



**Supplement to Seventh Report of  
KSV Kofman Inc.  
as CCAA Monitor of  
Forme Development Group Inc.  
and the Companies Listed on  
Appendix “A”**

July 26, 2019

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COURT FILE NO.: CV-18-608313-00CL

**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 FORME DEVELOPMENT GROUP INC. AND THE OTHER COMPANIES  
LISTED ON APPENDIX "A"**

**APPLICATION UNDER THE COMPANIES' CREDITORS ARRANGEMENT  
ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**SUPPLEMENT TO SEVENTH REPORT OF KSV KOFMAN INC.  
AS MONITOR**

**JULY 26, 2019**

## **1.0 Introduction**

1. This report (the "Supplemental Report") supplements the Monitor's seventh report to Court dated June 21, 2019 (the "Seventh Report"). Capitalized terms not otherwise defined herein have the meanings given to them in the Seventh Report.

### **1.1 Purposes of this Report**

1. The purposes of this Supplemental Report are to:
  - a) report on the legal fees of CBB, James Grout Professional Corp. ("Grout") and Lerner's incurred through June 30, 2019, which have been paid, or are proposed to be paid, from the net proceeds of sale<sup>1</sup> of certain Non-Applicant real property presently on deposit in a trust account maintained by CBB (the "Trust Account");
  - b) summarize feedback received by the Monitor from certain of the Applicants' stakeholders regarding Mr. Wang's request that his insolvency and litigation counsel, Grout and Lerner's, respectively, be paid from the Trust Account;
  - c) summarize certain correspondence among the Monitor, the Non-Applicants and CBB since the date of the Seventh Report; and
  - d) provide the Monitor's recommendation concerning the issues addressed in this Supplemental Report.

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<sup>1</sup> Net of mortgage debt.

## 2.0 Stakeholder Feedback

1. On June 21, 2019, the Monitor served the Seventh Report, which included a summary of the amendments sought by Mr. Wang in his motion filed on June 26, 2019 concerning the retention and payment of Lerner and Grout.
2. Based on concerns raised by Ferina concerning Mr. Wang's motion, the motion was adjourned to August 7, 2019.
3. Following the adjournment, the Monitor and its counsel, Bennett Jones, have discussed and corresponded with the legal representatives of the mortgagees noted below concerning the proposed revisions to the Undertaking. These mortgagees have incurred, or are projected to incur, a shortfall on their mortgages and are expected to file claims against Mr. Wang in the claims process, which claims are unlikely to be fully repaid from the monies held in the Trust Account:
  - a) Ferina – Ferina's legal counsel, Thornton Grout Finnigan LLP ("TGF"), has advised the Monitor that Ferina continues to have concerns regarding the legal fees of both the Non-Applicants and Mr. Wang. TGF has advised that it is concerned that, *inter alia*, the monies in the Trust Account will be used for the purpose of defending guarantee claims against Mr. Wang when the funds are intended to be used to pay guarantee claims. In its discussions with the Monitor, TGF has noted the subordination language in the guarantee executed in favour of Ferina by Mr. Wang as further justification for its concerns.
  - b) 2603616 Ontario Inc., 2611622 Ontario Inc., 10226190 Canada Ltd., 2557725 Ontario Inc. and 2612316 Ontario Inc. – These mortgagees are represented by Robins Appleby LLP ("Robins Appleby"). Robins Appleby has advised that its clients do not intend to oppose Mr. Wang's motion, provided that his legal fees are subject to the Monitor's oversight and a reasonable budget. A copy of an email received by the Monitor from Robins Appleby on July 16, 2019 is attached as Appendix "B".
  - c) Home Trust Company ("Home Trust") – On July 25, 2019, the Monitor discussed the issues in this Supplemental Report with Chaitons LLP, legal counsel to Home Trust. Home Trust's position was unknown at the time this Supplemental Report was finalized.
4. As at the date of this Supplemental Report, no other mortgagees or other stakeholders have contacted the Monitor concerning this issue. The Monitor will advise the Court on the return of this motion if it is contacted by additional stakeholders.

## 3.0 Legal Fees

### 3.1 Non-Applicants

1. Following service of the Seventh Report, in accordance with the requirements of the Undertaking, CBB provided the Monitor with the summary below of its fees from the commencement of its engagement in February 2019 to June 30, 2019.

