

IN THE SUPREME COURT OF NOVA SCOTIA

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 Applicant, Federal
Gypsum Company

AFFIDAVIT

I, Paul G. Goodman, FCA, FCIRP, FIIC, of Halifax, in the Province of Nova Scotia, make oath and say as follows that:

Introduction

1. I am the President of BDO Dunwoody Goodman Rosen Inc., the Court-Appointed Monitor (the "Monitor") in the matter of the filing under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 as amended ("CCAA") by Federal Gypsum Company ("FGC"), and I have personal knowledge of the matters to which I hereinafter depose, except where otherwise acknowledged to be on the basis of information and belief, in which case I believe such information to be true.

Initial Order

2. On September 18, 2007, this Honorable Court issued an initial order (the "Initial Order") granting FGC creditor protection and relief pursuant to the CCAA.
3. The Initial Order appointed BDO Dunwoody Goodman Rosen Inc. as monitor of FGC and prescribed its duties.
4. Paragraph 30 of the Initial Order provided that:

"The reasonable fees and disbursements of the Monitor (including the reasonable solicitor and client fees and disbursements of any counsel retained by the Monitor) and the reasonable solicitor and client fees and disbursements of the Applicant's counsel in these proceedings shall be paid by the Applicant as part of the costs of these proceedings, the Plan and the Restructuring and the Applicant is hereby authorized and directed to pay the accounts of the Monitor, and the Applicant is hereby authorized to pay each of the Monitor, counsel to the Monitor, and counsel to the Applicant such retainers as may be agreed upon to be held by the Monitor and each such counsel as security for payment of

their fees and disbursements outstanding from time to time including with respect to this Application, subject to any final assessment or taxation as may be ordered by this Court, in which case the remuneration of the Monitor shall be taxed on the accountant and its own client and the legal costs of the Monitor's and/or the Applicant's counsel shall be taxed on the basis of a solicitor and its own client."

5. An Order issued by this Honorable Court on January 29, 2008 sanctioning FGC's Plan of Arrangement provided in part :
 - "8. In accordance with the Order of this Honorable Court dated September 18, 2007 the Monitor having fulfilled its duties under the said Order and those duties to date under the Plan, shall be discharged on the Plan Implementation Date unless otherwise agreed with the Company.
 9. Counsel for the Company and counsel for the Monitor shall fix a date for the approval of the fees and costs of the Monitor, the Monitor's counsel and the Company's counsel."
6. By Order of this Honorable Court issued on February 12, 2008 the Plan Implementation Date as provided in the Plan of Arrangement between FGC and its creditors was amended to February 14th, 2008.
7. BDO Dunwoody Goodman Rosen Inc having been discharged as Monitor and May 6, 2008 having been fixed by this Court as the date for an application to approve the fees and costs of the Monitor, Monitor's counsel and Company's counsel (the "Application"), this affidavit is filed in support of the Application.
8. The fees and costs for which approval is sought are those of:
 - a) BDO Dunwoody Goodman Rosen Inc., as Court-Appointed Monitor; and
 - b) Wickwire Holm (Carl Holm, QC) as legal counsel to the Monitor ("Monitor's counsel"); and
 - c) Stewart McKelvey (Maurice Chiasson) as legal counsel to FGC ("FGC's counsel").
9. Attached hereto as Exhibits A, B, and C are schedules containing a summary of each invoice reflecting the hours charged, fee dollars charged, disbursements, and Harmonized Sales Tax ("HST") for each bill rendered in the CCAA proceeding of FGC, by the Monitor, Monitor's counsel, and FGC's counsel.
10. I have in my possession and have reviewed each of the invoices summarized in Exhibits A, B, and C which will be made available to and as desired by this Honorable Court on the hearing of the Application.

