

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF THE RAVELSTON CORPORATION LIMITED AND
RAVELSTON MANAGEMENT INC.

AND IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C. 1985, c. B-3, AS AMENDED, AND THE *COURTS OF JUSTICE ACT*,
R.S.O. 1990, c. C.43, AS AMENDED

**AFFIDAVIT OF BRADLEY J. RICHARDS
Sworn JULY 14, 2005**

I, Bradley J. Richards, of the State of Texas, in the County of Harris, MAKE OATH
AND SAY:

1. I am an attorney licensed to practice law in the State of Texas. I have been in the continuous and active practice of law as an international lawyer for more than twenty years. I have been a partner in the international, finance, and corporate sections of the Texas law firm of Haynes and Boone, L.L.P. since 1992. Prior to my practice with Haynes and Boone, I was a lawyer in the international and finance sections of Baker Botts L.L.P. My undergraduate degree from Brown University is in international relations. I received my law degree from the University of Iowa. I have taught courses in international finance and international business transactions as an adjunct professor of law at the University of Houston. I have served as the Chairman of the International Law Section of the State Bar of Texas, and I currently serve as the National Vice President for the United States of the Union Internationale des Avocats, an international association of bar associations and lawyers based in Paris. I attach as Exhibit "A" a copy of my Curriculum Vitae.

2. In connection with a proceeding to be brought by RSM Richter Inc. ("Richter"), in its capacity as court-appointed receiver and manager, interim receiver and monitor (collectively, the

“Receiver”) of Ravelston Corporation Limited (“Ravelston”) and a number of its affiliates, I was asked to provide a statement of American law with respect to American conflicts of law principles and the *Racketeer Influenced and Corrupt Organizations Act*, 18 U.S.C. §§ 1961 *et seq.* (“RICO”), for the purpose of addressing the following questions:

- (a) Under American conflicts of law principles, what court has jurisdiction to make determinations about title to shares?
 - (b) Would an American court recognize a Canadian court order determining title to shares in the factual circumstances described below?
 - (c) Do courts in the United States recognize and enforce foreign penal judgments?
 - (d) What is the nature of the forfeiture provisions of RICO and, in particular, is the statute penal or compensatory in nature?
 - (e) Is there a mechanism within RICO to provide for the distribution of forfeited property to victims of the alleged wrongdoing?
 - (f) Under RICO, when can an order for forfeiture be made and what are the implications of such an order upon third parties who have received forfeited property or the proceeds of forfeited property?
3. For the purpose of preparing my affidavit I have relied on the following factual assumptions:

- (a) Ravelston and its subsidiaries are Canadian corporations or corporations incorporated in various Canadian provinces. Ravelston is a privately held Canadian corporation. One of its subsidiaries, Argus Corporation Limited (“Argus”), is a Canadian corporation which is publicly traded in Canada and has arm’s-length minority shareholders. Argus holds a majority of the shares in Hollinger Inc. (“Hollinger”). The principal assets of Ravelston and its subsidiaries are shares in Hollinger worth approximately \$160 million. The shares are represented by share certificates which are in the possession of Richter in Toronto.

- (b) Hollinger is a Canadian corporation that is traded only on the Toronto Stock Exchange (“TSX”). It also has a significant number of arm’s-length minority shareholders. Ravelston controls Hollinger. The principal asset of Hollinger is a shareholding in Hollinger International Inc. (“International”).
- (c) International is a Delaware corporation traded on the New York Stock Exchange. Hollinger controls International through multiple voting shares that provide voting control although they constitute only a minority of the total equity in International.
- (d) Pursuant to court orders dated April 20, 2005, Richter was appointed Receiver of Ravelston and a number of its affiliates. That order was broadened on May 18 to include all Ravelston affiliates that hold shares in Hollinger.
- (e) Richter was appointed as interim receiver under Canada’s *Bankruptcy and Insolvency Act*. It was appointed as monitor under Canada’s *Companies’ Creditors Arrangement Act* (“CCAA”). It was appointed receiver under Ontario’s *Courts of Justice Act*.
- (f) Paragraph 4 of the receivership order directs the Receiver to obtain such judicial relief as the Receiver deems necessary “to take possession and control of” Ravelston’s shares in Hollinger. Although the receivership order refers to the Hollinger shares as the excluded shares or excluded property, the shares later became included within the receivership. The Receiver has subsequently filed a certificate with the court indicating that it has taken possession and control of Ravelston’s shares in Hollinger.
- (g) The Receiver would like to monetize a portion of the \$160 million of Hollinger shares that Ravelston holds in order to fund the receivership and the CCAA proceeding.
- (h) The Receiver has received a letter from the United States Department of Justice (the “DOJ”) dated May 17, 2005. In the letter, the DOJ indicates that it is investigating Ravelston and others for RICO offenses. The DOJ indicates that

among other things, their investigation seeks to determine whether Ravelston fraudulently diverted corporate assets and opportunities that belonged to International. The DOJ further indicates that the transactions under investigation include various non-competition payments, as well as Ravelston's receipt of management fees from International. At page 2 of its letter the DOJ states:

"if Ravelston were convicted of a RICO violation wherein the racketeering enterprise was Hollinger International, the court, among other things, could order that Ravelston forfeit to the United States its interest in the enterprise, namely the stock in Hollinger Inc. owned by Ravelston and its subsidiaries."