Period	Fees	Disbursements	HST	Total
February 1 to February 28	83,241.00	2,753.21	11,106.83	97,101.04
March 1 to March 15	138,340.50	965.89	18,092.54	157,398.93
March 16 to March 31	87,440.50	139.55	11,382.55	98,962.60
April 1 to April 15	81,653.00	1,539.05	10,798.26	93,990.31
April 16 to April 30	72,861.50	475.25	9,533.78	82,870.53
May 1 to May 15	104,660.50	104.25	13,619.03	118,383.78
May 16 to May 31	93,858.00	51.50	12,208.24	106,117.74
June 1 to June 30	116,562.90	-	15,153.18	131,716.08
Total	778,617.90	6,028.70	101,894.41	886,541.01

2. In accordance with the Undertaking, CBB's fees have been paid from the funds in the Trust Account, with the exception of its June invoice, which the Monitor understands is yet to be paid. In an email dated July 3, 2019, CBB advised that the Non-Applicants have approved its fees to that date. According to CBB, there is presently approximately \$11.25 million on deposit in the Trust Account<sup>2</sup>. The Monitor is cognizant that CBB has been instructed by Mr. Wang to address several issues related to the Non-Applicants, including dealing with multiple mortgagees on each of their properties.
3. The Monitor notes that CBB's fees exceed those of the Monitor's counsel, Bennett Jones. Bennett Jones' mandate commenced in November 2018, which is four months prior to Mr. Wang's retention of CBB on behalf of the Non-Applicants. Bennett Jones' fees include its representation of KSV as Monitor and as Proposal Trustee of three of the Applicants' affiliated entities. Its representation has included, *inter alia*, multiple Court attendances (many of which were contested) in the Proposal and CCAA proceedings, assisting in the drafting of Court materials, including 18 reports to Court (including supplements), and assisting to close four real estate transactions in the CCAA proceedings and one in the Proposal proceedings. Bennett Jones is also dealing with two additional properties which are expected to be sold shortly, and a third which is being negotiated.
4. On July 17, 2019, the Monitor sent a letter to Mr. Wang advising that, *inter alia*, it is unclear whether, in respect of the Non-Applicants that have not yet sold their properties, there will be any proceeds available for the unsecured creditors after repayment of their mortgagees. The Monitor's view is based on, *inter alia*, the significant amount of time that the properties have been marketed for sale and the value of the real property based on appraisals recently obtained by the Non-Applicants. Accordingly, the Monitor advised the Non-Applicants that if the mortgagees are the only parties that will benefit from having the Non-Applicants sell the properties, those mortgagees should be funding the costs of the Non-Applicants' legal fees (i.e. it is not appropriate that such costs be funded from the Trust Account monies which is the pool of funds to pay applicable Non-Applicant unsecured creditors and claims against Mr. Wang, including guarantee claims). A copy of the Monitor's letter to Mr. Wang is attached as Appendix "C". A similar letter was sent to CBB.
5. Recognizing that the Non-Applicants may require some legal advice going-forward, the Monitor has suggested that the Non-Applicants' future legal fees should be subject to a fee cap. The Monitor understands that CBB is presently considering how to move forward on its mandate.

<sup>2</sup> This excludes the funds in the Monitor's and Proposal Trustee's trust accounts, which total approximately \$6.9 million as at the date of this Supplemental Report.

### 3.2 Mr. Wang

1. The Undertaking presently permits the payment of the Non-Applicants' reasonable legal fees from the Trust Account. The Undertaking does not deal with funding for Mr. Wang's personal legal fees.
2. Since the July 2, 2019 Court attendance, the Monitor and Bennett Jones have had several discussions with Grout and Lerner, including a meeting on July 12, 2019. At the meeting, the parties discussed the stakeholders' concerns which have been expressed to the Monitor in respect of Mr. Wang's motion, as well as the Monitor's concerns. The Monitor requested that both Grout and Lerner provide it with a letter summarizing their fees to-date, their estimated future fees and the way they intend to handle their respective mandates. Grout's and Lerner's fees to the end of June 2019 and a budget to the commencement of the claims process are provided in the table below. The letters received from Grout and Lerner are attached as Appendices "D" and "E", respectively.

