

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

IN THE MATTER OF AN APPLICATION UNDER Section 129 Of The Securities Act, R.S.O.  
1990, c. S.5, As Amended

And Section 101 Of The Courts Of Justice Act, R.S.O. 1990, c.c43

BETWEEN

ONTARIO SECURITIES COMMISSION

Applicant

AND

@RGENTUM MANAGEMENT AND RESEARCH CORPORATION

Respondent

**THIRD REPORT TO COURT  
BY A. JOHN PAGE & ASSOCIATES INC.  
RECEIVER OF @RGENTUM MANAGEMENT AND RESEARCH CORPORATION  
AND CERTAIN @RGENTUM MUTUAL FUNDS  
DATED JUNE 23, 2006**

**Background**

1. Upon application of the Ontario Securities Commission (“the OSC”), A. John Page & Associates Inc. (the “Receiver”) was appointed Receiver of @rgentum Management and Research Corporation (the “Corporation”) and certain mutual funds managed by the Corporation (the “Funds”) (collectively, “@rgentum”) by Order of the Honourable Mr. Justice Campbell dated November 16, 2005 (the “Initial Order”).
2. On November 29, 2005, the Receiver made its First Report to the Court (the “First Report”).
3. On December 9, 2005, the Receiver made its Second Report to the Court (the “Second Report”).

4. On December 12, 2005, on a Motion made by the Receiver, the Honourable Mr. Justice Campbell made an Order (the "Second Order") authorizing the Receiver to assign the Corporation into Bankruptcy and to name itself as Trustee.
5. On January 3, 2006 the Receiver made a Supplementary Report to the First Report to the Court (the "Supplementary Report").
6. On January 5, 2006, on a Motion by the Receiver, the Honourable Mr. Justice Farley made an Order (the "Third Order") approving the appointment by the Receiver of Acker Finley Inc. ("Acker Finley") as advisor and consultant to the Receiver with respect to the Receiver's dealing with the securities and other assets of @rgentum, and approving the recommendations of Acker Finley with respect thereto ("the Acker Finley Recommendations").
7. This report has been prepared to update the information provided to the Court in the First Report, the Supplementary Report and the Second Report and in support of the Receiver's motion for an order approving its conduct to date and authorizing and directing it to conduct further investigations into the affairs of @rgentum.

#### **Receiver's Statement of Receipts And Disbursements**

8. Attached hereto as Appendix "A" is a copy of the Receiver's Interim Statement of Receipts and Disbursements for the period from November 16, 2005 to June 22, 2006. This statement reflects the transactions flowing through the Receiver's account at HSBC Bank Canada.
9. The fees and disbursements of Gowling Lafleur Henderson LLP ("Gowlings"), counsel to the Receiver, are included in the Receiver's Statement of Receipts and Disbursements as a disbursement. They are more particularly set out in the Affidavit of Malcolm Ruby sworn June 21, 2006, separately filed.
10. The fees and disbursements of A. John Page & Associates Inc., as Receiver, are included as a disbursement in the Receiver's Statement of Receipts and Disbursements. They are

more particularly set out in the Affidavit of A. John Page sworn June 22, 2006, separately filed.

### **Fund Stewardship**

11. As authorized by the Third Order, the majority of the investment portfolios of the Funds were liquidated on or about January 13, 2006, and since that time the monies realized from the liquidation have been invested by Acker Finley in short term money market instruments in accordance with the Acker Finley Recommendations. Following liquidation of the Funds proceeds have been reinvested upon maturity in accordance with the Acker Finley Recommendations.
12. Three holdings in the Canadian Performance Fund previously shown on the CIBC Mellon statements as having a market value of \$113,095.92 were found by Acker Finley to be unsaleable and, as such, to have no value.
13. Attached as Appendix "B" is a schedule summarizing the book value of the Funds as at June 22, 2006. The Receiver is currently managing investments with a total book value of \$2,237,000, in addition to the amounts in its Receivership bank account which are set out in the Interim Statement of Receipts and Disbursements, attached as Appendix "A".

### **Unit Holder Enquiries**

14. The Receiver has received, and responded to, numerous enquiries from unit holders and their advisors by mail, email and telephone. To assist unit holders and their advisors the Receiver is maintaining information on the status of the receivership on its website at [www.ajohnpage.com](http://www.ajohnpage.com). Included in the information posted there is a document, in English and French addressing "Frequently Asked Questions". The Receiver intends to continue to post new information to the website as appropriate.

### **Interest in the Purchase of Individual Funds**

15. As noted in the Supplementary Report, Mr. Leonard Alksnis of McLean and Kerr, Toronto counsel to Mr. Karl Hertel, a person claiming a secured interest over the assets of the Corporation, had indicated there may be a party interested in purchasing one or more of the Funds. In accordance with the statement of the Receiver in the Supplementary Report, the Receiver indicated to Mr. Alksnis that it would only pursue such interest if it were to receive a non-refundable deposit. At the request of Mr. Alksnis the Receiver did facilitate discussions between the interested party and a representative of the OSC as to whether such a purchase might be successful. Since that time, no deposit has been received and the Receiver has taken no further action in this regard.