- (i) Ravelston acquired its shares in Hollinger before any of the allegedly wrongful acts noted in the DOJ's letter took place.
 - (j) Richter intends to bring an application before the Ontario Superior Court of Justice (the "Ontario Court") seeking an order which would allow any sale, conveyance, pledge or grant of a security interest in the Hollinger shares (a "Realization"), realization upon such a security interest, transfer of title and title of any subsequent transferees, and the proceeds of any Realization, to be made free and clear of any claims asserted or which may be asserted under RICO or any orders made in respect thereof or in relation thereto.
4. In preparing my affidavit, I have relied upon the following additional materials provided by Richter:
- (a) the CCAA Initial Order issued by the Ontario Court dated April 20, 2005;
 - (b) the Endorsement of the Honourable Mr. Justice Farley dated April 20, 2005;
 - (c) the Receivership Order issued by the Ontario Court dated April 20, 2005; and
 - (d) the letter from the United States Department of Justice to Richter dated May 17, 2005.
5. By virtue of my position with Haynes and Boone, L.L.P., my past and current legal experience in providing legal representation to companies in complex cross-border and domestic

business and financial transactions, I can make the following statements regarding U.S. law and its application in these circumstances.

A. UNDER THE CONFLICTS OF LAWS PRINCIPLES OF THE UNITED STATES, WHICH COURT HAS JURISDICTION TO MAKE DETERMINATIONS ABOUT TITLE TO SHARES?¹

6. Under conflicts of law principles in the United States, the Ontario Court has jurisdiction to make determinations about title to the Hollinger shares when the shares are located in Toronto, and Hollinger is a Canadian corporation traded only on the TSX.

7. Conflicts of law principles in the United States recognize that a court of the territory in which property is located has jurisdiction to make determinations about title to that property.

See generally Shaffer v. Heitner, 433 U.S. 186, 198 (1977); RESTATEMENT (SECOND) OF CONFLICTS OF LAWS, §§ 56, 64 (1971); RESTATEMENT (THIRD) FOREIGN RELATIONS LAW OF THE UNITED STATES, § 421(2)(k) (1987); RESTATEMENT (SECOND) JUDGMENTS, § 6 (1982) (“A state may exercise jurisdiction to determine interests in a thing if the relationship of the thing to the state is such that the exercise of jurisdiction is reasonable”).

8. For example, the Restatement of Foreign Relations Law of the United States provides:

“In general, a state’s exercise of jurisdiction to adjudicate with respect to a person or thing is reasonable if, at the time jurisdiction is asserted ... (k) the thing that is the subject of adjudication is owned, possessed, or otherwise used in the state, but only in respect of a claim reasonably connected with that thing.”

RESTATEMENT (THIRD) FOREIGN RELATIONS LAW OF THE UNITED STATES, § 421(2)(k) (1987).

9. Because the share certificates are located in Canada and Hollinger is incorporated in Canada, jurisdiction over the shares may properly be exercised by any court in Canada which has jurisdiction under the laws of Canada.

10. Conflicts of laws principles in the United States recognize that shares of a corporation are located in the jurisdiction in which the corporation is incorporated as well as where the share certificates are held.

¹ Although the DOJ has written Richter from its office for the Northern District of Illinois, there is no basis for believing the laws of Illinois or any other particular state would be applied. The Restatement authority cited in this affidavit embodies broad principles of the common law applicable in the United States to these questions, and is meant to inform the Ontario Court of conflicts principles that should apply in the future.

Direction Der Disconto-Gesellschaft v. U.S. Steel Corp., 267 U.S. 22, 27 (1925) (finding that when the state of incorporation would recognize the transfer as valid, and the transfer was valid pursuant to the law where the certificate was located, then the court would uphold the transfer); *Oliner v. Canadian Pac. R.R. Co.*, 34 A.2d 310, 314 (N.Y. App. Div. 1970) (upholding the transfer of stock in a Canadian corporation incorporated under the laws of Canada by the Canadian government); *In re Morris*, 147 B.R. 929 (S.D. Ill. 1992); RESTATEMENT (SECOND) OF CONFLICTS OF LAWS, §§ 64, 374, 378, 379 (1971).

