

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE

Justice Conway

) WEDNESDAY, THE 18TH
)
) DAY OF MAY, 2016

IN THE MATTER OF THE BANKRUPTCY OF DANIER LEATHER INC.

ORDER

THIS MOTION, made by Koskie Minsky LLP ("**Proposed Representative Counsel**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Andrew J. Hatnay sworn May 12, 2016, and the Second Report of KSV Kofman Inc., in its capacity as trustee of Danier Leather Inc. (the "**Trustee**"), and on hearing the submissions of Proposed Representative Counsel, counsel for the Trustee, and such other parties as were present,

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and that further service thereof is hereby dispensed with.

2. **THIS COURT ORDERS** the appointment of Koskie Minsky LLP as Representative Counsel to represent the former employees (the "**Employees**") of Danier Leather Inc. ("**Danier**") who were terminated on or before the bankruptcy of Danier (the "**Bankruptcy**") on March 21, 2016, in respect of all issues affecting the Employees in the proceedings under

the *Bankruptcy and Insolvency Act* R.S.C. 1985, c. B-3 ("**BIA**") or in any other proceeding which may be brought before this Court and relating to any Claim (as defined herein) for the determination of any right, entitlement or benefit of any Employee arising out of the insolvency of Danier, and with the power and authority to act on behalf of the Employees in any subsequent related proceedings (collectively, the "**Insolvency Proceedings**").

3. **THIS COURT DECLARES** that a Claim includes any claim which has now arisen or may arise under:

- (a) law or equity; or
- (b) federal or provincial legislation, or regulations thereunder, including but not limited to, claims under employment standards legislation or any other provincial or federal legislation, or regulation applicable to employees or otherwise (collectively "**Labour Laws**").

4. **THIS COURT ORDERS** that Representative Counsel may determine, advance or compromise any Claim made by an individual Employee, or group or class of Employees, against Danier or its estate, as the case may be, which Claim now exists or may hereafter arise out of the employment, former employment or termination of employment of the Employees under law or equity or under Labour Laws, subject to the approval of this Court.

5. **THIS COURT ORDERS** that the Representative Counsel shall have access to and the right to examine all relevant records and data kept by Danier in respect of its capacity as an employer of the Employees under law or equity or under the Labour Laws, whether they are kept on paper, electronic or any other form.

6. **THIS COURT ORDERS THAT** pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* S.C. 2000, c. 5, the Trustee is authorized and permitted to disclose personal information of identifiable individuals who are believed to be Employees to Representative Counsel. Representative Counsel shall maintain and protect the privacy of such information and shall limit the use of such information to its role as Representative Counsel.

7. **THIS COURT ORDERS** that Koskie Minsky LLP within 5 days of the date of this Order, shall send written notice ("**Written Notice**") to all of the Employees based on the addresses and contact information provided by the Trustee, by email or regular mail, explaining the terms of its appointment and engagement, explaining the process for opting out of representation by Koskie Minsky LLP, and inviting interested Employees to sit on a representative committee (the "**Committee**") to provide instructions to Koskie Minsky LLP as required. The Written Notice shall also be posted by the Trustee on the website of KSV Kofman Inc., created for this proceeding.

8. **THIS COURT ORDERS** that Representative Counsel is authorized to take all steps and to do all necessary or desirable acts in carrying out the terms of the Order, including dealing with any regulatory body and any other government or ministry, department or agency, and to take all such steps as are necessary or incidental thereto.

9. **THIS COURT ORDERS** that Koskie Minsky LLP is authorized to establish the Committee, in consultation with the Trustee, which, upon establishment, will provide instructions to Koskie Minsky LLP as needed.