### **The Bankruptcy of the Corporation**

16. As permitted by the Second Order, the Receiver assigned the Corporation into Bankruptcy on December 12, 2005 and named itself as Trustee of the Estate of the Corporation (A. John Page and Associates, in its capacity as Trustee of the Corporation, “the Trustee”). The appointment as Trustee was affirmed at the First Meeting of Creditors held on January 3, 2006. At that meeting two inspectors were elected, Mr. Alksnis and Ms Patricia Ariemma, an employee of the Canadian Revenue Agency (“CRA”). At this time, the Trustee has undertaken no investigations pending actions to be taken by the Receiver.

### **Contact with the Regulators**

17. The Receiver has held meetings and telephone discussions with representatives of both the Quebec Autorité des Marchés Financiers (“the AMF”) and the OSC to keep them apprised of the progress of the Receivership in accordance with the Initial Order.

### **Investigations**

18. The Receiver has been and is continuing to investigate the affairs of @argentum. The purpose of these investigations is to:

- (a) locate any unrealized assets;
  - (b) identify transactions which may be challenged by the Receiver or the Trustee, resulting in a recovery for @rgentum;
  - (c) identify, calculate and prosecute any claims @rgentum may have against third parties;
  - (d) obtain information and explanations concerning monies transferred from the Funds in circumstances where the business purpose of such transfers (in relation to the Funds) is not immediately evident;
  - (e) assist the Receiver in allocating assets and expenses between individual Funds and the Corporation for taxation and ultimate distribution purposes;
  - (f) ascertain the accuracy of the unit holder register to assist in formulating the most appropriate unit holder claims process; and
  - (g) provide information in response to questions by unit holders as to the facts surrounding their investments.
19. Subsequent to the Initial Order, Mr. Scott Sinclair, the Chief Executive Officer of the Corporation, provided to the Receiver hundreds of boxes of @rgentum records and a computer used by @rgentum. The Receiver briefly reviewed the boxes to identify and catalogue the more current and important records, and had the remainder placed in off site storage.
20. At the commencement of this receivership Mr. Sinclair offered to assist the Receiver in allocating expenses and otherwise. In the early stages of the receivership the Receiver had ongoing contact with Mr. Sinclair through meetings, emails and by telephone.
21. Mr. Sinclair has not responded to recent requests for more information and further meetings. The Receiver last met with Mr. Sinclair on February 13, 2006 and last received an email from him on March 27, 2006.
22. The Receiver has written to the auditors of @rgentum, Samson Belair Inc. ("Samson Belair") of Montreal, requesting information regarding @rgentum. Despite the wording of the Initial Order, Samson Belair have provided virtually no information, citing Quebec

rules regarding professional secrecy which attaches to this information. For the present time the cost of pursuing this information appears to exceed the likely benefit.

23. As at August 31, 2005 the Funds reported a net asset value of \$5,497,000.00. Attached as Appendix "C" is a summary of the status of the Funds taken from the general ledger records, showing that the true value of the Fund assets as of August 31, 2005 was \$2,591,000.00 in securities and cash. The difference in these amounts of \$2,979,000 (excluding \$73,000 of accruals) is made up of accounting entries in @rgentum's records called "deferred charges" or alternatively "cost amortization" ("the Deferred Charges").
24. The first Deferred Charges entry was dated January, 2004. As outlined in the First Report, through the efforts of the AMF, the Funds were frozen in late September 2005. By that time the total amount of the Deferred Charges had increased to \$3,107,000.
25. The Deferred Charges appear to be an accounting device to account for cash removed from the Funds. The Receiver has been able to track Deferred Charges from the Funds accounts at CIBC Mellon to the Corporation's Canadian dollar bank account at Bank of Montreal ("the BMO Account") between January 2004 and September 2005 totalling over \$2,000,000. The Receiver suspects that all the Deferred Charges will ultimately turn out to have been transfers of cash from the Funds to the BMO Account.

**Activities with respect to claims against the @rgentum Québec Balanced Portfolio (the "Quebec Balanced Fund")**

26. The Initial Order appointed A. John Page & Associates Inc. as liquidator of all the funds managed by the Corporation except one, the Quebec Balanced Fund. On October 18, 2004, Raymond Chabot Inc. ("Raymond Chabot") was appointed liquidator of the Quebec Balanced Fund, pursuant to an Order of the Honourable Justice Pierre Journet of the Superior Court of Quebec. Shortly after its own appointment the Receiver informed Raymond Chabot that @rgentum may have a claim against the estate of the Quebec Balanced Fund, and requested Raymond Chabot take no steps to distribute the proceeds of the liquidation of the Quebec Balanced Fund until the Receiver was able to quantify such claim. Notwithstanding this request, on or about February 16, 2006, Raymond

Chabot obtained an order, without notice to the Receiver, that the beneficiaries and the creditors of the Quebec Balanced Fund submit proofs of claim to them by April 18, 2006 (the "Claims Bar Date"). The Receiver received notice of the Claims Bar Date by way of the public notice posted in the Globe and Mail.