11. Section 64 of the Restatement (Second) of Conflicts of Laws provides as follows:

(1) A state has power to exercise judicial jurisdiction to affect interests in shares in a corporation incorporated in the state.

(2) A state has power to exercise judicial jurisdiction to affect interests in a share certificate which is within its territory.

(3) To the extent that the local law of the state in which the corporation was incorporated embodies the share in the certificate, the state which has power to exercise judicial jurisdiction over the certificate has power to exercise judicial jurisdiction over the share.

12. When determining whether a transfer of shares or a judgment with respect to title to the shares is valid, the courts in the United States look first to the law of the jurisdiction of incorporation, and then to the law where the certificate is physically located.

RESTATEMENT (SECOND) OF CONFLICTS OF LAWS, § 64 cmt. c (1971). Comment “c” to § 64 explains that “the state where the certificate is located will not exercise judicial jurisdiction over the share except to the extent that such exercise of jurisdiction would be recognized as effective in the state of incorporation.” *Id.* at cmt. c; see e.g., *Direction Der Disconto-Gesellschaft v. U.S. Steel Corp.*, 267 U.S. at 27; *Oliner v. Canadian Pac. R.R. Co.*, 34 A.2d at 314; *In re Morris*, 147 B.R. at 929.

13. The doctrine of comity underlies the conflicts principle articulated in § 64.

See *Bank v. McLeod*, 1882 Ohio LEXIS 145, *20 (Ohio Jan. 1882).

B. WOULD A COURT IN THE UNITED STATES RECOGNIZE A CANADIAN COURT ORDER DETERMINING TITLE TO SHARES IN THESE CIRCUMSTANCES?

14. A court of the United States applying the doctrine of international comity is likely to recognize a Canadian court order determining title to shares (free and clear of any interests) in a Canadian public company, the transfer of which occurred in Canada.

See Hilton v. Guyot, 150 U.S. 113, 164 (1895) (discussing the doctrine of comity); *see also Oliner v. Canadian Pac. R.R. Co.*, 34 A.2d at 314.

15. Although determinations of comity are fact specific, the only exceptions to recognition between courts in the United States and courts in Canada is when there has been a failure of due process or a violation of public policy.

Laker Airways Ltd. v. Sabena, 731 F.2d 909, 937 (D.C. Cir. 1984) (public policy exception); *Wilson v. Marchington*, 127 F.3d 805, 810 (9th Cir. 1997) (lack of subject matter jurisdiction). “Comity is the recognition which one nation allows within its territory to the legislative, executive, or judicial acts of another nation, having due regard both to international duty and convenience, and to the rights of its own citizens, or of other persons who are under the protection of its laws.” *Hilton v. Guyot*, 150 U.S. 113, 164 (1895). “A valid judgment in a foreign nation after a fair trial in a contested proceeding will be recognized in the United States so far as the immediate parties and the underlying claim are concerned.” RESTATEMENT (THIRD) OF FOREIGN RELATIONS LAW OF THE UNITED STATES § 482 (1987); RESTATEMENT (SECOND) OF CONFLICTS OF LAWS § 98 (1971) *see Hilton v. Guyot*, 159 U.S. 113, 202-03 (1895); *Ma v. Cont’l Bank*, 905 F.2d 1073, 1075 (7th Cir. 1990) (stating that “Courts of the United States enforce foreign judgments provided that the parties had the opportunity to present their claims to foreign tribunals following procedures designed to secure a sound administration of justice”); *see also Ritchie v. McMullen*, 159 U.S. 235, 243 (1893) (upholding actions of Canadian court pursuant to principles of comity); *accord Harrison v. Triplex Gold Mines*, 33 F.2d 667, 673 (1st Cir. 1929); *Cherun v. Frishman*, 236 F. Supp. 292, 299 (D.D.C. 1964); *see also Wilson v. Marchington*, 127 F.3d at 810 (declining to recognize tribal judgment where the tribal court lacked subject-matter jurisdiction).

16. Neither of these exceptions appears to be applicable in the present circumstances. To the contrary, transfer of stock belonging to a corporation incorporated under the laws of Canada within Canadian borders has been upheld as a valid exercise of jurisdiction.

Oliner v. Canadian Pac. R.R. Co., 34 A.2d at 314.

17. For example, in *Oliner*, the Canadian government vested title to certain corporate shares belonging to a Canadian corporation in the office of a government custodian. The plaintiff argued that he acquired title to the shares when he purchased them from a receiver appointed by a New York court. He further argued that the New York court had jurisdiction over the shares by virtue of the fact that the share certificates were located in New York.