11. The invoices as summarized in Exhibits A, B, and C include charges for time leading up to the filing of the application for the CCAA Initial Order and include all time charges and costs up to the Plan Implementation Date.
12. The invoices referred to in Exhibits A, B, and C were submitted to FGC during the course of this proceeding to FGC and have been paid by it.
13. Within the reports filed with the court in the course of this proceedings are schedules reflecting the costs of the Monitor, Monitor's Counsel and FGC's Counsel. The Monitor's Reports were made available to all creditors by posting on the web site maintained by the Monitor in respect of this proceeding.
14. The Monitor and Monitor's counsel expect to have incurred additional fees and costs, inclusive of HST, to and including the hearing of this Application for completing matters relating to this proceeding. I believe these additional costs will not exceed and \$5000. Particulars will be filed with the court on the hearing of the Application.
15. I have reviewed the accounts of Monitor's counsel and of counsel for FGC. I am satisfied that the accounts of Monitor's counsel are for services requested and rendered by it charged at its normal hourly rates and that its charges are reasonable. I am satisfied that the accounts of FGC's counsel are for services rendered by it in respect of these proceedings charged at its normal hourly rates and are reasonable. The accounts of the Monitor are for time spent charged at normal hourly rates and costs incurred in performing its duties as set out in the various orders issued by this Honorable Court.

Order Sought

16. This affidavit is in support of an Application for an Order:
 - a) Approving the fees and costs, including HST to February 14, 2008 of the Monitor, Monitor's counsel, and FGC's counsel as follows:

(i) The Monitor (BDO Dunwoody Goodman Rosen Inc.):	
Fees	\$ 123,618.95
Disbursements	23,945.17
HST	<u>20,093.85</u>
Total – per Exhibit A	<u>\$ 167,657.97</u>

and;

(ii) Monitor's Counsel (Wickwire Holm):	
Fees	\$ 70,948.50
Disbursements	1,203.53
HST	<u>9,954.80</u>
Total – per Exhibit B	<u>\$ 82,106.83</u>

and;

(iii) FGC's Counsel (Stewart McKelvey):

Fees	\$ 145,791.40
Disbursements	4,854.59
HST	<u>20,647.69</u>
Total – per Exhibit C	<u>\$ 171,293.68</u>

and;

- b) Approving the fees and costs, including HST, of the Monitor and Monitor's counsel from February 14, 2008 to the date of the granting of an Order in respect of this Application not to exceed \$5,000.00.

SWORN TO BEFORE ME)
 in the Halifax Regional Municipality,)
 Province of Nova Scotia)
 this 24th day of March, 2008.)
 _____)
 A Commissioner of the Supreme Court)
 of Nova Scotia)

KIMBERLEY A. BURKE
 A Commissioner of the Supreme
 Court of Nova Scotia


 Paul G. Goodman, FCA, FCIRP, FIIC

FEDERAL GYPSUM COMPANY
 CCAA PROCEEDING
 SUMMARY OF THE ACCOUNTS OF STEWART MCKELVEY
 FEDERAL'S COUNSEL
 FROM INITIAL FILING (SEPTEMBER 18, 2007) TO IMPLEMENTATION DATE (FEBRUARY 14 2008)

Invoice Date	Period Covered From/To	Hours	Time	Dollars	Disbursements	HST	Total Account	Comments
Oct 16/07	Sept/07 (revised)	108.1		\$29,091.90	\$1,927.27	\$4,304.11	\$35,323.28	
Oct 30/07	Oct 1/07 - Oct 28/07	52.4		13,328.00	162.45	1,898.36	15,376.83	
Nov 6/07	Oct 24/07 - Nov 4/07	47.3		12,115.50	442.85	1,758.17	14,316.52	Photocopies
Nov 14/07	Nov 1/07 - Nov 8/07	27.4		7,318.00	45.28	1,030.56	8,391.86	
Nov 19/07	Nov 8/07 - Nov 15/07	22.3		5,095.50	56.69	721.30	5,873.48	
Nov 29/07	Nov 5/07 - Nov 26/07	64.9		15,461.50	167.85	2,188.06	17,817.23	
Nov 30/07	Nov 27/07 - Nov 30/07	36.2		8,616.50	598.43	1,289.81	10,502.74	Photocopies
Dec 11/07	Dec 3/07 - Dec 7/07	28.9		7,499.00	112.13	1,065.56	8,676.69	
Dec 17/07	Dec 5/07 - Dec 16/07	30.7		8,115.00	213.57	1,152.91	9,481.48	
Dec 31/07	Dec 14/07 - Dec 31/07	6.9		1,413.50	176.95	222.67	1,813.12	
Jan 9/08	Jan 2/08 - Jan 6/08	22.6		5,175.50		672.82	5,848.32	
Jan 15/08	Jan 7/08 - Jan 10/08	14.6		2,785.00	8.00	362.05	3,147.05	
Jan 22/08	Jan 14/08 - Jan 18/08	25.6		5,344.50	542.22	695.83	6,048.33	
Jan 29/08	Jan 18/08 - Jan 25/08	29.9		6,351.50	134.34	893.19	7,799.91	
Feb 4/08	Jan 25/08 - Jan 30/08	21.3		3,854.00	141.88	518.48	4,506.82	Photocopies
Feb 14/08	Feb 4/08 - Feb 9/08	16.7		5,092.50	126.89	690.48	5,914.86	
Mar 4/08	Feb 6/08 - Feb 14/08	29.8		9,138.00		1,200.27	10,485.16	
TOTAL		885.6		\$145,791.40	\$4,854.59	\$20,647.69	\$171,293.68	
Average rate per hour on time charged				\$249.96				

