

Erwin Singh Braich (Affidavit #1)
Sworn June 13, 2007

NO. 193466VA99
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUPTCY

OF

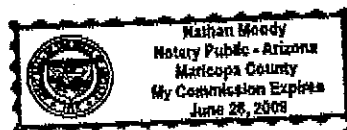
ERWIN SINGH BRAICH

AFFIDAVIT

- 1) I am Erwin Singh Braich, the petitioned bankrupt, and as such have direct knowledge of the matters deposed to in this Affidavit except where stated to be based on information and belief in which case I verily believe them to be true.

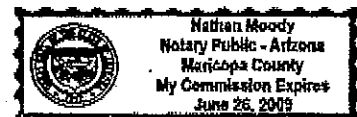
Background Facts

- 2) Circa 1998 I became aware of a business opportunity in relation to the purchase of an oil refinery in Pleven, Bulgaria, known as the Plama Refinery ("Plama"). Very comprehensive appraisals, evaluations, and projections were compiled by various blue-chip firms from London, Sofia, Toronto, Houston, and New York; and it was determined that approximately US \$45-\$46 million per annum profit targets could be met, at a minimum. This was based on assuming approximately US \$120 million in mid to long term debt with bankrupt Plama's existing and frustrated



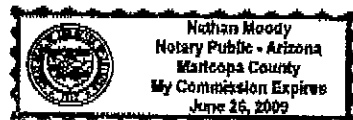
creditors at global market rates of interest and fees. We were negotiating to discount this total debt to a figure of somewhere around US \$80 million by making cash pre-payments to certain lenders and allowing some lenders to participate in other ventures that our Group had on the drawing board. The projected market capitalization for just the oil refinery operation was in excess of US \$400 million as calculated by blue chip and highly reputable firms that I had retained. It was envisioned that one day this enterprise could be taken to the public stock market in London and/or New York. This was one exit strategy.

- 3) Furthermore, these comprehensive calculations (paragraph 2) were based on "sweet" crude oil costing us in the range of US \$15/barrel at "point of delivery". The currency exchange rate at that time was calculated at 1810 Bulgarian leva for 1 US dollar.
- 4) Today Brent crude oil is priced on global markets at above US \$67/barrel and one can draw the conclusion as to the extent of the injury and monetary damages, to me and our Group, by the malicious and extortive actions of the Petitioner and others. The increase in the value of our crude oil inventory would have been quite substantial, notwithstanding all other benefits which would have flowed to us.
- 5) I met at great length with the Bulgarian Minister of Industry, (Mr. Alexander Boshkov), in San Francisco, and I carefully reviewed with him our contracts with crude oil suppliers from North Africa and elsewhere; a few days after his visit to



Ottawa - where he confirmed our Group's capability and sincerity to spend approximately US \$600 million in Bulgaria - with Canada's then Minister of Industry, Mr. John Manley.

- 6) In the time frame leading up to this meeting, our intentions to employ approximately 6000-7000 employees in Bulgaria, in our various acquisitions and targets, had some of the government officials seeking even more "boilerplating" confirmation about us. This was to satisfy, without hesitation, any skeptics from: their constituents, the labour unions, the media, and possibly some disgruntled international companies that had bid below our "highest and best" offers on certain projects.
- 7) This "triple checking" on the part of the Minister was an extra precaution; despite knowing about the substantial cash spent by our Group, our having up to 12 team members staying in the country's capital city, Sofia, Bulgaria, (on a temporary basis), posting single bid bonds of US \$1 million (in cash), or more, for the right to bid on government divestitures of various businesses, and spending about two million dollars on due diligence exercises, consultants, attorneys, and other professional advisors.
- 8) Many people such as investment bankers, various industry analysts, and potential or existing customers, were advocates for our plans in and around the Black Sea and the former communist block of countries; but some individuals were naturally

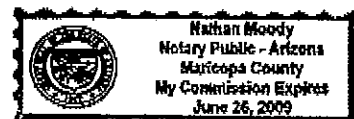


taken by surprise at our aggressive nature in the investments of time and money in the "new" Bulgarian economy.

- 9) This exciting set of investment opportunities was clearly known to Mr. Glen Walsh and his team. They were visibly impressed. Obviously, they voiced their desire to participate – as was always the intention. But they also knew that I was being hampered by the new provisions of the Family Maintenance Enforcement Act in Canada.

- 10) By utilizing offshore corporate entities (in the Caribbean and Cyprus among other locales) and/or trusts – well in excess of 90% of the beneficial equity and voting shares of the corporate structure which controlled Plama were purchased.

- 11) This purchase included a large land bank, several buildings, all equipment, spare parts, railcars, diesel locomotive engines, all rolling stock, a fabulous 44 room guest home on the Black Sea (which was utilized by Government Heads of State), 2000 acres of prime waterfront property which appeared to be easily developable, two large office towers in Sofia, a ski resort facility for use by the employees, a hospital, patents, copyrights and trademarks, and the usual types of facilities that accompanied these large previously state owned and operated complexes in eastern Europe. This type of complex normally would have situated on its premises a post office and a bank in most cases. Plama certainly had these amenities and more.