Id. at 311-14.

18. The court applied Canadian law, stating “[w]here the question is one of ownership of the certificates the situs is the domicile of the issuer ... and that the situs of shares of a company for

purposes of determining a dispute as to their ownership is in the territory of incorporation of the company.”

Id. at 313 (internal quotations omitted).

19. In recognition of the Canadian courts’ jurisdiction over shares issued by a corporation incorporated under Canadian law, the court dismissed the action.

Id.

20. Accordingly, Canadian courts have jurisdiction to determine the ownership of any shares issued by Hollinger when Hollinger is incorporated in Canada.

See id.

21. Additionally, the court in *Oliner* went one step further and upheld the transfer of title to the government custodian as an act of state that was “not subject to the scrutiny of our courts as to whether the action was proper or not.”

Id. at 315.

22. Under the act of state doctrine, “[I]n the absence of a treaty or other unambiguous agreement regarding controlling legal principles, courts in the United States will generally refrain from examining the validity of a taking by a foreign state of property within its own territory, or from sitting in judgment on other acts of a governmental character done by a foreign state within its own territory and applicable there.”

RESTATEMENT (THIRD) FOREIGN RELATIONS LAW OF THE UNITED STATES § 443 (1987); *see also Banco Nacional de Cuba v. Sabbatino*, 376 U.S. 398, 428 (1964). Note, however, that the doctrine only applies to “acts” of state such as “constitutional amendments, statutes, decrees and proclamations [a]n official pronouncement by a foreign government describing a certain act as governmental is ordinarily conclusive evidence of its official character.” RESTATEMENT (THIRD) FOREIGN RELATIONS LAW OF THE UNITED STATES § 443 cmt. i (1987).

23. For purposes of this analysis, the act of state doctrine might not apply directly, but it does provide a good analogy for the application of international comity and proper respect for the laws of a jurisdiction located outside the United States. The single unifying principle between

the rules related to the enforcement and recognition of foreign judgments, the act of state doctrine, and conflicts principles regarding corporate shares is international comity.

24. Accordingly, under the doctrine of international comity a court in the United States is likely to recognize the Ontario Court's proper exercise of jurisdiction and resulting judgment related to the transfer of Ravelston's shares in Hollinger.

C. DO COURTS IN THE UNITED STATES RECOGNIZE AND ENFORCE FOREIGN PENAL JUDGMENTS?

25. Foreign penal judgments generally are not recognized by the courts of the United States.

See The Antelope, 23 U.S. 66, 120-21 (1825); *Huntington v. Attrill*, 146 U.S. 657, 670-75 (1892); *U.S. v. Benitez*, 28 F. Supp. 2d 1361, 1364 (S.D. Fla. 1998); *The Chase Manhattan Bank v. Hoffman*, 665 F. Supp. 73, 75 (D. Mass. 1987); *Loucks v. Standard Oil Co. of N.Y.*, 120 N.E. 198, 198-99 (N.Y. 1918); *see* RESTATEMENT (THIRD) FOREIGN RELATIONS LAW OF THE UNITED STATES, §§ 483, 422 (1987); RESTATEMENT (SECOND) OF CONFLICTS OF LAWS, §§ 89, 120 (1971).

D. WHAT IS THE NATURE OF THE FORFEITURE PROVISIONS OF RICO AND, IN PARTICULAR, IS THE STATUTE PENAL OR COMPENSATORY IN NATURE?

26. RICO's criminal forfeiture provisions are codified at 18 U.S.C. § 1963 (2005). They direct that any person who acquires, controls, or conducts the affairs of an enterprise through a pattern of racketeering activity or the collection of an unlawful debt, shall forfeit to the United States any interest acquired through racketeering activity, any property rights affording a source of influence over a RICO enterprise, and any property constituting proceeds of racketeering activity.

18 U.S.C. § 1963(a).

27. Criminal forfeiture under RICO is an in personam action meant to punish a defendant for his wrongful conduct and personal guilt.

See United States v. Acosta, 881 F.2d 1039, 1041 (11th Cir. 1989); *United States v. Gelb*, 783 F. Supp. 748, 754 (E.D.N.Y. 1991) (noting criminal forfeiture is punitive and operates as a penalty in an *in personam* action against a defendant); *United States v. Regan*, 726 F. Supp. 447, 457 (S.D.N.Y. 1989).

28. It is a part of the sentence imposed on a defendant in a criminal RICO case.

Libretti v. United States, 516 U.S. 29, 39-41 (1995); *United States v. Gilbert*, 244 F.3d 888, 909-10 (11th Cir. 2001).

