

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

**SUPPLEMENTARY REPORT DATED JANUARY 3, 2006
TO THE FIRST REPORT TO THE COURT
BY A. JOHN PAGE & ASSOCIATES INC.
RECEIVER OF @RGENTUM MANAGEMENT AND RESEARCH CORPORATION
AND CERTAIN @RGENTUM MUTUAL FUNDS
DATED NOVEMBER 29, 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 (“the Initial Order”).

The Receiver is scheduled to make a motion before the Court on January 5, 2006 for an order, among other things, approving a proposal for dealing with the assets of the Funds. In support that motion a Motion Record dated December 21, 2005 has been filed. Included in the motion record was a copy of First Report of the Receiver to the Court dated November 29, 2005 (“the First Report”). This report has been prepared to supplement the information provided to the Court in the First Report.

Mailing to Unit Holders and Advisors

The Receiver was able to obtain from CGI Information and Management Consultants Inc. (“CGI”) a set of Excel spreadsheets purporting to be a listing of the unit holders in the Funds. The Receiver sent a letter dated December 12, 2005 (Exhibit “A”) to all the approximately 600 unit holders listed on the CGI listings. The holdings of approximately 500 of the 600 unit holders were held in the name of nominees. The Receiver also sent this letter to the approximately 500 nominees. The letter described the Receiver’s proposal to liquidate the asset portfolios of each of the Funds and asked parties objecting to the proposal to provide details of their objections in writing.

Responses from Unit Holders and Advisors

To date the Receiver has received emails and telephone calls from between 20 to 30 unit holders and their advisors. No one has voiced any objection to the proposed plan of liquidating the asset portfolios of each of the Funds. One unit holder indicated in writing that he was in agreement with the proposed plan.

Interest in the Purchase of Individual Funds

The Receiver’s legal counsel received an email dated December 22, 2005 from Mr. Leonard Alksnis of McLean and Kerr, the Toronto counsel representing Mr. Karl Hertel, a person claiming security over the Debtor’s assets. In this correspondence, Mr. Hertel’s counsel suggested that there might be a party interested in purchasing one or more of the Funds (without assets or unit holders). Mr. Hertel has submitted a proof of claim in the bankruptcy of the Debtor claiming to be owed \$536,631.58 secured on the assets of the Debtor. The only other parties believed to have an interest in the assets of the Debtor are CRA, for a deemed trust claim for unremitted source deductions in the amount of \$2,868.95 (but subject to change after audit), and the Receiver pursuant to the Receiver’s Charge as set down in the Initial Order. A copy of the December 22nd

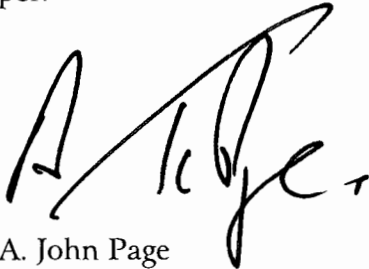
email from Mr. Hertel's counsel is attached as Exhibit "B".

The expression of interest received from Mr. Hertel's counsel is not inconsistent with the Receiver's proposed strategy of liquidating the asset portfolios of the Funds, as set out in the First Report. The Receiver has not changed its opinion regarding the sale of any of the Funds set down in the First Report. It cannot justify investigating the above expression of interest unless its costs are covered by a non refundable deposit.

** ** *

All of which is respectfully submitted to the court.

A. JOHN PAGE & ASSOCIATES INC.
COURT APPOINTED RECEIVER OF @RGENTUM
per:

A handwritten signature in black ink, appearing to read "A. John Page". The signature is stylized and cursive, with a large initial "A" and a long horizontal stroke extending across the top.

A. John Page
President

**Exhibits to the Supplementary Report of
A. John Page & Associates Inc.
Receiver of @rgentum
to the Court dated January 3, 2006**

Letter to Unit Holders and Advisors dated December 12, 2005 A

Email from Leonard Alksnis dated December 22, 2005 B

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Exhibit "A"

**@rgentum Management and
Research Corporation**

Letter to Unit Holders

December 12, 2005

To all persons who may be Unit Holders in one of the @rgentum Mutual Funds.

@rgentum Management and Research Corporation ("the Corporation") and eleven @rgentum Mutual Funds ("the Funds")(collectively "@rgentum")

A. John Page & Associates Inc. was appointed as Receiver and Manager of the property of @rgentum by order ("the Order") of the Honourable Mr. Justice Campbell of the Ontario Superior Court of Justice (Commercial List) ("the Court") dated November 16, 2005. A copy of the Order (including a listing of the Funds) may be obtained from our website at www.ajohnpage.com.

We have retained as professional advisors the firm of Acker Finley Inc. ("Acker Finley") to assist us in determining how to deal with the investments held in the Funds. It is their recommendation that we liquidate the portfolios in each of the Funds in an orderly fashion and invest the proceeds in short term interest bearing investments ("the Acker Finley Plan"). We would then be in a position to make a distribution of cash to unit holders once we have accurately determined who those persons are. In accordance with the advice given to us by Acker Finley we therefore plan to make a motion before the Court to ask for the authority to implement the Acker Finley Plan.

