

July 29, 2011

Sent by Facsimile

Registrar
Federal Court of Canada
180 Queen Street West, Suite 200
Toronto, Ontario M5V 3L6

Attention: Case Management Team

Our reference
01020560-0001

Dear Sirs,

**His Highness Prince Karim Aga Khan v. Nagib Tajdin, Alnaz Jiwa, John Doe et al.
Federal Court File No. T-514-10 – Damages Reference**

Please bring this letter to the attention of Madam Prothonotary Milcznski, the Case Management Prothonotary for the above-noted Court file.

This letter is provided on behalf of the Plaintiff in response in part to Mr. Tajdin's letter of July 27, 2011:

1. We never accepted the adequacy of Mr. Tajdin's affidavit of documents which was served on us a few hours before the examination for discovery of His Highness. The examination was ordered by the court for October 15, 2010 and was to take place regardless of whether the affidavit of documents was acceptable. We had no opportunity to challenge this affidavit. In addition, of course, the affidavit at that time, needed only to deal with the issues before the court on summary judgment and not with the reference for damages. Now documents need to be produced on the issue of damages, not liability.
2. In Mr. Tajdin's letter to the Court as recently as July 18, 2011, Mr. Tajdin indicated he had essentially no further documents to produce. He is now suggesting he may find some documents. The most efficient way to explore these issues is by an examination under oath. We are not going to receive the necessary information by an exchange of correspondence with Mr. Tajdin and with the court.
3. Just to be clear, we have used the phrase "Damages Reference" to indicate the general phase of this litigation.
4. We have trouble believing Mr. Tajdin that he cannot find a day to be examined on these issues while he is here. If this is the case and he would prefer to return in early September, then we could accommodate that, but we believe it would be more convenient and cheaper for him to have this examination while he is here.
5. There is no reason to wait until the appeal as the date when this will occur has not been set. In the requisition not yet filed with the court, the parties have indicated no availability (not even one day) until after November 7.
6. The document production for damages has been wholly inadequate and we are convinced now from the past experience of dealings with these defendants that no progress will be made without an examination.
7. We do not trust the defendants to produce accurate information in the absence of the intervention and oversight of the courts. Unless we see unredacted documents, we cannot verify any of the numbers. We

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believe that the number of books that the defendants have represented have been printed has been significantly understated. Unless we have original documents from the printer(s) there will be no objective criterion for determining this. We have no indication from the defendants of the extent to which they recruited others to distribute the infringing materials. We have a need to see unredacted original documents to verify the expenses. If we cannot get them from the defendants, we may have to seek them from third parties. Mr. Tajdin, by his own admission, has not filed tax returns on this enterprise and seems to have retained almost no documents. Mr. Tajdin has made a number of unverifiable conclusory statements. The plaintiff and the court should not have to accept this from an infringer.

8. We have no way of verifying the profits without examining documents. There is no apparent basis for extracting expenses from 15 years ago and if there were, then those expenses need to be explained on discovery. There is a chart apparently prepared by Mr. Tajdin stating travel expenses for multiple people (sometimes three people on the same trip) going back many years.

9 and 10. Justice Harrington left the question of an examination up to the Referee as did Mr. Justice Mainville.

11. His Highness has not cashed the check because the order (which the defendants requested and to which the plaintiff agreed) specifies that they were to pay the money for costs into court, which they have not done. While His Highness could waive that and take the money directly, the defendants should seek a variance of the order, if they wish to follow a different procedure than the procedure ordered by the court.

Initially if the matter had been settled at the outset, His Highness would have considered waiving damages or profits. However since the Defendants have refused to stop, my instructions are clear. His Highness has made clear to me that he wishes to pursue all the remedies that the order envisages. It has been a feature of this case, that the Defendants think that they know what His Highness wants and do not believe, notwithstanding numerous evidence to the contrary, that His Highness is directing this case as to the relief that he is seeking. As his solicitors of record in this matter, I can assure the court that these are his instructions.

12. We do not believe that the book project was a deficit project, except by using some bizarre form of accounting. In any event we are entitled to have discovery to verify these statements. Mr. Tajdin's resistance to any form of real disclosure, while protesting allegiance to His Highness, suggests that Mr. Tajdin is hiding the real truth about the number of books printed and sold, how these were distributed and the profit made.

Yours very truly,



for Brian W. Gray

BWG/AWN/jb

cc: Alnaz Jiwa (Defendant/Appellant)
Nagib Tajdin (Defendant/Appellant)

cc: Kristin E. Wall