29. The aim of the RICO criminal forfeiture provisions is to impose a penalty for the convicted defendant's conduct, not to provide for a system or method for equitably compensating all victims of the defendant's conduct.

United States v. BCCI Holdings (Luxembourg) S.A., 69 F. Supp. 2d 36, 59 (D.D.C. 1999).

E. IS THERE A MECHANISM WITHIN RICO TO PROVIDE FOR THE DISTRIBUTION OF FORFEITED PROPERTY TO VICTIMS OF THE ALLEGED WRONGDOING?

30. RICO does not provide for any judicially supervised mechanism or system for equitably compensating victims, nor do the RICO forfeiture provisions require that forfeited property be distributed to victims of the alleged wrongdoing. The RICO forfeiture provisions are not designed to compensate crime victims.

31. The only avenue under RICO for a victim in their capacity as a RICO crime victim to seek compensation in relation to a RICO criminal forfeiture proceeding is to petition the United States Department of Justice for equitable relief under its administrative procedures for remissions and mitigation of the forfeiture.²

See 18 U.S.C. § 1963(g)(1); 28 C.F.R. § 9 (Regulations Governing the Remission or Mitigation of Civil and Criminal Forfeitures).

32. While the RICO criminal forfeiture provisions authorize the United States Attorney General to grant petitions by victims for relief or compensation to be paid from fines or the value of forfeited property,³ the Department of Justice is not required to do so.

28 C.F.R. §§ 9.4, 9.5, and 9.8.

² Although there are some provisions in RICO that are designed to ensure that third parties with prior property interests (those who had a superior right, title or interest prior to the wrongdoing or those that acquired it as a bona fide purchaser for value without knowledge that it was subject to forfeiture) have a means through which they can try to prevent their prior property interests from being subject to any forfeiture order or at least obtain compensation for their prior property interest, these provisions are not intended to compensate victims of the defendants' wrongful conduct under RICO, and cannot be utilized by a person without a prior property interest.

³ Formally, remission or mitigation.

33. The Department of Justice has complete discretion to grant or deny petitions for remission and mitigation, and victims do not have a right to seek judicial review on the merits of a denial of their claim.⁴

Id. at §§ 9.1(c), 9.5 and 9.8; *see also Scarabin v. D.E.A.*, 919 F.2d 337, 338 (5th Cir. 1990).

F. UNDER RICO, WHEN CAN AN ORDER FOR FORFEITURE BE MADE AND WHAT ARE THE IMPLICATIONS OF SUCH AN ORDER UPON THIRD PARTIES WHO HAVE RECEIVED FORFEITED PROPERTY OR THE PROCEEDS OF FORFEITED PROPERTY?

34. Allegations or formal charges of RICO forfeiture in a criminal indictment do not automatically vest title to property in the government. Pursuant to Section 1963(c) of RICO and the relation-back doctrine, title in the forfeited property vests with the government at the time of the RICO offenses. However, only when the government obtains a judgment of forfeiture -- following a conviction of the defendant for a RICO offense and a separate finding by the jury or judge that the property sought is subject to forfeiture -- does the vesting of its title in the property relate back to the moment the offense occurred.

United States v. 92 Buena Vista Ave., 507 U.S. 111, 125, 128-29 (1993); *United States v. Schwimmer*, 968 F.2d 1570, 1577 (2nd Cir. 1992).

35. Until the government obtains a judgment of forfeiture, “someone else owns the property,” and another party may acquire an interest in that property and may, if necessary in a subsequent forfeiture proceeding, invoke the third party protections set forth in 18 U.S.C. § 1963(l).

Id.

36. Before the United States can obtain a judgment of criminal forfeiture under RICO, it must obtain an indictment and conviction against the defendant for a RICO offense. The procedures for criminal forfeiture are set forth in 18 U.S.C. § 1963 and Rule 32.2 of the Federal Rules of Criminal Procedure. First, the defendant must be found guilty of a RICO offense under

⁴ Additionally, the Department of Justice has issued regulations regarding the priority of payment from any forfeited funds. *See* 28 C.F.R. § 9.9(a). Under these regulations, the Department of Justice uses forfeited funds first to reimburse the government for its costs in pursuing the forfeiture. After the government is reimbursed for its costs, funds may be distributed in the following priority: (1) owners, (2) lienholders, (3) federal financial institution regulatory agencies, and (4) victims not constituting owners or lienholders. *Id.*

18 U.S.C. § 1962. Then, the judge, or the jury upon a defendant's request, must determine at a separate forfeiture hearing whether the government has established the requisite nexus between the property and the offense committed by the defendant.

