that affect all the current members of The Polish Alliance of Canada, whose membership even today approaches 850 persons who were not active participants in this litigation but have valid and honourable interests to protect and pursue.

Peter I. Waldmann
Barrister & Solicitor
183 Augusta Avenue
Toronto, Ontario M5T 2L4
(416) 921-3185
(416) 921-3183 [fax]

From: Shea, Patrick [mailto:Patrick.Shea@gowlings.com]
Sent: Tuesday, August 12, 2014 7:10 PM
To: Peter Waldmann

Cc: Daniel Weisz; Bernie Romano
Subject: Re: Email re PATL and PAC

Thank you for your e-mail.

In terms of lists of members, the only thing that could be considered a "list" taken by the Receiver from the books and records of the Branch is the Membership Ledger(s) that were provided, and they you confirm to receiving. From you we have the "list" of who you think are (not) members. From the other side I believe there is a handwritten"list" of who they think are members. Neither of these documents are Branch books or records. In addition, there are the charts - which I suppose could be considered lists - the Receiver prepared, which are not Branch books and records. There may be other documents in existence that could be considered a "list" of members - things like minutes of meetings with lists of attendees, invitations to events, books or brochures, wall plaques, pictures and the like - but the Receiver has, you will understand, not looked at every piece of paper and the only document it has identified that is specifically relating to identifying individuals who joined the Branch and paid dues is the Membership Ledger(s). I hope that answers your question....I am not sure what else you would like and or if this is not a "trick" or "skill-testing" question that I am missing? I also note that the Receiver did not feel it necessary to examine documents or records for the early years of the Branch.

Please let me know if there is anything else that we can do to assist you.

Sent from my iPad

On Aug 12, 2014, at 6:43 PM, "Peter Waldmann" <peter@peteriwaldmann.com> wrote:

> Mr Shea,
>
> In our phone call, in which either you or Mr Weisz referred to the trial judge as "Fred", and in which you accused me of cross-examining the Receiver when I attempted to ask questions and get answers, I raised the question which I set out in my earlier letter.
>
> Namely, Mr Romano wrote a letter saying the Receiver had given me a "List" of members of Branch 1-7 of The Polish Alliance of Canada.
>
> I wrote then and asked if there was such a "List" because no such "List" was provided to me.
>
> I asked in our phone call whether there was such a "List" and Mr Weisz confirmed that he was unaware any "List" and the only thing he sent was what we referred to as the "Membership Ledger(s)" which Collins Barrow took and scanned and emailed as an attachment to me.
>
> I would appreciate this being put into writing by Mr Weisz as the Receiver, confirming there is no "List" other than the "Membership Ledger(s)" which Mr Weisz emailed to me.
>
> The Membership Ledger(s) which Mr Weisz forwarded were the material we relied upon to provide you our position set out in my letter that there were no eligible persons to re-apply for membership in The Polish Alliance of Canada Branch 1-7 without going through the membership application process and without having to pay back dues. This only applies in Justice Myers' Order to persons who were not aware their dues were being confiscated and not forwarded to The Polish Alliance of Canada by the Defendants.
>
> I would refer you to the issued and entered Order of the Honourable Justice F.L. Myers made May 27, 2014.

To repeat, I would ask for a letter or other document signed by the Receiver confirming the above respecting the so-called "List" as opposed to the Membership Ledger(s).

I trust this is clear, but if it is still ambiguous to you, please contact me about it.

Regarding your potential conflict of interest, you are certainly aware of your professional responsibilities and I do not understand how Mr Romano can help you with them other than directing you to the pleadings in this action and counterclaim. If Mr Romano volunteers to dismiss the allegations against Mr Gidzinski, and remove the allegations against the HEB members of The Polish Alliance of Canada as set out in the pleadings, perhaps that may assist you.

Peter I. Waldmann
Barrister & Solicitor
183 Augusta Avenue
Toronto, Ontario M5T 2L4
(416) 921-3185
(416) 921-3183 [fax]

From: Shea, Patrick [mailto:Patrick.Shea@gowlings.com]
Sent: Tuesday, August 12, 2014 6:31 PM
To: Peter Waldmann
Cc: Bernie Romano; Daniel Weisz; Shea, Patrick
Subject: Re: Email re PATL and PAC

Given Mr Waldmann's assertions, it appears that the best course of action with respect to privileged documents, is that, under the supervision of the Receiver, they be placed in a sealed box to be kept and brought before the Court by the Receiver. I assume, although it may be unwise to do so in this case, that this is acceptable to all concerned?

I understood that we had fully addressed your issue with respect to potential members on our call and in the documents sent to you by the Receiver. If there is a specific question or issue, we'd be pleased to try to assist by providing an answer. Is there a specific question or issue?

I am, frankly, not certain as to the basis for your assertion that Gowlings a conflict, but we will certainly look into the assertion that one exists and we will ensure that issue is addressed in then Receiver's report to the court. I will speak to Mr Romano as to how Mr Gidzinski fits into the dispute with respect to the re-constitution of the Branch executive and the receivership.

Sent from my iPad

On Aug 12, 2014, at 6:06 PM, "Peter Waldmann" <peter@peteriwaldmann.com> wrote:

> Mr Shea,
>
> My client objects to Mr Miasik removing any documents.
>
> If Mr Miasik claims privilege over any such documents, he must identify whose privilege he is claiming, ie. his own, Polish Association of Toronto Limited's privilege, or whoever else whose privilege Mr Miasik may be asserting.

I note that Mr Miasik has no standing to claim privilege for any person but himself. He was never a qualified director of Polish Association of Toronto Limited, and he is not and has never been a shareholder of Polish Association of Toronto Limited, as confirmed by the Reasons of May 27, 2014 released by the Honourable Mr Justice F.L. Myers.

If Mr Miasik intends to assert any privilege, I would ask that the specific documents be sealed so they can be reviewed by a Judge if necessary to determine the validity of the privilege claim. My client is prepared to bring a Motion challenging any assertion by Mr Miasik of any privilege if it is made and appears to be colourable or an abuse of the court process.

I also confirm that Mr Romano's message attests to him remaining as lawyer for the appealing Defendants, and having no status regarding acting for any person who may wish to apply for membership in Branch 1-7 of The Polish Alliance of Canada, or who may assert a position that they in fact are members despite the information we provided to you earlier.

I further note that the Receiver, nor anyone on its behalf, has responded in writing to my message asking for the 'so-called' "List" of Members of Branch 1-7 of The Polish Alliance of Canada to which Mr Romano referred to in his earlier correspondence. In our oral telephone conference of last week, you and Mr Weisz confirmed there was no such "List" but the only document was the Membership Ledger which you forwarded to our office by email attachment, and to which we provided our analysis.

My client is obviously concerned that Mr Miasik may, either deliberately or inadvertently, remove documents that do not belong to him and may provide facts and evidence which is necessary for the Court, particularly as Mr Romano has indicated he has instructions from someone, although it is not absolutely clear whether it is the Defendants he represents or some other person or persons, and intends to bring a stay of proceedings. It is also not clear what proceedings Mr Romano wants to stay, as my client has brought forward a motion to strike out Mr Romano's clients' counterclaims against the Plaintiff, and the other defendants by counterclaim including various members of the Head Executive Board of The Polish Alliance of Canada, past and some present. These include Elizabeth Betowski and Stan Gidzinski.

I note that Stan Gidzinski is a former client of the Gowling, Henderson, LaFleur LLP law firm and I alert you to the clear conflict of Gowlings acting for the Receiver in respect of the same proceeding as in which Stan Gidzinski is a named party in possible adverse interest. I mention that the role of Stan Gidzinski is one of the allegations raised by these Defendants in the course of the narrative evidence of the trial before Justice Myers.

I direct you to read Mr Romano's clients' Statement of Defence and Counterclaim and the other relevant pleadings and documents with respect to Gowlings' client Stan Gidzinski. If you have any questions, please do not hesitate to contact me concerning same.

Peter I. Waldmann
Barrister & Solicitor
183 Augusta Avenue
Toronto, Ontario M5T 2L4
(416) 921-3185

(416) 921-3183 [fax]

This message is confidential and may be solicitor-client privileged. If you receive it by mistake, please contact us.

From: Bernie Romano [mailto:bernie@romanolaw.ca]
Sent: Tuesday, August 12, 2014 4:26 PM
To: 'Shea, Patrick'
Cc: Peter Waldmann
Subject: Email re PATL and PAC

Mr. Shea:

This confirms I represent the Appellants in this matter.

My previous correspondence marked "without prejudice" related to a concern that same was without prejudice to the Appellants' appeal rights. We do not object to the letter of July 25, 2014 being brought to the attention of the court.

Our present intention is to bring a motion for a stay of proceedings.

Regarding a meeting with Myers J. , please advise me of proposed dates and I will confirm.

Meanwhile, I am advised that there are privileged documents at the Subject Lakeshore Property which include communications between the Appellants and their counsel. Please confirm that Mr. Miasik is entitled to remove these documents and further please confirm that if the Receiver or its representatives inadvertently review any such documents, that they will notify Mr. Miasik.

Thank you.

Bernie Romano

Bernie Romano, B.Sc., LL. B.

Bernie Romano Professional Corporation
Barrister and Solicitor
22 Goodmark Place, Suite 11
Toronto, Ontario
M9W 6R2

Phone: (416) 213-1225, ex. 300
Fax: (416) 213-1251
Email: bernie@romanolaw.ca

information it contains by other than an intended recipient is unauthorized. If you received this e-mail in error, please advise me (by return e-mail or otherwise) immediately.

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182

Shea, Patrick

From: Shea, Patrick
Sent: August-13-14 6:42 AM
To: Peter Waldmann
Cc: Daniel Weisz; Bernie Romano
Subject: Re: Email re PATL and PAC

There is nothing personal Mr Waldmann. I don't know you. You, however, have taken what can only be described as an extremely aggressive approach. In your last e-mail you went so far as to challenge my competence.

All of your issues will be raised with His Honour, who can determine how this matter should unfold going forward. There is no prejudice to delaying your clients' attendance at the premises until the issues of conflict, competence to act, privilege, etc are resolved. As matters currently stand any attendance would likely create more issues than it resolves.

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Thank you. I am sorry it has come to this, but your approach to the Receiver, an officer of the Court, is so aggressive that we have justifiable concerns that all issues of conflict, competence, privilege, etc be addressed by the Court before we move forward.

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From: Peter Waldmann
Sent: Wednesday, August 13, 2014 06:23
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Cc: Daniel Weisz; Bernie Romano
Subject: RE: Email re PATL and PAC

Mr Shea,

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I do not think that my raising serious issues requires an unfortunate form of reply from you, which is apparently personal from its content if not its tone. I note we have never met in person to my knowledge or had any prior professional dealings.

I also have no animosity towards the Receiver, and I would ask Mr Weisz to confirm this with Carolyn Seaquist of Collins Barrow who recommended Mr Weisz to my office, and to also confirm this with Larry Rotstein and Ian Wollach of Collins Barrow, with both of whom I have had years of dealings. I not long ago called Larry Rotstein as a witness in a trial in Newmarket before Nelson J.

Nor does it warrant a reaction which may prejudice my client by the Receiver by breaking the Receiver's commitment to permit my client to examine its own documents in the Lakeshore property. I state "its own documents" since Branch 1-7 is a part of The Polish Alliance of Canada, subject to the nuances in the May 27, 2014 Reasons for Judgment, which nuances are now the subject of my client's Cross-Appeal.

It is my obligation to act in my client's interest regardless, and my pointing out an obvious and perhaps not curable conflict on the part of Gowlings is not evidence of animosity, or a basis to launch an attack against counsel for raising same. I note that a few months ago, I was acting for a gentleman called Lino Novielli where Gowlings was acting for the Toronto-Dominion Bank. After close to two years of litigation, my client disclosed documents which demonstrated clearly that Gowlings had acted for him personally in an obviously related matter. The response at that point was that Gowlings voluntarily withdrew on the eve of its summary judgment motion. There was no animosity or personality disputes. It was simply clear upon investigation that the conflict of interest was irreconcilable and the Gowlings' conflicts check had somehow failed to reveal it when Gowlings was retained by the Toronto-Dominion Bank to sue Mr Novielli. The matter is proceeding to a new summary judgment hearing date in Milton with substitute counsel for the Bank.

However, I am under a duty to raise every concern and identify any inconsistency and demand compliance with best practices by the Receiver. I still do not understand why a Receiver with the skills required for the tasks it accepted under the June 20, 2014 requires counsel to fulfill its job. I have no problem or objection with the Receiver seeking whatever assistance it wishes, and if the Receiver considers it needs legal advice, then the Receiver is at liberty to get it. However, my client's concern is that any bills rendered by the Receiver are then not added to the Receiver's account as disbursements, since it is duplicative and unnecessary and wasteful. It would be different perhaps if some party sued the Receiver. But no one is suing the Receiver at this point. The Receiver does not need a lawyer to make its report to Court if the Receiver is acting within its area of expertise and within the Order.

Concerning the "charts" of the Receiver which you mention, please ask Mr Weisz to send them to me, since I do not recall receiving any such charts.

Concerning the Thursday, August 14, 2014 inspection by Ms Szramek, Ms Betowski and Ms Nielubowicz, they are all volunteers and not being paid. They are members of my client. They have arranged their time to attend. I ask you to reconsider your cancellation of the Receiver's commitment made to my client for the inspection this Thursday and Friday.

I will not be in attendance, as shown by the list of people I provided yesterday to your client.

So I do not see what reason there may be now for cancelling the inspection. You have already determined to seal the documents for which Mr Miasik or any of the other Defendants may claim privilege as put forward yesterday by Mr Romano.

Mr Romano added three years to this litigation because he made allegations I was a material witness for attending another meeting of my client, and then abandoned the Defendants' motion to remove me as the lawyer for the Plaintiff The Polish Alliance of Canada before his affiants had answered all their undertakings ordered by Master Abrams. He then proposed to Colin Campbell, J., the case management judge at the time, to proceed with the Trial of the Issue with myself as counsel which resulted in the hearing before Myers, J., to which I and Ms Edwards, counsel for Mr Rusek, agreed.

Given this history in this case, I do not think I should provide another opportunity for delay by the Defendants.

So, I do not see the connection between your expressed concerns, even if they had any merit, which they do not, with your cancellation of the Receiver's commitment.

I would ask you to review this matter with Danny Weisz, and reverse your resiling from the Receiver's commitment to permit the inspection this Thursday and Friday.

Of course, if the Receiver needs to address this before the Court, then please arrange with my office a mutually convenient time. You already have my dates which were sent to Mr Weisz respecting a different issue.

Peter I. Waldmann
Barrister & Solicitor
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From: Shea, Patrick [mailto:Patrick.Shea@gowlings.com]
Sent: Wednesday, August 13, 2014 5:36 AM
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Cc: Daniel Weisz; Bernie Romano
Subject: Re: Email re PATL and PAC

Mr Waldmann;

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Sent from my BlackBerry 10 smartphone on the Bell network.

From: Peter Waldmann
Sent: Tuesday, August 12, 2014 22:03
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Cc: Daniel Weisz; Bernie Romano
Subject: RE: Email re PATL and PAC

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I do not think it appropriate for you to be questioning the integrity and sincerity of my requests by suggesting, even if it may be an attempt at light-hearted and well-meant humour, by asserting that you are concerned at being subject to a "trick" or "skill-testing" question.

I note from your Gowlings website that you are listed as a certified specialist in Bankruptcy and Insolvency, which puzzles me since there is no one either bankrupt or insolvent in this matter. Perhaps you can advise why the Receiver needs help from you to do its job.

These are serious questions and they are questions that affect all the current members of The Polish Alliance of Canada, whose membership even today approaches 850 persons who were not active participants in this litigation but have valid and honourable interests to protect and pursue.

Peter I. Waldmann
Barrister & Solicitor
183 Augusta Avenue
Toronto, Ontario M5T 2L4
(416) 921-3185
(416) 921-3183 [fax]

From: Shea, Patrick [mailto:Patrick.Shea@gowlings.com]
Sent: Tuesday, August 12, 2014 7:10 PM
To: Peter Waldmann
Cc: Daniel Weisz; Bernie Romano
Subject: Re: Email re PATL and PAC

Thank you for your e-mail.

In terms of lists of members, the only thing that could be considered a "list" taken by the Receiver from the books and records of the Branch is the Membership Ledger(s) that were provided, and they you confirm to receiving. From you we have the "list" of who you think are (not) members. From the other side I believe there is a handwritten"list" of who they think are members. Neither of these documents are Branch books or records. In addition, there are the charts - which I suppose could be considered lists - the Receiver prepared, which are not Branch books and records. There may be other documents in existence that could be considered a "list" of members - things like minutes of meetings with lists of attendees, invitations to events, books or brochures, wall plaques, pictures and the like - but the Receiver has, you will understand, not looked at every piece of paper and the only document it has identified that is specifically relating to identifying individuals who joined the Branch and paid dues is the Membership Ledger(s). I hope that answers your question....I am not sure what else you would like and or if this is not a "trick" or "skill-testing" question that I am missing? I also note that the Receiver did not feel it necessary to examine documents or records for the early years of the Branch.