27. The Receiver was not able to quantify @rgentum's claim prior to the Claims Bar Date. In order to preserve @rgentum's claim against the Quebec Balanced Fund, the Receiver was forced to bring a motion in the Quebec Superior Court in liquidation proceedings to extend the Claims Bar Date. After serving materials in this regard negotiations with Raymond Chabot resulted in an agreement, approved by court order dated April 18, 2006, extending the Claims Bar Date to June 1, 2006. Attached hereto as Appendix "D" is a copy of the relevant motion material and order.
28. The Receiver has now prepared and submitted a claim against the Quebec Balanced Fund in the amount of \$405,230.24 broken down as follows:

Fees and Expenses payable by the Quebec Balanced Fund	\$146,916.11
Redemption paid to unit holders of the Quebec Balanced Fund	20,543.42
Equalization Share re losses suffered by other funds	<u>237,770.71</u>
	\$405,230.24

29. On June 15, 2006 the Receiver received a document purporting to be a Notice of Disallowance from Raymond Chabot. A copy of that notice is attached as Appendix "E". On June 20, 2006 the Receiver again attended before the Quebec Superior Court to establish a process and schedule for the formal adjudication of the claim of @rgentum against the Quebec Balanced Fund. The Quebec Superior Court has dictated that by July 28, 2006 the Receiver file a motion analogous to an appeal from disallowance with respect to the claim of the Receiver against the Quebec Balanced Fund.

### **The Status of the Corporation's Tax Filings and Annual Financial Statements**

30. The last federal tax return filed by the Corporation relates to the period ended December 31, 2000. Preparation of audited statements for the year ended December 31, 2002 was commenced but statements were never issued.

### **The Status of the Funds' Tax Filings**

31. The Receiver has limited information on the status of the filing of the annual trust tax returns for each of the Funds. It appears that returns were last filed for calendar year 2004 for most of the Funds, but that for at least two of the Funds the last return filed related to the year 2000. As noted earlier, the Receiver is not at this time receiving any cooperation from Samson Belair in this regard. The Receiver is also having difficulty getting the CRA to provide information on the status of the filings of each Fund.
32. Prior to any distribution to unit holders of a Fund, the Receiver anticipates having to file certain tax returns and to resolve any tax issues that these returns may highlight.

### **CIBC Mellon**

33. The Receiver received a letter from CIBC Mellon in which they claim the right to set off approximately \$27,000 on account of overdraft positions in certain of the Funds, and approximately \$12,000 on account of unpaid fees, against amounts held by them to the account of solvent Funds. The Receiver has taken legal advice on this matter and is considering this claim at the present time.



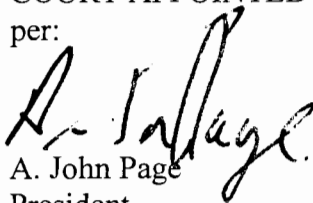
### **Necessity of Sealing and Course of Action Going Forward**

The Receiver has asked the Court that the contents of paragraphs 34 to 41 of the Third Report, inclusive, and the Appendix "F" referred to therein, be sealed for the present time.

All of which is respectfully submitted to the court.

A. JOHN PAGE & ASSOCIATES INC.  
COURT APPOINTED RECEIVER AND MANAGER OF @RGENTUM

per:



A. John Page  
President

**Appendices to the Report of  
A. John Page & Associates Inc.  
Receiver of @rgentum  
to the Court dated June 23, 2006**

Statement of Receipts and Disbursements	A
Summary of Investments	B
Fund Reconciliation as at August 31, 2005	C
@rgentum Quebec Balanced Fund – Motion Record and Order of Justice Mongeon	D
Raymond Chabot Notice of Disallowance dated June 15, 2006	E

## **APPENDIX “A”**

**Statement of Receipts & Disbursements**

16/11'5 Through 22/6'6

26/6'6

@RGENTM-HSBC

Page

<u>Category Description</u>	<u>16/11/05- 22/6/06</u>
<b>INCOME/EXPENSE</b>	
<b>INCOME</b>	
Funds in BMO Bank a/cs	87,682.36
Transfer from CIBC Mellon	200,000.00
<b>TOTAL INCOME</b>	<u>287,682.36</u>
<b>EXPENSES</b>	
Advertising	4,140.83
Bankruptcy Expenses	6,670.99
Fund Management Advisors	10,700.00
GST Control	8,130.98
GST Input	6,501.25
Legal Fees	63,324.57
Miscellaneous	3,423.37
Moving & Storage	1,829.60
OSB Fees	70.00
Receiver's Fees	174,870.33
<b>TOTAL EXPENSES</b>	<u>279,661.92</u>
<b>TOTAL INCOME/EXPENSE</b>	<u><u>8,020.44</u></u>