18 U.S.C. § 1963(a)(1)-(3); FED. R. CRIM. P. 32.2(a)(1) and (4).


37. Subject to the principles of comity discussed above, the United States could assert that it obtained title to the forfeited property under the relation back doctrine at the time of the RICO offense and should be allowed to seize assets to which the forfeited property can be traced.

See 18 U.S.C. § 1963(c) (relation back provision built into RICO); *BCCI Holdings*, 69 F. Supp. 2d at 63; *Saccoccia*, 354 F.3d at 14-15.


38. If the United States were to obtain a judgment of forfeiture against shares of a Canadian public company which had been sold or transferred to other parties, the United States could attempt to trace and obtain the shares and the proceeds of the sale of such shares, even if those proceeds are used solely for purposes of compensating legal counsel. In other words, if the shares were sold and the proceeds of sale were used to pay attorneys' fees to defend the RICO claim, the United States could attempt to follow the proceeds of the shares into the hands of the American defense attorneys and reclaim from American defense attorneys' fees that had been paid to defend the RICO claim. This, however, is all subject to the overriding principles of comity discussed above, which should lead a court in the United States to recognize the determination made by the Canadian court concerning the title and transfer of the shares.

39. I swear this Affidavit in support of the motion to be brought by RSM Richter Inc. and for no other or improper purpose.

FURTHER AFFIANT SAYETH NOT.


BRADLEY J. RICHARDS
Affiant

SUBSCRIBED AND SWORN TO BEFORE ME, the undersigned authority, on
this the 14th day of July, 2005.


Notary Public in and for the State of Texas

Seal: _____

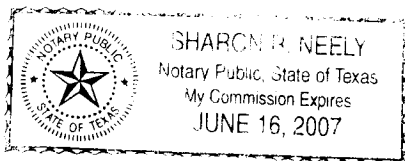


Exhibit “A”

CURRICULUM VITAE
BRADLEY J. RICHARDS

PROFESSIONAL EXPERIENCE:

Partner, HAYNES AND BOONE, L.L.P., Houston, Texas (January 1994 - present), emphasizing international business, emerging technology, acquisitions, corporate finance, structured and project finance, foreign trade and major infrastructure projects, representing international banks, energy companies, entrepreneurs, consultants, service providers, project developers and foreign investors. Project Development work has included representing project sponsor in hydroelectric project in Central America, representing project sponsor in refinery project in South America, representing project sponsor in petrochemical project in Mexico and representing project sponsor in energy development project in the former Soviet Union. Project finance work has included representing commercial banks in power plant development in the United States and representing a project developer in obtaining debt financing for an energy project in the United States.

Of Counsel, HAYNES AND BOONE, L.L.P., Houston, Texas (September 1992 - December 1993), emphasizing international business, corporate finance, bank finance and foreign trade.

Associate, BAKER & BOTTS, L.L.P., Houston, Texas (September 1984 - September 1992), emphasizing international business and bank finance. Project Development work included assisting lead attorney in representing project sponsor in development of gas fields in Indonesia. Project Finance work included acting as lead representation of a financial institution in arranging debt financing for an energy project in Australia.

Adjunct Professor of Law, UNIVERSITY OF HOUSTON LAW CENTER, Houston, Texas (1992-1994, 2001), teaching International Financial Transactions and International Business Transactions.

EDUCATION:

J.D., With Distinction, College of Law, **UNIVERSITY OF IOWA**, Iowa City, Iowa (May 1984). Symposium Editor, Iowa Law Review, Volume 69.

A.B., With Honors, International Relations, **BROWN UNIVERSITY**, Providence, Rhode Island (June 1980). Honors Thesis: "A Theory of U.S. Involvement in Counter-insurgency Operations in Latin America, 1959-1980."

OTHER RELEVANT EXPERIENCE:

Junior Fellow, **CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE**, Washington D.C. (June 1980 - Dec. 1980), post-undergraduate fellowship studying U.S. foreign aid program.

Articles/Publications

L. Harwood and B. Richards, "Structural Changes Affecting ECOPETROL," 17 Texas Transnational Law Quarterly 25 (November 2003).

T. Conner and B. Richards, "International Considerations in Licensing," Understanding the Intellectual Property License 2003 (Practicing Law Institute).

B. Richards, "Export Controls and Trade Sanctions," published in the following: Corporate Counsel's Guide to Economic Sanctions and Embargoes Supp. Jan. 2000 and Supp. July 2004 (Business Laws, Inc.), Export Controls Supp. Feb. 2000 and Feb. 2004 (Business Laws, Inc.), Corporate Counsel's International Adviser June 2004 (Business Laws, Inc.), Corporate Counsel's Guide to Export Controls Second Edition, Supp. November 2004 (Business Laws, Inc.).

B. Richards, "Examples of Contract Clauses for Export Compliance," Forms and Checklists Bi-Monthly March/April 1999 (Business Laws, Inc.).

