TAB 11

THIS IS EXHIBIT "11" REFERRED TO IN THE AFFIDAVIT OF E. BRUCE LEONARD, SWORN BEFORE ME THIS 13TH DAY OF OCTOBER, 2006.

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A COMMISSIONER, ETC.

CASSELS BROCK
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EMAIL

MEMORANDUM

DATE	August 31, 2006
TO	Peter F.C. Howard, Esq.
CC	Stanley H. Meadows, Esq. Helen R. Friedli, Esq.
FROM	Bruce Leonard
RE	**Ivaco Working Capital Proceedings**

Dear Peter:

I left a message for you two days ago which has not been returned which is not like you. I also wrote to you on August 25th with suggestions for narrowing and focusing the issues that you raised but I have had no response to that email either. I would hope you would give my suggestions some consideration.

You will be aware that the Heico Group acquired the entire business formerly carried on by the Ivaco Companies in an operating condition. The Old Ivaco companies, as you know, operated from Montreal across Canada and in the United States for decades. The Old Ivaco businesses were sold to the Heico Group in a transaction which closed in 2004. The Heico Group took possession under the purchase transaction at that time.

The purchase transaction proceeded with the approval of the Ontario Superior Court of Justice and, in particular, under *two* Vesting Orders (August 18, 2004 and November 30, 2004) under which all of the assets of the Old Ivaco business were vested in the purchasing entities in the Heico Group. The purchased assets included, among other things, all of the books and records and related data, in hard copy and in electronic form, in the possession of the selling parties relating to the Ivaco business (apart from records that were required by law to be retained by the selling parties).

These books and records were transferred on the closing of the transaction, as required by the APAs, with the proviso that the selling parties could retain copies of books and records that were necessary for use in the filing of tax returns. The Vesting Orders provide that the purchasing entities acquired all of the assets of the business including the books and records as defined in the APAs:

> "free and clear of any and all claims and liens including, without limitation, all ... rights, ... interests, claims ... disputes, ... adverse claims ... and other encumbrances, rights, limitations or restrictions of any nature whatsoever (whether ... they arise in law, in equity, by statute or otherwise) ... by or of any persons of any kind whatsoever, including, without limitations, all individuals, firms, corporations, partnerships ... and all other natural persons or corporations, whether acting in their capacity as principals or agents, trustees, executors, administrators or other legal representatives."

Accordingly, you will appreciate that all of the books and records (as defined) of the Old Ivaco companies were part of the sale transaction and that, under the APAs, the Old Ivaco companies were obligated to deliver them to the purchasing entities on closing which is precisely what happened. Further than that, the Vesting Orders provide that the purchased assets of the business (which include the books and records as defined) are vested in the purchasing entities of the Heico Group free and clear of all claims of every nature and kind. You will also appreciate that the APAs and the Sale Approval Orders and the Vesting Orders were drafted by counsel to the Old Ivaco companies.

The purchasing entities in the Heico Group, consequently, came into possession of the books and records of the Old Ivaco companies under an agreement by which the Old Ivaco companies agreed and were obligated to transfer those books and records to the purchasing entities and pursuant to Vesting Orders which eliminated all other claims to and interests in them. The documents which Heico's U.S. counsel had with him on the commencement of his interview by KPMG were consequently completely properly in his possession and were in fact the property of the purchasing entities in the Heico Group. The documents that were available on the examination had been produced from Heico's records at its head office in Chicago and, as advised by Mr. Meadows during his interview, applicable U.S. law is that no privilege attaches to documents in this situation, quite apart from the effect of the Vesting Orders which, under the authority of the Court, bar claims to assets acquired by the purchasing entities in the transaction. We understand that Quebec law is to the same effect and the documents that were available on the interview were part of the assets in Quebec that were acquired by the purchasing entities in the Heico Group.

Your concern may be that some of the documents acquired by and vested in the purchasing entities in the transaction may contain or reflect statements or facts that are inconsistent with statements, facts and positions that were subsequently taken on behalf of the Ivaco Companies in the Working Capital Proceedings. Be that as it may, it would seem that any effort to deny KPMG in its function as Expert in the Working Capital Proceedings access to documents that were created at the time and which were subsequently sold and transferred to the purchasing entities in the Heico Group and vested in those entities would be intended to deny KPMG access to information and facts that are highly relevant to their inquiry and their responsibilities under the APAs. It would be best if KPMG could be left to pursue their responsibilities in the Working Capital Proceedings on as timely a basis as possible and I hope that your clients can see some value in that approach. I look forward to hearing from you regarding my voicemails and emails to you. Thank you for your help with this.