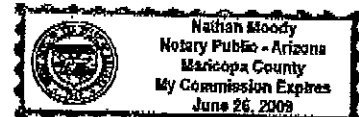
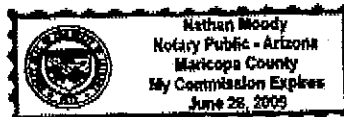


12) Thus, Plama was being sought by major international oil giants. However our early and timely presence in Bulgaria, coupled with our level of trust and integrity (on a case by case basis) with the applicable local residents, labour unions and employees, management teams, government officials (on the regional, civic, and national level), had our Group positioned quite nicely.

13) Our customer list for Plama included the US Navy, Mercedes-Benz, Volvo, and other household names. Major downstream product distribution rights were being discussed with Shell, Petrol, and Elf Aquitaine, for the various Plama products.

14) In 1998 and 1999, in an effort to accumulate capital to kick-start production at Plama, including low sulphur content (African zarzaitine or light Siberian) crude oil needed for a lubricant refining facility, members of our Group held discussions with Glenn Walsh ("Walsh"). He allegedly solely owned a company called Tercon Contractors Ltd. ("Tercon").

15) Upon conclusion of these meetings and discussions, Mr. Walsh and I came to an agreement, which included among other terms, the conversion of monies previously advanced by Mr. Walsh from a loan to an equity interest equaling the estimated realizable twenty-five percent (25%) of Plama's accounts receivable, which were in total, at the time, to be approximately US \$28,000,000 (twenty-eight million United States dollars).

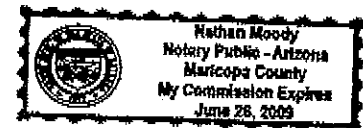


16) Prior to written memorialization of the terms of the agreement between our Group represented by myself, and Walsh/Tercon, a letter was sent to my lawyer Graham MackKenzie ("MacKenzie") by Walsh's lawyer, Mr. Brian McLean ("McLean").

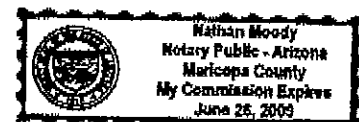
17) The letter from McLean specifically required me to agree to give Walsh/Tercon an interest of 25% of the whole of the Carpe Diem Trust and not just 25% of the accounts receivable as per our agreement. Fortunately this discussion and agreement was made in front of several individuals. The converted amount as agreed would have been worth approximately US \$7 million for Walsh/Tercon; which return on investment was quite generous on our part; and an excellent return for their effort and investment, in my opinion.

18) The Carpe Diem Trust was a trust created by me for the benefit of my children. Although this Trust, through subsidiaries, controlled and owned in excess of 90% of Plama, it had other valuable assets, as well.

19) One of these valuable items, of which the public was aware, was the right to purchase controlling interest in "the jewel of Bulgaria" - CHIMCO - a large manufacturer of chemicals, including Agricultural Grade Urea (a type of fertilizer).



- 20) CHIMCO had earned on a net basis - approximately US \$45 million - in the previous fiscal year, as calculated by an audit performed by Price Waterhouse. They, in fact, acted as one of the consultants to our Group and I recall that we were one of their largest accounts in that year as measured by billings.
- 21) The right to purchase controlling stake of CHIMCO was an extraordinary coup that we had carefully and cautiously developed spanning several months and won by a tender process. Our due diligence process alone cost my Group in excess of US \$1.3 million.
- 22) Our bid was in the amount of US \$123 million dollars which was a bit higher than either of the South Korean conglomerates - Daewoo and Samsung, who placed second and third. There were additional terms and conditions which were proposed by us and eventually accepted after negotiations and discussions with respect to pollution and environmental concerns, satisfactorily phasing out and terminating a portion of the work force (which then exceeded 2200 employees), tens of millions in capital expenditures undertaken to be spent by us over several years, and so forth.
- 23) This whole process was monitored closely by the International Monetary Fund and the World Bank.



24) McLean was aware—at the time he sent his written terms—of the considerable value of the Carpe Diem Trust. McLean was also fully aware of the original terms agreed to by Walsh and us, relating to the conversion from debt to equity of the first two advances made by Walsh for our Group's benefit. These two amounts are set out in the next paragraph.

25) These first two advances were for an amount of US \$1 million and then an amount of British Sterling 500 thousand pounds. This latter amount was wired to my attorneys in London – Norton Rose – at the direction of Mr. J. Batalia (“Batalia”) and Mr. Walsh, from Calgary, Alberta. These funds were utilized exactly as stated to Mr. Walsh and his accountant from BDO Dunwoody in Calgary. This was, of course, prior to the conversion of the debt to equity, by mutual agreement.

26) These funds (500 thousand pounds Sterling) were used to prepay 23 months of a two year lease for a penthouse in the Hyde Park area of London which was used as a residence by one of my key executives, a former senior representative of the European Bank for Reconstruction and Development and his family. Prior to joining our Group, this gentleman was head of Bulgaria for this institution. We allowed him to stay in this allegedly lavish residence despite terminating his employment several months later – well before the 24 month lease had expired.

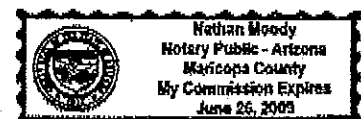


27) To this day I have never seen the front door of this penthouse and I have never seen the inside of it. I was told it was fully decorated and contained US \$4 million in furnishings, and other interior décor.