B. Richards, "Claves Para Negociar Efectivamente Con Estadounidenses," University of Buenos Aires, Argentina 1998, republished as "Conociendo a John Wayne: Claves Para Negociar Efectivamente con Estadounidenses," <http://www.ganaropciones.com.ar/wayne.htm>.

B. Richards, "Financing Foreign Investment in the United States," 3 Foreign Investment in the U.S. No. 6 (BNA, June 1992).

B. Richards, "Expanding the Role of International Banking in the Economic Development of Texas," 4 Newsletter of the International Law Section, No. 4, July 1988 (State Bar of Texas).

B. Richards, "Contracts for the International Sale of Goods," 69 Iowa Law Review 209 (1983).

B. Richards, "Enforceability of Arbitration Provisions in Construction Contracts," 34 Federation of Insurance Counsel Quarterly 95 (1983).

B. Richards, "The Offer of Judgment," 32 Federation of Insurance Counsel Quarterly 373 (1982).

B. Richards, "Foreign Aid: Investing in our Future," Op-ed Page, Denver Post, February 24, 1981.

Speeches

Union Internationale des Avocats, Annual Congress, [*Protection of Personal Data and Private Life*], Fez, Morocco, September 1-3, 2005 [Scheduled].

Union Internationale des Avocats, Computer and Telecommunications Commission, Roundtable Discussion, *Direct Marketing on the Internet: the US Perspective*, Dusseldorf, Germany, February 25, 2005 [scheduled].

Haynes and Boone, LLP, Corporate Seminar, *Parent Company Liability for the Acts of Foreign Personnel and Subsidiaries*, Houston, Texas, January 21, 2005.

Southern Methodist University, Seminar on NAFTA and other Latin American Legal Developments, *Project Finance in Latin America*, Dallas, Texas, October 27, 2004.

American Bar Association, International Law Section, Fall Meeting, *The US Perspective on Oil and Gas Investment in Latin America*, Houston, Texas, October 16, 2004.

Union Internationale des Avocats, Annual Congress, *Legal Challenges to Spyware in the United States*, Computer and Telecommunications Law Commission, Geneva, Switzerland, September 4, 2004.

Greater Houston Partnership, *European Union Directives and Other Legal Issues*, Houston, Texas, March 10, 2004.

State Bar of Texas, International Law Section, 16th Annual Advanced International Law Institute, ***Parent Company Liability for the Actions of Foreign Subsidiaries***, Houston, Texas, February 27, 2004.

University of Houston, International Law Society, ***Project Finance in Latin America***, Houston, Texas, February 11, 2004.

Southern Methodist University, Seminar on NAFTA and other Latin American Legal Developments, ***Project Finance in Latin America***, October 29, 2003.

Practicing Law Institute, Understanding the Intellectual Property License 2003, ***International Considerations in Licensing***, Houston, Texas, September 19, 2003.

Union Internationale des Avocats, Annual Congress, ***Regulation of Internet Service Providers in the U.S.***, Lisbon, Portugal, August 1-4, 2003.

Southern Methodist University, Seminar on NAFTA, ***Countervailing and Antidumping Duties***, April 2, 2003.

Houston Technology Center, Mexico-Texas Technology Pipeline, Moderator, February 21, 2003.

State Bar of Texas, White Collar Crime for the Civil Practitioner, ***Doing Business Internationally: Foreign Corrupt Practices and Anti-Boycott Laws***, November 15, 2002, Houston, Texas.

Union Internationale des Avocats, Annual Congress, ***Report on Protection of Personal Information under U.S. Law***, October 2002, Sydney, Australia.

Houston Bar Association, Corporate Counsel Section, ***Doing Business Post 9/11***, September 12, 2002, Houston, Texas.

Consulate General of Japan, JET Program, ***Living in Japan***, July 26, 2002, Houston, Texas.

Annual Symposium on Private Investments Abroad, Institute for International and Comparative Law (formerly Southwestern Legal Foundation), ***Developing Infrastructure for the Developing World*** (Session Chair and Speaker), June 18, 2002, Houston, Texas.

Purchasing Law in Texas, ***United Nations Convention on Contracts for the International Sale of Goods***, March 26, 2002, Houston, Texas.

Southern Methodist University, Seminar on NAFTA, ***Countervailing and Antidumping Duties***, February 4, 2002, Dallas, Texas.

Energy Institute, C.T. Bauer College of Business, University of Houston, ***Project Finance in the Energy Sector***, November 16, 2001, Mexico City, Mexico (special presentation for Petroleos Mexicanos, the state-owned oil company of Mexico).