Firm	Fees to		
	June 30, 2019	Estimate	Total
Grout	\$127,000	\$20,000	\$147,000
Lerner	50,000	20,000	70,000
Total	\$177,000	\$40,000	\$217,000

3. Lerner's letter advises that its activity level is difficult to project beyond the commencement of the claims process as it depends on the claims filed against Mr. Wang. Accordingly, Lerner's letter provides a budget to the start of the claims process, and states that a further budget will be provided once it has reviewed the claims. Grout advises that it does not foresee a role in the claims process and that its role going forward will be to advise Mr. Wang regarding CCAA matters. The Monitor is satisfied with both positions.
4. The Monitor has expressed to Lerner that it believes that Mr. Wang should not be raising frivolous or non-meritorious scorched-earth defences in litigating any guarantee claims. The Monitor also advised that, in its view, it should deal with each claim as economically as possible, including having claims with similar attributes addressed in one combined motion, if possible. Lerner confirmed its agreement with that approach. If the Monitor becomes of the view that the approach taken by Mr. Wang regarding the guarantee claims is inconsistent with that approach, or is otherwise inappropriate, the Monitor intends to advise the Court of its concerns.

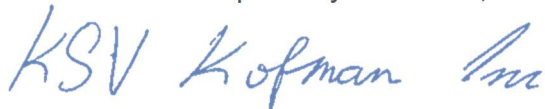
### 4.0 Recommendation

1. The Monitor continues to be unopposed to Mr. Wang's motion (as set out in the Seventh Report). The Monitor's view is premised on the following:
  - a) in light of the legal fees incurred to-date by the Non-Applicants and the uncertainty of the equity in the Non-Applicants' real property, the Monitor believes that the Non-Applicants' future legal fees should be subject to a fee cap;
  - b) the claims process contemplated by the Undertaking is likely to result in guarantee and other claims filed against Mr. Wang both personally and in his capacity as the sole director and officer of the Applicants, Non-Applicants and NOI Entities - Mr. Wang is entitled to legal representation;

- c) one law firm is unable to represent both the Non-Applicants and Mr. Wang due to potential conflicts that may arise;
- d) the proposed amendments to the Undertaking provide that there is to be no duplication of services among CBB, Grout and Lerner's;
- e) Mr. Grout is a sole practitioner and is not a litigator. Accordingly, provided there is no duplication of legal fees, the retention of separate litigation counsel is not inappropriate in the circumstances. Mr. Grout has confirmed that he does not expect to have a role in the claims process, including in any litigation of any guarantee claims against Mr. Wang;
- f) fee budgets have been provided by Grout and Lerner's and appear to the Monitor to be reasonable. The letter from Lerner's contemplates that it will provide an updated budget once the claims process advances; and
- g) the Monitor will continue to have oversight over the fees and costs incurred by the Non-Applicants and Mr. Wang that are contemplated by the Undertaking and will report to Court thereon, if necessary. Additionally, the Monitor will report to Court if it believes that the positions taken by Mr. Wang on his guarantee claims are unreasonable.

\* \* \*

All of which is respectfully submitted,



**KSV KOFMAN INC.  
SOLELY IN ITS CAPACITY AS MONITOR OF  
FORME DEVELOPMENT GROUP INC. AND  
THE AFFILIATED ENTITIES LISTED ON APPENDIX "A"  
AND NOT IN ITS PERSONAL CAPACITY**

## **Appendix “A”**



2358825 Ontario Ltd.

27 Anglin Development Inc.

29 Anglin Development Inc.

250 Danforth Development Inc.

3310 Kingston Development Inc.

1296 Kennedy Development Inc.

1326 Wilson Development Inc.

189 Carrville Development Inc.

169 Carrville Development Inc.

159 Carrville Development Inc.

5507 River Development Inc.

4439 John Development Inc.

## **Appendix “B”**

## David Sieradzki

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**From:** Dominique Michaud <dmichaud@robapp.com>  
**Sent:** July 16, 2019 4:31 PM  
**To:** David Sieradzki  
**Subject:** Forme- Mike Wang Legal Fee Motion

David:

As discussed, I am emailing to confirm that subject to there being Monitor oversight and a reasonable budget for the fees to be paid to Mike Wang's lawyer, my clients will not be opposing the motion scheduled for August 7<sup>th</sup>. We look forward to seeing the proposed budget from Mike Wang's counsel.