28) These funds, as described in paragraphs 25 and 26, were sent by electronic transfer from an account at the Hambros Bank in the Channel Islands to my attorneys in London. This bank is where Mr. Jas Batalia had telephoned, from in the lobby of the hotel in Calgary, in front of many individuals. These funds clearly did not weave from Kamloops or any other British Columbian city via Vancouver or some suburb (through a major Canadian Bank) to us somewhere in the Fraser Valley. The falsehoods and lies that were sworn under oath by affiants supporting the Petition in the Supreme Court of British Columbia are acts of perjury.

29) In addition to the requirement of Walsh/ Tercon receiving a 25% interest in the Carpe Diem Trust, McLean's letter went even further by specifying an additional requirement that any future investments or loans made by Walsh/Tercon be secured by an assignment of my beneficial interest in my deceased father's estate (the "Estate"). In other words my inheritance. Obviously, they were displaying both greed and stupidity.

30) Upon review of the McLean letter, MacKenzie summarily rejected it and I fully concurred with my lawyer's assessment of matters.



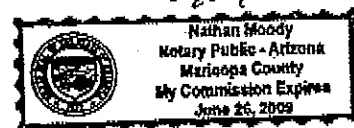
31) I believe that this was just the beginning of McLean's angst towards me. He was now in the precarious position of somehow explaining to his client what had transpired. While McLean was awaiting for me to capitulate, MacKenzie had stepped in, and his vehicle - Clock Holdings Ltd. - lent me a portion of the funds that were to be lent by Walsh.

32) Due to McLean having knowledge of the fact that these funds were required by our Group immediately, I believe he attempted to take advantage of the situation, with or without his client's consent and/or instructions. It should be noted that he relied on this equity interest to petition me into bankruptcy.

33) Despite assurances from Mr. Glen Walsh that he would "straighten" out his solicitor - it seemed that day did not arrive in time for me and my creditors.

34) I believe out of greed, jealousy and knowing the sensitive nature of things pertaining to the re-start of the Plama refinery, that between the time the agreement was made by Walsh and I and it was relayed to McLean, McLean and/or others decided to take advantage of the situation and asked for equitable interests in Trusts that his client(s) were clearly not entitled to; and even request to encumber my eventual inheritance.

NMM
Nathan Moody
Notary Public - Arizona
Maricopa County
My Commission Expires
June 26, 2009

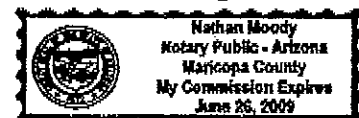


35) The timing of good faith bargaining with us when compared to the dates that KPMG Inc. was already primed for the Petition - all in writing and with copies in our possession - clearly evidences the nature of the malice and attempt to extort.

36) The adjournments from time to time of the Court hearings relative to the Petition further bolsters the sad reality of the intent of the actions of Mr. Walsh and Mr. McLean and perhaps others.

37) Even on October 1, 1999, on the day of the B.C. Supreme Court's Receiving Order being issued, Mr. Walsh contacted me via a team member to negotiate equity arrangements with me during the lunch break in the hearing being held before the Honourable Justice Lowry. Much will be detailed on this point to a competent Court at the appropriate time. The evidence presented will point to a material and major lie told to the Court by Mr. McLean re: his alleged telephone discussion moments earlier with his client and the very clear instructions that he had received from his client. This was impossible as Mr. Walsh was on the tarmac at an airport in Alberta when he spoke to me and we got cut off as his small aircraft left the runway and it was up to me to pass on the message to Mr. McLean during the break.

38) Mr. Walsh's mind was likely conflicted, throughout these days, in that he appeared to most people as having tremendous respect for our Group's abilities



and even greater respect for my integrity; yet was apparently facing Mr.

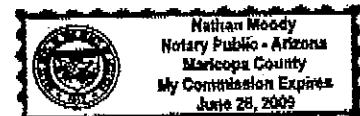
McLean's views on a wide variety of issues.

39) One factor that Mr. Walsh continually mentioned to me and repeatedly stated that would be a mutually beneficial component of our partnership was his knowledge and structure of affairs relating to income tax shielding due to his status as a resident of Malta. This purported factor actually frightened me at closer review in due course.

40) It should be noted, as well, that at the time the first advance of US \$1,000,000 was made, that Mr. Glen Walsh had never met me. We met much later.

41) I believe that due to my reputation and his advisor's assessment of my integrity, and his vague and general knowledge of my vested interest in my late father's Estate, and my other assets; Walsh felt comfortable enough to lend me the money without having met me in person. He was very keen that he wanted to partner with us in some way in Europe and/or elsewhere. I did not at that time ponder or suspect that he may have been setting me up due to his knowledge of the impact of the Family Maintenance Enforcement Act and any disclosures which I might be compelled to make.

42) Henceforth this may explain the "wild goose chase" that Mr. Gordon Elliot and I were sent on. Furthermore this may be more than a tiny clue as to why Mr.

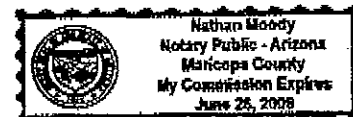


McLean vehemently opposed my providing "viva voce" evidence to the Court presided over by the Honourable Justice Lowry on October 1, 1999.