Union Internationale des Avocats, 45th Congress, ***Impact of e-Commerce on the CISG (United Nations Convention on Contracts for the International Sale of Goods)***, August 30, 2001, Turin, Italy.

Consulate General of Japan, JET Program, ***Living in Japan***, July 27, 2001, Houston, Texas.

Haynes and Boone Corporate Seminar Series, Strategic Issues for Emerging Technology Companies, ***Going Global***, February 15, 2001, Houston, Texas.

University of Texas at El Paso, International Business Transactions Conference, ***Documenting the Cross-Border Deal***, January 12, 2001, El Paso, Texas.

Houston Bar Association, International Law Section, ***Lawyer Beware: Foreign Corruption and Fraud***, January 20, 2000, Houston, Texas.

Union Internationale des Avocats, 43rd Congress, ***Foreign Corrupt Practices***, November 5, 1999, New Delhi, India.

South Texas College of Law affiliated with Texas A&M University, International Practice Conference on Infrastructure Developments in Emerging Markets, ***Legal Ethics in International Transactions***, May 7-8, 1998, Houston, Texas

State Bar of Texas, International Law Section, 10th Annual Advanced International Law Institute, ***Export Controls and Trade Sanctions***, April 23-24, 1998, Dallas, Texas.

Private Equity Investments in Emerging Markets, ***Legal Considerations for Private Equity Investments in Latin America***, July 22, 1997, New York, New York.

South Texas College of Law, When Your Practice Goes International, ***Avoiding the Major Pitfalls When Planning the International Deal***, January 22-23, 1997, Houston, Texas (Course Director & Speaker).

Union Internationale des Avocats (UIA), ***Dispute Resolution Under NAFTA***, April 1-2, 1996, Buenos Aires, Argentina.

State Bar of Texas, International Law Section, ***Seventh Annual Advanced International Law Institute***, University of Texas, April 7, 1995, Houston, Texas (Course Director).

Houston Bar Association/Monterrey Exchange Conference, ***La negociación en los E.U.A.-Aspectos prácticos, culturales y estratégicos*** (in Spanish), June 9-10, 1994, Monterrey, Mexico.

Association of International Petroleum Negotiators, Spring Conference, ***Latin American Business Customs***, March 11, 1994, The Woodlands, Texas.

CLE International, Representing High Tech Companies, ***The North American Free Trade Agreement***, January 14, 1994, Austin, Texas.

Houston Bar Association, ***Negotiating with our Distant Neighbors in Mexico***, December 9, 1993, Houston, Texas.

American Conference Institute, ***Security for Payment in International Commercial Contracts***, November 17-18, 1992, New York, New York.

American Bar Association, International Section, National Institute, ***Counseling Foreign Owned U.S. Enterprises***, March 26-27, 1992, Dallas, Texas.

Houston Bar Association, Professional Development Program, *Emerging Financing Techniques*, February 15, 1991, Houston, Texas.

Houston Bar Association, International Section, *Financing International Trade*, November 8, 1990, Houston, Texas.

Texas Tech University School of Law - Texas Young Lawyer's Association, *Financing International Transactions*, March 23, 1990, Dallas, Texas.

SELECTED PROFESSIONAL ASSOCIATIONS:

President, USA Committee, Union Internationale des Avocats (UIA)(2003-present); President, Japan-America Society of Houston (2003-present); Chairman, International Law Section, State Bar of Texas (1994-1995); Volunteer Lawyers' Association (pro bono divorce, child custody & political asylum); Fellow, Texas Bar Foundation; Fellow, Houston Bar Foundation. **AV Rated** (Martindale Hubbell).

LANGUAGES:

Working knowledge of **Spanish** and **German**; familiarity with **French** and **Portuguese**.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF THE RAVELSTON CORPORATION LIMITED AND RAVELSTON MANAGEMENT INC.

AND IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED, AND THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

Court File No. 05-CL-5863

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

PROCEEDING COMMENCED AT TORONTO

**AFFIDAVIT OF BRADLEY J. RICHARDS
SWORN THIS 14th DAY OF JULY, 2005**

McMILLAN BINCH MENDELSON LLP

Barristers and Solicitors

BCE Place, Suite 4400

Bay Wellington Tower, 181 Bay Street

Toronto, Ontario

M5J 2T3

Markus Koehnen LSUC#: 29053C

Tel: 416-865-7218

Fax: 647-722-6721

Solicitors for RSM Richter Inc., in its capacities as interim receiver and receiver and manager of The Ravelston Corporation Limited, Ravelston Management Inc., Argus Corporation Limited, 509643 N.B. Inc., 509644 N.B. Inc., 50965 N.B. Inc., 509646 N.B. Inc. and 509647 N.B. Inc.