Please let me know if there is anything else that we can do to assist you.

Sent from my iPad

On Aug 12, 2014, at 6:43 PM, "Peter Waldmann" <peter@peteriwaldmann.com> wrote:

Mr Shea,

In our phone call, in which either you or Mr Weisz referred to the trial judge as "Fred", and in which you accused me of cross-examining the Receiver when I attempted to ask questions and get answers, I raised the question which I set out in my earlier letter.

Namely, Mr Romano wrote a letter saying the Receiver had given me a "List" of members of Branch 1-7 of The Polish Alliance of Canada.

I wrote then and asked if there was such a "List" because no such "List" was provided to me.

I asked in our phone call whether there was such a "List" and Mr Weisz confirmed that he was unaware any "List" and the only thing he sent was what we referred to as the "Membership Ledger(s)" which Collins Barrow took and scanned and emailed as an attachment to me.

I would appreciate this being put into writing by Mr Weisz as the Receiver, confirming there is no "List" other than the "Membership Ledger(s)" which Mr Weisz emailed to me.

The Membership Ledger(s) which Mr Weisz forwarded were the material we relied upon to provide you our position set out in my letter that there were no eligible persons to re-apply for membership in The Polish Alliance of Canada Branch 1-7 without going through the membership application process and without having to pay back dues. This only applies in Justice Myers' Order to persons who were not aware their dues were being confiscated and not forwarded to The Polish Alliance of Canada by the Defendants.

I would refer you to the issued and entered Order of the Honourable Justice F.L. Myers made May 27, 2014.

To repeat, I would ask for a letter or other document signed by the Receiver confirming the above respecting the so-called "List" as opposed to the Membership Ledger(s).

I trust this is clear, but if it is still ambiguous to you, please contact me about it.

Regarding your potential conflict of interest, you are certainly aware of your professional responsibilities and I do not understand how Mr Romano can help you with them other than directing you to the pleadings in this action and counterclaim. If Mr Romano volunteers to dismiss the allegations against Mr Gidzinski, and remove the allegations against the HEB members of The Polish Alliance of Canada as set out in the pleadings, perhaps that may assist you.

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From: Shea, Patrick [mailto:Patrick.Shea@gowlings.com]
Sent: Tuesday, August 12, 2014 6:31 PM
To: Peter Waldmann
Cc: Bernie Romano; Daniel Weisz; Shea, Patrick
Subject: Re: Email re PATL and PAC

Given Mr Waldmann's assertions, it appears that the best course of action with respect to privileged documents, is that, under the supervision of the Receiver, they be placed in a sealed box to be kept and brought before the Court by the Receiver. I assume, although it may be unwise to do so in this case, that this is acceptable to all concerned?

I understood that we had fully addressed your issue with respect to potential members on our call and in the documents sent to you by the Receiver. If there is a specific question or issue, we'd be pleased to try to assist by providing an answer. Is there a specific question or issue?

I am, frankly, not certain as to the basis for your assertion that Gowlings a conflict, but we will certainly look into the assertion that one exists and we will ensure that issue is addressed in then Receiver's report to the court. I will speak to Mr Romano as to how Mr Gidzinski fits into the dispute with respect to the re-constitution of the Branch executive and the receivership.

Sent from my iPad

On Aug 12, 2014, at 6:06 PM, "Peter Waldmann" <peter@peteriwaldmann.com> wrote:

> Mr Shea,
>
> My client objects to Mr Miasik removing any documents.
>
> If Mr Miasik claims privilege over any such documents, he must identify whose privilege he is claiming, ie. his own, Polish Association of Toronto Limited's privilege, or whoever else whose privilege Mr Miasik may be asserting.
>
> I note that Mr Miasik has no standing to claim privilege for any person but himself. He was never a qualified director of Polish Association of Toronto Limited, and he is not and has never been a shareholder of Polish Association of Toronto Limited, as confirmed by the Reasons of May 27, 2014 released by the Honourable Mr Justice F.L. Myers.
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> If Mr Miasik intends to assert any privilege, I would ask that the specific documents be sealed so they can be reviewed by a Judge if necessary to determine the validity of the privilege claim. My client is prepared to bring a Motion challenging any assertion by Mr Miasik of any privilege if it is made and appears to be colourable or an abuse of the court process.
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> I also confirm that Mr Romano's message attests to him remaining as lawyer for the appealing Defendants, and having no status regarding acting for any person who may wish to apply for membership in Branch 1-7 of The Polish Alliance of Canada, or who may assert a position that they in fact are members despite the information we provided to you earlier.
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> I further note that the Receiver, nor anyone on its behalf, has responded in writing to my message asking for the 'so-called' "List" of Members of Branch 1-7 of The Polish

Alliance of Canada to which Mr Romano referred to in his earlier correspondence. In our oral telephone conference of last week, you and Mr Weisz confirmed there was no such "List" but the only document was the Membership Ledger which you forwarded to our office by email attachment, and to which we provided our analysis.

My client is obviously concerned that Mr Miasik may, either deliberately or inadvertently, remove documents that do not belong to him and may provide facts and evidence which is necessary for the Court, particularly as Mr Romano has indicated he has instructions from someone, although it is not absolutely clear whether it is the Defendants he represents or some other person or persons, and intends to bring a stay of proceedings. It is also not clear what proceedings Mr Romano wants to stay, as my client has brought forward a motion to strike out Mr Romano's clients' counterclaims against the Plaintiff, and the other defendants by counterclaim including various members of the Head Executive Board of The Polish Alliance of Canada, past and some present. These include Elizabeth Betowski and Stan Gidzinski.

I note that Stan Gidzinski is a former client of the Gowling, Henderson, LaFleur LLP law firm and I alert you to the clear conflict of Gowlings acting for the Receiver in respect of the same proceeding as in which Stan Gidzinski is a named party in possible adverse interest. I mention that the role of Stan Gidzinski is one of the allegations raised by these Defendants in the course of the narrative evidence of the trial before Justice Myers.

I direct you to read Mr Romano's clients' Statement of Defence and Counterclaim and the other relevant pleadings and documents with respect to Gowlings' client Stan Gidzinski. If you have any questions, please do not hesitate to contact me concerning same.

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Barrister & Solicitor
183 Augusta Avenue
Toronto, Ontario M5T 2L4
(416) 921-3185
(416) 921-3183 [fax]

From: Bernie Romano [mailto:bernie@romanolaw.ca]
Sent: Tuesday, August 12, 2014 4:26 PM
To: 'Shea, Patrick'
Cc: Peter Waldmann
Subject: Email re PATL and PAC

Mr. Shea:

This confirms I represent the Appellants in this matter.

My previous correspondence marked "without prejudice" related to a concern that same was without prejudice to the Appellants' appeal rights. We do not object to the letter of July 25, 2014 being brought to the attention of the court.

Our present intention is to bring a motion for a stay of proceedings.

Regarding a meeting with Myers J. , please advise me of proposed dates and I will confirm.

Meanwhile, I am advised that there are privileged documents at the Subject Lakeshore Property which include communications between the Appellants and their counsel. Please confirm that Mr. Miasik is entitled to remove these documents and further please confirm that if the Receiver or its representatives inadvertently review any such documents, that they will notify Mr. Miasik.

Thank you.

Bernie Romano

Bernie Romano, B.Sc., LL. B.

Bernie Romano Professional Corporation
Barrister and Solicitor
22 Goodmark Place, Suite 11
Toronto, Ontario
M9W 6R2

Phone: (416) 213-1225, ex. 300
Fax: (416) 213-1251
Email: bernie@romanolaw.ca

Shea, Patrick

From: Shea, Patrick
Sent: August-13-14 5:36 AM
To: Peter Waldmann
Cc: Daniel Weisz; Bernie Romano
Subject: Re: Email re PATL and PAC

Mr Waldmann;

We have no interest in dealing with your empty accusations. We can certainly provide the handwritten list. You have the charts the Receiver prepared. We will ask His Honour if we are required to produce for you all of the documents that could, perhaps, be considered "lists" or which you believe might be considered "lists". I cannot imagine how requiring that the Receiver provide you with pictures of members or books containing names of members is relevant. First, His Honour provided a "start date" for determining membership. Second, is your position not that there are no members of the Branch?

Given the clear animosity you have towards Gowlings and the Receiver, and the issues that have arisen with respect to potentially privileged documents at the premises, it may be best that your clients not visit the premises this week. An attendance before His Honour is clearly required to address the various issues that you have raised.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Peter Waldmann
Sent: Tuesday, August 12, 2014 22:03
To: Shea, Patrick
Cc: Daniel Weisz; Bernie Romano
Subject: RE: Email re PATL and PAC

Mr Shea,

Please forward a copy of:

- The handwritten "list" of who think they are members from whoever you describe as being "from the other side" and please identify where the Receiver got them in a more specific manner than: "from the other side".

- The "charts" the Receiver prepared which you cite below; and

- Those other documents you mention which the Receiver has looked at - I am not asking for anything which the Receiver has not looked at, nor am I asking the Receiver to look at them - the Receiver's duties are set out in the Court Order and they do not necessarily involve examining documents, rather they are focused on just maintaining the security of the property, most of which they accomplished just by changing the locks on the evening of June 20th, 2014.

I do not think it appropriate for you to be questioning the integrity and sincerity of my requests by suggesting, even if it may be an attempt at light-hearted and well-meant humour, by asserting that you are concerned at being subject to a "trick" or "skill-testing" question.

I note from your Gowlings website that you are listed as a certified specialist in Bankruptcy and Insolvency, which puzzles me since there is no one either bankrupt or insolvent in this matter. Perhaps you can advise why the Receiver needs help from you to do its job.

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From: Shea, Patrick [mailto:Patrick.Shea@gowlings.com]
Sent: Tuesday, August 12, 2014 7:10 PM
To: Peter Waldmann
Cc: Daniel Weisz; Bernie Romano
Subject: Re: Email re PATL and PAC

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Please let me know if there is anything else that we can do to assist you.

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To repeat, I would ask for a letter or other document signed by the Receiver confirming the above respecting the so-called "List" as opposed to the Membership Ledger(s).

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Regarding your potential conflict of interest, you are certainly aware of your professional responsibilities and I do not understand how Mr Romano can help you with them other than directing you to the pleadings in this action and counterclaim. If Mr Romano volunteers to dismiss the allegations against Mr Gidzinski, and remove the allegations against the HEB members of The Polish Alliance of Canada as set out in the pleadings, perhaps that may assist you.

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From: Shea, Patrick [mailto:Patrick.Shea@gowlings.com]
Sent: Tuesday, August 12, 2014 6:31 PM
To: Peter Waldmann
Cc: Bernie Romano; Daniel Weisz; Shea, Patrick
Subject: Re: Email re PATL and PAC

Given Mr Waldmann's assertions, it appears that the best course of action with respect to privileged documents, is that, under the supervision of the Receiver, they be placed in a sealed box to be kept and

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> I note that Mr Miasik has no standing to claim privilege for any person but himself. He was never a qualified director of Polish Association of Toronto Limited, and he is not and has never been a shareholder of Polish Association of Toronto Limited, as confirmed by the Reasons of May 27, 2014 released by the Honourable Mr Justice F.L. Myers.
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I note that Stan Gidzinski is a former client of the Gowling, Henderson, LaFleur LLP law firm and I alert you to the clear conflict of Gowlings acting for the Receiver in respect of the same proceeding as in which Stan Gidzinski is a named party in possible adverse interest. I mention that the role of Stan Gidzinski is one of the allegations raised by these Defendants in the course of the narrative evidence of the trial before Justice Myers.

I direct you to read Mr Romano's clients' Statement of Defence and Counterclaim and the other relevant pleadings and documents with respect to Gowlings' client Stan Gidzinski. If you have any questions, please do not hesitate to contact me concerning same.

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(416) 921-3183 [fax]

From: Bernie Romano [mailto:bernie@romanolaw.ca]
Sent: Tuesday, August 12, 2014 4:26 PM
To: 'Shea, Patrick'
Cc: Peter Waldmann
Subject: Email re PATL and PAC

Mr. Shea:

This confirms I represent the Appellants in this matter.

My previous correspondence marked "without prejudice" related to a concern that same was without prejudice to the Appellants' appeal rights. We do not object to the letter of July 25, 2014 being brought to the attention of the court.

Our present intention is to bring a motion for a stay of proceedings.

Regarding a meeting with Myers J. , please advise me of proposed dates and I will confirm.

Meanwhile, I am advised that there are privileged documents at the Subject Lakeshore Property which include communications between the Appellants and their counsel. Please confirm that Mr. Miasik is entitled to remove these documents and further please confirm that

if the Receiver or its representatives inadvertently review any such documents, that they will notify Mr. Miasik.

Thank you.

Bernie Romano

Bernie Romano, B.Sc., LL. B.

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Phone: (416) 213-1225, ex. 300
Fax: (416) 213-1251
Email: bernie@romanolaw.ca

198

Shea, Patrick

From: Peter Waldmann [peter@peteriwaldmann.com]
Sent: August-12-14 6:06 PM
To: Bernie Romano; Shea, Patrick
Cc: Daniel Weisz
Subject: RE: Email re PATL and PAC

Importance: High

Mr Shea,

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I direct you to read Mr Romano's clients' Statement of Defence and Counterclaim and the other relevant pleadings and documents with respect to Gowlings' client Stan Gidzinski. If you have any questions, please do not hesitate to contact me concerning same.

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From: Bernie Romano [mailto:bernie@romanolaw.ca]
Sent: Tuesday, August 12, 2014 4:26 PM
To: 'Shea, Patrick'
Cc: Peter Waldmann
Subject: Email re PATL and PAC

Mr. Shea:

This confirms I represent the Appellants in this matter.

My previous correspondence marked "without prejudice" related to a concern that same was without prejudice to the Appellants' appeal rights. We do not object to the letter of July 25, 2014 being brought to the attention of the court.

Our present intention is to bring a motion for a stay of proceedings.

Regarding a meeting with Myers J. , please advise me of proposed dates and I will confirm.

Meanwhile, I am advised that there are privileged documents at the Subject Lakeshore Property which include communications between the Appellants and their counsel. Please confirm that Mr. Miasik is entitled to remove these documents and further please confirm that if the Receiver or its representatives inadvertently review any such documents, that they will notify Mr. Miasik.

Thank you.

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Fax: (416) 213-1251
Email: bernie@romanolaw.ca

200

Shea, Patrick

202

From: Shea, Patrick
Sent: August-08-14 5:30 PM
To: Peter Waldmann; Daniel Weisz; Bernie Romano (bernie@romanolaw.ca)
Subject: Re: PAC vs PATL - Re proposed election

I believe that any disputes of this nature should be brought before Mr Justice Myers. I will write to His Honour on Monday to request an appointment. I have Mr Waldmann's available dates. Can I please have dates from Mr Romano? The process should be one that will result in achieving the intent of His Honour's decision and it would be in everyone's best interests to have a meeting that is properly convened and conducted.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Peter Waldmann
Sent: Friday, August 8, 2014 17:23
To: Daniel Weisz; Bernie Romano (bernie@romanolaw.ca)
Cc: Shea, Patrick
Subject: RE: PAC vs PATL - Re proposed election

I object to Mr Romano receiving this and being asked for comments until and unless he specifies for whom he is acting. As you know, his clients before the Honourable Justice Myers quit The Polish Alliance of Canada, and by necessity quit Branch 1-7 of the Polish Alliance of Canada, and the Court has so ruled.

Further, they are not eligible to reapply for membership by the Court Order, and so have no interest in this matter.

If they wish to take a position, it is my client's position they would have to bring a motion under the *Rules of Civil Procedure* for status to intervene.

However, if Mr Romano is representing someone other than the Defendants in the litigation, I would think he would have to disclose exactly whom he is representing, and if they are not parties to the litigation, he would have to seek intervener status for them, unless he is conflicted representing both the Defendants and these people, if they exist at all.

There is a rule in the Rule of Civil Procedure concerning this, and I will seek instructions whether I should serve the appropriate notice or demand on Mr Romano to advise at who his client may be, and if refused, to bring the appropriate motion to the Masters' court.

Peter I. Waldmann
Barrister & Solicitor
183 Augusta Avenue
Toronto, Ontario M5T 2L4
(416) 921-3185
(416) 921-3183 [fax]

From: Daniel Weisz [mailto:dweisz@collinsbarrow.com]
Sent: Friday, August 08, 2014 3:56 PM
To: Peter Waldmann; Bernie Romano (bernie@romanolaw.ca)

Cc: Shea, Patrick
Subject: PAC vs PATL - Re proposed election

Counsel,

As we have previously indicated to you, the Receiver is in the process of preparing its report to the Court. In that regard, we are taking this opportunity to forward to you at this time the portions of the report relating to the election referred to by the Court. As this document is still draft, the Receiver reserves the right to amend the attached paragraphs and to bring it current for matters that may arise between now and the finalization of the report.

The appendices being provided to you include the Receiver's analysis of the Membership Ledger and the handwritten list provided on June 20, 2014. If you require copies of the other appendices referred to in the draft report, please let us know and we will forward them to you.

We would ask that you review the schedules and advise us if you are aware of any factual inaccuracies contained therein, particularly with respect to the comments attributed to Mr. Waldmann's schedules (by Mr. Waldmann) and the list provided on June 20 , 2014 (by Mr. Romano).