43) I have been advised by experts in these matters that since the petition ought not to have been filed for the purpose of obtaining improper leverage it should be dismissed under Section 43 (7) of the Bankruptcy and Insolvency Act. In fact, the line of jurisprudence and precedent includes the decision as given in Churchill Forest Indust. (Man.) Ltd. (1971), 16 C.B.R. (NS) 158 (Man. Q.B.). Another case which can be cited is De La Hooke (1934), 15 C.B.R. 485 (Ont. S.P.).

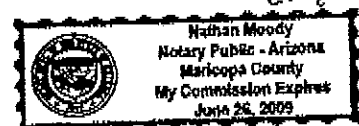
44) In my opinion, the nature of our eventual mutual agreement, is further evidenced by the fact that the original loans (that were eventually converted to equity) were lent as fully unsecured and that the interest rate was to be the Toronto-Dominion Bank's Prime Rate.

45) It should be noted that Mr. Batalia, being the petitioner's accountant/tax advisor, at the very least, and eventually an improperly and unlawfully appointed inspector of my allegedly bankrupt estate (at the illegally convened first meeting of creditors), was one of the very conflicted persons that supervised a portion of the affairs of the bankruptcy. The speed and haste displayed by KPMG in convening a meeting of creditors pursuant to the Bankruptcy and Insolvency Act is truly amazing. The reliance of KPMG and their officers and staff on information about my financial affairs from biased individuals is reprehensible. This heavy-handed



approach taken by KPMG and the members of the Walsh/Tercon team is a main factor in damaging my reputation and goodwill. Undoubtedly it has severely hurt my general body of lawful creditors.

- 46) Effectively through McLean and KPMG's actions and/or inaction, they "handcuffed" me so as to prevent me from being able to legally meet my obligations on a timely basis to my lawful creditors. To this day despite experts throughout Canada providing me assurance that the Walsh/Tercon Proof of Claim, as filed, is quite deficient; KPMG Inc. refuses to reverse it's determination on this major point of contention.
- 47) McLean, in fact, brazenly sent in response to a law firm a letter, which did nothing to aid, but rather frustrate, an attempt in 2002 to pay in full (inclusive of all interest and 50% of any incurred legal costs) my lawful creditors. This is just one of the many obstacles McLean, KPMG and others put in the way of my attempts to mitigate the damages suffered by my lawful creditors and myself.
- 48) Seven years without a properly convened first meeting of creditors pursuant to Section 102 (5) of the Bankruptcy and Insolvency Act is gross mismanagement and negligence on the of KPMG.
- 49) Throughout this ordeal, I along with my lawful creditors have been subject to sometimes almost unbearable conditions. In this Affidavit I will not get into in

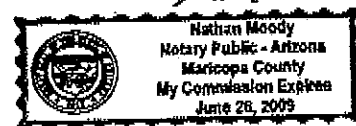


the entirety of what has occurred over the past seven years due to the malicious petition being brought on by McLean, Walsh and others. The heinous complicity by KPMG and it's employees, officers and staff has truly been horrific. In another lawsuit which will be filed in the future all of these issues will be raised. This is precisely the reason why others such as Mr. Bidulka and Mr. Boales and Mr. Postman are not named in this action as filed in the State of Washington.

50) In my opinion and that of a vast majority of the general body of my lawful creditors, the various Courts and the Office of the Superintendent of Bankruptcy relied upon incomplete and grossly inaccurate information that was put before them from time to time - by the Petitioner, his Counsel, KPMG Inc., and others.

51) Due to the malicious petition and the arrest warrants that flowed from this I along with my general body of lawful creditors suffered great indignities all of which are too voluminous to list in their entirety here and will be brought to light completely at a later date in a separate and unrelated litigation.

52) I am however desirous to list a few things in point form that I personally was forced to endure; I was unable to attend my only son's graduation, unable to attend the funerals of persons very close to me, and unable to participate in a plethora of many ordinary and normal events which took place in Canada. This continued for many years.



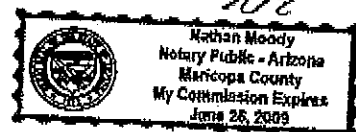
53) I was not able to care and provide guidance and parental support for my daughter or son for prolonged periods of time. This has caused them and me unimaginable pain. I was forced to endure public humiliation all the while abiding by the law and hoping and praying that the "piling on" would stop by KPMG and McLean, and others at some point in time.

54) My social standing was affected and the goodwill that had been associated with my name and that of my late father Herman Singh Braich since the early 1930's was destroyed in part by the actions that followed the malicious activities of McLean, Walsh, KPMG and others.

55) On or about June 28, 1999, and less than one month after the rejection of the terms outlined in McLean's dealings with MacKenzie, Walsh, with the assistance of McLean, commenced the petitioning process.

56) Twelve (12) days before the actual commencement of the filing of the proceedings for the petition, McLean and Robert Rusko ("Rusko") came to an agreement that KPMG Inc., would act as Trustee in the, at that time, unfiled bankruptcy petition if a deal was not reached between us.

57) This leads me and others to believe that this is not the first time McLean and Rusko have done something like this. Some of the vital documents actually are irrefutably marked as being from a "Walsh" file in McLean's office. It appears

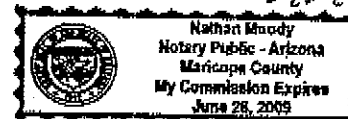


that this exploitive tactic, of petitioning into bankruptcy, may have been used by these people prior to the experience with me.

