

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

Plaintiff

AND

@RGENTUM MANAGEMENT AND RESEARCH CORPORATION

Defendant

SECOND REPORT TO THE COURT
BY A. JOHN PAGE & ASSOCIATES INC.
RECEIVER OF @RGENTUM MANAGEMENT AND RESEARCH CORPORATION
AND CERTAIN @RGENTUM MUTUAL FUNDS
DATED DECEMBER 9, 2005

Introduction

On September 19, 2005, at the request of the Quebec Autorité des Marchés Financiers ("AMF"), the Bureau de décision et de révision en valeurs mobilières ("BDRVM") issued an order preventing @rgentum Management and Research Corporation (the "Debtor") and certain @rgentum mutual funds ("the Funds") (collectively "@rgentum") from dealing with assets and securities held by a number of financial institutions. In addition, the BDRVM issued an order requiring the Debtor and the Funds to cease trading in securities. On September 21 and 28, 2005, in order to assist the AMF, the Ontario Securities Commission ("OSC") issued Directions under Section 126(1)(b) of the *Securities Act* (Ontario), freezing all funds and securities held in the accounts of @rgentum at various financial institutions. On consent, those Directions were extended by the Orders of the Honourable Mr. Justice Ground dated September 28, 2005 and the Honourable Mr. Justice Farley dated October 5, 2005.

Upon application of the OSC, A. John Page & Associates Inc. was appointed Receiver of @rgentum by Order of the Honourable Mr. Justice Campbell dated November 16, 2005.

Findings

Since its appointment, the Receiver has had a chance to review certain books and records of @rgentum. This review has revealed two cheques for significant amounts paid to Range Corp. The first cheque was dated September 12, 2005 and cashed September 13, 2005 and was in the amount of \$50,000. The second cheque was dated and cashed on September 20, 2005 and was in the amount of \$100,000. Copies of these cheques are attached as Exhibits "A" and "B". The Receiver has been unable to find any explanation as to why Range Corp. should be receiving these payments from the Debtor.

The Receiver is concerned that these payments may constitute a preference contrary to section 95 of the *Bankruptcy Insolvency Act* (Canada) (the "Act"). In order to preserve the ability to attack these payments under the Act, it is necessary that @rgentum be made bankrupt.

Locality of the Debtor

As mentioned in the First Report of the Receiver dated November 29, 2005, the Receiver's initial investigations identified the following three locations where @rgentum had or had had a presence:

1. 220 Bay Street, Toronto ("the Toronto Premises") - These premises were the ones most recently used by @rgentum and the books and records of @rgentum appear to be stored there. The Toronto Premises are currently being used by Merchant Capital Group Inc., the shareholder of @rgentum.
2. 1555 Peel Street, Montreal - @rgentum used to operate from this location but, as far as the Receiver can determine, they vacated this location at least a year ago and have no assets or records there.
3. Place Ville Marie, Montreal - This is a suite of "virtual" offices where users have a phone number and can rent a desk as required. As far as the Receiver can determine @rgentum has had no presence at this location for a number of months and there are no assets or records there.

The Toronto Premises appear to be the locality of the Debtor, so the Receiver believes the most appropriate official receiver with which to file an assignment for the general benefit of creditors under the Act, is the one located in the Toronto Office of Superintendent of Bankruptcy.

Insolvency of the Debtor

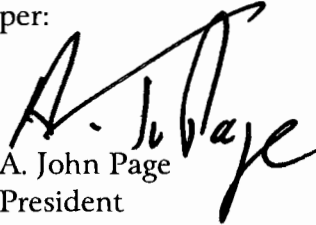
Based on the records of the Debtor that the Receiver has been able to review, the Debtor is

Report to the Court dated December 9, 2005
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unable to meet its liabilities generally as they fall due.

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

**Exhibits to the Report of
A. John Page & Associates Inc.
Receiver of @rgentum
to the Court dated December 9, 2005**

Copy of cancelled cheque payable to Range Corp. dated September 12, 2005 in the amount of \$50,000	A
Copy of cancelled cheque payable to Range Corp. dated September 20, 2005 in the amount of \$100,000	B



Exhibit "A"

**@rgentum Management and
Research Corporation**

001040

@RGENTUM MANAGEMENT & RESEARCH CORPORATION
1555 PEEL STREET, SUITE 1201
MONTREAL, QC H3A 3L8
Tel: (514) 288-1262

BANK OF MONTREAL
MAIN BRANCH TORONTO
FIRST CANADIAN PLACE TEL: (416) 867-5050
TORONTO, ONTARIO M5X 1A3

12/09/2005

PAY TO THE ORDER OF **Range Corp**

****50,000.00**
\$

Fifty Thousand and 00/100*****

Range Corp

DOLLARS

PER *Steph Sinclair*
PER *[Signature]*

MEMO

⑈001040⑈ ⑆00022⑈001⑆ 1315⑈212⑈ ⑆000500000⑆

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Exhibit "B"

**@rgentum Management and
Research Corporation**

0010!

ARGENTUM MANAGEMENT & RESEARCH CORPORATION
1555 PEEL STREET, SUITE 1207
MONTREAL, QC H3A 3L8
Tel: (514) 288-1262

BANK OF MONTREAL
MAIN BRANCH TORONTO
FIRST CANADIAN PLACE TEL: (416) 867-5050
TORONTO, ONTARIO M5X 1A3

20/09/2005

PAY TO THE
ORDER OF

Range Corp

**100,000.00

\$

One Hundred Thousand and 00/100*****

Range Corp

DOLL

PER

PER

MEMO

⑈001050⑈ ⑆00022⑈001⑆ 1315⑈212⑈

⑈0010000000⑈

THIS DOCUMENT CONTAINS SECURITY FEATURES - SEE REVERSE (CE DOCUMENT CONTIEN DES CARACTERISTIQUES DE SECURITE - VOIR A VERSO)