

CLARK WILSON LLP

BC's Law Firm for Business

Reply Attention of **John C. Fiddick**
Direct Tel. 604.643.3159
Email Address jcf@cwilson.com
Our File No. 30461-2 / D/JCF/872502.1

June 26, 2006

VIA FAX

McLean & Armstrong LLP
Barristers & Solicitors
701 - 100 Park Royal
West Vancouver, BC V6T 1A2

Attention: **Brian McLean**

Dear Sirs:

Re: Bankruptcy of Erwin Braich

We have been retained, amongst others, as counsel for Mr. Braich on a variety of outstanding matters.

We note that you recently provided information and assistance to Mr. Greenan in Alberta who is defending an action brought by the Peregrine Trust.

Would you kindly advise us whether KPMG, Mr. Braich's Trustee, knew anything about your correspondence with Mr. Greenan and whether, and to what extent, either the Trustee or the inspectors of Mr. Braich's estate authorized and approved your actions. Further, we wonder how your actions could be in the best interests of the general body of creditors of Mr. Braich's estate.

We look forward to hearing from you at your first convenience.

Yours truly,

CLARK WILSON LLP

Per: *John C. Fiddick*
John C. Fiddick

JCF/pen
cc: client (by e-mail)
cc: KPMG (Attn: Robert M. Rusko) (by e-mail)

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|----------------------|---------------------------|----------------------|--------------------------|
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| Kari Richardson | Vikram Dhir | Adam M. Ditt | Danielle M. Lestie |
| Sarah W. Jones | | | |

Associate Counsel: Nicole M. Byres
Associate Counsel: Michael J. Rontan

This is Exhibit ² "referred to in the affidavit of Erwin Braich sworn before me at Lower North Colahy this 4 day of October 20 07

David Watts
David Watts, Notary Public
#410-675 West Hastings St
Vancouver, BC V6B 1N2 Can
Tel: 604 685 7786 Fax: 604 685
Email: dwatts@notaries.bc.c

A Commissioner for taking Affidavits for British Columbia

08/01/06 14:15 FAX 604 925 8984

MCLEAN & ARMSTRONG

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McLean & Armstrong LLP
BARRISTERS & SOLICITORS

Brian McLean
Chris Armstrong, P.Eng.

Affiliated Consultant:
Norman Zapf, M.B.C. (Hon.) (Ret.)

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DATE: August 1, 2006
FILE: 2010-001
FROM: Brian McLean
RE: Erwin Braich

PLEASE DELIVER THE FOLLOWING TELECOPIER MESSAGE:

TO: John C. Fiddick
COMPANY: Clark Wilson LLP
PHONE: 604-687-5700
FAX: 604-687-6314

AT THE END OF THIS TRANSMISSION YOU WILL HAVE **2** PAGES INCLUDING THIS COVER MEMO.

IF YOU ARE HAVING DIFFICULTIES RECEIVING THIS TRANSMISSION, PLEASE CALL (604) 925-0672 AND ASK FOR MIRIAM CIKES

MESSAGE:
Brian McLean

08/01/06 14:15 FAX 604 925 8984

MCLEAN & ARMSTRONG

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McLean & Armstrong LLP
BARRISTERS & SOLICITORS

Brian McLean
Chris Armstrong, P.Eng.

Affiliated Consultant:
Norman Zapf, MEIC (Hon.) (Ret.)

August 1, 2006

BY FACSIMILE

Clark Wilson LLP
Barristers & Solicitors
800 - 885 W. Georgia Street
Vancouver, B.C.
V6C 3H1

Attention: John C. Fiddick

Dear Sirs:

Re: Bankruptcy of Erwin Braich

Thank you for your letter of June 26, 2006.

Since it appears that you have been retained by Erwin Braich, I wonder if you would be so kind as to confirm, for the information of KPMG, Erwin Braich's trustee, his present address and contact information.

I also wonder whether your retainer extends to representing Erwin Braich in respect of his bankruptcy in which case I would like to make arrangements for his examination under the *Bankruptcy and Insolvency Act*.

Your client has not complied with the provisions of the *Bankruptcy and Insolvency Act* complied fully or with the terms of the Order of Madam Justice Morrison.

Yours truly,

McLean & Armstrong LLP

Per:



BRIAN G. McLEAN
BGM/mbc

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CLARK WILSON LLP
BC's Law Firm for Business

Reply Attention of **John C. Fiddick**
Direct Tel. 604.643.3159
EMail Address jcf@cwilson.com
Our File No. 30462-2 / D/JCF/890785.1

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| Adam M. Dlin | Sarah W. Jones | | |

Associate Counsel: Nicole M. Byres
Associate Counsel: Michael J. Roman

August 15, 2006

VIA FAX

McLean & Armstrong LLP
Barristers & Solicitors
701 – 100 Park Royal
West Vancouver, BC V7T 1A2

Attention: **Brian McLean**

Dear Sirs:

Re: Bankruptcy of Erwin Braich

We have your letter dated August 1, 2006. The writer has been on vacation and that has prevented an earlier reply.

At the outset, we must say that we are astonished by the contents of your letter. Not only did it take you some five weeks to provide any sort of response to our letter, the response which you prepared completely ignores the matters raised and the questions posed.

We are currently reviewing all of the materials that have been prepared and filed in this proceeding. Boxes of documents have been provided from Ms. Wellburn's office, as well as from our client, and we are now analyzing them. At first blush, it appears that there has been a lack of full disclosure and candor in dealing with the various court applications that have been made over the years. We are extremely concerned that Madam Justice Morrison may have been either misinformed or misled. There is also the issue of the conflict of interest in your acting for the trustee in bankruptcy and the petitioning creditor.

We have no idea why you would be seeking to make arrangements to examine our client under the *Bankruptcy & Insolvency Act* (the "Act"). We are instructed that following the second application before Madam Justice Morrison, you gave a written undertaking to Ms. Wellburn that you would not be conducting any examination of our client. Kindly confirm that you remain bound by this undertaking and will not be seeking to conduct any examination of our client.

We are unaware of which provisions of the *Act* or the Order of Madam Justice Morrison with which our client has not fully complied. Certainly, our client provided you and KPMG with his Statement of Affairs in 2004, in accordance with Madam Justice Morrison's Order. This was the same Statement of Affairs that, recently, you felt obliged to provide to counsel in Alberta in an action against an entity in which our client has an some involvement.


This brings us back to the substance of our June 26, 2006 letter to which you have failed to respond. It may be that KPMG instructed you not to respond or it may be that you thought that you could simply ignore the matters which we raised. In any event, in our experience, there is generally a good reason that counsel fails to respond to substantive matters that have been raised. We will leave it to you to determine whether, and to what extent, you wish to provide some explanation for your actions. In the interim, the lack of a response will speak volumes.

Yours truly,

CLARK WILSON LLP

Per:

John C. Fiddick



JCF/pen

cc: Erwin Braich