58) After the filing of the bankruptcy petition (the "Petition"), KPMG Inc. formally approved McLean as the lawyer to act for KPMG in it's role as Trustee in Bankruptcy. At all material times I objected to the bankruptcy proceeding as fraudulent; and have repeatedly asserted this fact to KPMG, McLean and all others, among many other issues articulated clearly to all involved parties in letters, faxes, and so forth.

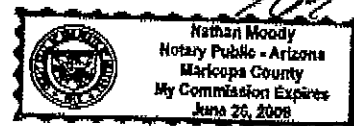
59) At all material times I have objected to Mr. McLean acting as the KPMG's counsel for very obvious reasons. Indeed the Honourable Madam Justice Morrison could have not agreed more as evidenced her directions to both Mr. Rusko, on behalf of KPMG and Mr. McLean to provide requisite undertakings to my lawyer at that time (Ms. Katherine Wellburn) whereby the guilty parties were to refrain from participating in certain statutory actions pursuant to the Bankruptcy and Insolvency Act.

60) The conflict of interest, which has gone on without remedy by KPMG, and has caused great pain and suffering to many parties is yet again starkly recognized when Mr. McLean "jumped ship" to act for Mr. Walsh/Tercon in the Clock Holdings Ltd. litigation. At that juncture KPMG decided to replace Mr. McLean for a period of time and replace him with Mr. Alan Brown (then practicing at



McCarthy Tetrault LLP.). This seems extremely peculiar to the incestuous and abusive matter which is for the wrong reasons before this Honourable Court. I will state that Mr. Brown was not a pristine choice as a replacement for Mr. McLean. He is married to Ms. Shelley Fitzpatrick. However this will be dealt with in another litigation in a competent Court.

- 61) Many months prior the Petition being granted on October 1, 1999, I had retained Mr. Gordon Elliot ("Elliot") to act on my behalf. His firm was already involved with a deal which will be the issue of separate legal proceedings. It relates to a large parcel of land known as Sandy Hill in Abbotsford, B.C.
- 62) I had negotiated the right to purchase this property for Cdn. \$2.2 million and I had arranged payment of substantial deposits, as per written agreement, to the vendor. In fact, it was listed as an asset in the hastily prepared Statement of Affairs attributed to me, which was qualified by KPMG, under the name of the numbered company, for which the law firm Thompson and Elliott had been acting in this transaction. Eventually, this property and "the closing" was hijacked from our numbered company to some third party.
- 63) The activity in paragraph 62 has been the central issue in just one of the deliberate injuries to my creditors and I. It is a well documented display of callous disregard to uphold the intent of the law. Officers of the Court and agents of the Government of Canada acted in total disregard to any laws and any ethics in this

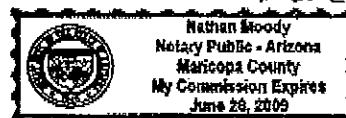


fiasco. Over twenty (20) individuals placed caveats on this property at the appropriate Land Titles Office and this was eventually the subject of a Court hearing before the Honourable Madam Justice Loo. The property remained legally encumbered or "tied up" for years as KPMG was asked repeatedly to pursue the lawful ownership of this property. When finally others saw fit to try and usurp this asset from my (yet to be finalized) children's Trust; the B.C. Supreme Court permitted us to facilitate the proper corporate entity to register an appropriate lien so that we could go onto a trial, after all due process of the law, for the finding of fact, and ultimate return to the rightful beneficial owner.

64) Mr. McLean and KPMG reversed their decision to abide by the Courts direction overnight as told to three or more of my creditors (in writing) along with our lawyer, which proved fatal in our attempt to preserve this asset for my "Estate". The property has been developed subsequently and a myriad of culpable people will be facing a lawsuit quite soon. The conservative assessment of damages is in excess of Cdn. \$40 million.

65) An interesting aspect to this to be determined by my advisors in this imminent litigation will be; what right did KPMG ever possess to interfere with commercial activity undertaken for the benefit of my children?

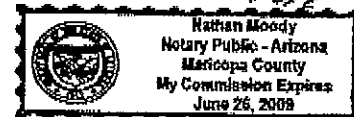
66) Just last week (June 4, 2007) I was in Court for the day observing the Honourable Justice Burnyeat and heard him dispensing an Order after much careful review of



voluminous evidence and argument. The matter at bar dealt with a contentious and hostile legal battle over property (located in "Surrey") which involves some of the same parties as in the Sandy Hill fiasco. What must be noted is that this series of transfers, loans, foreclosure proceedings, conversions, fraudulent conveyances, rezoning and subdivision applications, and so forth has been ongoing for longer than the length of my seven year dispute with my Bankruptcy matter. The Honourable Justice Burnyeat's logic and findings, and line of reasoning, has been followed and reconfirmed by the Honourable Justice Groves, in an Order made after the Court hearing on June 11, 2007. This series of recent findings lend tremendous credence to the claims asserted vigorously by me, over the years, and will certainly cause embarrassment and give rise to damages against KPMG and others. If justice is served sizeable monetary awards and compensation are forthcoming to my creditors from this imminent litigation, as well.

67) The majority of the creditors (both by head count and in dollar value) wish to have KPMG resign or replaced. I believe evermore that they are conflicted badly again and this injunction application relying on the lies of Robert Rusko and relying on Section 215 of the Bankruptcy and Insolvency Act is a desperate measure.