Mr. Romano, you will note that the draft report presently references your correspondence to the Receiver dated July 25, 2014 which was sent "without prejudice". We request that you advise whether the Receiver may include that letter in the Receiver's report.

Thank you,

Danny

Daniel Weisz, *Senior Vice-President* | Collins Barrow Toronto Limited
T: 416-646-8778 F: 416-480-2646 E: dweisz@collinsbarrow.com
11 King St. W., Suite 700, Box 27, Toronto, Ontario, Canada, M5H 4C7

An independent member of Baker Tilly International

Connect with me on LinkedIn: http://ca.linkedin.com/in/danielweisz

Shea, Patrick

From: Shea, Patrick
Sent: August-08-14 4:23 PM
To: 'Peter Waldmann'
Cc: Daniel Weisz
Subject: RE: PAC vs PATL et al

There is no issue with a response on Monday.

This is not really intended to be adversarial process. We simply want to be copied on correspondence directly to our client, particularly given some of the assertions you have been making of late.

I am, frankly, not sure of the relevance of the comment re Gowlings and I'm sure you think that it is some coy threat, but I have no idea what you mean and would prefer a more direct, and constructive, approach to dealing with issues. I'm afraid that I am but a simple insolvency lawyer and am not able to master the nuances of expression employed by experienced litigators.

Thank you and have a good weekend.

E. Patrick Shea
Partner
416-369-7399
gowlings.com

From: Peter Waldmann [mailto:peter@peteriwaldmann.com]
Sent: August-08-14 3:20 PM
To: Shea, Patrick
Cc: Daniel Weisz
Subject: RE: PAC vs PATL et al

Mr Shea,

Given your remarks, and the position you have taken, I will have to respond by Monday as I am involved in an important and urgent matter today, which does not involve your client.

I have used up my time to write my letter to the Receiver Collins Barrow, as I had indicated earlier I would provide. I regret being sidetracked by your expressed concerns, but I will have to also send my letter concerning use of the Lakeshore Property of my client's company, Polish Assocation of Toronto Limited, for Friday, August 29, 2014. However, I trust the weekend can pass without the Receiver being overwhelmed by demands to use one room of the Lakeshore Property, and the booking can be kept on hold until then. I regret having to take up your time, which no doubt you will attempt to bill the Receiver, who in turn will attempt to pass on to us. However, I have had dealings with Gowlings before, and appreciate the difficulty you may be in.

So, my apologies for not being able to get my letter to you, particularly as I now have to get further instructions from my client given the positions you have taken. However, I will give you my best efforts to send the Receiver a letter by Monday, April 11th.

I trust the above will be satisfactory.

Peter I. Waldmann
Barrister & Solicitor
183 Augusta Avenue

Toronto, Ontario M5T 2L4
(416) 921-3185
(416) 921-3183 [fax]

From: Shea, Patrick [mailto:Patrick.Shea@gowlings.com]
Sent: Friday, August 08, 2014 2:27 PM
To: Peter Waldmann
Cc: Daniel Weisz
Subject: RE: PAC vs PATL et al

Mr. Waldman, you do not need to turn everything into a battle. We are not alleging that you have breach professional ethics. Your correspondence with our client has become extremely aggressive and accusatory. We asked you to copy us on your correspondence with our client and you refused to do so. We pointed out that the Rules, in fact, require that you not communicate directly with our client. You questions whether such a Rule existed indicating that you reviewed the Rules only 3 weeks ago and are now asking that we point out the specific Rule that is applicable. I'm sure you just missed it when you reviewed the Rules 3 weeks ago or perhaps your copy of the Rules is not complete. The Rule is 6.03(7), which was last amended in September of 2011. It provides:

*(7) Subject to subrules (7.1) and (8), if a person is represented by a legal practitioner in respect of a matter, a lawyer **shall not, except through or with the consent of the legal practitioner**,*

*(a) **approach or communicate or deal with the person on the matter**, or*

(b) attempt to negotiate or compromise the matter directly with the person. (emphasis added)

The commentary to Sub-Rule 7 reads, in part:

***Subrule (7) applies to communications with any person, whether or not a party to a formal adjudicative proceeding, contract, or negotiation, who is represented by a legal practitioner concerning the matter to which the communication relates**. A lawyer may communicate with a represented person concerning matters outside the representation. This subrule does not prevent parties to a matter from communicating directly with each other.*

The prohibition on communications with a represented person applies only where the lawyer knows that the person is represented in the matter to be discussed. This means that the lawyer has actual knowledge of the fact of the representation, but actual knowledge may be inferred from the circumstances. This inference may arise where there is substantial reason to believe that the person with whom communication is sought is represented in the matter to be discussed. Thus, a lawyer cannot evade the requirement of obtaining the consent of the other legal practitioner by closing his or her eyes to the obvious. (emphasis added)

The Rue appears to be fairly well-known by practitioners. I am asking you, as a condition of communicating directly with our client the Receiver, that you copy us on any correspondence. Consider it a condition imposed by us to our consent to any direct communications as is required by 6.03(7) or a professional courtesy. That is, in my experience, the standard practice in situations involving receivers and trustees – direct communication with respect to non-contentious matters is undertaken, but the Receiver's counsel is copied.

I trust that the foregoing is satisfactory. I believe that an apology would be appropriate.

E. Patrick Shea
Partner

416-369-7399
gowlings.com

From: Peter Waldmann [mailto:peter@peteriwaldmann.com]
Sent: August-08-14 2:02 PM
To: Shea, Patrick
Subject: RE: PAC vs PATL et al

Please identify what specific part of the rule and the exact part of its wording that you are relying upon so that we can inform the Court accurately about our dispute over your allegation of breach of professional ethics.

Peter I. Waldmann
Barrister & Solicitor
183 Augusta Avenue
Toronto, Ontario M5T 2L4
(416) 921-3185
(416) 921-3183 [fax]

From: Shea, Patrick [mailto:Patrick.Shea@gowlings.com]
Sent: Friday, August 08, 2014 12:49 PM
To: Peter Waldmann
Cc: Daniel Weisz
Subject: Re: PAC vs PATL et al

Thank you very much. I was referring to the Rule that requires that lawyers not communicate directly with represented clients. We will ensure that the Court is made fully aware of our e-mail exchange.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Peter Waldmann
Sent: Friday, August 8, 2014 12:43
To: Shea, Patrick
Cc: Daniel Weisz
Subject: RE: PAC vs PATL et al

Mr Shea,

I doubt the *Rules of Professional Conduct* prohibit me from contacting the Receiver of my client's property and the receiver of my client's members directly.

If you are aware of any such rule, please either send me the number of it, or a copy of it, and whether it was passed by Convocation within the last 3 weeks, since that was the last time I looked.

I have not threatened litigation, and it is perverse of you to suggest I did. I indicated we were not happy with the Receiver's bill. I indicated if the Receiver wishes to add your bill to his bill and then require or expect my client to pay it, we would likely assess it, as we are entitled to under the Solicitors Act, and which your professional responsibility under the Rules of Professional Conduct impliedly is to do everything you can to facilitate any such assessment. An assessment is not in my book "litigation", however, some may consider it so. I still think your use in this context of the expression is wrong-headed, aggressive, defensive and inappropriate given your role as a lawyer advising the Receiver, whose fiduciary obligations are directed towards my clients and my clients' members.

The Receiver is free to consult you as he wishes. If the Receiver chooses to initiate litigation, then your comments may be more apt. To date, I am not aware that the Receiver has done much towards considering he uses such powers as he has in the act. To my information, the Receiver has not even collected The Polish Alliance of Canada or the Branch 1-7 of the Polish Alliance of Canada's property and documents which it just took a look at in Mr Romano's office and did not seize. Of course, I am not referring to Minute Book which is being held on Mr Romano's undertaking to the Court, which I would expect to be excepted from this. But why the Receiver is delict in his duties by leaving all these documents in the possession of the Defendants, is beyond me and your client's explanation, not yours, would be requested.

It is only for the request in the last sentence that I am copying Mr Weisz.

Once the Receiver commences an action, then I would accept that I should communicate with you. Until then, I will only do so when instructed by my client in order to minimize any legal fees from Gowliings.

Peter I. Waldmann
Barrister & Solicitor
183 Augusta Avenue
Toronto, Ontario M5T 2L4
(416) 921-3185
(416) 921-3183 [fax]

From: Shea, Patrick [mailto:Patrick.Shea@gowlings.com]
Sent: Friday, August 08, 2014 10:10 AM
To: Peter Waldmann
Cc: Daniel Weisz
Subject: RE: PAC vs PATL et al

Thank you very much for your e-mail;

We are counsel to the Receiver and it would be normal for counsel to at least copy counsel the Receiver, particularly given your threats of litigation. I believe, in fact, that the Rules of Professional Conduct basically prohibit you from communicating directly with our client. It is, of course, common practice in receivership proceedings for counsel to communicate directly with the receiver, but I have, frankly, never encountered a situation where counsel, particularly counsel making adverse assertions against the receiver, has refused to at least copy counsel on correspondence. We will include your e-mails in our Report to the Court to ensure His Honour is fully aware of the situation vis-à-vis your client and the issues it appears to have with the Receiver..

E. Patrick Shea
Partner
416-369-7399
gowlings.com

From: Peter Waldmann [mailto:peter@peteriwaldmann.com]
Sent: August-08-14 9:59 AM
To: Shea, Patrick
Subject: RE: PAC vs PATL et al

Mr Shea,

I appreciate your response. However, I do not intend to copy to your office and unnecessarily cause you to docket a "0.1" to reading my letter to your client.

If the Receiver needs your advice, then it is up to him to seek it. He can forward my email to you without increasing his "0.1" time spent in reading my letter to him. However, I will send him both a faxed and pdf emailed version, so his work in forwarding my letter to you, should he require your legal assistance in reading it and interpreting it, will only involve 1 or 2 extra pushes on his keyboard.

Peter I. Waldmann
Barrister & Solicitor
183 Augusta Avenue
Toronto, Ontario M5T 2L4
(416) 921-3185
(416) 921-3183 [fax]

From: Shea, Patrick [mailto:Patrick.Shea@gowlings.com]
Sent: Friday, August 08, 2014 9:37 AM
To: Peter Waldmann
Cc: Daniel Weisz; Shea, Patrick
Subject: RE: PAC vs PATL et al

Thank you for your e-mail and we look forward to seeing your letter. You may direct all correspondence to the Receiver, but we would ask that you copy our office.

E. Patrick Shea
Partner
416-369-7399
gowlings.com

From: Peter Waldmann [mailto:peter@peteriwaldmann.com]
Sent: August-08-14 9:19 AM
To: Shea, Patrick
Subject: RE: PAC vs PATL et al

Patrick,

You are free to do what you consider to be in your client, the Receiver's best interest in light of the Receiver's specific responsibilities under the June 20, 2014 Order of Justice Myer for which the Defendants are seeking Leave to Appeal in October to Division Court.

However, if you are setting a date, please note that my calendar does not make me available on the following dates in August: 11th, 12th, 13th, 14th, 15th, 18th, 19th, 20th, 22nd, 25th, and 28th. I am available all other dates in August.

My client reserves the right to seek costs of any such hearing against the Receiver, if it considers it appropriate. My client also reserves the right to seek an Assessment of Gowlings' account pursuant to its rights under the Solicitors Act, if any accounts are rendered by Gowlings to the Receiver, if the Receiver at any point seeks reimbursement of any part of such costs from The Polish Alliance of Canada.

Given you or your client have failed to disclose anything to date about the Receivers activities up until now, except for providing us with the Membership Ledger found on the Lakeshore premises, and what exegesis we can draw from the Receiver's invoices, which I have indicated to both yourself and Danny Weisz we consider to be excessive and which we have had minimal explanation of the reasons for the time spent in having discussions, for example, with Richard Rusek who has not been a member of The Polish Alliance of Canada or Branch 1-7 of The Polish Alliance of Canada since the year 2000 and for some reason is present either in the capacity of trespasser or in the capacity of an associate or lawyer

for Mr Romano's clients who you are aware are also not members of The Polish Alliance of Canada or of my client's Branch 1-7 of The Polish Alliance of Canada, whose presence at the Lakeshore Premises is also unexplained to us by you, my clients are concerned they are being charged for time spent which your client should be charging to the non-member Defendants.

I confirm my request to you and Danny Weisz in our conference call yesterday by The Polish Alliance of Canada for use of the Lakeshore Premises between 10am and 4pm on Friday, August 29, 2014. You requested I write you a letter explaining our specific need for the Premises. I will send such a letter to you later today, as per your request. Please advise whether it should be addressed to you or to Collins Barrow, since you are not the Receiver and this type of request I would think would ordinarily be directed to the Receiver and not require the Receiver to incur unnecessarily legal expenses which it may in the future attempt to foist on my client. Please note that the Receiver does not have a blank cheque to spend money on legal fees which it may pass on to others.

My understanding is that the Lakeshore Premises are not booked by any other tenant for Friday, August 29, 2014 between 10am and 3pm, and that in any event we would only require one room, and it is not conceivable that the entire building is rented or committed to any activities.

I note we have received no information from the Receiver to date as to the amount or sourice of rental income, bank funds or other monies the Receiver has received from the subject properties since June 20, 2014.

We are aware that the property, at least in part, has apparently been rented to a commercial movie company. We are not aware of what company, and who did the arrangements. We note this only because the movie company vehicles were seen by some of our members in good standing occupying the parking areas.

I note that you and Danny Weisz agreed that some representatives of my client may attend for 2 days at the Lakeshore Premises to inspect and review the documentation there. It is was agreed that nothing would be taken, but that we would be at liberty to take copies of any documents we would wish to copy. This would be unintrusive, since copies would likely be taken simply by cell-phone pictures and require no equipment.

Would Monday, August 11, 2014 and Tuesday, August 12, 2014 between 10 am and 5 pm be convenient? If not, please suggest alternative times or dates next week.

I also note my request that you do not need to send any person from the Receiver's office to supervise this inspection, but it would be sufficient to send whoever in the Receiver's office would be at the lowest hourly rate, like an intern or student, since their only responsibility would be to ensure no property or documents are being removed.

Your earliest response would be appreciated.

Peter I. Waldmann
Barrister & Solicitor
183 Augusta Avenue
Toronto, Ontario M5T 2L4
(416) 921-3185
(416) 921-3183 [fax]

From: Shea, Patrick [mailto:Patrick.Shea@gowlings.com]
Sent: Thursday, August 07, 2014 3:39 PM
To: Peter Waldmann
Subject: Re: PAC vs PATL et al

As per our discussion, I would like to write to His Honour and request an appointment with him this month. Do you have any objection?

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Peter Waldmann
Sent: Thursday, August 7, 2014 13:50
To: Shea, Patrick
Subject: RE: PAC vs PATL et al

Okay, that's fine. But, when do you plan to call me, per your earlier message?

Peter I. Waldmann
Barrister & Solicitor
183 Augusta Avenue
Toronto, Ontario M5T 2L4
(416) 921-3185
(416) 921-3183 [fax]

From: Shea, Patrick [mailto:Patrick.Shea@gowlings.com]
Sent: Thursday, August 07, 2014 1:50 PM
To: Peter Waldmann
Subject: RE: PAC vs PATL et al

Sorry Peter. I meant to ask Danny to meet me at my office.....

E. Patrick Shea
Partner
416-369-7399
gowlings.com

From: Peter Waldmann [mailto:peter@peteriwaldmann.com]
Sent: August-07-14 1:48 PM
To: Shea, Patrick
Subject: RE: PAC vs PATL et al

You mean in 15 minutes from now? Make it 40 minutes and I can get there, since I'm in the middle of something. What floor are you on?

Peter I. Waldmann
Barrister & Solicitor
183 Augusta Avenue
Toronto, Ontario M5T 2L4
(416) 921-3185
(416) 921-3183 [fax]

From: Shea, Patrick [mailto:Patrick.Shea@gowlings.com]
Sent: Thursday, August 07, 2014 1:47 PM
To: Daniel Weisz; Peter Waldmann
Subject: RE: PAC vs PATL et al

Can you come over here at 1400? I have to stick close in case there are issues with filing the materials.....

E. Patrick Shea
Partner
416-369-7399
gowlings.com

From: Daniel Weisz [mailto:dweisz@collinsbarrow.com]
Sent: August-07-14 9:22 AM
To: Peter Waldmann
Cc: Shea, Patrick
Subject: RE: PAC vs PATL et al

Peter,

Thank you for your e-mail.

I am meeting Patrick this afternoon to discuss the file and our draft report.

I suggest that we call you later today to let you know where we are at, and to get an understanding of the questions your client wishes to explore with us.

We will call you at your office unless you want us to call you at a different number. Let me know.

Thanks,

Danny

Daniel Weisz, *Senior Vice-President* | Collins Barrow Toronto Limited
T: 416-646-8778 F: 416-480-2646 E: dweisz@collinsbarrow.com
11 King St. W., Suite 700, Box 27, Toronto, Ontario, Canada, M5H 4C7

An independent member of Baker Tilly International

Connect with me on LinkedIn: http://ca.linkedin.com/in/danielweisz

From: Peter Waldmann [mailto:peter@peteriwaldmann.com]
Sent: Wednesday, August 06, 2014 10:03 PM
To: Daniel Weisz
Subject: RE: PAC vs PATL et al
Importance: High

Hello Danny,

My clients have a number of questions which they would like me to explore with you.