## **APPENDIX “B”**

**@rgentum Management and Research Corporation**  
**Summary of the Investments held to the account of the Funds**  
**by CIBC Mellon and BMO Nesbitt Burns**  
**as at June 22, 2006**

Funds \$'000	Transferred to the Receivership account 16/11/05- 22/6/06	Current Book Value June 22, 2006
@ Short Term Assets Portfolio	25	345
@ Income Portfolio	15	290
@ Canadian Equity Portfolio		0
@ Canadian Performance Portfolio	130	1,437
@ International Master Portfolio		(23)
@ Discovery Portfolio		(4)
@ Canadian L/S Equity Portfolio	10	141
@ U.S. Market Neutral Portfolio		0
@ U.S. Master Portfolio	20	2
@Pooled Market Neutral		49
@ Intl Master RSP Portfolio		0
	<u>200</u>	<u>2,237</u>

**Note**

1. The above investments are all under the control of the Receiver and are being managed by Acker Finley in accordance with the investment strategy set down in the Acker Finley Recommendation approved by the Court in the Second Order.
2. The book value of the investments above does not include accrued interest on the short term T Bills and banker's acceptances
3. The amounts transferred from individual funds to the receivership account do not reflect the actual amount of receivership expenses that will be levied on that particular fund. The Receiver will allocate costs between funds at a later date.

## **APPENDIX “C”**

**@rgentum Management and Research Corporation**  
**Fund Reconciliation**  
**As at August 31, 2005**

Information summarized from internal "Maximus IS" printout "Statement of Portfolio Investments"

Unaudited

	Cdn Equity	Cdn Perf	Income	Int'l Master	Short Term Asset	Pooled Mkt		US Mkt Neutral	US Mkt Neutral	Cdn L/S Equity	Totals
						US Master*	Neutral				
Total Portfolio	\$0.00	\$1,705,673.09	\$336,699.35	\$160.26	\$346,986.95	\$49.72	\$23,280.14	\$0.00	\$0.00	\$121,873.71	\$2,534,723.22
Total Cash	(10,180.67)	52,855.88	(27,612.38)	(24,096.19)	15,187.85	22,274.76	22,745.13	(16,041.97)	(6,866.11)	28,229.67	56,495.97
Total Assets	(10,180.67)	1,758,528.97	309,086.97	(23,935.93)	362,174.80	22,324.48	46,025.27	(16,041.97)	(6,866.11)	150,103.38	2,591,219.19
"Cost amortization"	317,488.19	1,825,531.00	373,738.42	153,306.32	6,761.91		138,152.63	121,930.13	7,037.63	34,713.79	2,978,660.02
Accruals and adjustments	(10,274.54)	3,216.49	(687.79)	(2,501.76)	(20.59)	(22,705.38)	(37,878.90)	2,206.29	(121.94)	(3,987.67)	(72,755.79)
<b>Reported Assets for NAV purposes</b>	<b>\$297,032.98</b>	<b>\$3,587,276.46</b>	<b>\$682,137.60</b>	<b>\$126,868.63</b>	<b>\$368,916.12</b>	<b>(\$380.90)</b>	<b>\$146,299.00</b>	<b>\$108,094.45</b>	<b>\$49.58</b>	<b>\$180,829.50</b>	<b>\$5,497,123.42</b>
Units	41,594,792	274,118,124	102,889,286	31,481,628	36,891,613	8,826,375	39,914,770	18,082,360	972,949	48,266,232	
NAVPS	7.1411	13.0866	6.6298	4.0299	10.0000	-0.0432	3.6653	5.9779	0.0510	3.7465	

\*Note: Balance of (\$380.90) for US Master reported as \$88 per @rgentum August 31, 2005 fund reconciliation.

NAV Net Asset Value  
NAVPS Net Asset Value Per Share



## **APPENDIX “D”**

CANADA

SUPERIOR COURT  
Commercial Division

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

No.: 500-11-021959-032

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**IN THE MATTER OF THE LIQUIDATION OF  
@RGENTUM QUÉBEC BALANCED PORTFOLIO/  
FONDS QUÉBEC ÉQUILIBRÉS – @RGENTUM**

**A. JOHN PAGE & ASSOCIATES INC.**, as Trustee  
to the bankruptcy's estate of @rgentum  
Management and Research Corporation and as,  
Receiver of @rgentum Management and  
Research Corporation and the Funds listed in the  
Appendix "A" attached hereto

Petitioner

vs.