68) It is clear that they have not done things in accord with proper professional conduct and in accord with the law. They, their employees, their attorney and

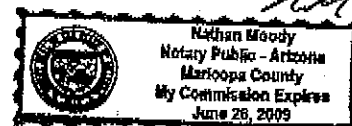


agents have cause to be scared and embarrassed. However all of that very illuminating and enlightening litigation will be under different circumstances in competent Courts in the future.

69) There is no need to burden a reader with hundreds of pages of evidence, most of it given under oath, with respect to the inability of KPMG to provide me and my general body of lawful creditors comfort in knowing that they were able to preserve or enrich the value of my inheritance. On the contrary they watched as tens of millions in assets were stolen and misappropriated by others. This matter is before the Supreme Court in B.C. presently.

70) My tax returns (T1's), or GST filings were not submitted. In fact the so-called experts in insolvency matters were oblivious to this obligation. Their rhetoric in the Declarations as filed in the U.S. District Court action before Judge John Coughenour is a joke and thus now they are running for protection under the wrong law in the wrong circumstances in the wrong jurisdiction, in my humble opinion.

71) Also it must be noted that I had a great deal of involvement in this matter which was before the Court on June 4, 2007, re: the property in Surrey, dating back to the days of my initial discussions with Mr. Walsh circa 1998. Actually Mr. McLean (in his Park Royal offices) was given a full presentation on this development proposal by Mr. Jernail Grewal, which McLean dismissed as "not



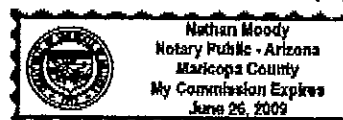
very likely" to happen. Obviously Mr. McLean was wrong. I am not certain Mr. McLean reported any of this information to his clients.

72) I mention this only to show how determined Mr. McLean was to see my demise as he had made more than one mistake, over the years, to injure his relationship with his client.

73) In fact, Sandy Hill, and the development was discussed at great length with Mr. Walsh, as he had the necessary equipment to provide all the services for subdivision. This would have given Tercon's equipment some gainful and lucrative work instead of sitting idle in a storage yard as I recall Mr. Walsh complaining to me. At that time Mr. Walsh requested that I assist in advising him on a forest products related venture that he had invested in somewhere in Central America. I replied that I did not have time at that particular moment.

74) Voluminous details and irrefutable evidence will be provided at the appropriate time and in the appropriate forum for all of these items described in the above paragraphs.

75) Elliot was sent on a trip that was paid for by me and as an officer of the Court to view and assess any assets I held outside of Canada. His instructions were, as per the agreement he had with McLean, to return to Canada once he had seen enough of my assets abroad that would clearly indicate that I was not bankrupt by any

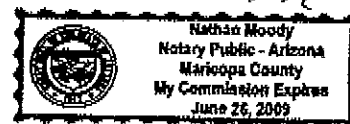


stretch of the imagination. He was to begin in Bulgaria and had the option of continuing on to Romania, Ghana, Russia, the United States, and so forth.

76) Elliot returned to Canada after just visiting Bulgaria, staying at the Kempinski Hotel, and then traveled to New York in anticipation of assisting with the Chimco transaction. Our cooperation with Mr. McLean and the Court which would have obviated this whole sordid mess (the "Bankruptcy"). At that time forced me to incur unnecessary costs totaling in excess of Cdn \$100,000 for legal fees paid to Mr. Elliot's law firm, and all related expenses for his travel and investigation. Therefore it was clear to see, once again that I did my level best to provide clear and irrefutable evidence to the petitioner as to our affairs. In other words I did not seek refuge under the Bankruptcy and Insolvency Act; quite the opposite.

77) Mr. Gordon Elliot reported his findings to Mr. McLean. However this subject agreement as described in paragraph 75 apparently and much to my surprise, was never formally documented between McLean and Elliot and Mr. McLean reneged. Mr. Elliott was in disbelief as was I.

78) My woes continued at the powerful hands of McLean as he thwarted my attempt to privately show a presiding Judge all data which would have made the allegation that I was bankrupt with only \$3 or \$4 million in debt quite laughable. Even though that number was not accurate due to Walsh's conversion to equity as described earlier.

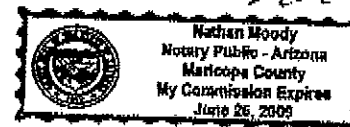


79) Ironically, I received an award for International Businessman of the Year just a few weeks prior to the petitioning process being initiated by McLean and Walsh.

80) It should be noted that at the time the Petition was granted (improperly in my opinion and that subsequently of experts in Canada, England, Singapore, and Australia) that there was no list of any assets whatsoever; no Statement of Affairs before the Court on which to rely. Mr. Walsh, at all material times, knew that I was not likely to provide a Statement of Assets and Liabilities, under oath, for the Court, with the consequences which could arise due to the harsh reality of the newly legislated Family Maintenance Enforcement Act.

81) It should be noted that McLean and Walsh tried to enlist many persons and entities to assist them with the Petition. These included but were not limited to my ex-wife, certain brothers, and other rightful creditors. Most of those contacted were unwilling to assist McLean and Walsh.

82) They did however manage to receive assistance from one of my siblings. My brother Herbishan "Bobby" Singh Braich held one of the debts relied upon to convince the Court to petition me into bankruptcy. This is an interesting issue; as Bobby was needed by Walsh and McLean in the event their claim failed. Apparently shopping around or canvassing for creditors (I am advised) is considered a criminal activity.