When is it convenient for me to come down and meet with you and your assistant at your King St. West offices? Is sometime tomorrow or Friday possible? Any time during the day between 10 am and 7 pm. At this point my calendar is free except for tomorrow morning at 9 am and Friday morning at 9 am.

Peter I. Waldmann
Barrister & Solicitor
183 Augusta Avenue
Toronto, Ontario M5T 2L4
(416) 921-3185
(416) 921-3183 [fax]

From: Daniel Weisz [mailto:dweisz@collinsbarrow.com]
Sent: Wednesday, July 30, 2014 11:38 AM
To: Peter Waldmann; Bernie Romano (bernie@romanolaw.ca)
Cc: Shea, Patrick
Subject: PAC vs PATL et al

Peter/Bernie,

I am writing to let you know that Patrick is out of the country this week and will respond next week to the various correspondence you forwarded to him last week.

Please note also that our two accounts rendered to date do not appear to have been paid, and refer to the June 20, 2014 Court Order which states that our accounts are to be paid forthwith. We therefore request that payment of those accounts be made to us.

Thank you,

Danny

Daniel Weisz, *Senior Vice-President* | Collins Barrow Toronto Limited
T: 416-646-8778 F: 416-480-2646 E: dweisz@collinsbarrow.com
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An independent member of Baker Tilly International

Connect with me on LinkedIn: http://ca.linkedin.com/in/danielweisz

Shea, Patrick

From: Shea, Patrick
Sent: August-08-14 2:27 PM
To: 'Peter Waldmann'
Cc: 'Daniel Weisz'
Subject: RE: PAC vs PATL et al

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The Rue appears to be fairly well-known by practitioners. I am asking you, as a condition of communicating directly with our client the Receiver, that you copy us on any correspondence. Consider it a condition imposed by us to our consent to any direct communications as is required by 6.03(7) or a professional courtesy. That is, in my experience, the standard practice in situations involving receivers and trustees – direct communication with respect to non-contentious matters is undertaken, but the Receiver's counsel is copied.

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E. Patrick Shea
Partner
416-369-7399
gowlings.com

From: Peter Waldmann [mailto:peter@peteriwaldmann.com]
Sent: August-08-14 2:02 PM
To: Shea, Patrick
Subject: RE: PAC vs PATL et al

Please identify what specific part of the rule and the exact part of its wording that you are relying upon so that we can inform the Court accurately about our dispute over your allegation of breach of professional ethics.

Peter I. Waldmann
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From: Shea, Patrick [mailto:Patrick.Shea@gowlings.com]
Sent: Friday, August 08, 2014 12:49 PM
To: Peter Waldmann
Cc: Daniel Weisz
Subject: Re: PAC vs PATL et al

Thank you very much. I was referring to the Rule that requires that lawyers not communicate directly with represented clients. We will ensure that the Court is made fully aware of our e-mail exchange.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Peter Waldmann
Sent: Friday, August 8, 2014 12:43
To: Shea, Patrick
Cc: Daniel Weisz
Subject: RE: PAC vs PATL et al

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I have not threatened litigation, and it is perverse of you to suggest I did. I indicated we were not happy with the Receiver's bill. I indicated if the Receiver wishes to add your bill to his bill and then require or expect my client to pay it, we would likely assess it, as we are entitled to under the Solicitors Act, and which your professional responsibility under the Rules of Professional Conduct impliedly is to do everything you can to facilitate any such assessment. An assessment is not in my book "litigation", however, some may consider it so. I still think your use in this context of the expression is wrong-headed, aggressive, defensive and inappropriate given your role as a lawyer advising the Receiver, whose fiduciary obligations are directed towards my clients and my clients' members.

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I would expect to be excepted from this. But why the Receiver is delict in his duties by leaving all these documents in the possession of the Defendants, is beyond me and your client's explanation, not yours, would be requested.

It is only for the request in the last sentence that I am copying Mr Weisz.

Once the Receiver commences an action, then I would accept that I should communicate with you. Until then, I will only do so when instructed by my client in order to minimize any legal fees from Gowliings.

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From: Shea, Patrick [mailto:Patrick.Shea@gowlings.com]
Sent: Friday, August 08, 2014 10:10 AM
To: Peter Waldmann
Cc: Daniel Weisz
Subject: RE: PAC vs PATL et al

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Partner
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gowlings.com

From: Peter Waldmann [mailto:peter@peteriwaldmann.com]
Sent: August-08-14 9:59 AM
To: Shea, Patrick
Subject: RE: PAC vs PATL et al

Mr Shea,

I appreciate your response. However, I do not intend to copy to your office and unnecessarily cause you to docket a "0.1" to reading my letter to your client.

If the Receiver needs your advice, then it is up to him to seek it. He can forward my email to you without increasing his "0.1" time spent in reading my letter to him. However, I will send him both a faxed and pdf emailed version, so his work in forwarding my letter to you, should he require your legal assistance in reading it and interpreting it, will only involve 1 or 2 extra pushes on his keyboard.

Peter I. Waldmann
Barrister & Solicitor
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Toronto, Ontario M5T 2L4
(416) 921-3185
(416) 921-3183 [fax]

From: Shea, Patrick [mailto:Patrick.Shea@gowlings.com]
Sent: Friday, August 08, 2014 9:37 AM
To: Peter Waldmann
Cc: Daniel Weisz; Shea, Patrick
Subject: RE: PAC vs PATL et al

Thank you for your e-mail and we look forward to seeing your letter. You may direct all correspondence to the Receiver, but we would ask that you copy our office.

E. Patrick Shea
Partner
416-369-7399
gowlings.com

From: Peter Waldmann [mailto:peter@peteriwaldmann.com]
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To: Shea, Patrick
Subject: RE: PAC vs PATL et al

Patrick,

You are free to do what you consider to be in your client, the Receiver's best interest in light of the Receiver's specific responsibilities under the June 20, 2014 Order of Justice Myer for which the Defendants are seeking Leave to Appeal in October to Division Court.

However, if you are setting a date, please note that my calendar does not make me available on the following dates in August: 11th, 12th, 13th, 14th, 15th, 18th, 19th, 20th, 22nd, 25th, and 28th. I am available all other dates in August.

My client reserves the right to seek costs of any such hearing against the Receiver, if it considers it appropriate. My client also reserves the right to seek an Assessment of Gowlings' account pursuant to its rights under the Solicitors Act, if any accounts are rendered by Gowlings to the Receiver, if the Receiver at any point seeks reimbursement of any part of such costs from The Polish Alliance of Canada.

Given you or your client have failed to disclose anything to date about the Receivers activities up until now, except for providing us with the Membership Ledger found on the Lakeshore premises, and what exegesis we can draw from the Receiver's invoices, which I have indicated to both yourself and Danny Weisz we consider to be excessive and which we have had minimal explanation of the reasons for the time spent in having discussions, for example, with Richard Rusek who has not been a member of The Polish Alliance of Canada or Branch 1-7 of The Polish Alliance of Canada since the year 2000 and for some reason is present either in the capacity of trespasser or in the capacity of an associate or lawyer for Mr Romano's clients who you are aware are also not members of The Polish Alliance of Canada or of my client's Branch 1-7 of The Polish Alliance of Canada, whose presence at the Lakeshore Premises is also unexplained to us by you, my clients are concerned they are being charged for time spent which your client should be charging to the non-member Defendants.

I confirm my request to you and Danny Weisz in our conference call yesterday by The Polish Alliance of Canada for use of the Lakeshore Premises between 10am and 4pm on Friday, August 29, 2014. You requested I write you a letter explaining our specific need for the Premises. I will send such a letter to you later today, as per your request. Please advise whether it should be addressed to you or to Collins Barrow, since you are not the Receiver and this type of request I would think would ordinarily be directed to the Receiver and not require the Receiver to incur unnecessarily legal expenses which it may in the future attempt to foist on my client. Please note that the Receiver does not have a blank cheque to spend money on legal fees which it may pass on to others.

My understanding is that the Lakeshore Premises are not booked by any other tenant for Friday, August 29, 2014 between 10am and 3pm, and that in any event we would only require one room, and it is not conceivable that the entire building is rented or committed to any activities.

I note we have received no information from the Receiver to date as to the amount or sourice of rental income, bank funds or other monies the Receiver has received from the subject properties since June 20, 2014.

We are aware that the property, at least in part, has apparently been rented to a commercial movie company. We are not aware of what company, and who did the arrangements. We note this only because the movie company vehicles were seen by some of our members in good standing occupying the parking areas.

I note that you and Danny Weisz agreed that some representatives of my client may attend for 2 days at the Lakeshore Premises to inspect and review the documentation there. It is was agreed that nothing would be taken, but that we would be at liberty to take copies of any documents we would wish to copy. This would be unintrusive, since copies would likely be taken simply by cell-phone pictures and require no equipment.

Would Monday, August 11, 2014 and Tuesday, August 12, 2014 between 10 am and 5 pm be convenient? If not, please suggest alternative times or dates next week.

I also note my request that you do not need to send any person from the Receiver's office to supervise this inspection, but it would be sufficient to send whoever in the Receiver's office would be at the lowest hourly rate, like an intern or student, since their only responsibility would be to ensure no property or documents are being removed.

Your earliest response would be appreciated.

Peter I. Waldmann
Barrister & Solicitor
183 Augusta Avenue
Toronto, Ontario M5T 2L4
(416) 921-3185
(416) 921-3183 [fax]

From: Shea, Patrick [mailto:Patrick.Shea@gowlings.com]
Sent: Thursday, August 07, 2014 3:39 PM
To: Peter Waldmann
Subject: Re: PAC vs PATL et al

As per our discussion, I would like to write to His Honour and request an appointment with him this month. Do you have any objection?

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Peter Waldmann
Sent: Thursday, August 7, 2014 13:50
To: Shea, Patrick
Subject: RE: PAC vs PATL et al

Okay, that's fine. But, when do you plan to call me, per your earlier message?

Peter I. Waldmann
Barrister & Solicitor
183 Augusta Avenue
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(416) 921-3185
(416) 921-3183 [fax]

From: Shea, Patrick [mailto:Patrick.Shea@gowlings.com]
Sent: Thursday, August 07, 2014 1:50 PM
To: Peter Waldmann
Subject: RE: PAC vs PATL et al

Sorry Peter. I meant to ask Danny to meet me at my office.....

E. Patrick Shea
Partner
416-369-7399
gowlings.com

From: Peter Waldmann [mailto:peter@peteriwaldmann.com]
Sent: August-07-14 1:48 PM
To: Shea, Patrick
Subject: RE: PAC vs PATL et al

You mean in 15 minutes from now? Make it 40 minutes and I can get there, since I'm in the middle of something. What floor are you on?

Peter I. Waldmann
Barrister & Solicitor
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From: Shea, Patrick [mailto:Patrick.Shea@gowlings.com]
Sent: Thursday, August 07, 2014 1:47 PM
To: Daniel Weisz; Peter Waldmann
Subject: RE: PAC vs PATL et al

Can you come over here at 1400? I have to stick close in case there are issues with filing the materials.....

E. Patrick Shea
Partner
416-369-7399
gowlings.com

From: Daniel Weisz [mailto:dweisz@collinsbarrow.com]
Sent: August-07-14 9:22 AM
To: Peter Waldmann
Cc: Shea, Patrick
Subject: RE: PAC vs PATL et al

Peter,

Thank you for your e-mail.

I am meeting Patrick this afternoon to discuss the file and our draft report.

I suggest that we call you later today to let you know where we are at, and to get an understanding of the questions your client wishes to explore with us.

We will call you at your office unless you want us to call you at a different number. Let me know.

Thanks,

Danny

Daniel Weisz, *Senior Vice-President* | **Collins Barrow Toronto Limited**
T: 416-646-8778 F: 416-480-2646 E: dweisz@collinsbarrow.com
11 King St. W., Suite 700, Box 27, Toronto, Ontario, Canada, M5H 4C7

An independent member of Baker Tilly International

Connect with me on LinkedIn: http://ca.linkedin.com/in/danielweisz

From: Peter Waldmann [mailto:peter@peteriwaldmann.com]
Sent: Wednesday, August 06, 2014 10:03 PM
To: Daniel Weisz
Subject: RE: PAC vs PATL et al
Importance: High

Hello Danny,

My clients have a number of questions which they would like me to explore with you.

When is it convenient for me to come down and meet with you and your assistant at your King St. West offices? Is sometime tomorrow or Friday possible? Any time during the day between 10 am and 7 pm. At this point my calendar is free except for tomorrow morning at 9 am and Friday morning at 9 am.

Peter I. Waldmann
Barrister & Solicitor
183 Augusta Avenue
Toronto, Ontario M5T 2L4
(416) 921-3185
(416) 921-3183 [fax]

From: Daniel Weisz [mailto:dweisz@collinsbarrow.com]
Sent: Wednesday, July 30, 2014 11:38 AM
To: Peter Waldmann; Bernie Romano (bernie@romanolaw.ca)
Cc: Shea, Patrick
Subject: PAC vs PATL et al

Peter/Bernie,

I am writing to let you know that Patrick is out of the country this week and will respond next week to the various correspondence you forwarded to him last week.

Please note also that our two accounts rendered to date do not appear to have been paid, and refer to the June 20, 2014 Court Order which states that our accounts are to be paid forthwith. We therefore request that payment of those accounts be made to us.

Thank you,

Danny

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Information contained in this communication is privileged and confidential and is intended for the use of the individual or entity to whom it is addressed. If you are not the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately by telephone or email and delete the message.

Information contained in this communication, unless expressly stated otherwise, is not intended or written to be used as tax advice. Any tax advice expressly stated as such herein is based on the facts provided to us either verbally or in writing and on current tax law including judicial and administrative interpretation. Tax law is subject to continual change, at times on a retroactive basis and may result in additional taxes, interest or penalties. Should the facts communicated to us be incorrect or incomplete or should the law or its interpretation change, our advice may be inappropriate. We are not responsible for updating our advice for changes in law or interpretation after the date hereof.

Shea, Patrick

From: Peter Waldmann [peter@peteriwaldmann.com]
Sent: August-08-14 2:02 PM
To: Shea, Patrick
Subject: RE: PAC vs PATL et al

Please identify what specific part of the rule and the exact part of its wording that you are relying upon so that we can inform the Court accurately about our dispute over your allegation of breach of professional ethics.

Peter I. Waldmann
Barrister & Solicitor
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Toronto, Ontario M5T 2L4
(416) 921-3185
(416) 921-3183 [fax]

From: Shea, Patrick [mailto:Patrick.Shea@gowlings.com]
Sent: Friday, August 08, 2014 12:49 PM
To: Peter Waldmann
Cc: Daniel Weisz
Subject: Re: PAC vs PATL et al

Thank you very much. I was referring to the Rule that requires that lawyers not communicate directly with represented clients. We will ensure that the Court is made fully aware of our e-mail exchange.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Peter Waldmann
Sent: Friday, August 8, 2014 12:43
To: Shea, Patrick
Cc: Daniel Weisz
Subject: RE: PAC vs PATL et al

Mr Shea,

I doubt the *Rules of Professional Conduct* prohibit me from contacting the Receiver of my client's property and the receiver of my client's members directly.

If you are aware of any such rule, please either send me the number of it, or a copy of it, and whether it was passed by Convocation within the last 3 weeks, since that was the last time I looked.

I have not threatened litigation, and it is perverse of you to suggest I did. I indicated we were not happy with the Receiver's bill. I indicated if the Receiver wishes to add your bill to his bill and then require or expect my client to pay it, we would likely assess it, as we are entitled to under the Solicitors Act, and which your professional responsibility under the Rules of Professional Conduct impliedly is to do everything you can to facilitate any such assessment. An assessment is not in my book "litigation", however, some may consider it so. I still think your use in this context of the expression is

wrong-headed, aggressive, defensive and inappropriate given your role as a lawyer advising the Receiver, whose fiduciary obligations are directed towards my clients and my clients' members.

The Receiver is free to consult you as he wishes. If the Receiver chooses to initiate litigation, then your comments may be more apt. To date, I am not aware that the Receiver has done much towards considering he uses such powers as he has in the act. To my information, the Receiver has not even collected The Polish Alliance of Canada or the Branch 1-7 of the Polish Alliance of Canada's property and documents which it just took a look at in Mr Romano's office and did not seize. Of course, I am not referring to Minute Book which is being held on Mr Romano's undertaking to the Court, which I would expect to be excepted from this. But why the Receiver is delict in his duties by leaving all these documents in the possession of the Defendants, is beyond me and your client's explanation, not yours, would be requested.

It is only for the request in the last sentence that I am copying Mr Weisz.

Once the Receiver commences an action, then I would accept that I should communicate with you. Until then, I will only do so when instructed by my client in order to minimize any legal fees from Gowliings.