**RAYMOND CHABOT INC.**, in its capacity as  
Receiver of @rgentum Québec Balanced Portfolio/  
Fonds Québec Équilibrés - @rgentum

Respondent

and

**SERVICES FINANCIERS CDPQ INC.**

Mise en cause

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**MOTION OF PETITIONER TO VARY THE ORDER RENDERED *EX PARTE* BY THIS  
HONOURABLE COURT ON MARCH 1<sup>ST</sup>, 2006 IN ORDER TO OBTAIN AN EXTENSION OF  
THE DELAY ESTABLISHED BY SAID ORDER FOR THE FILING OF ITS PROOF OF CLAIM  
AS CREDITOR OF THE @RGENTUM QUÉBEC BALANCED PORTFOLIO/FONDS QUÉBEC  
ÉQUILIBRÉS – @RGENTUM AND FOR RECOGNITION OF AN ORDER OF THE ONTARIO  
SUPERIOR COURT OF JUSTICE**

(Articles 2, 20 and 46 of the Code of civil procedure)

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**TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT OF THE PROVINCE  
OF QUÉBEC, SITTING IN COMMERCIAL DIVISION FOR THE DISTRICT OF MONTRÉAL,  
PETITIONER RESPECTFULLY SUBMITS THE FOLLOWING:**

**THE PARTIES**

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1. On November 16, 2005, Petitioner was appointed Receiver of @rgentum Management and Research Corporation and of the following funds, which were formerly managed by @rgentum:
  - Portefeuille D'Actions Canadiennes @rgentum - @rgentum Canadian Equity Portfolio;
  - Portefeuille Canadien de Performance @rgentum - @rgentum Canadian Performance Portfolio;
  - Portefeuille de Revenu @rgentum - @rgentum Income Portfolio;
  - Portefeuille International Élite @rgentum - @rgentum International Master Portfolio;
  - Portefeuille D'Actifs À Court Terme @rgentum - @rgentum Short-Term Assets Portfolio;
  - Portefeuille Américain Élite @rgentum - @rgentum U.S. Master Portfolio;
  - Portefeuille Découvertes @rgentum - @rgentum Discovery Portfolio;
  - Portefeuille Marché Neutre Américain @rgentum - @rgentum U.S. Market Neutral Portfolio;
  - Portefeuille A/V Actions Canadiennes @rgentum - @rgentum Canadian L/S Equity Portfolio;
  - Portefeuille Marché Neutre Combiné @rgentum - @rgentum Pooled Market Neutral Portfolio; and
  - Portefeuille RER International @rgentum - @rgentum International Master RSP Portfolio.

(collectively the “@rgentum Funds”)

the whole as more fully appears from the Order rendered by the Honourable Justice C.L. Campbell in the file of the Ontario Superior Court of Justice (Commercial List) bearing number 05-CL-6147, a copy of which is filed herewith as **Exhibit P-1**;

2. On December 12, 2005, @rgentum filed an Assignment in Bankruptcy and Petitioner was named as Trustee, the whole as more fully appears from a copy of the printout from the Superintendent of Bankruptcy filed herewith as **Exhibit P-2**;
3. On October 18, 2004, Respondent was appointed Receiver of another fund, also formerly managed by @rgentum , namely the @rgentum Québec Balances Portfolio (the “**Quebec Balanced Fund**”) , pursuant to a judgment of the Honorable Justice Pierre Journet of the Superior Court of Quebec dated October 18<sup>th</sup>, 2004, the whole as more fully appears from the present file;

4. More particularly, Respondent has been appointed Receiver in order to terminate the Quebec Balanced Fund, to liquidate its assets and to distribute the proceeds of said liquidation to the creditors of the Quebec Balanced Fund, the whole as more fully appears from the present court record;

#### THE ISSUE

5. Shortly after its appointment as Receiver of @rgentum and of the @rgentum Funds, Petitioner contacted Respondent and asked its representative to provide a copy of the order appointing it as Receiver;
6. By letter dated November 29, 2005, Petitioner informed Respondent that it might have a claim in the liquidation in the Québec Balanced Fund and therefore asked Respondent to take no steps to distribute the proceeds of its liquidation until Petitioner had the time and the means to quantify any such claim. Petitioner also requested that Respondent give Petitioner prior notice of any court proceedings in the receivership of the Quebec Balanced Fund. A copy of the said letter from Petitioner to Respondent is filed herewith as **Exhibit P-3**;
7. Notwithstanding this request by Petitioner, on/or about February 16, 2006, Respondent filed a Motion for special instructions, including an order that the beneficiaries and the creditors of the Québec Balanced Fund provide Respondent with their proof of claim within forty-five (45) days of the publication of an advertisement in newspapers and this, without any form of notice to Defendant, the whole as more fully appears from the present file;
8. On March 1<sup>st</sup>, 2006, this Honorable Court granted the above mentioned Motion as per its conclusion, the whole as more fully appears from the present file;
9. On/or about March 4<sup>th</sup>, 2006, Petitioner noticed an advertisement in the Globe and Mail indicating that Respondent had obtained an Order dated March 1<sup>st</sup>, 2006 imposing a "Claims Bar Date for the filing of claims" on April 1<sup>st</sup>, 2006, while the above mentioned judgment rendered by this Honorable Court establishes the Claim Bar date at the end of a forty-five day delay following the publication of such advertisement, namely April 18<sup>th</sup>, 2006, a copy of the said advertisement being filed herewith as **Exhibit P-4**;
10. The above-mentioned advertisement is therefore clearly irregular and not in accordance with the judgment of this Honorable Court dated March 1<sup>st</sup>, 2006;
11. Petitioner immediately contacted Respondent and, by letter dated March 6<sup>th</sup>, 2006, repeated its statement that, in its capacity as Trustee to @rgentum and/or as Receiver of the @rgentum Funds, it may have a claim against the Quebec Balanced Fund. Pursuant to said letter, copy of which is filed herewith as **Exhibit P-5**, Petitioner further noted that it was most unlikely that it would be able to file its proof of claim on/or before the Claims Bar date that was established on an *ex-parte* basis, as far as Petitioner is concerned;