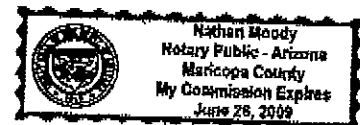
83) Bobby (my brother) lent me Cdn. \$400 thousand when I was stifled with a British Columbia Supreme Court asset "freezing" Order as a result of a draconian knee-jerk application brought on by my ex-wife and her lawyers in the vitriolic protracted matrimonial and child custody litigation.

84) It is extremely suspicious that seemingly intelligent people would rely on my brother Bobby Braich and his submissions to KPMG that there was little or no value left in my inheritance. More on that at another time.

85) My brother's lawyer sent a demand letter requesting repayment of his loan to my address in Mission, B.C. Interestingly his lawyer was Ms. Shelley Fitzpatrick. More on this persons conflicts-of-interest (there are more than one) in due course in another action yet to be filed.

86) I was not aware that he had made this request as he illegally signed for my registered mail. A document from the post office in Mission, B.C. evidencing this fact is in my possession. This is criminal activity, as well, I am told.

87) It has been asked of me why my brother would do such a thing and assist Walsh by many of those concerned? One reason probably was his always unrelenting curiosity as to what his eldest brother was doing in the world of business. An observer needs to remember the seemingly adverse position he put himself in with respect to becoming an ordinary creditor as opposed to one with a security interest

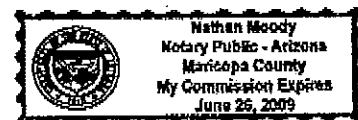


against my assets by seeking a "Bankrupt" status for me. Perhaps it is something as simple as jealousy between siblings.

88) While I cannot say with certainty as to what was going through my brother's head when he committed this crime, I can say that one of the factors that may have played into his decision to do this could have been that some years earlier when he was employed by a company of which I had control - he was found to be improperly charging personal expenses to this company - and was fired by me. Prior to his employment re-commencing he was required to sign a restitution agreement, as prepared by the company lawyers, and an acknowledgement of this theft. I believe that this could also be a major motivating factor in his decision to team up with Walsh/Tercon and/or McLean.

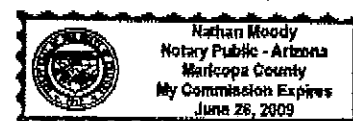
89) There have been many issues between the siblings in our family which have been costly - both emotionally and in monetary expenditures. The British Columbia Supreme Court has been home to many lawsuits amongst siblings over the years.

90) In my opinion, these types of issues, along with many other factors that I will not delve into in this Affidavit, as they are too voluminous, have perpetuated the notion of my lack of assets and the gross exaggeration of my debts (as broadcast to the public), from time to time, by my siblings. What is surprising is the admissions made by professionals who state that they took these assertions as

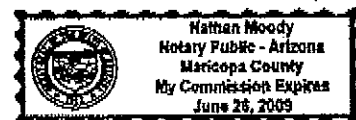


made by biased parties at face value. Some of these professional were employed by KPMG and are still officers, and agents.

- 91) KPMG failed to insure the contents of my home at 33936 Cherry Avenue, Mission, B.C.; which was burglarized several times after the Petition was granted.
- 92) The burglaries resulted in hundreds of thousand of dollars in damages and losses to myself and my general body of lawful creditors. The RCMP dusted for fingerprints and although on one occasion identified the perpetrator, were never successful in recovering any property.
- 93) Also due to the burglaries much material was lost that was of important value to me and no amount of money can repay or recreate what was lost. Had I not been adversely affected by the malicious, improperly sought, and duplicitous in nature, Warrants for my Arrest and the crazy terms of Detention contained in these Warrants; this likely would not have occurred 3 or more times.
- 94) KPMG improperly liquidated by canceling my fully paid single-premium life insurance policies without my knowledge and did not have the courtesy to inform me of same even after the fact. For years I was walking around thinking that I had for my heirs an extra approximately two million dollars in benefits upon my passing.



- 95) This loss is difficult to quantify at the moment as I still need to investigate the terms, conditions, and rates at which similar amounts life insurance would be made available to me.
- 96) Although wrongfully obtained, they did not even use the funds to further the interest of the general body of lawful creditors, and used the majority (if not all) of the proceeds to pay their outstanding accounts.
- 97) KPMG failed to take a retainer from the petitioning creditor that was adequate to deal with a matter of this magnitude in the first instance (\$10,000). This fact seems to indicate that KPMG may have also thought that I would capitulate to the extortive tactics employed by Walsh/Tercon and others. One must remember they (KPMG) had a great deal to do with me prior to the Petition.
- 98) To date, oddly, I have contributed more funds towards paying KPMG's bills than the amount of what the petitioning creditor has paid with respect to my own involuntary bankruptcy proceedings. This fact is very perplexing.
- 99) Furthermore I had offered to Mr. Robert Rusko the necessary funding for KPMG to perform a full forensic audit of my affairs; in order to obviate the stigma to my reputation due to these vexatious proceedings. I did not want my lawful creditors to suffer at the hands of a very few malicious individuals. Mr. Rusko flatly rejected my offer.