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Barrister & Solicitor
183 Augusta Avenue
Toronto, Ontario M5T 2L4
(416) 921-3185
(416) 921-3183 [fax]

From: Shea, Patrick [mailto:Patrick.Shea@gowlings.com]
Sent: Friday, August 08, 2014 10:10 AM
To: Peter Waldmann
Cc: Daniel Weisz
Subject: RE: PAC vs PATL et al

Thank you very much for your e-mail;

We are counsel to the Receiver and it would be normal for counsel to at least copy counsel the Receiver, particularly given your threats of litigation. I believe, in fact, that the Rules of Professional Conduct basically prohibit you from communicating directly with our client. It is, of course, common practice in receivership proceedings for counsel to communicate directly with the receiver, but I have, frankly, never encountered a situation where counsel, particularly counsel making adverse assertions against the receiver, has refused to at least copy counsel on correspondence. We will include your e-mails in our Report to the Court to ensure His Honour is fully aware of the situation vis-à-vis your client and the issues it appears to have with the Receiver..

E. Patrick Shea
Partner
416-369-7399
gowlings.com

From: Peter Waldmann [mailto:peter@peteriwaldmann.com]
Sent: August-08-14 9:59 AM
To: Shea, Patrick
Subject: RE: PAC vs PATL et al

Mr Shea,

I appreciate your response. However, I do not intend to copy to your office and unnecessarily cause you to docket a "0.1" to reading my letter to your client.

If the Receiver needs your advice, then it is up to him to seek it. He can forward my email to you without increasing his "0.1" time spent in reading my letter to him. However, I will send him both a faxed and pdf emailed version, so his work in forwarding my letter to you, should he require your legal assistance in reading it and interpreting it, will only involve 1 or 2 extra pushes on his keyboard.

Peter I. Waldmann
Barrister & Solicitor
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From: Shea, Patrick [mailto:Patrick.Shea@gowlings.com]
Sent: Friday, August 08, 2014 9:37 AM
To: Peter Waldmann
Cc: Daniel Weisz; Shea, Patrick
Subject: RE: PAC vs PATL et al

Thank you for your e-mail and we look forward to seeing your letter. You may direct all correspondence to the Receiver, but we would ask that you copy our office.

E. Patrick Shea
Partner
416-369-7399
gowlings.com

From: Peter Waldmann [mailto:peter@peteriwaldmann.com]
Sent: August-08-14 9:19 AM
To: Shea, Patrick
Subject: RE: PAC vs PATL et al

Patrick,

You are free to do what you consider to be in your client, the Receiver's best interest in light of the Receiver's specific responsibilities under the June 20, 2014 Order of Justice Myer for which the Defendants are seeking Leave to Appeal in October to Division Court.

However, if you are setting a date, please note that my calendar does not make me available on the following dates in August: 11th, 12th, 13th, 14th, 15th, 18th, 19th, 20th, 22nd, 25th, and 28th. I am available all other dates in August.

My client reserves the right to seek costs of any such hearing against the Receiver, if it considers it appropriate. My client also reserves the right to seek an Assessment of Gowlings' account pursuant to its rights under the Solicitors Act, if any accounts are rendered by Gowlings to the Receiver, if the Receiver at any point seeks reimbursement of any part of such costs from The Polish Alliance of Canada.

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Would Monday, August 11, 2014 and Tuesday, August 12, 2014 between 10 am and 5 pm be convenient? If not, please suggest alternative times or dates next week.

I also note my request that you do not need to send any person from the Receiver's office to supervise this inspection, but it would be sufficient to send whoever in the Receiver's office would be at the lowest hourly rate, like an intern or student, since their only responsibility would be to ensure no property or documents are being removed.

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An independent member of Baker Tilly International

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An independent member of Baker Tilly International

Connect with me on LinkedIn: http://ca.linkedin.com/in/danielweisz

Shea, Patrick

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Cc: Daniel Weisz
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Sent: Friday, August 8, 2014 12:43
To: Shea, Patrick
Cc: Daniel Weisz
Subject: RE: PAC vs PATL et al

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The Receiver is free to consult you as he wishes. If the Receiver chooses to initiate litigation, then your comments may be more apt. To date, I am not aware that the Receiver has done much towards considering he uses such powers as he has in the act. To my information, the Receiver has not even collected The Polish Alliance of Canada or the Branch 1-7 of the Polish Alliance of Canada's property and documents which it just took a look at in Mr Romano's office and did not seize. Of course, I am not referring to Minute Book which is being held on Mr Romano's undertaking to the Court, which I would expect to be excepted from this. But why the Receiver is delict in his duties by leaving all these documents in the possession of the Defendants, is beyond me and your client's explanation, not yours, would be requested.

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Cc: Daniel Weisz
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To: Peter Waldmann
Cc: Daniel Weisz; Shea, Patrick
Subject: RE: PAC vs PATL et al

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Information contained in this communication, unless expressly stated otherwise, is not intended or written to be used as tax advice. Any tax advice expressly stated as such herein is based on the facts provided to us either verbally or in writing and on current tax law including judicial and administrative interpretation. Tax law is subject to continual change, at times on a retroactive basis and may result in additional taxes, interest or penalties. Should the facts communicated to us be incorrect or incomplete or should the law or its interpretation change, our advice may be inappropriate. We are not responsible for updating our advice for changes in law or interpretation after the date hereof.

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Shea, Patrick

From: Shea, Patrick
Sent: August-08-14 10:10 AM
To: 'Peter Waldmann'
Cc: 'Daniel Weisz'
Subject: RE: PAC vs PATL et al

Thank you very much for your e-mail;

We are counsel to the Receiver and it would be normal for counsel to at least copy counsel the Receiver, particularly given your threats of litigation. I believe, in fact, that the Rules of Professional Conduct basically prohibit you from communicating directly with our client. It is, of course, common practice in receivership proceedings for counsel to communicate directly with the receiver, but I have, frankly, never encountered a situation where counsel, particularly counsel making adverse assertions against the receiver, has refused to at least copy counsel on correspondence. We will include your e-mails in our Report to the Court to ensure His Honour is fully aware of the situation vis-à-vis your client and the issues it appears to have with the Receiver..

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From: Daniel Weisz [mailto:dweisz@collinsbarrow.com]
Sent: Wednesday, July 30, 2014 11:38 AM
To: Peter Waldmann; Bernie Romano (bernie@romanolaw.ca)
Cc: Shea, Patrick
Subject: PAC vs PATL et al

Peter/Bernie,

I am writing to let you know that Patrick is out of the country this week and will respond next week to the various correspondence you forwarded to him last week.

Please note also that our two accounts rendered to date do not appear to have been paid, and refer to the June 20, 2014 Court Order which states that our accounts are to be paid forthwith. We therefore request that payment of those accounts be made to us.

Thank you,

Danny

Daniel Weisz, *Senior Vice-President* | Collins Barrow Toronto Limited
T: 416-646-8778 F: 416-480-2646 E: dweisz@collinsbarrow.com
11 King St. W., Suite 700, Box 27, Toronto, Ontario, Canada, M5H 4C7

An independent member of Baker Tilly International

Connect with me on LinkedIn: http://ca.linkedin.com/in/danielweisz

259

Shea, Patrick

From: Shea, Patrick
Sent: August-08-14 9:37 AM
To: Peter Waldmann
Cc: Daniel Weisz; Shea, Patrick
Subject: RE: PAC vs PATL et al

Thank you for your e-mail and we look forward to seeing your letter. You may direct all correspondence to the Receiver, but we would ask that you copy our office.

E. Patrick Shea
Partner
416-369-7399
gowlings.com

From: Peter Waldmann [mailto:peter@peteriwaldmann.com]
Sent: August-08-14 9:19 AM
To: Shea, Patrick
Subject: RE: PAC vs PATL et al

Patrick,

You are free to do what you consider to be in your client, the Receiver's best interest in light of the Receiver's specific responsibilities under the June 20, 2014 Order of Justice Myer for which the Defendants are seeking Leave to Appeal in October to Division Court.

However, if you are setting a date, please note that my calendar does not make me available on the following dates in August: 11th, 12th, 13th, 14th, 15th, 18th, 19th, 20th, 22nd, 25th, and 28th. I am available all other dates in August.

My client reserves the right to seek costs of any such hearing against the Receiver, if it considers it appropriate. My client also reserves the right to seek an Assessment of Gowlings' account pursuant to its rights under the Solicitors Act, if any accounts are rendered by Gowlings to the Receiver, if the Receiver at any point seeks reimbursement of any part of such costs from The Polish Alliance of Canada.

Given you or your client have failed to disclose anything to date about the Receivers activities up until now, except for providing us with the Membership Ledger found on the Lakeshore premises, and what exegesis we can draw from the Receiver's invoices, which I have indicated to both yourself and Danny Weisz we consider to be excessive and which we have had minimal explanation of the reasons for the time spent in having discussions, for example, with Richard Rusek who has not been a member of The Polish Alliance of Canada or Branch 1-7 of The Polish Alliance of Canada since the year 2000 and for some reason is present either in the capacity of trespasser or in the capacity of an associate or lawyer for Mr Romano's clients who you are aware are also not members of The Polish Alliance of Canada or of my client's Branch 1-7 of The Polish Alliance of Canada, whose presence at the Lakeshore Premises is also unexplained to us by you, my clients are concerned they are being charged for time spent which your client should be charging to the non-member Defendants.

I confirm my request to you and Danny Weisz in our conference call yesterday by The Polish Alliance of Canada for use of the Lakeshore Premises between 10am and 4pm on Friday, August 29, 2014. You requested I write you a letter explaining our specific need for the Premises. I will send such a letter to you later today, as per your request. Please advise whether it should be addressed to you or to Collins Barrow, since you are not the Receiver and this type of request I would think would ordinarily be directed to the Receiver and not require the Receiver to incur unnecessarily legal expenses which it may in the future attempt to foist on my client. Please note that the Receiver does not have a blank cheque to spend money on legal fees which it may pass on to others.

My understanding is that the Lakeshore Premises are not booked by any other tenant for Friday, August 29, 2014 between 10am and 3pm, and that in any event we would only require one room, and it is not conceivable that the entire building is rented or committed to any activities.

I note we have received no information from the Receiver to date as to the amount or sourice of rental income, bank funds or other monies the Receiver has received from the subject properties since June 20, 2014.

We are aware that the property, at least in part, has apparently been rented to a commercial movie company. We are not aware of what company, and who did the arrangements. We note this only because the movie company vehicles were seen by some of our members in good standing occupying the parking areas.

I note that you and Danny Weisz agreed that some representatives of my client may attend for 2 days at the Lakeshore Premises to inspect and review the documentation there. It is was agreed that nothing would be taken, but that we would be at liberty to take copies of any documents we would wish to copy. This would be unintrusive, since copies would likely be taken simply by cell-phone pictures and require no equipment.

Would Monday, August 11, 2014 and Tuesday, August 12, 2014 between 10 am and 5 pm be convenient? If not, please suggest alternative times or dates next week.

I also note my request that you do not need to send any person from the Receiver's office to supervise this inspection, but it would be sufficient to send whoever in the Receiver's office would be at the lowest hourly rate, like an intern or student, since their only responsibility would be to ensure no property or documents are being removed.

Your earliest response would be appreciated.

Peter I. Waldmann
Barrister & Solicitor
183 Augusta Avenue
Toronto, Ontario M5T 2L4
(416) 921-3185
(416) 921-3183 [fax]

From: Shea, Patrick [mailto:Patrick.Shea@gowlings.com]
Sent: Thursday, August 07, 2014 3:39 PM
To: Peter Waldmann
Subject: Re: PAC vs PATL et al

As per our discussion, I would like to write to His Honour and request an appointment with him this month. Do you have any objection?

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Peter Waldmann
Sent: Thursday, August 7, 2014 13:50
To: Shea, Patrick
Subject: RE: PAC vs PATL et al

Okay, that's fine. But, when do you plan to call me, per your earlier message?

Peter I. Waldmann
Barrister & Solicitor
183 Augusta Avenue
Toronto, Ontario M5T 2L4
(416) 921-3185
(416) 921-3183 [fax]

From: Shea, Patrick [mailto:Patrick.Shea@gowlings.com]
Sent: Thursday, August 07, 2014 1:50 PM
To: Peter Waldmann
Subject: RE: PAC vs PATL et al

Sorry Peter. I meant to ask Danny to meet me at my office.....

E. Patrick Shea
Partner
416-369-7399
gowlings.com

From: Peter Waldmann [mailto:peter@peteriwaldmann.com]
Sent: August-07-14 1:48 PM
To: Shea, Patrick
Subject: RE: PAC vs PATL et al

You mean in 15 minutes from now? Make it 40 minutes and I can get there, since I'm in the middle of something. What floor are you on?

Peter I. Waldmann
Barrister & Solicitor
183 Augusta Avenue
Toronto, Ontario M5T 2L4
(416) 921-3185
(416) 921-3183 [fax]

From: Shea, Patrick [mailto:Patrick.Shea@gowlings.com]
Sent: Thursday, August 07, 2014 1:47 PM
To: Daniel Weisz; Peter Waldmann
Subject: RE: PAC vs PATL et al

Can you come over here at 1400? I have to stick close in case there are issues with filing the materials.....

E. Patrick Shea
Partner
416-369-7399
gowlings.com

From: Daniel Weisz [mailto:dweisz@collinsbarrow.com]
Sent: August-07-14 9:22 AM
To: Peter Waldmann

Cc: Shea, Patrick
Subject: RE: PAC vs PATL et al

Peter,

Thank you for your e-mail.

I am meeting Patrick this afternoon to discuss the file and our draft report.

I suggest that we call you later today to let you know where we are at, and to get an understanding of the questions your client wishes to explore with us.

We will call you at your office unless you want us to call you at a different number. Let me know.

Thanks,

Danny

Daniel Weisz, *Senior Vice-President* | Collins Barrow Toronto Limited
T: 416-646-8778 F: 416-480-2646 E: dweisz@collinsbarrow.com
11 King St. W., Suite 700, Box 27, Toronto, Ontario, Canada, M5H 4C7

An independent member of Baker Tilly International

Connect with me on LinkedIn: http://ca.linkedin.com/in/danielweisz

From: Peter Waldmann [mailto:peter@peteriwaldmann.com]
Sent: Wednesday, August 06, 2014 10:03 PM
To: Daniel Weisz
Subject: RE: PAC vs PATL et al
Importance: High

Hello Danny,

My clients have a number of questions which they would like me to explore with you.

When is it convenient for me to come down and meet with you and your assistant at your King St. West offices? Is sometime tomorrow or Friday possible? Any time during the day between 10 am and 7 pm. At this point my calendar is free except for tomorrow morning at 9 am and Friday morning at 9 am.

Peter I. Waldmann
Barrister & Solicitor
183 Augusta Avenue
Toronto, Ontario M5T 2L4
(416) 921-3185
(416) 921-3183 [fax]

From: Daniel Weisz [mailto:dweisz@collinsbarrow.com]
Sent: Wednesday, July 30, 2014 11:38 AM
To: Peter Waldmann; Bernie Romano (bernie@romanolaw.ca)
Cc: Shea, Patrick
Subject: PAC vs PATL et al

Peter/Bernie,

I am writing to let you know that Patrick is out of the country this week and will respond next week to the various correspondence you forwarded to him last week.

Please note also that our two accounts rendered to date do not appear to have been paid, and refer to the June 20, 2014 Court Order which states that our accounts are to be paid forthwith. We therefore request that payment of those accounts be made to us.

Thank you,

Danny

Daniel Weisz, *Senior Vice-President* | Collins Barrow Toronto Limited
T: 416-646-8778 F: 416-480-2646 E: dweisz@collinsbarrow.com
11 King St. W., Suite 700, Box 27, Toronto, Ontario, Canada, M5H 4C7

An independent member of Baker Tilly International

Connect with me on LinkedIn: http://ca.linkedin.com/in/danielweisz

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Information contained in this communication, unless expressly stated otherwise, is not intended or written to be used as tax advice. Any tax advice expressly stated as such herein is based on the facts provided to us either verbally or in writing and on current tax law including judicial and administrative interpretation. Tax law is subject to continual change, at times on a retroactive basis and may result in additional taxes, interest or penalties. Should the facts communicated to us be incorrect or incomplete or should the law or its interpretation change, our advice may be inappropriate. We are not responsible for updating our advice for changes in law or interpretation after the date hereof.

APPENDIX P

Collins Barrow Toronto Limited
Court Appointed Receiver and Manager of
Branch 1-7 of the Polish Alliance of Canada and
Polish Association of Toronto, Limited
Receiver's Cash Receipts and Disbursements
For the period June 20, 2014 to August 15, 2014

Receipts		
Rental income - tenants	$	7,800.00
Rental income - parking		2,505.00
Rental income - facilities		3,296.84
Total receipts	$	13,601.84
Disbursements		
Transfer to PATL account	$	7,000.00
Total disbursements	$	7,000.00
Excess of Receipts over Disbursements	**$**	**6,601.84**

This Appendix forms part of the Receiver's report to the Court dated August 21, 2014
and should only be read in conjunction therewith.

