

May 24, 2016

James Harnum
jharnum@kmlaw.ca

Via Regular Mail

Dear Former Danier Employee:

Re: In the Matter of Danier Leather Inc. (in bankruptcy)
Court File No. 31-2084381

**Re: Appointment of Representative Counsel to Former Employees of Danier
Leather Inc.**
Our File No.: 16/0281

We are the court-appointed Representative Counsel to the former employees of Danier Leather Inc. ("Danier"). We enclose a copy of the Order of Madam Justice Conway of the Ontario Superior Court of Justice (Commercial List) dated May 18, 2016. Our legal mandate is to represent you and your legal interests in connection with the issues affecting Danier's former employees in the Danier insolvency proceedings. We have been provided with your name by the trustee in bankruptcy of Danier. We are writing to make contact with you and provide you with a status update on Danier.

Status of Danier

As you may be aware, on March 21, 2016, Danier made an assignment in bankruptcy, became a bankrupt, and ceased operating. The firm of KSV Kofman Inc. ("KSV") was appointed as trustee in bankruptcy (the "Trustee"). As a result of the bankruptcy, all of Danier's employees were terminated without being paid termination pay, severance pay, and other amounts owing to them. The main role of the Trustee is to take possession of the assets of Danier, sell the remaining property and then distribute all of its assets and sale proceeds to creditors who are owed amounts by Danier. On May 9th, 2016, the liquidation of Danier's inventory was completed and all its stores were closed.

A main part of our mandate is the calculation and preparation of claims for all employees for amounts owing to you from Danier and filing those claims with the Trustee. You will have an opportunity to review your claim amount and the personal information on which it is based before we file the claim. We are also available to help you understand the proceedings and to answer any questions that you may have.

You can opt out of being represented by our firm if you wish

If you do not wish to be represented by our firm, you can opt-out of our representation and retain your own lawyer or represent yourself. If you wish to opt out of representation by our firm, you must, by **June 17, 2016**, by providing notice in writing (by letter or email) to both our firm and KSV Kofman Inc., stating that you wish to opt-out of our representation:

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

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

Email: DanierRepCounsel@kmlaw.ca

Email: sdraper@ksvadvisory.com

Payment of Legal Costs of the Employees

The legal costs of the employees will be paid from the estate and supervised by the Court. Our firm has an initial fee cap of \$75,000, payable from the estate of Danier, although it may be necessary to return to Court to alter the fee arrangement.

Client Committee

The Court has directed that we identify a committee of individuals from among the terminated employees of Danier to consult with Koskie Minsky LLP and provide instructions as necessary during the insolvency proceedings.

As a committee member, you will not be paid for your time, but any expenses (such as travel expenses) will be reimbursed. If you believe you could assist in this way and are interested in being a committee member, please let us know.

We will be posting regular updates to our firm website for Danier employees with information that is relevant to you and your claims against Danier.

Address Changes

It is important that we have your current address. If you have a change of address please write, e-mail or fax our office. Our fax number is 416-204-2897. Our address is 20 Queen Street West, Suite 900, Toronto, Ontario M5H 3R3. We cannot take address changes over the telephone. If you have any questions or concerns, please contact us at the following coordinates:

Contact Information for Representative Counsel

Website: kmlaw.ca/DanierRepCounsel

Email: DanierRepCounsel@kmlaw.ca

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

Yours truly,

KOSKIE MINSKY LLP

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

James Harnum

c. Andrew J. Hatnay, *Koskie Minsky LLP*