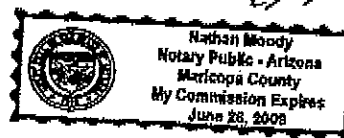


- 100) Since this rejection by KPMG they have put forth no alternative solution and have continually and repeatedly not fulfilled their obligations to the general body of lawful creditors. It is uncertain as to what exact role the Office of the Superintendent of Bankruptcy has played in this saga.
- 101) KPMG, McLean and others assisted, conspired, aided and abetted in illegally seizing documents from my hotel room at The Travel House Inn (in Bellingham, Washington), that were needed to comply with my obligations.
- 102) In fact, in a conversation with my lawyer at that time (Ms. Katherine Wellburn of Harper Grey Easton LLP.) who assisted in vacating one of the Warrants that was issued against me, Mr. David Wood acknowledged (with a gleeful smirk, I am told) that I would not be able to fulfill my duties due to the fact my documents had been seized.
- 103) Further to this KPMG, McLean and others seized and distributed materials that were not held by me in my personal capacity and I am at risk of being subjected to lawsuits due to this illegal seizure and illegal detention and illegal dissemination of sensitive information. This deals not only with regard to the cases in Calgary Queen's Bench Court relating to potentially in excess of one billion dollars in monetary awards to my children's Trust.



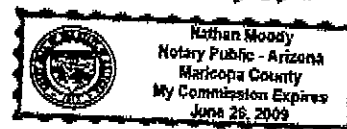
There are other clear instances where these actions and violations have been quite harmful.

- 104) In a letter that was written to the Crown on December 18th, 2006, by one of the lawyers that is assisting me (Nicholas Weigelt) in the outstanding criminal charges against me. It is abundantly clear this whole fiasco has been a gross abuse of process.
- 105) The above referred letter in paragraph 104 was written after Mr. Terry LaLiberte acted for me and vacated the second Warrant for arrest. This Warrant was issued by the Provincial Court on incomplete and improper information. The submissions made to the Court were grossly misleading. At trial, at the appropriate time, the misinformation surrounding this matter and the resulting draconian action by the Court will be thoroughly illuminated.
- 106) One item in particular that needs to be highlighted is the fact that I was never duly served pursuant to all proper laws and procedures in the matter of the duplicitous Warrants for arrest. This has also been the case with regards to time sensitive materials throughout this whole saga. At the times when I was duly served; it was well after the fact and the damage had already been done.

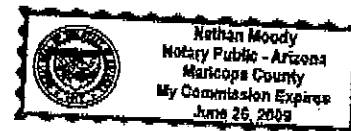


107) In short the malicious parties that instigated this whole process have relied on stealing my mail and/or not serving me with materials that I had a lawful right to be served with in a timely manner so that I and my lawful creditors could have avoided the severe hardships we have needlessly endured at the hands of these few malicious individuals. Again I reiterate that the remedies which will be sought for these actions will be dealt with under separate litigation yet to be filed in a competent Court.

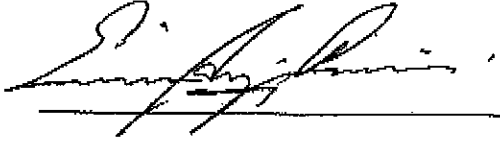
108) Another item that will be documented fully and in my opinion should convince any reasonable presiding Judge accordingly, at another time in another action, is the lack of disclosure to me of correspondence and Notices served on KPMG and/or their agents from time to time. Some of these were in accord with the Rules of Court and followed long-standing protocol and were sent pursuant to applicable law. KPMG and/or their agents had the obligation to defend me in more than one serious and important lawsuit in B.C. Supreme Court. This would have been the proper and lawful thing for them to do for the preservation of my assets, for the general body of creditors, and further this would have prevented the erosion of my reputation. If they chose not to do so for whatever bizarre reason (lack of funding etc.), at the very least they should have informed me of their inability to respond in the appropriate manner.



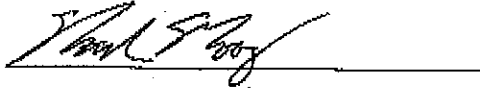
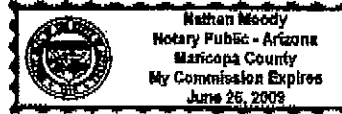
- 109) In due course it will be shown, without a scintilla of doubt, that KPMG should have followed my written directions and/or request on many important and valuable assets. For instance, they should have pursued with my attorney in Switzerland - the beneficial ownership of Plama for our Group. One of my lawyers at the time was a former Chief Justice in Switzerland. He had been retained and paid by me in the Plama matter. KPMG was informed in writing shortly after the Receiving Order was issued (October 1, 1999) about the Plama matter. KPMG was repeatedly informed about this asset and other assets for years.
- 110) Had I come into the country of my birth at the time the Warrants were still in effect, I was to be arrested and taken to two prisons simultaneously in different locations and held indefinitely. This is reflective of the general tenor of those fully responsible for this miscarriage of fiduciary responsibility.
- 111) Further to all of these breaches of duties and overzealous behavior; there have been many libelous and slanderous remarks made about me by KPMG employees, officers, and agents from time to time. These will be proven without doubt at trial in the appropriate lawsuits, yet to be filed.



Subscribed and Sworn before me at the City of Tempe, County of Maricopa, in the State of Arizona this 13th day of June, 2007 by Erwin Singh Braich under penalty of perjury.



Erwin Singh Braich



Notary Public