APPENDIX Q

Collins Barrow Toronto Limited
Court Appointed Receiver and Manager of
Branch 1-7 of the Polish Alliance of Canada and
Polish Association of Toronto, Limited
Cash Receipts and Disbursements - PATL Account
For the period June 20, 2014 to August 15, 2014

Receipts		
Transfer from Receiver's Account	$	7,000.00
Total receipts	$	7,000.00
Disbursements		
Office administration	$	1,500.00
Bank fees		12.10
Utilities		3,673.73
Property taxes		6,516.00
Bookkeeper		160.00
Maintenance and cleaning		450.00
Renovations		1,175.14
Total disbursements	$	13,486.97
Net cash inflow (outflow)	$	(6,486.97)
Opening cash balance		16,807.90
Ending cash balance	**$**	**10,320.93**

This Appendix forms part of the Receiver's report to the Court dated August 21, 2014
and should only be read in conjunction therewith.

APPENDIX R

Court File No. CV-08-361644

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

THE POLISH ALLIANCE OF CANADA

Plaintiff

- and –

POLISH ASSOCIATION OF TORONTO LIMITED, MAREK MIASIK aka MAREK ADAM MIASIK, MARIA MIASIK, JAN ARGYRIS aka LOUIS JOHN ELIE ARGYRIS aka LOUIS JOHN ARGYRIS aka JOHN ARGYRIS, WLADYSLAW JASLAN aka WLADYSLAW JULIAN JASLAN, HELENA JASLAN, EUGENIUSZ SKIBICKI, CZESLAWA ERICKSEN, STANISLAW ROGOZ aka STAN ROGOZ, ALBERT JOSEPH FLIS AND RICHARD RUSEK

Defendants

AFFIDAVIT OF DANIEL WEISZ
(Sworn on August 22, 2014)

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

1. I am a Senior Vice-President of Collins Barrow Toronto Limited ("**CBTL**"), in its capacity as Court-appointed Receiver and Manager (in such capacity, the "**Receiver**"), of all of the assets, undertakings and properties of Branch 1-7 of The Polish Alliance of Canada and Polish Association of Toronto, Limited 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 and marked as **Exhibit "A"** are detailed invoices (the "**Invoices**") issued to the Plaintiff and Defendants by CBTL for fees and disbursements incurred by CBTL in the course of the proceedings between June 20, 2014 and July 31, 2014 (the "**Appointment Period**"). The total fees charged by CBTL to the Respondents during the Appointment Period were $46,295.00, plus disbursements of $9,189.25, plus HST of $7,212.95 totaling $62,697.20.

3. The Invoices are a fair and accurate description of the services provided and the amounts charged by CBTL.

4. Attached hereto and marked 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.

5. I make this affidavit in support of a motion for an Order approving the Receiver's fees and disbursements and for no other or improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, on August 22, 2014

Commissioner for Taking Affidavits
(or as may be)
PSHEA

DANIEL WEISZ

EXHIBIT "A"

Detailed Invoices

Collins Barrow

Collins Barrow Toronto Limited
Collins Barrow Place
11 King Street West
Suite 700, PO Box 27
Toronto, Ontario
M5H 4C7 Canada

T. 416.480.0160
F. 416.480.2646

www.collinsbarrow.com

To The Polish Alliance of Canada
c/o Peter I. Waldmann Professional Corporation
183 Augusta Avenue
Toronto, ON M5T 2L4

To Polish Association of Toronto Limited et al
c/o Bernie Romano Professional Corporation
22 Goodmark Place, Suite 11
Toronto, ON M9W 6R2

GST/HST: 80784 1440 RT 0001

Attention: Mr. Bernie Romano

Date July 7, 2014

Client File 111867
Invoice No. 1
6500068

For professional services rendered with respect to the appointment of Collins Barrow Toronto Limited as Court-appointed Receiver of Branch 1-7 of The Polish Alliance of Canada and Polish Association of Toronto Limited (the "**Defendant**") for the period June 20, 2014 to June 30, 2014.

Date	Professional	Description
06/20/2014	Weisz, Daniel	Telephone call with P. Waldmann of Peter I. Waldmann Professional Corporation regarding the Court's request for the proposed Receiver to attend in Court; prepare form of draft order per P. Waldmann's request and forward draft to P. Waldmann for his consideration.
06/20/2014	Weisz, Daniel	Prepare for and attend in Court re litigation between the Plaintiff and Defendant and attend upon receipt of the Court Order and Endorsement made, review of Court Order.
06/20/2014	Weisz, Daniel	Prepare to attend at the Branch 1-7 ("Branch") office following the appointment of the Receiver; meet with B. Wong on status; travel to and attend at 2282 Lakeshore to change locks; meet with Marik Miasik ("**Mr. Miasik**"), Maria Miasik, Richard Rusek, Andrew Miasik, Albert Flis and Bernie Romano who were at the premises.
06/20/2014	Weisz, Daniel	Reply to email from P. Waldmann regarding his enquiry regarding the change of locks to the premises.
06/20/2014	Wong, Brenda	Telephone call to locksmith; attend on site to meet with representatives on site and change locks; take photos; tour of premises.
06/21/2014	Weisz, Daniel	Telephone call with B. Wong prior to her attendance at the Branch's premises.
06/21/2014	Weisz, Daniel	Telephone call with P. Shea of Gowling Lafleur Henderson LLP regarding the appointment of the Receiver.
06/21/2014	Weisz, Daniel	Telephone call with B. Wong during her attendance at the premises.
06/21/2014	Wong, Brenda	Attend at the Branch office during scheduled event; tour premises; meet with P. Shea; review court orders and endorsements; discussions with Mr. Miasik regarding scheduled events, history and background; take photos of premises.

Date	Professional	Description
06/22/2014	Weisz, Daniel	Attend at Branch office during scheduled event and meet with Mr. Miasik; review decisions relating to the ongoing litigation and the appointment of the Receiver; telephone call with P. Shea on various matters; begin drafting report to Court.
06/23/2014	Weisz, Daniel	Discussion with B. Wong on insurance; update report to Court.
06/23/2014	Weisz, Daniel	Prepare list of matters to consider and discuss with B. Wong on same; telephone discussion with P. Shea on status and various matters; review draft website posting and update; telephone call with Mr. Miasik re his not attending at the Branch office today and email to B. Wong on same; message left for P. Waldmann; telephone call with a potential property manager to enquire about services to be provided; meet with B. Wong on her discussion with Royal Bank of Canada ("**RBC**").
06/23/2014	Wong, Brenda	Discussion with D. Weisz regarding status and outstanding matters; telephone call to security companies regarding obtaining quote for security monitoring; prepare and fax letter to RBC; telephone calls with representatives of RBC.
06/23/2014	Wong, Brenda	Telephone call to and emails with Fairview Insurance Brokers regarding adding Receiver to the existing insurance policy; telephone call with P. Shea regarding status and receivership duties under the Order; prepare introduction for website; review insurance policy; discussion with D. Weisz regarding property manager.
06/24/2014	Weisz, Daniel	Telephone call with P. Waldmann regarding status of considerations re: election of new Branch executive, email to P. Shea regarding same; discussions with B. Wong regarding her attendance at the Branch premises; telephone call with J. Tertigas of Tert & Ross Ltd. ("**T&R**") to obtain information re: engagement of T&R to attend at the premises on the Receiver's behalf and discussion with B. Wong on same; review draft correspondence and update.
06/24/2014	Weisz, Daniel	Telephone call with B. Romano regarding his question with respect to a bank draft in his possession and email to P. Shea on same.
06/24/2014	Wong, Brenda	Meet with a potential property management company at 2282 Lakeshore Blvd. W. for a tour of the property; discussion with D. Weisz regarding status, security, scheduled events, etc.; draft email to T&R; prepare letter to persons renting parking space at 2282 Lakeshore.
06/25/2014	Weisz, Daniel	Telephone call with P. Shea on status; discussion with B. Wong on her attendance at the premises later today; review court orders and reasons; draft reply to B. Romano enquiry regarding bank draft in his possession and forward draft to P. Shea; telephone call with B. Wong regarding alarm going off; status of Mr. Miasik attending at the Branch premises; discussion with P. Shea on status; email to P. Waldmann regarding status of retainer and constitution to be delivered.
06/25/2014	Wong, Brenda	Telephone call and emails with insurance broker regarding questions on the policy; review list of outstanding information to obtain from Mr. Miasik.
06/25/2014	Wong, Brenda	Attend at 2282 Lakeshore Blvd. W. to meet with security company and tour the premises; meet with T&R to tour building and discuss Receiver's requirements; discussion with Mr. Miasik regarding membership records, office hours, tenants and information required.

Date	Professional	Description
06/26/2014	Wong, Brenda	Telephone call to Mr. Miasik regarding flooding in basement; discussion regarding adequacy of insurance coverage; telephone call to RBC regarding request to add signing officers to bank account.
06/26/2014	Wong, Brenda	Meet with D. Weisz to provide status update; review membership records; telephone call with J. Tertigas regarding staffing and keys; email to J. Tertigas regarding keys; telephone call from J. Tertigas regarding Liberty equipment and flooding in basement.
06/26/2014	Weisz, Daniel	Discussion with B. Wong on her attendance at the Branch office yesterday; review ledgers regarding Branch 1-7 membership; conference call with P. Shea and B. Wong regarding various matters including insurance; discussion with P. Shea regarding property searches; exchange correspondence with P. Waldmann regarding status of retainer cheque and delivery of Polish Alliance of Canada constitution.
06/27/2014	Weisz, Daniel	Telephone call with R. Rusek.
06/27/2014	Wong, Brenda	Attend at 2282 Lakeshore Blvd. W. to meet with Mr. Miasik to gather information on tenants, parking lot renters, cash receipts, constitution/by-laws and other matters.
06/30/2014	Weisz, Daniel	Meet with B. Wong to discuss land title searches, insurance, residential tenants, parking lot occupants; set up call for Wednesday with P. Waldmann and P. Shea; review Polish Alliance of Canada constitutions.
06/30/2014	Wong, Brenda	Review title searches; discussion with D. Weisz regarding status; telephone call from J. Tertigas regarding status update; telephone call and letter to Fairview regarding insurance coverage for vacant land.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

Fee Summary

Professional		Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CIRP		Senior Vice President	24.80	$ 495	$ 12,276.00
Brenda Wong, CIRP		Senior Manager	24.00	$ 350	8,400.00
Total hours and professional fees			**48.80**		$ 20,676.00
Less: Complimentary adjustment					(2,000.00)
Adjusted Fee					$ 18,676.00
Disbursements					
Locksmith	$ 1,058.00				
Property attendance	1,389.00				
Total disbursements					2,447.00
Total professional fees and disbursements					$ 21,123.00
HST @ 13%					2,745.99
Total payable					**$ 23,868.99**

PAYMENT BY VISA ACCEPTED

VISA NUMBER _____ Expiry Date _____

Name on Card _____ Amount _____

WIRE PAYMENT DETAILS

For CA$ Payments: For credit to the account of Collins Barrow Toronto Limited, Account No. 65-84918, Canadian Imperial Bank of Commerce Branch No. 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

PLEASE RETURN ONE COPY WITH REMITTANCE

Terms: Payment upon receipt. Interest will be charged at the rate of 12% per annum (1% per month) on overdue accounts.

Collins Barrow

Collins Barrow

Collins Barrow Toronto Limited
Collins Barrow Place
11 King Street West
Suite 700, PO Box 27
Toronto, Ontario
M5H 4C7 Canada

T. 416.480.0160
F. 416.480.2646

www.collinsbarrow.com

To The Polish Alliance of Canada
c/o Peter I. Waldmann Professional Corporation
183 Augusta Avenue
Toronto, ON M5T 2L4

To Polish Association of Toronto Limited et al
c/o Bernie Romano Professional Corporation
22 Goodmark Place, Suite 11
Toronto, ON M9W 6R2

GST/HST: 80784 1440 RT 0001

Attention: Mr. Bernie Romano

Date July 21, 2014

Client File 111867
Invoice No. 2
6500079

For professional services rendered with respect to the appointment of Collins Barrow Toronto Limited as Court-appointed Receiver of Branch 1-7 of The Polish Alliance of Canada and Polish Association of Toronto Limited (the "**Defendant**") for the period July 1, 2014 to July 15, 2014.

Date	Professional	Description
07/02/2014	Wong, Brenda	Review Polish Alliance of Canada ("**PAC**") constitution and discussion with D. Weisz regarding same; emails to Fairview Insurance Brokers Inc. ("**Fairview**") regarding insurance coverage; review Tert & Ross Ltd. ("**T&R**") invoice; telephone call to Royal Bank of Canada ("**RBC**") and Bankruptcy Highway to find out status of bank account; prepare list of parking rentals.
07/02/2014	Weisz, Daniel	Prepare for and attend conference call with P. Waldmann of Peter I. Waldmann Professional Corporation, B. Wong and P. Shea of Gowling Lafleur Henderson LLP to discuss process regarding election of new executive for Branch 1-7; email to P. Waldmann enclosing ledger sheet of members as provided to the Receiver; discussion with B. Wong on insurance matters and PAC constitution.
07/02/2014	Wong, Brenda	Conference call with D. Weisz, P. Shea and P. Waldmann regarding membership list and process for meeting; review email from Fairview and draft response; send draft to P. Shea for review.
07/03/2014	Weisz, Daniel	Telephone call with P. Shea regarding various matters; draft email to B. Romano to view records and exchange of emails to set up meeting time; meet with D. Zrebiec and brief her.
07/03/2014	Weisz, Daniel	Update report; email to P. Shea regarding Court Order clarification.
07/03/2014	Weisz, Daniel	Review Court Order regarding records in B. Romano's possession and exchange emails with P. Shea regarding same.
07/03/2014	Zrebiec, Danika	Meeting with D. Weisz and B. Wong; telephone calls to obtain addresses for parties using the parking lot situated at the branch clubhouse premises.

Date	Professional	Description
07/03/2014	Wong, Brenda	Telephone call with Marek Miasik ("**Mr. Miasik**") regarding scheduling time to meet and membership list; send letters to parking lot renters.
07/04/2014	Weisz, Daniel	Review emails; review summary of activities to June 30 and update.
07/04/2014	Zrebiec, Danika	Translation of document provided by B. Wong.
07/04/2014	Weisz, Daniel	Discussion with P. Shea and B. Wong regarding banking.
07/04/2014	Wong, Brenda	Telephone discussion with P. Shea regarding setting up Receiver's bank account; telephone call from J. Tertigas of T&R regarding upcoming events.
07/07/2014	Wong, Brenda	Prepare letter to Bank of Montreal ("**BMO**") to set up trust account; telephone call to RBC regarding status of bank account; letter to Polish Association of Toronto Limited ("**PATL**") setting out banking arrangements; letters to parking lot renters.
07/07/2014	Wong, Brenda	Attend at 2282 Lake Shore, meet with Mr. Miasik, R. Rusek and C. Zboch to answer questions regarding election, operations and procedures; review files at the premises; discussion regarding receipts and disbursements.
07/07/2014	Weisz, Daniel	Finalize summary of activities and draft cover letter to counsel; review and update letter to Mr. Miasik regarding banking.
07/08/2014	Wong, Brenda	Discussion with D. Weisz to update regarding meeting with Mr. Miasik, R. Rusek and C. Zboch; emails to T&R regarding procedures for receipts and Wednesday office hours.
07/08/2014	Wong, Brenda	Letter to parking lot tenant; send PAC constitution to R. Rusek and C. Zboch; email to R. Rusek regarding Receiver's fees and T&R rate.
07/08/2014	Zrebiec, Danika	Telephone calls to obtain addresses.
07/08/2014	Weisz, Daniel	Meet with B. Wong to discuss her attendance at 2282 Lake Shore and meeting with R. Rusek and C. Zboch.
07/09/2014	Wong, Brenda	Review status and update information on parking lot tenants.
07/10/2014	Weisz, Daniel	Prepare for, travel to and attend at B. Romano's office with P. Shea and D. Zrebiec; review records at that office.
07/10/2014	Weisz, Daniel	Discussion with B. Wong on various matters.
07/10/2014	Zrebiec, Danika	Travel to and attend at B. Romano's office with P. Shea and D. Weisz; review records.
07/10/2014	Weisz, Daniel	Preliminary review of letter received from P. Waldmann.
07/10/2014	Wong, Brenda	Email to Fairview to inquire regarding status of insurance; letter to RBC to follow up on Receiver's request regarding changes to signing authorities on PATL's bank account.
07/11/2014	Weisz, Daniel	Review correspondence from P. Waldmann; review court documents; review P. Shea's proposed reply to P. Waldmann and provide comments; read Notice of Appeal filed.
07/11/2014	Weisz, Daniel	Telephone call with P. Waldmann and email to P. Shea information received from B. Romano's office yesterday; review notes to file.
07/11/2014	Wong, Brenda	Search for renter addresses on Canada 411; prepare notice to renters and email to T&R to place on vehicles on lot; attend at 2282 Lake Shore to review books and records and pick up cheques.
07/14/2014	Wong, Brenda	Review rent cheques received.
07/14/2014	Nishimura, Donna	Deposit cheques at the bank.