This is Exhibit 3 referred to in the affidavit of Paul Gertman sworn before me this March day of 2008

Kimberley A. Burke
 A Barrister of the Supreme Court of Nova Scotia
 Commissioned

KIMBERLEY A. BURKE
 A Commissioner of the Supreme Court of Nova Scotia

FEDERAL GYPSUM COMPANY
 CCAA PROCEEDING
 SUMMARY OF THE ACCOUNTS OF WICKWIRE HOLD
 MONITOR'S COUNSEL
 FROM INITIAL FILING (SEPTEMBER 18, 2007) TO IMPLEMENTATION DATE (FEBRUARY 14 2008)

Invoice Date	Period Covered		Time	Dollars	Disbursements	HST	Total Account	Comments
	From/To	Hours						
Oct 1/07	Sept 18/07 - Sept 30/07	13.0	\$4,486.00	\$20.15	\$531.21	\$5,147.36		
Oct 12/07	Sept 18/07 - Oct 10/07	11.2	3,920.00	0.00	549.80	4,469.80		
Oct 23/07	Oct 13/07 - Oct 19/07	16.8	5,828.00	18.68	816.30	6,660.98		
Oct 30/07	Oct 22/07 - Oct 26/07	15.4	4,648.00	0.00	850.72	5,298.72		
Nov 5/07	Oct 27/07 - Nov 4/07	16.6	5,147.50	183.18	747.70	6,088.38		
Nov 13/07	Nov 5/07 - Nov 12/07	37.6	9,245.00	0.00	1,294.30	10,539.30		
Nov 19/07	Nov 13/07 - Nov 18/07	8.5	2,875.00	7.43	417.54	3,399.97		
Nov 28/07	Nov 19/07 - Nov 25/07	21.3	5,775.50	0.00	808.57	6,584.07		
Nov 30/07	Nov 26/07 - Nov 30/07	8.4	3,290.00	0.00	480.80	3,750.80		
Dec 10/07	Dec 1/07 - Dec 8/07	5.7	1,986.00	459.81	343.67	2,798.48		
Dec 17/07	Dec 10/07 - Dec 16/07	10.6	3,657.00	118.75	528.61	4,304.36		
Dec 21/07	Dec 14/07 - Dec 21/07	19.7	4,823.50	8.52	676.62	5,509.64		
Dec 31/07	Dec 27/07 - Dec 31/07	2.4	840.00	338.01	184.92	1,342.93		
Jan 7/08	Dec 31/07 - Jan 5/07	12.6	4,410.00	20.75	576.00	5,006.75		
Jan 14/08	Jan 7/08 - Jan 11/08	5.4	1,890.00	17.25	247.84	2,155.19		
Jan 21/08	Jan 8/08 - Jan 18/08	12.0	3,870.00	0.00	516.10	4,486.10		
Jan 28/08	Jan 18/08 - Jan 25/08	7.6	2,905.00	0.00	311.35	2,706.35		
Feb 4/08	Jan 28/08 - Jan 30/08	3.8	1,390.00	0.00	172.90	1,502.90		
Feb 14/08	Feb 8/08 - Feb 14/08	0.9	315.00	0.00	40.95	355.95		
TOTAL		230.5	\$70,948.50	\$1,203.53	\$9,954.80	\$82,106.83		
Average rate per hour on time charged			<u>\$307.80</u>					

S.H. No. 255167 referred to in the
 affidavit of Paul Gardner
 sworn before me this 14th day of Nov
2008
 A Barrister of the Supreme Court of Nova Scotia
 (Commissioner)

KIMBERLEY A. BURKE
 A Commissioner of the Supreme
 Court of Nova Scotia