10. **THIS COURT ORDERS** that notice of the granting of this Order, substantially in the form attached to the Order hereto as **Schedule "A"** (the "**Notice**") shall be:

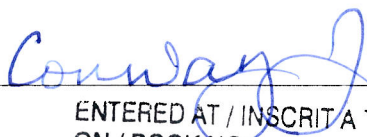
- (a) published by Representative Counsel on its firm's website within 2 calendar days of the date of this Order;
- (b) included in the Written Notice described in section [7] above; and
- (c) posted by the Trustee to the website created by the Trustee for this proceeding.

11. **THIS COURT ORDERS** that any individual Employee who does not wish to be represented by Koskie Minsky LLP in the Insolvency Proceedings shall, within 30 days of the granting of this Order, notify the Trustee and Koskie Minsky LLP in writing that he or she is opting out of representation by Koskie Minsky LLP and shall thereafter not be bound by the actions of Koskie Minsky LLP or the Committee and is free to represent himself or herself or be represented by any counsel that he or she may retain exclusively at his or her own expense in the Insolvency Proceedings (an "**Opt-Out Individual**").

12. **THIS COURT ORDERS** that from and after May 3, 2016, Representative Counsel's expenses, professional fees and necessary disbursements incurred in representing the Employees (collectively, the "**Costs**") shall be paid by the Trustee on the rendering of accounts by Representative Counsel, subject to the approval of this Court and to the Trustee's right, if the Costs exceed \$75,000 (exclusive of taxes and disbursements) to cease paying the Costs and/or to bring a motion to Court to amend the terms of this Order pertaining to the payment of Costs.

13. **THIS COURT ORDERS** that Koskie Minsky LLP and the Committee and its members shall have no liability as a result of their appointment or the fulfilment of their duties in carrying out the provisions of this Order, save and except for any claims based on gross negligence or wilful misconduct on their part.

14. **THIS COURT ORDERS** that Koskie Minsky LLP and the Committee shall be at liberty and are authorized at any time to apply to this Court for advice and directions in the discharge or variation of their powers and duties hereunder, including with respect to the payment of Costs.



ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

MAY 18 2016

PER / PAR:



Schedule "A"

Court File No. 31-2084381
Estate No. 31-2084381

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE BANKRUPTCY OF DANIER LEATHER INC.

NOTICE TO ALL DANIER LEATHER INC. EMPLOYEES

On March 21, 2016, Danier Leather Inc. ("**Danier**") made a voluntary assignment into bankruptcy. KSV Kofman Inc. (the "**Trustee**") is the Trustee in Bankruptcy.

TAKE NOTICE THAT, pursuant to Order of the Court dated May 18, 2016:

Koskie Minsky LLP ("**Representative Counsel**") was appointed as representative counsel of all Danier Employees in the bankruptcy proceeding (the "**Proceeding**").

Contact Information for Representative Counsel:

Website: kmlaw.ca/DanierRepCounsel

Email: DanierRepCounsel@kmlaw.ca

Toll-free Hotline: 1-844-819-8528

IF YOU DO NOT WISH TO BE REPRESENTED in the Proceeding by Representative Counsel, you must, before June 9, 2016, provide notice in writing (by letter or email) to both Koskie Minsky LLP and KSV Kofman Inc., indicating that you wish to opt-out of such representation:

Koskie Minsky LLP
20 Queen Street West
Suite 900, Box 52
Toronto, ON M5H 3R3

DanierRepCounsel@kmlaw.ca

KSV Kofman Inc.
150 King Street West
Suite 2308
Toronto, ON M5H 1J9

drapers@ksvadvisory.com

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

Proceeding commenced at **TORONTO**

ORDER
(returnable May 18, 2016)

KOSKIE MINSKY LLP

20 Queen Street West
Suite 900, Box 52
Toronto, ON M5H 3R3

Andrew J. Hatnay (LSUC# 31885W)

(T) 416-595-2083

(F) 416-204-2872

(E) ahatnay@kmlaw.ca

James Harnum (LSUC# 60459F)

(T) 416-542-6285

(F) 416-204-2819

(E) jharnum@kmlaw.ca

Employee Representative Counsel to
Danier Leather Inc. Employees