12. Indeed, since its appointment as Receiver of the @rgentum Funds and of @rgentum and, thereafter, as Trustee to the Bankruptcy Estate of @rgentum, Petitioner has been diligently attempting to locate and understand @rgentum's records but has been encountering numerous difficulties in this regard;
13. Amongst these difficulties , the books and records of @rgentum in Petitioner's possession are incomplete and Petitioner has still to receive the information and analysis requested from the former principal of @rgentum (despite numerous requests addressed to him by Petitioner);
14. Furthermore, the auditor of @rgentum refuses to provide Petitioner with information and documents that might enable him to more fully support claims against the Quebec Balanced Fund, alleging that said information is privileged and that @rgentum's right to the professional secrecy does not rest with the Petitioner but with the former principals of @rgentum. ;
15. As a factual matter, in the course of its discussions with Respondent, further to the judgment by this Honorable Court on March 1<sup>st</sup>, 2006, Petitioner was told that a "settlement" was reached between @rgentum and Services Financiers CDPQ Inc. pursuant to which the latter allegedly has priority to the first \$150,000 due by the Québec Balanced Fund to @rgentum;
16. On/or about March 15, 2006 Petitioner wrote to Respondent and to the attorneys for Services Financiers CDPQ Inc. asking for copies of the key documents pertaining to this alleged "settlement". Respondent and the attorneys for Services Financiers CDPQ Inc. refused and/or neglected to respond promptly to the said letters from Petitioner, copies of which are filed herewith en liasse as exhibit **P-6** and on March 28, 2006 Petitioner wrote again to the Respondent and to the attorneys for Services Financiers CDPQ Inc. Copies of those letters are filed herewith as exhibit **P-7**.
17. On or about March 29, 2006 Petitioner received a proof of claim and related correspondence from the attorneys for Services Financiers CDPQ Inc. A copy is filed herewith as exhibit **P-8**.
18. On or about March 31<sup>st</sup>, last, further to a request to that effect from the undersigned attorneys, that Respondent provided Petitioner with a copy of the documentation pertaining to the "settlement" agreement, the whole as more fully appears from a letter addressed to the undersigned attorneys by Respondent filed herewith as **Exhibit P-9**; The Petitioner received a direct response from the Respondent on April 3, 2006. A copy of that response is filed herewith as exhibit **P-10**.
19. At this stage and since Petitioner is not in possession of the relevant information nor have complete knowledge of the relevant facts surrounding the execution of the said "settlement" agreement, Petitioner is unable to assess to what extent same can be set up against it, as Trustee, and, in any event, is of the view that it is certainly not opposable to Petitioner in its capacity as Receiver of the @rgentum Funds;

20. In any event, this question is a legal one which depends on the evidence that could be brought forward and which could only be adequately dealt with once Petitioner has filed its proof of claim;
21. Based on the limited information available to the Petitioner so far, Petitioner has, in its capacity as Trustee and as Receiver of the @rgentum Funds, a claim against the Quebec Balanced Fund or a minimum amount of approximately \$85,000;
22. Despite its efforts, Petitioner is still at the preliminary stage of understanding the financial records of @rgentum, the @rgentum Funds and the relationship between them and the Quebec Balanced Fund;
23. If the postponement of the Claims Bar Date requested by the Petitioner pursuant to the present Motion is not granted, @rgentum's creditors and the numerous holders of units in the @rgentum Funds might be deprived of their rights to recover a greater portion of the amounts due to them;
24. The postponement of the Claims Bar Date hereby requested will cause no prejudice to Respondent nor to the Quebec Balanced Funds' creditors;
25. Finally, Petitioner hereby request this Honorable Court to recognize the Order rendered by the Honorable Justice C.L. Campbell of the Ontario Superior Court of Justice on November 16, 2005 in the file bearing number 05-CL-6147 and to order that said Order may be enforced within the province of Québec as if it had been rendered by this Honorable Court;