Dom



**Dominique Michaud** | [Bio](#)

T. 416.360.3795

E. [dmichaud@robapp.com](mailto:dmichaud@robapp.com)

**ROBINS APPLEBY**

BARRISTERS + SOLICITORS

Robins Appleby LLP | 2600-120 Adelaide St.W., Toronto, ON M5H 1T1 | <http://www.robapp.com>

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## **Appendix “C”**



**Bobby Kofman**

**ksv advisory inc.**

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Toronto, Ontario, M5H 1J9

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F +1 416 932 6266

bkofman@ksvadvisory.com

ksvadvisory.com

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July 17, 2019

**BY E-MAIL**

The entities listed on Schedule "A" (the "Non-Applicants")  
206-7100 Woodbine Avenue  
Markham, Ontario  
L3R 5J2

**Attention: Yuan (Mike) Hua Wang**

Dear Sir:

**Re:     Forme Development Group Inc.**

This letter is further to certain correspondence and communications the Monitor and Bennett Jones LLP, counsel to the Monitor, have had with Cassels, Brock & Blackwell LLP ("Cassels"), counsel to the Non-Applicants. The Monitor has now been advised of the quantum of Cassels' fees through to the end of June 2019 and has concerns with respect to same. Please be advised that, on a go-forward basis, the Monitor believes that the Non-Applicants' legal fees should be limited in light of the status of the long running sales processes for the Non-Applicants' properties and the values of those properties based on appraisals that the Non-Applicants retained Colliers to provide.

As we have advised Cassels on behalf of the Non-Applicants, several of the mortgagees have contacted the Monitor in respect of the amounts currently being held by Cassels in trust pursuant to the Undertaking and have expressed concerns about those funds being depleted by legal fees on behalf of the Non-Applicants and yourself. The Monitor is of the view that it is obligated to update the Court and the stakeholders in a report to court regarding its concerns in respect of the quantum of legal fees incurred through June 30, 2019 by the Non-Applicants.

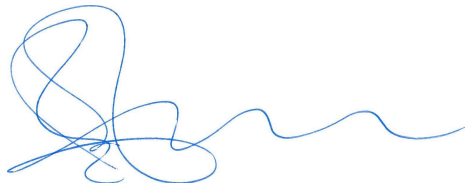
The Monitor hereby reiterates its request that the Non-Applicants significantly limit their use of the funds being held in trust by Cassels. This is particularly the case given the status of the sale process and the Colliers' appraisals. At this time, it is the Monitor's view that to the extent any mortgagee of a Non-Applicant believes that having the applicable Non-Applicant sell the property is beneficial, that mortgagee can choose to fund those efforts itself; however, the Monitor does not believe that it is appropriate for those fees and costs to be funded from the funds held in trust pursuant to the Undertaking, which funds are for the benefit of all creditors with claims against you in your capacity as a guarantor. The Monitor has had conversations with Cassels regarding 186 Old Kennedy Development Inc. and acknowledges that it may be an outlier given its potential equity; however, its view on this property is subject to a discussion with Cushman & Wakefield ("Cushman"), the Non-Applicants' real estate broker, that is scheduled for today.

The Monitor also does not see a significant role for the Non-Applicants in the anticipated claims process, with the exception of some involvement in respect of those entities where surplus recoveries have been generated. Accordingly, the Monitor is expecting a significant reduction in the Non-Applicants' legal fees on a go-forward basis.

The foregoing is subject to change based on any information the Monitor learns, including during the Cushman call. We will advise you of any change in the view of the Monitor.

Yours very truly,

**KSV KOFMAN INC.  
SOLELY IN ITS CAPACITY AS COURT APPOINTED MONITOR  
AND NOT IN ITS PERSONAL CAPACITY**

A handwritten signature in blue ink, appearing to be 'Bobby Kofman', with a stylized, cursive script.

Per: Bobby Kofman

BK;rk

Encl.

cc Sean Zweig and Aiden Nelms (Bennett Jones LLP)  
Larry Ellis and Jeremy Bornstein (Cassels, Brock & Blackwell LLP)

## **Schedule "A"**

101 Columbia Development Inc.  
186 Old Kennedy Development Inc.  
19 Turff Development Inc.  
22 Old Kennedy Development Inc.  
31 Victory Development Inc.  
35 Thelma Development Inc.  
376 Derry Development Inc.  
390 Derry Development Inc.  
4 Don Hillock Development Inc.  
4208 Kingston Development Inc.  
4550 Steeles Development Inc.  
7397 Islington Development Inc.  
9500 Dufferin Development Inc.