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Date	Professional	Description
07/15/2014	Wong, Brenda	Email to T&R regarding arrangements for cash deposits; obtain license plate search and send letter to owner of vehicle; review T&R invoice; telephone calls from RBC regarding status of account.
07/15/2014	Weisz, Daniel	Correspondence with P. Shea regarding letter status;
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

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Fee Summary

Professional		Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CIRP		Senior Vice President	9.60	$ 495	$ 4,752.00
Brenda Wong, CIRP		Senior Manager	11.10	$ 350	3,885.00
Danika Zrebiec		Accountant	5.25	$ 140	735.00
Donna Nishimura		Administrative Assistant	0.10	$ 90	9.00
Total hours and professional fees			**26.05**		$ 9,381.00
Disbursements					
Mileage	$ 20.45				
Parking	67.87				
Ascend Level 3 Licence	275.00				
Licence plate search	10.71				
Property attendance	2,425.00				
Total disbursements					2,799.03
Total professional fees and disbursements					$ 12,180.03
HST @ 13%					1,583.40
Total payable					**$ 13,763.43**

PAYMENT BY VISA ACCEPTED

VISA NUMBER _____ Expiry Date _____

Name on Card _____ Amount _____

WIRE PAYMENT DETAILS

For CA$ Payments: For credit to the account of Collins Barrow Toronto Limited, Account No. 65-84918, Canadian Imperial Bank of Commerce Branch No. 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

PLEASE RETURN ONE COPY WITH REMITTANCE

Terms: Payment upon receipt. Interest will be charged at the rate of 12% per annum (1% per month) on overdue accounts.

Collins Barrow

Collins Barrow

Collins Barrow Toronto Limited
Collins Barrow Place
11 King Street West
Suite 700, PO Box 27
Toronto, Ontario
M5H 4C7 Canada

T. 416.480.0160
F. 416.480.2646

www.collinsbarrow.com

To The Polish Alliance of Canada
c/o Peter I. Waldmann Professional Corporation
183 Augusta Avenue
Toronto, ON M5T 2L4

To Polish Association of Toronto Limited et al
c/o Bernie Romano Professional Corporation
22 Goodmark Place, Suite 11
Toronto, ON M9W 6R2

GST/HST: 80784 1440 RT 0001

Attention: Mr. Bernie Romano

Date August 15, 2014

Client File 111867
Invoice No. 3
6500086

For professional services rendered with respect to the appointment of Collins Barrow Toronto Limited as Court-appointed Receiver of Branch 1-7 of The Polish Alliance of Canada and Polish Association of Toronto Limited (the "**Defendant**") for the period July 16, 2014 to July 31, 2014.

Date	Professional	Description
07/11/2014*	Zrebiec, Danika	Attend at the clubhouse premises to review certain records.
07/16/2014	Weisz, Daniel	Telephone discussion with R. Slattery of Minden Gross LLP; telephone call with P. Shea of Gowling Lafleur Henderson LLP on status; email from P. Shea regarding telephone call from R. Rusek.
07/16/2014	Wong, Brenda	Telephone calls with Royal Bank of Canada ("**RBC**") regarding setting up of new signing authorities and disbursements to clear; telephone call with Marek Miasik ("**Mr. Miasik**") regarding banking, disbursements, attendance records and status of meeting; review and approve invoices for payment.
07/17/2014	Weisz, Daniel	Meet with J. Tertigas of Tert & Ross Ltd. ("**T&R**") regarding receipts; telephone call with J. Tertigas regarding same; voicemail for RBC regarding banking; email regarding issue.
07/17/2014	Wong, Brenda	Review emails regarding disbursements; email to RBC regarding cheques to be allowed to clear.
07/17/2014	Weisz, Daniel	Review summary of activities; review quote regarding repairs to residence and approve repairs; telephone call with B. Wong regarding RBC.
07/18/2014	Weisz, Daniel	Meet with B. Wong to discuss various issues regarding banking, parking request from 2285 Lakeshore and conference call with P. Shea and B. Wong to discuss same.
07/18/2014	Weisz, Daniel	Email to B. Romano's office regarding status of documents requested.
07/18/2014	Wong, Brenda	Emails/telephone calls with RBC regarding cheques to clear and signing authorities; telephone calls with Mr. Miasik regarding signing officers and cleaners; review and record receipts for deposit; discussion with P. Shea and D. Weisz regarding signing officers; email to T&R regarding disbursements.

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Date	Professional	Description
07/21/2014	Weisz, Daniel	Prepare for and attend at RBC Lakeshore branch regarding signing of documents with respect to Receiver becoming sole signing authority on the RBC bank account.
07/21/2014	Tannenbaum, Bryan	Sign RBC banking documents at RBC Plaza.
07/21/2014	Wong, Brenda	Review draft summary of activities; attend at RBC to sign paperwork regarding changing signing authorities and pay utility bills.
07/21/2014	Weisz, Daniel	Telephone discussion with P. Waldmann of Peter I. Waldmann Professional Corporation regarding status of receivership; preliminary review of correspondence received from P. Waldmann.
07/21/2014	Weisz, Daniel	Finalize summary of activities and draft email and forward to P. Waldmann and B. Romano.
07/22/2014	Weisz, Daniel	Conference call with P. Shea regarding status and subsequent discussion with P. Shea and B. Wong on various matters; meet with J. Tertigas and B. Wong; work on report to court.
07/22/2014	Wong, Brenda	Review schedule summarizing membership status and check to ledger.
07/22/2014	Wong, Brenda	Review letter from P. Waldmann regarding membership lists; discussion with D. Weisz and P. Shea regarding status and next steps; discussion with D. Weisz and J. Tertigas regarding status; telephone call to Mr. Miasik regarding access to locked cabinets; review disbursements to be paid.
07/22/2014	Czura, Lauren	Compile listing of all members named in schedules and on membership cards.
07/23/2014	Wong, Brenda	Attend at 2282 Lakeshore to review books and records and discussions with Mr. and Mrs. Miasik regarding cleaners, access to building, events, office hours, bills to pay, etc.
07/23/2014	Weisz, Daniel	Meeting with B. Wong regarding her attendance this afternoon at the premises; update report to court.
07/23/2014	Wong, Brenda	Review and respond to email from RBC regarding signing authorities; review and prepare analysis of summary of members and check to source ledger and P. Waldmann letter.
07/24/2014	Weisz, Daniel	Sign cheques; meeting with B. Wong on her attendance yesterday at the premises.
07/24/2014	Weisz, Daniel	Review spreadsheet regarding membership ledger and meet with B. Wong on same.
07/24/2014	Wong, Brenda	Telephone call to RBC to inquire regarding transactions and balance; review disbursements to pay and cash on hand; discuss membership schedule with D. Weisz.
07/25/2014	Weisz, Daniel	Work on report to court; review ledger in detail and update schedule and discuss with B. Wong on same; telephone call with P. Waldmann; email to P. Shea regarding same; review correspondence from P. Waldmann; review correspondence from B. Romano; review file.
07/26/2014	Wong, Brenda	Make edits to schedule prepared by the Receiver of the PATL membership list.
07/28/2014	Wong, Brenda	Make changes to membership list; review rent status; send letter to parking lot tenant; review T&R invoice; emails and telephone call with T&R regarding cash receipts, locksmith and dance group; email with broker regarding insurance certificate; make changes to report.

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Date	Professional	Description
07/28/2014	Weisz, Daniel	Discussion with B. Wong on report, review and update.
07/29/2014	Weisz, Daniel	Review correspondence; reconcile P. Waldmann schedule to July 21 letter to Receiver's list and discussion with B. Wong on same; prepare for telephone call with P. Shea.
07/29/2014	Weisz, Daniel	Prepare for and attend conference call with P. Shea and B. Wong regarding status of membership eligibility to vote and next steps.
07/29/2014	Wong, Brenda	Telephone call with P. Shea and D. Weisz regarding draft report.
07/30/2014	Weisz, Daniel	Email to P. Waldmann and B. Romano regarding P. Shea's timing regarding reply to emails and reference to unpaid accounts; update report.
07/30/2014	Wong, Brenda	Attend at PATL and discussion with Mr. Miasik regarding parking, property taxes, disbursements and membership list.
07/31/2014	Wong, Brenda	Review rental receipts and disbursements; update membership list and discussion with D. Weisz regarding same; telephone call to Mr. Miasik regarding insurance renewal and discuss status with D. Weisz; telephone call to condominium corporation regarding unauthorized parking.
07/31/2014	Weisz, Daniel	Meeting with B. Wong regarding her attendance at the premises yesterday; review and update membership list chart with B. Wong; update report.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

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Fee Summary

Professional		Level	Hours	Rate	Fees
Bryan A. Tannenbaum, FCPA, FCA, FCIRP		President	0.30	$ 495	$ 148.50
Daniel R. Weisz, CPA, CA, CIRP		Senior Vice President	21.10	$ 495	10,444.50
Brenda Wong, CIRP		Senior Manager	19.50	$ 350	6,825.00
Lauren Czura		Intermediate Accountant	2.50	$ 160	400.00
Danika Zrebiec		Accountant	3.00	$ 140	420.00
Total hours and professional fees			**46.40**		$ 18,238.00
Disbursements					
Parking	$ 23.22				
Property attendance	3,920.00				
Total disbursements					3,943.22
Total professional fees and disbursements					$ 22,181.22
HST @ 13%					2,883.56
Total payable					**$ 25,064.78**

*Time not accounted for in the previous invoice.

PAYMENT BY VISA ACCEPTED

VISA NUMBER _____ Expiry Date _____

Name on Card _____ Amount _____

WIRE PAYMENT DETAILS

For CA$ Payments: For credit to the account of Collins Barrow Toronto Limited, Account No. 65-84918, Canadian Imperial Bank of Commerce Branch No. 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

PLEASE RETURN ONE COPY WITH REMITTANCE

Terms: Payment upon receipt. Interest will be charged at the rate of 12% per annum (1% per month) on overdue accounts.

Collins Barrow

EXHIBIT "B"

Schedule Summarizing Invoices of Collins Barrow Toronto Limited for the Appointment Period

Invoice No.	Billing Period	Total Fees	Disburse-ments	HST	Hours	Average Hourly Rate	Total
1	June 20, 2014 to June 30, 2014	$18,676.00	$2,447.00	$2,745.99	48.80	$382.70	$23,868.99
2	July 1, 2014 to July 15, 2014	$9,381.00	$2,799.03	$1,583.40	26.05	$360.12	$13,763.43
3	July 16, 2014 to July 31, 2014	$18,238.00	$3,943.22	$2,883.56	46.40	$393.06	$25,064.78
	Total	**$46,295.00**	**$9,189.25**	**$7,212.95**	**121.25**	**$381.81**	**$62,697.20**

*Disbursements include invoices rendered by Tert & Ross Ltd. to attend at the premises

THE POLISH ALLIANCE OF CANADA	-and-	POLISH ASSOCIATION OF TORONTO LIMITED, MAREK MIASIK aka MAREK ADAM MIASIK, MARIA MIASIK, JAN ARGYRIS aka LOUIS JOHN ELIE ARGYRIS aka LOUIS JOHN ARGYRIS aka JOHN ARGYRIS, WLADYSLAW JASLAN aka WLADYSLAW JULIAN JASLAN, HELENA JASLAN, EUGENIUSZ SKIBICKI, CZESLAWA ERICKSEN, STANISLAW ROGOZ aka STAN ROGOZ, ALBERT JOSEPHFLIS AND RICHARD RUSEK
Plaintiff		Defendants

Court File No. CV-08-361644

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT OF DANIEL WEISZ
(SWORN AUGUST 22, 2014)

GOWLING LAFLEUR HENDERSON LLP
Barristers and Solicitors
Suite 1600, 1 First Canadian Place
100 King Street West
Toronto, ON M5X 1G5

E. PATRICK SHEA (LSUC # 39655K)

Tel: (416) 369-7399
Fax: (416) 862-7661

Solicitors for the Court Appointed Receiver and Manager,
Collins Barrow Toronto Limited

APPENDIX S

Breakdown of Receiver's Fees by Category of Service Rendered

#	Date	Professional	Description	Categories						
				Taking Possession	Receipts / Disbursements	Books and Records	Membership List /Election	Court Applications and Reporting	Other	Total
Invoice # 1										
For services provided between June 20th - June 30th, 2014:										
1	6/20/2014	Weisz, Daniel	Telephone call with P. Waldmann of Peter I. Waldmann Professional Corporation regarding the Court's request for the proposed Receiver to attend in Court; prepare form of draft order per P. Waldmann's request and forward draft to P. Waldmann for his consideration.					1.00		1.00
2	6/20/2014	Weisz, Daniel	Prepare for and attend in Court re litigation between the Plaintiff and Defendant and attend upon receipt of the Court Order and Endorsement made, review of Court Order.					3.50		3.50
3	6/20/2014	Weisz, Daniel	Prepare to attend at the Branch 1-7 ("Branch") office following the appointment of the Receiver; meet with B. Wong on status; travel to and attend at 2282 Lakeshore to change locks; meet with Marik Miasik ("**Mr. Miasik**"), Maria Miasik, Richard Rusek, Andrew Miasik, Albert Flis and Bernie Romano who were at the premises.	3.10						3.10
4	6/20/2014	Weisz, Daniel	Reply to email from P. Waldmann regarding his enquiry regarding the change of locks to the premises.	0.10						0.10
5	6/20/2014	Wong, Brenda	Telephone call to locksmith; attend on site to meet with representatives on site and change locks; take photos; tour of premises.	2.20						2.20
6	6/21/2014	Weisz, Daniel	Telephone call with B. Wong prior to her attendance at the Branch's premises.	0.40						0.40
7	6/21/2014	Weisz, Daniel	Telephone call with P. Shea of Gowling Lafleur Henderson LLP regarding the appointment of the Receiver.	0.50						0.50
8	6/21/2014	Weisz, Daniel	Telephone call with B. Wong during her attendance at the premises.	0.10						0.10
9	6/21/2014	Wong, Brenda	Attend at the Branch office during scheduled event; tour premises; meet with P. Shea; review court orders and endorsements; discussions with Mr. Miasik regarding scheduled events, history and background; take photos of premises.	6.00						6.00
10	6/22/2014	Weisz, Daniel	Attend at Branch office during scheduled event and meet with Mr. Miasik; review decisions relating to the ongoing litigation and the appointment of the Receiver; telephone call with P. Shea on various matters; begin drafting report to Court.	3.00				3.60		6.60
11	6/23/2014	Weisz, Daniel	Discussion with B. Wong on insurance; update report to Court.	0.20				0.70		0.90
12	6/23/2014	Weisz, Daniel	Prepare list of matters to consider and discuss with B. Wong on same; telephone discussion with P. Shea on status and various matters; review draft website posting and update; telephone call with Mr. Miasik re his not attending at the Branch office today and email to B. Wong on same; message left for P. Waldmann; telephone call with a potential property manager to enquire about services to be provided; meet with B. Wong on her discussion with Royal Bank of Canada ("**RBC**").	0.20	0.10				1.30	1.60
13	6/23/2014	Wong, Brenda	Discussion with D. Weisz regarding status and outstanding matters; telephone call to security companies regarding obtaining quote for security monitoring; prepare and fax letter to RBC; telephone calls with representatives of RBC.	1.00	0.80					1.80

				Categories						
#	Date	Professional	Description	Taking Possession	Receipts / Disbursements	Books and Records	Membership List /Election	Court Applications and Reporting	Other	Total
14	6/23/2014	Wong, Brenda	Telephone call to and emails with Fairview Insurance Brokers regarding adding Receiver to the existing insurance policy; telephone call with P. Shea regarding status and receivership duties under the Order; prepare introduction for website; review insurance policy; discussion with D. Weisz regarding property manager.	1.80						1.80
15	6/24/2014	Weisz, Daniel	Telephone call with P. Waldmann regarding status of considerations re: election of new Branch executive, email to P. Shea regarding same; discussions with B. Wong regarding her attendance at the Branch premises; telephone call with J. Tertigas of Tert & Ross Ltd. ("**T&R**") to obtain information re: engagement of T&R to attend at the premises on the Receiver's behalf and discussion with B. Wong on same; review draft correspondence and update.	0.70			0.50			1.20
16	6/24/2014	Weisz, Daniel	Telephone call with B. Romano regarding his question with respect to a bank draft in his possession and email to P. Shea on same.		0.20					0.20
17	6/24/2014	Wong, Brenda	Meet with a potential property management company at 2282 Lakeshore Blvd. W. for a tour of the property; discussion with D. Weisz regarding status, security, scheduled events, etc.; draft email to T&R; prepare letter to persons renting parking space at 2282 Lakeshore.	2.00						2.00
18	6/25/2014	Weisz, Daniel	Telephone call with P. Shea on status; discussion with B. Wong on her attendance at the premises later today; review court orders and reasons; draft reply to B. Romano enquiry regarding bank draft in his possession and forward draft to P. Shea; telephone call with B. Wong regarding alarm going off; status of Mr. Miasik attending at the Branch premises; discussion with P. Shea on status; email to P. Waldmann regarding status of retainer and constitution to be delivered.	0.20			0.70	0.80		1.70
19	6/25/2014	Wong, Brenda	Telephone call and emails with insurance broker regarding questions on the policy; review list of outstanding information to obtain from Mr. Miasik.	0.60						0.60
20	6/25/2014	Wong, Brenda	Attend at 2282 Lakeshore Blvd. W. to meet with security company and tour the premises; meet with T&R to tour building and discuss Receiver's requirements; discussion with Mr. Miasik regarding membership records, office hours, tenants and information required.	3.00			0.50			3.50
21	6/26/2014	Wong, Brenda	Telephone call to Mr. Miasik regarding flooding in basement; discussion regarding adequacy of insurance coverage; telephone call to RBC regarding request to add signing officers to bank account.	0.50	0.20					0.70
22	6/26/2014	Wong, Brenda	Meet with D. Weisz to provide status update; review membership records; telephone call with J. Tertigas regarding staffing and keys; email to J. Tertigas regarding keys; telephone call from J. Tertigas regarding Liberty equipment and flooding in basement.	1.20			0.50			1.70
23	6/26/2014	Weisz, Daniel	Discussion with B. Wong on her attendance at the Branch office yesterday; review ledgers regarding Branch 1-7 membership; conference call with P. Shea and B. Wong regarding various matters including insurance; discussion with P. Shea regarding property searches; exchange correspondence with P. Waldmann regarding status of retainer cheque and delivery of Polish Alliance of Canada constitution.	1.00			0.50		0.10	1.60
24	6/27/2014	Weisz, Daniel	Telephone call with R. Rusek.						0.40	0.40
25	6/27/2014	Wong, Brenda	Attend at 2282 Lakeshore Blvd. W. to meet with Mr. Miasik to gather information on tenants, parking lot renters, cash receipts, constitution/by-laws and other matters.	1.50	0.50		0.50			2.50