**WHEREFORE, MAY IT PLEASE THIS HONOURABLE COURT TO:**

**SHORTEN** the delays of service and presentation of the said Motion;

**GRANT** the present Motion;

**POSTPONED** to June 30<sup>th</sup>, 2006 inclusively the Claims Bar Date;

**ORDER** Respondent, Raymond Chabot Inc., to distribute the proceeds of liquidation of the Quebec Balanced Funds amongst its Creditors (as per their proof, as filed or approved by Petitioner or this Honorable Court in case of contestation of same by Respondent) only after June 30<sup>th</sup>, 2006;

**RECOGNIZE** THE Order rendered by the Honorable Justice C.L. Campbell in the Ontario Superior Court of Justice on November 16, 2005 in the file bearing number 05-CL-6147 and **DECLARE** that said Order may be enforced within the province of Québec as if it had been rendered by this Honorable Court;

**THE WHOLE WITHOUT COSTS, EXCEPT IN CASE OF CONTESTATION.**

MONTREAL, this April 12, 2006

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**GOWLING LAFLEUR HENDERSON LLP**  
Attorneys for

**A F F I D A V I T**

I, A. John Page, President of A. John Page & Associates Inc., having a place of business at 100 Richmond Street West, suite 447, in the City of Toronto, Province of Ontario, , M5H 3K6, do solemnly affirms:

1. I am a duly authorized representative of Petitioner;
2. All the facts alleged in the attached Motion are true to my personal knowledge;

I HAVE SIGNED IN TORONTO THIS 12th  
DAY OF APRIL, 2006

---

A. John Page

SOLEMNLY AFFIRMED BEFORE ME  
IN TORONTO THIS 12th DAY OF  
APRIL, 2006

---

Notary public



**NOTICE OF PRESENTATION**

TO:

Dunton Rainville  
800, Square Victoria  
Suite 4300  
Montréal, (Québec) H4Z 1H1

Me Yves Robillard  
Bélanger Sauvé  
1, Place Ville-Marie  
Suite 1700  
Montréal, (Québec) H3B 2C1

Attorneys for Raymond Chabot Inc.

Attorney for Services Financiers CDPQ  
Inc.

**TAKE NOTICE** that the attached Motion of Petitioner to vary the order rendered *ex parte* by this Honorable Court on March 1<sup>st</sup>, 2006 and to obtain an extension of the delay established by said order for the filing of its proof of claim as creditor of @rgentum Québec Balanced Portfolio/Fonds Québec Équilibrés - @argentums and for recognition of an order of the Ontario Superior Court of Justice, will be presented for hearing and allowance in room 16.10, at the Montreal Courthouse, 1 Notre-Dame Street East, Montréal, on April ● , 2006, at 9:00 a.m. or so soon thereafter as Counsel may be heard.

**DO GOVERN YOURSELVES ACCORDINGLY.**

Montréal, this April ● , 2006

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GOWLING LAFLEUR HENDERSON, LLP  
Attorneys for the Petitioner

57<sub>pm</sub>

CANADA  
PROVINCE DE QUÉBEC  
District de Montréal

PROCES-VERBAL D'AUDIENCE

- par défaut  ex parte
- contesté  enquête au fond

COUR SUPÉRIEURE  
Chambre Commerciale

N°: 500

11-021959-032

- Dans l'affaire de:
- la faillite de
  - la proposition de
  - la liquidation de
  - l'avis d'intention de
  - le plan d'arrangement de

Réunis:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Argentum Québec Balanced Portfolio

A. John Page and Associates Inc

Raymond Chabot Inc

Services Financiers CDPQ Inc

DÉBITEUR

SYNDIC

CONTROLEUR

LIQUIDATEUR

ENREGISTREMENT

\_\_\_\_\_

\_\_\_\_\_

RÉFÉRENCES

DÉBUT AM

11 h 29

FIN AM

12 h 26

DÉBUT PM

\_\_\_\_\_ h \_\_\_\_\_

FIN PM

\_\_\_\_\_ h \_\_\_\_\_

Division PRATIQUE SALLE N° 2.07 et 16.12 18 avril 2006

PRÉSENT M. Hon. Robert Mongeon J.

- DÉBITEUR (TRICE)
- PRÉSENT (E)  ABSENT (E)

Me Patrice Beroit

- SYNDIC ou  CONTROLEUR
- LIQUIDATEUR
- PRÉSENT (E)  ABSENT (E)

Me Me Martel

- PRÉSENT (E)  ABSENT (E)

Me Me Patrin

- PRÉSENT (E)  ABSENT (E)

Me \_\_\_\_\_

- PRÉSENT (E)  ABSENT (E)

Me \_\_\_\_\_

REQUETE(S):

- |  |       |  |       |
|--|-------|--|-------|
| <input type="checkbox"/> Nomination séquestre int.   | Cote  | <input type="checkbox"/> Recouvrement de deniers     | Cote  |
| <input type="checkbox"/> Prorogation de délai        | _____ | <input type="checkbox"/> Recouvrement paiement préf. | _____ |
| <input type="checkbox"/> Homologation                | _____ | <input type="checkbox"/> Appel décision registraire  | _____ |
| <input type="checkbox"/> Appel rejet preuve de récl. | _____ | <input type="checkbox"/> Ordonnance de séquestre     | _____ |