## **Appendix “D”**



James H. Grout  
24 McMaster Avenue  
Toronto, ON M4V 1A9

Wednesday July 24, 2019

Sean Zweig  
Bennett Jones LLP  
Suite 3400  
One First Canadian Place  
Toronto, ON M5X 1A4

Dear Mr. Zweig

Re: Forme Group

The purpose of this letter is to describe the services that I will be providing to Mr. Wang on an ongoing basis in the CCAA proceedings commenced by certain members of the Forme Group (the "CCAA Applicants") and the steps being taken by the other members of the Forme Group (the "Non Applicants") to sell their properties for the benefit of their creditors.

Mr. Wang does not waive any solicitor-client protection in respect of my retainer and nothing in this letter should or can be taken to waive any privilege belonging to Mr. Wang.

At the outset, Mr. Wang was advised to retain independent counsel to represent him in his personal capacity. Mr. Wang was recommended to Graham Phoenix at Loopstra Nixon LLP who he retained. Mr. Phoenix resigned as counsel for Mr. Wang in mid February of 2019. Mr. Wang retained me on February 26, 2019.

I have advised Mr. Wang in his personal capacity in respect of the ongoing CCAA proceedings involving the sales of properties owned by the CCAA Applicants and various other motions brought in the CCAA proceedings.

I advised Mr. Wang regarding the creation of the Undertaking that created the framework within which the Non Applicants have sold certain of their properties and are continuing to market their remaining properties for sale. I have advised Mr. Wang with respect to his personal obligations pursuant to the Undertaking. I have worked closely with counsel for the Non Applicants but I have endeavoured not to duplicate effort or time in so doing.

An integral component of the framework established by the Undertaking is the establishment of a claims procedure for the creditors of the Non Applicants and for parties with claims against Mr. Wang personally arising out of mortgages,

guarantees of mortgages and as a director and officer of the members of the Forme Group (the "Claims Process").

I am a sole practitioner. I am an insolvency lawyer. While I litigate in the Commercial Court in insolvency proceedings, I do not do commercial litigation. The claims which will be advanced against Mr. Wang in the Claims Process will be commercial claims. At the time the Undertaking was created, I advised the parties to the Undertaking that I would not be able to represent Mr. Wang in the Claims Process and that he would need to retain litigation counsel to do so. Mr. Wang retained Lerner's LLP as his litigation counsel.

I have worked with Lerner's LLP in respect of the motion pending before the Court to amend the Undertaking to permit payment of the fees of counsel to Mr. Wang and the upcoming motion to approve the Claims Process. We have been careful not to duplicate effort or time.

On a go forward basis, I do not expect that I will be involved in the motion to amend the Undertaking. I further expect that Lerner's LLP will take the lead in finalizing the Claims Procedure and that I will be available to Mr. Wang and Lerner's LLP on an as needed basis to answer any queries they may have.

I do not foresee a role for me in the Claims Process as Lerner's LLP will be handling the claims against Mr. Wang. I will not participate in the review, assessment and determination of those claims. I will be available to Mr. Wang and Lerner's LLP if they have any queries as they relate to insolvency matters.

When the Claims Process has been completed and funds can be distributed to the parties with proven claims against Mr. Wang, I anticipate that I, not Lerner's LLP, will advise Mr. Wang regarding the mechanism by which the funds will be distributed whether by way of a plan of arrangement, a proposal, a bankruptcy or otherwise. At that time, I will discuss a budget for the distribution process with the Monitor.

The Undertaking provides that counsel report their fees to the Monitor. I have been doing so and will continue to do so. I will not report to individual claimants as they can obtain that information from the Monitor.

My fees including HST through June 30, 2019 are approximately \$127,000. I do not expect that my incremental fees will exceed \$20,000 (inclusive of disbursements and HST) through the establishment of the Claims Process unless a motion is brought within the CCAA proceeding to approve a sale of a property or for other relief which may affect Mr. Wang personally.

I have discussed the issues dealt with in this letter with Mr. Wang. He has reviewed and approved this letter, including the fees to date and the budget going forward.

I trust this provides you with that which you requested.

Yours truly

A handwritten signature in blue ink, appearing to be 'JH Grout', written over a horizontal line.

