

Leya Duigu

From: Brendan Wycks [mailto:brendan.wycks@cafii.com]
Sent: May-21-14 1:31 PM
To: jennifer.hines@rbc.com; john.lewsen@bmo.com
Cc: Leya Duigu
Subject: Fasken Martineau's Invoice To CAFII For CNCA Compliance/Continuance Legal Services

Hi, Jennifer and John

I recommend that this issue be added to next week's EOC agenda for discussion and a decision. I've therefore included it on the draft agenda under Policy Issues and Decision Items. Please advise if you think this would be best handled in some other manner.

Here's a summary of the issue:

CAFII's CNCA compliance/continuance work is now largely complete. And as per the attached pro forma invoice from Fasken Martineau, the amount of time that lawyers Kathryn Beck and Koker Christensen spent on our CNCA Continuance file amounts to well over the \$9,000 estimated in the firm's proposal to us.

In fact, the pro forma invoice -- which Faskens has not yet issued and which Koker called me about last week to discuss -- amounts to \$22, 266.10 or more than \$13K higher than the proposal.

It's perhaps not surprising that the billing is higher than the original proposal/estimate, given that some of what we ended up asking Faskens to do was out-of-scope from the proposal. What is perhaps surprising is the magnitude/quantum of the difference.

The main driver of the overage is the fact that we asked Faskens to expand their work and help the Association navigate through the legal requirements of a **two-stage** process, which would allow us to remove Associate Members as a membership class, in the first instance, before then having Foundation and Voting Members approve a revised Bylaw for ratification by the full membership (which no longer includes Associate Members) at a Special Meeting on June 10.

That said, at no point did Faskens warn CAFII or provide a heads-up revised estimate of what moving to in terms of a revised legal services invoice.

In calling me to provide a heads-up and discuss the pending invoice, Koker did not take a hard line and did not say that CAFII must pay the full amount that is due. Rather, he recognizes that the amount of the invoice will be something of an unpleasant surprise and take us aback; and Faskens is interested in cultivating a long-term client relationship with CAFII.

After telling me about the amount of the pending \$22K invoice, Koker offered to send me the pro forma for consideration and discussion among the Association's leaders. He essentially is now looking to CAFII to come back to him with a proposal on the amount of the billing and how we can settle the account in a win-win manner.

After reflecting on this, my recommendation to the EOC is that CAFII meet Faskens half-way on the difference between the original proposal and the pro forma invoice. In other words, we would be willing to pay \$15,663.05 (plus taxes).

Your comments/feedback on this would be appreciated.

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