Autre(s) Motion of Petitioner to vary the order rendered ex parte by this Honorable Court on March 1st, 2006 in order to obtain an extension of the delay... #57

COPIE CONFORME

Bureau  
Greffier adjoint

GREFFIER: Claude Chalifour

- STÉNOGRAPHE
- INTERPRÈTE

CANADA  
PROVINCE DE QUÉBEC

District Mtl  
N° 11-021959-032

**ENREGISTREMENT**

M	Dist.	An	Mois	Jour	Cas.

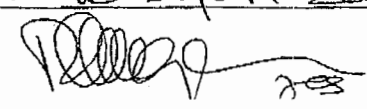
Dist.	An	Mois	Jour	Cas.	Salle	Fisc.

**RÉFÉRENCES**

- 1129 Début
- 1135 Identification des procureurs
- 1137 Représentation de Me Benoit
- 1147 Représentation de Me Martel
- 1149 Représentations de part et d'autre
- 1153 Représentation de Me Potvin
- 1215 Représentation de Mme Comtois
- Discussion entre les procureurs et le Tribunal
- Suspension
- Reprise
- Discussion entre les procureurs et le Tribunal

Décision du Tribunal:  
 Du consentement des parties, la date de production de la réclamation de syndic à la faillite de Argentum Management and Research Corporation et/ou des fonds énumérés au paragraphe 1 de la requête est prorogé jusqu'au 1<sup>er</sup> juin 2006 à 17h00 et les autres conclusions de la requête sont continuées pro forma devant le registraire en salle 16.10 le 2 juin 2006

**COPIE CONFORME**  
Blumen  
Greffier adjoint

C. Chabou  
Cps  


## **APPENDIX “E”**

CANADA  
 PROVINCE OF QUEBEC  
 DIVISION NO.: 01-MONTRÉAL  
 COURT NO.: 500-11-021959-032  
 OFFICE NO.: 039837-01

SUPERIOR COURT  
 "Commercial Division"

IN THE MATTER OF:

**ARGENTUM QUEBEC BALANCED PORTFOLIO**,  
 legal person having a place of business at 1555  
 Peel Street, Suite 1201, in the City of Montréal,  
 Province of Québec, H3A 3L8

Debtor Company

-and-

**RAYMOND CHABOT INC.**, receiver of the  
 business and financial affairs of Argentum Quebec  
 Balanced Portfolio having a place of business at  
 600 de La Gauchetière Street West, Suite 1900, in  
 the City and District of Montréal, Province of  
 Québec, H3B 4L8

Receiver

**NOTICE OF DISALLOWANCE OF CLAIM**

**TO: ARGENTUM MANAGEMENT AND RESEARCH CORPORATION**  
 c/o Mr. A. John Page  
 A. JOHN PAGE & ASSOCIATES INC.  
 100 Richmond Street West, Suite 447  
 Toronto (Ontario) M5H 3K6

**TAKE NOTICE** that, as Receiver of the business and financial affairs of Argentum Quebec Balanced Portfolio duly appointed by the Court pursuant to the order rendered on October 18, 2004, I have disallowed your claim against "Argentum Quebec Balanced Portfolio" dated May 31, 2006 ("Proof of Claim"), for reasons including the following:

- Argentum Quebec Balanced Portfolio was withdrawn from the Corporation's authority by Order rendered on November 18, 2003, the management agreement ceased to apply and no fees and expenses should be claimed following that date;
- Any claim prior to May 31, 2003 is prescribed;
- Moreover, lack of detailed documentation to justify the claim (ex: invoices for all payments made from the Corporation's bank account and the amount due to Corporation as of December 31, 2003);
- The allocation methods are arbitrary, unreasonable and without any justification whatsoever;
- Claim pertaining to the «Redemption paid to unit holders» was never paid to the unit holders. CIBC Mellon did not process the transactions in view of the appointment of Raymond Chabot Inc.;
- Claim pertaining to «Equalization Share» is ill-founded in facts and in Law;
- The Receiver expressly reserves its rights to raise any other reasons for disallowance in case of dispute.

**AND FURTHER TAKE NOTICE** that, if you are dissatisfied with my decision in disallowing your claim in part, you may appeal to the Court within TEN (10) BUSINESS DAYS from the receipt of the present Notice of Disallowance of Claim, by serving upon the Monitor and filing in the Court record, a Motion in Appeal presentable at a date to be set by the Court, and that if no appeal is filed within this period, the disallowance of your claim shall be final and executory.

DATED AT MONTRÉAL, on June 15, 2006.

RAYMOND CHABOT INC.  
 Receiver of  
 Argentum Quebec Balanced Portfolio

  
 JEAN ROBILLARD, CA, CIRP