James H. Grout

CC: Mike Wang  
Jessica Wang  
Aimie Yang  
Cynthia Kuehl

## **Appendix “E”**



**Lerners LLP**  
130 Adelaide Street West, Suite 2400  
Toronto, Ontario M5H 3P5  
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Fax: 416.867.9192  
www.lerners.ca

Cynthia B. Kuehl  
Direct Line: 416.601.2363  
Direct Fax: 416.867.2433  
ckuehl@lerners.ca  
*Certified by the Law Society as a  
Specialist in Civil Litigation*

July 24, 2019

FILE NUMBER 114479-00001

Sean Zweig  
Partner, Bennett Jones LLP  
3400 One First Canadian Place  
P.O. Box 130, Toronto, ON, M5X 1A4

Dear Mr. Zweig:

**Re:   Forme Group**

We write in advance of, and to provide some context for the motion of August 7, 2019 to amend the existing undertaking provided to the Monitor by Mike Wang to permit payment of the invoices of Lerners LLP from funds currently being held in trust at Cassels Brock & Blackwell LLP ("CBB").

To confirm, Mr. Wang does not waive any solicitor-client privilege in respect of our retainer, and nothing in this letter should be taken as a waiver as any privilege belonging to Mr. Wang.

As we communicated previously, Mr. Wang retained Lerners LLP in late April 2019 to act as his personal counsel in respect of any litigation matters arising in or related to the current CCAA proceedings.

Based on the information known to date, it is anticipated that our retainer will involve reviewing and defending personal guarantee claims advanced in the claims process, and preparing for and attending any other court appearances in the existing CCAA proceedings that may impact those personal guarantee claims. Given that Mr. Wang's personal interests are at stake in the claims process, it is appropriate and necessary that he have his own legal counsel to defend those claims.

We wish to assure you that it is not our intention to be obstructionist or to advance frivolous and unmeritorious defences to the personal guarantee claims. Valid defences will be advanced, consistent with our mandate to protect Mr. Wang's interests.

From late April to present, we have incurred fees of approximately \$50,000 inclusive of HST and disbursements. Those fees reflect time for:

- Lerners to review and get up to speed on the existing proceedings;
- research and analysis on legal issues that may affect the personal guarantee claims;
- meetings with insolvency counsel;
- meetings with the client;
- reviewing the draft claims procedure order;

- meeting with you and the Monitor with respect to outstanding issues;
- the preparation of, and attendance on the motion to amend the undertaking; and,
- considerable work in reviewing and undertaking a preliminary analysis of all available documents possibly relevant to the personal guarantee claims in advance of the claims process. We believe these efforts will reduce the time and cost to advance the claims process expediently, which you have advised is an objective of the Monitor.

The latter work, in particular, has been undertaken to put us in the best position as reasonably possible to advance the claims process once the claims procedure order is made. We were assisted in our review by previous work done by CBB to organize and analyze documents it had in its possession, including in respect of the non-applicant properties.

We do not anticipate the need to undertake significant additional work prior to the commencement of the claims process. This is based on our understanding that there is unlikely to be any other contentious matters. There will, of necessity, be ongoing discussions regarding the claims process until the claims procedure order is finalized as well a need to prepare for and attend on the motion on August 7. We do not anticipate that fees prior to the commencement of the claims process will exceed more than \$20,000 and hopefully will be less than that amount. If our fees are to exceed that amount, we will discuss with you in advance.

As we do not yet know the number of claims, the exact claims process, the volume of documents involved or all the legal issues that may arise, we are not in a position to provide you at this time with a budget for the claims process itself. We undertake to provide you with a budget once the claims and supporting documents are filed. That budget will include the anticipated fees for the claims process but not any fees for possible future appeals by any party.

Under the terms of the undertaking, we will ensure that the Monitor receives, promptly upon request, an update from our office of the fees incurred by Mr. Wang. Please do not hesitate to contact me directly in that regard. For efficiency reasons, we do not propose to provide that information directly to the mortgagees. We propose to direct any inquiries to you. We also understand that the Monitor may choose, in his reports to the court, to disclose the total amount of fees paid to Leners LLP.

I have discussed the issues dealt with in this letter with Mr. Wang. He has reviewed and approved this letter, including the fees to date and those budgeted going forward.

Please let me know if you require any further information.

Yours truly,



Cynthia B. Kuehl  
CBK/mb