#	Date	Professional	Description	Categories						
				Taking Possession	Receipts / Disbursements	Books and Records	Membership List /Election	Court Applications and Reporting	Other	Total
26	6/30/2014	Weisz, Daniel	Meet with B. Wong to discuss land title searches, insurance, residential tenants, parking lot occupants; set up call for Wednesday with P. Waldmann and P. Shea; review Polish Alliance of Canada constitutions.	0.80			1.10			1.90
27	6/30/2014	Wong, Brenda	Review title searches; discussion with D. Weisz regarding status; telephone call from J. Tertigas regarding status update; telephone call and letter to Fairview regarding insurance coverage for vacant land.	1.20						1.20
			Total hours per above	31.30	1.80	-	4.30	9.60	1.80	48.80

Invoice # 2

For services provided between July 1st - July 15th, 2014:

1	7/2/2014	Wong, Brenda	Review Polish Alliance of Canada ("**PAC**") constitution and discussion with D. Weisz regarding same; emails to Fairview Insurance Brokers Inc. ("**Fairview**") regarding insurance coverage; review Tert & Ross Ltd. ("**T&R**") invoice; telephone call to Royal Bank of Canada ("**RBC**") and Bankruptcy Highway to find out status of bank account; prepare list of parking rentals.	0.90	0.30		0.50			1.70
2	7/2/2014	Weisz, Daniel	Prepare for and attend conference call with P. Waldmann of Peter I. Waldmann Professional Corporation, B. Wong and P. Shea of Gowling Lafleur Henderson LLP to discuss process regarding election of new executive for Branch 1-7; email to P. Waldmann enclosing ledger sheet of members as provided to the Receiver; discussion with B. Wong on insurance matters and PAC constitution.	0.10			1.80			1.90
3	7/2/2014	Wong, Brenda	Conference call with D. Weisz, P. Shea and P. Waldmann regarding membership list and process for meeting; review email from Fairview and draft response; send draft to P. Shea for review.	0.60			1.50			2.10
4	7/3/2014	Weisz, Daniel	Telephone call with P. Shea regarding various matters; draft email to B. Romano to view records and exchange of emails to set up meeting time; meet with D. Zrebiec and brief her.			0.80				0.80
5	7/3/2014	Weisz, Daniel	Update report; email to P. Shea regarding Court Order clarification.					0.50		0.50
6	7/3/2014	Weisz, Daniel	Review Court Order regarding records in B. Romano's possession and exchange emails with P. Shea regarding same.			0.20				0.20
7	7/3/2014	Zrebiec, Danika	Meeting with D. Weisz and B. Wong; telephone calls to obtain addresses for parties using the parking lot situated at the branch clubhouse premises.	1.50						1.50
10	7/3/2014	Wong, Brenda	Telephone call with Marek Miasik ("**Mr. Miasik**") regarding scheduling time to meet and membership list; send letters to parking lot renters.	0.40			0.10			0.50
11	7/4/2014	Weisz, Daniel	Review emails; review summary of activities to June 30 and update.						0.30	0.30
12	7/4/2014	Zrebiec, Danika	Translation of document provided by B. Wong.						0.50	0.50
13	7/4/2014	Weisz, Daniel	Discussion with P. Shea and B. Wong regarding banking.		0.10					0.10
14	7/4/2014	Wong, Brenda	Telephone discussion with P. Shea regarding setting up Receiver's bank account; telephone call from J. Tertigas of T&R regarding upcoming events.	0.10	0.10					0.20
15	7/7/2014	Wong, Brenda	Prepare letter to Bank of Montreal ("**BMO**") to set up trust account; telephone call to RBC regarding status of bank account; letter to Polish Association of Toronto Limited ("**PATL**") setting out banking arrangements; letters to parking lot renters.	0.60	0.30					0.90

				Categories						
#	Date	Professional	Description	Taking Possession	Receipts / Disbursements	Books and Records	Membership List /Election	Court Applications and Reporting	Other	Total
16	7/7/2014	Wong, Brenda	Attend at 2282 Lake Shore, meet with Mr. Miasik, R. Rusek and C. Zboch to answer questions regarding election, operations and procedures; review files at the premises; discussion regarding receipts and disbursements.	0.80	0.30	0.70	0.20			2.00
17	7/7/2014	Weisz, Daniel	Finalize summary of activities and draft cover letter to counsel; review and update letter to Mr. Miasik regarding banking.		0.20				0.20	0.40
18	7/8/2014	Wong, Brenda	Discussion with D. Weisz to update regarding meeting with Mr. Miasik, R. Rusek and C. Zboch; emails to T&R regarding procedures for receipts and Wednesday office hours.	0.80	0.20					1.00
19	7/8/2014	Wong, Brenda	Letter to parking lot tenant; send PAC constitution to R. Rusek and C. Zboch; email to R. Rusek regarding Receiver's fees and T&R rate.	0.20						0.20
20	7/8/2014	Zrebiec, Danika	Telephone calls to obtain addresses.	0.25						0.25
21	7/8/2014	Weisz, Daniel	Meet with B. Wong to discuss her attendance at 2282 Lake Shore and meeting with R. Rusek and C. Zboch.	0.40					0.40	0.80
22	7/9/2014	Wong, Brenda	Review status and update information on parking lot tenants.	0.10						0.10
23	7/10/2014	Weisz, Daniel	Prepare for, travel to and attend at B. Romano's office with P. Shea and D. Zrebiec; review records at that office.			2.70				2.70
24	7/10/2014	Weisz, Daniel	Discussion with B. Wong on various matters.	0.20						0.20
25	7/10/2014	Zrebiec, Danika	Travel to and attend at B. Romano's office with P. Shea and D. Weisz; review records.			3.00				3.00
26	7/10/2014	Weisz, Daniel	Preliminary review of letter received from P. Waldmann.				0.10			0.10
27	7/10/2014	Wong, Brenda	Email to Fairview to inquire regarding status of insurance; letter to RBC to follow up on Receiver's request regarding changes to signing authorities on PATL's bank account.	0.10	0.20					0.30
28	7/11/2014	Weisz, Daniel	Review correspondence from P. Waldmann; review court documents; review P. Shea's proposed reply to P. Waldmann and provide comments; read Notice of Appeal filed.				0.80	0.40		1.20
29	7/11/2014	Weisz, Daniel	Telephone call with P. Waldmann and email to P. Shea information received from B. Romano's office yesterday; review notes to file.	0.10					0.20	0.30
30	7/11/2014	Wong, Brenda	Search for renter addresses on Canada 411; prepare notice to renters and email to T&R to place on vehicles on lot; attend at 2282 Lake Shore to review books and records and pick up cheques.	0.60	0.10	0.50				1.20
31	7/14/2014	Wong, Brenda	Review rent cheques received.		0.10					0.10
32	7/14/2014	Nishimura, Donna	Deposit cheques at the bank.		0.10					0.10
33	7/15/2014	Wong, Brenda	Email to T&R regarding arrangements for cash deposits; obtain license plate search and send letter to owner of vehicle; review T&R invoice; telephone calls from RBC regarding status of account.	0.40	0.40					0.80
34	7/15/2014	Weisz, Daniel	Correspondence with P. Shea regarding letter status;				0.10			0.10
			Total hours per above	8.15	2.40	7.90	5.10	0.90	1.60	26.05

Invoice # 3

For services provided between July 16th - July 31st, 2014:

1	07/11/2014*	Zrebiec, Danika	Attend at the clubhouse premises to review certain records.			3.00				3.00
2	7/16/2014	Weisz, Daniel	Telephone call with R. Slattery of Minden Gross LLP on status; telephone call with P. Shea of Gowling Lafleur Henderson LLP on status; email from P. Shea regarding telephone call from R. Rusek.						0.60	0.60

#	Date	Professional	Description	Categories						
				Taking Possession	Receipts / Disbursements	Books and Records	Membership List /Election	Court Applications and Reporting	Other	Total
3	7/16/2014	Wong, Brenda	Telephone calls with Royal Bank of Canada ("**RBC**") regarding setting up of new signing authorities and disbursements to clear; telephone call with Marek Miasik ("**Mr. Miasik**") regarding banking, disbursements, attendance records and status of meeting; review and approve invoices for payment.		0.40	0.10				0.50
4	7/17/2014	Weisz, Daniel	Meet with J. Tertigas of Tert & Ross Ltd. ("**T&R**") regarding receipts; telephone call with J. Tertigas regarding same; voicemail for RBC regarding banking; email regarding issue.		0.70					0.70
5	7/17/2014	Wong, Brenda	Review emails regarding disbursements; email to RBC regarding cheques to be allowed to clear.		0.40					0.40
6	7/17/2014	Weisz, Daniel	Review summary of activities; review quote regarding repairs to residence and approve repairs; telephone call with B. Wong regarding RBC.	0.20	0.10				0.10	0.40
7	7/18/2014	Weisz, Daniel	Meet with B. Wong to discuss various issues regarding banking, parking request from 2285 Lakeshore and conference call with P. Shea and B. Wong to discuss same.	0.50	0.20					0.70
10	7/18/2014	Weisz, Daniel	Email to B. Romano's office regarding status of documents requested.			0.10				0.10
11	7/18/2014	Wong, Brenda	Emails/telephone calls with RBC regarding cheques to clear and signing authorities; telephone calls with Mr. Miasik regarding signing officers and cleaners; review and record receipts for deposit; discussion with P. Shea and D. Weisz regarding signing officers; email to T&R regarding disbursements.	0.10	1.50					1.60
12	7/21/2014	Weisz, Daniel	Prepare for and attend at RBC Lakeshore branch regarding signing of documents with respect to Receiver becoming sole signing authority on the RBC bank account.		2.10					2.10
13	7/21/2014	Tannenbaum, Bryan	Sign RBC banking documents at RBC Plaza.		0.30					0.30
14	7/21/2014	Wong, Brenda	Review draft summary of activities; attend at RBC to sign paperwork regarding changing signing authorities and pay utility bills.		1.30				0.30	1.60
15	7/21/2014	Weisz, Daniel	Telephone discussion with P. Waldmann of Peter I. Waldmann Professional Corporation regarding status of receivership; preliminary review of correspondence received from P. Waldmann.				0.30		0.30	0.60
16	7/21/2014	Weisz, Daniel	Finalize summary of activities and draft email and forward to P. Waldmann and B. Romano.						0.20	0.20
17	7/22/2014	Weisz, Daniel	Conference call with P. Shea regarding status and subsequent discussion with P. Shea and B. Wong on various matters; meet with J. Tertigas and B. Wong; work on report to court.	0.20			0.40	1.60		2.20
18	7/22/2014	Wong, Brenda	Review schedule summarizing membership status and check to ledger.				1.00			1.00
19	7/22/2014	Wong, Brenda	Review letter from P. Waldmann regarding membership lists; discussion with D. Weisz and P. Shea regarding status and next steps; discussion with D. Weisz and J. Tertigas regarding status; telephone call to Mr. Miasik regarding access to locked cabinets; review disbursements to be paid.	0.20	0.20		1.00			1.40
20	7/22/2014	Czura, Lauren	Compile listing of all members named in schedules and on membership cards.				2.50			2.50
21	7/23/2014	Wong, Brenda	Attend at 2282 Lakeshore to review books and records and discussions with Mr. and Mrs. Miasik regarding cleaners, access to building, events, office hours, bills to pay, etc.	0.80	0.20	0.50				1.50
22	7/23/2014	Weisz, Daniel	Meeting with B. Wong regarding her attendance this afternoon at the premises; update report to court.	0.10				0.10		0.20

#	Date	Professional	Description	Categories						
				Taking Possession	Receipts / Disbursements	Books and Records	Membership List /Election	Court Applications and Reporting	Other	Total
23	7/23/2014	Wong, Brenda	Review and respond to email from RBC regarding signing authorities; review and prepare analysis of summary of members and check to source ledger and P. Waldmann letter.		0.50		3.50			4.00
24	7/24/2014	Weisz, Daniel	Sign cheques; meeting with B. Wong on her attendance yesterday at the premises.	0.10	0.10					0.20
25	7/24/2014	Weisz, Daniel	Review spreadsheet regarding membership ledger and meet with B. Wong on same.				2.20			2.20
26	7/24/2014	Wong, Brenda	Telephone call to RBC to inquire regarding transactions and balance; review disbursements to pay and cash on hand; discuss membership schedule with D. Weisz.		0.40		0.20			0.60
27	7/25/2014	Weisz, Daniel	Work on report to court; review ledger in detail and update schedule and discuss with B. Wong on same; telephone call with P. Waldmann; email to P. Shea regarding same; review correspondence from P. Waldmann; review correspondence from B. Romano; review file.				3.70	1.00		4.70
28	7/26/2014	Wong, Brenda	Make edits to schedule prepared by the Receiver of the PATL membership list.				1.00			1.00
29	7/28/2014	Wong, Brenda	Make changes to membership list; review rent status; send letter to parking lot tenant; review T&R invoice; emails and telephone call with T&R regarding cash receipts, locksmith and Lechowia Dance Group; email with broker regarding insurance certificate; make changes to report.	0.80	0.50		1.00	1.60		3.90
30	7/28/2014	Weisz, Daniel	Discussion with B. Wong on report, review and update.					1.40		1.40
31	7/29/2014	Weisz, Daniel	Review correspondence; reconcile P. Waldmann schedule to July 21 letter to Receiver's list and discussion with B. Wong on same; prepare for telephone call with P. Shea.				1.70			1.70
32	7/29/2014	Weisz, Daniel	Prepare for and attend conference call with P. Shea and B. Wong regarding status of membership eligibility to vote and next steps.				0.40			0.40
33	7/29/2014	Wong, Brenda	Telephone call with P. Shea and D. Weisz regarding draft report.				0.30			0.30
34	7/30/2014	Weisz, Daniel	Email to P. Waldmann and B. Romano regarding P. Shea's timing regarding reply to emails and reference to unpaid accounts; update report.					0.90	0.20	1.10
35	7/30/2014	Wong, Brenda	Attend at PATL and discussion with Mr. Miasik regarding parking, property taxes, disbursements and membership list.	0.30	0.50		0.20			1.00
36	7/31/2014	Wong, Brenda	Review rental receipts and disbursements; update membership list and discussion with D. Weisz regarding same; telephone call to Mr. Miasik regarding insurance renewal and discuss status with D. Weisz; telephone call to condominium corporation regarding unauthorized parking.	0.20	0.30		0.20			0.70
37	7/31/2014	Weisz, Daniel	Meeting with B. Wong regarding her attendance at the premises yesterday; review and update membership list chart with B. Wong; update report.	0.10			0.30	1.20		1.60
			Total hours per above	3.60	9.70	3.70	19.90	7.80	1.70	46.40
			Total hous for the period June 20, 2014 to July 31, 2014	43.05	13.90	11.60	29.30	18.30	5.10	121.25

Note: This schedule does not include the invoices rendered by Tert & Ross Ltd. to attend at the premises

Court File No.: CV-08-361644

B E T W E E N:

THE POLISH ALLIANCE OF CANADA
-Plaintiff-

v.

POLISH ASSOCIATION OF TORONTO LIMITED, et al
-Defendants-

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

(PROCEEDING COMMENCED AT TORONTO)

MOTION RECORD
(RETURNABLE 2 SEPTEMBER, 2014)

GOWLING LAFLEUR HENDERSON LLP
Barristers and Solicitors
1 First Canadian Place
100 King Street West, Suite 1600
Toronto, ON M5X 1G5

E. Patrick Shea (LSUC No. 39655K)
Tel: (416) 369-7399
Fax: (416) 862-7661

Solicitors for Collins Barrow Toronto Limited,
Court Appointed Receiver and Manager