The Receiver's First Report to the Court dated November 29, 2005 ("The First Report") and accompanying Motion Record will be before the Court on January 5, 2006. A copy of The First Report, which provides more information on this matter, can also be found on our website.

If you object to our proposed action could you please provide us with details of your objection in writing prior to the Court date.

Please note that Raymond Chabot Inc. are handling the windup of the @rgentum Quebec Balanced Portfolio and any enquiries regarding that fund should be directed to them at Suite 1900, National Bank Tower, 600 de la Gauchetiere St. W., Montreal, Quebec H3B 4L8.

Yours very truly

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

per:


A. John Page
President

Le 12 décembre 2005

À toutes les personnes qui peuvent être détentrices de parts de l'un des fonds mutuels @rgentum

Corporation de gestion et de recherche @rgentum (la « Corporation ») et onze des fonds mutuels @rgentum (« les « Fonds ») (nommés collectivement « @rgentum »)

A. John Page & Associates Inc. a été nommé administrateur-séquestre des biens d'@rgentum par ordonnance (l'« Ordonnance ») datée du 16 novembre 2005 de l'honorable juge Campbell de la Cour supérieure de justice de l'Ontario (Rôle commercial) (la « Cour »). Il est possible de se procurer un exemplaire de l'Ordonnance (qui comprend l'énumération des Fonds) sur notre site Web à l'adresse www.ajohnpage.com.

Nous avons retenu les services de la société Acker Finley Inc. (« Acker Finley ») comme conseiller professionnel afin de nous aider à déterminer la façon de gérer les montants investis dans les Fonds. Selon sa recommandation, il est préférable de liquider les porte-feuilles de chacun des Fonds d'une manière organisée et d'investir le produit dans des investissements à court terme portant intérêt (le « Scénario Acker Finley »). Nous serons par la suite en position de procéder à une distribution de l'argent aux détenteurs de parts une fois que nous aurons déterminé précisément qui sont ces personnes. Conformément au conseil qui nous a été prodigué par Acker Finley, nous prévoyons donc d'introduire auprès de la Cour une requête demandant l'autorisation de mettre en œuvre le Scénario Acker Finley.

Le premier rapport de l'administrateur-séquestre déposé auprès de la Cour et daté du 29 novembre 2005 (le « Premier rapport ») et le dossier de requête seront donc portés devant la Cour le 5 janvier 2006. On peut également se procurer sur notre site Web un exemplaire du Premier rapport, lequel fournit plus de renseignements à ce sujet.

Si vous vous opposez à l'action que nous proposons, veuillez nous faire parvenir par écrit les détails de votre opposition avant la date prévue pour l'audience.

Veuillez prendre note que la société Raymond Chabot Inc. a la responsabilité de la dissolution du porte-feuille Québec équilibré @rgentum (@rgentum Quebec Balanced Portfolio); toutes les demandes de renseignements portant sur ce fonds doivent être adressées à la société Raymond Chabot Inc à l'adresse suivante : Bureau 1900, Tour de la Banque Nationale, 600 rue de la Gauchetière Ouest, Montréal (Québec) H3B 4L8.

Bien à vous

A. JOHN PAGE & ASSOCIATES INC.
ADMINISTRATEUR-SÉQUESTRE D'@RGENTUM
par :

A. John Page
Président

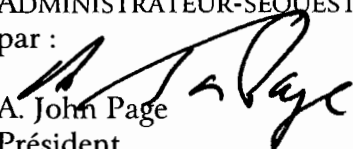




Exhibit "B"

**@rgentum Management and
Research Corporation**

Email from Leonard Alksnis

-----Original Message-----

From: Alksnis, Leonard <lalksnis@mcleankerr.com>

To: Prophet, Clifton <Clifton.Prophet@Gowlings.com>

CC: KG.Hertel@t-online.de <KG.Hertel@t-online.de>

Sent: Thu Dec 22 10:38:13 2005

Subject: RE: Ontario Securities Commission v. @rgentum Management and Research Corporation

Clif, I have spoken with a fund company who is interested in acquiring the long/short funds of @rgentum (without assets) if the regulators will let it continue to operate the funds under the prospectus. It will pay for legals and costs to facilitate the transaction but will not pay a purchase price. It is prepared to enter into an arrangement with our client so our client can recover its secured debt over a period of time out of earnings going forward. This transaction is attractive to our client and we would like to pursue it. Can you please arrange to send me (or have the receiver send me) the prospectus of each of the Canadian L/S Equity, Pooled Market Neutral and US Market Neutral Funds so our prospective purchaser can assess these funds. Can you also enquire of Page and Acker Finley what is required in order to obtain regulator approval.

I look forward to hearing from you.

Len

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

ONTARIO SECURITIES COMMISSION
V.
@RGENTUM MANAGEMENT AND
RESEARCH CORPORATION

**Supplementary Report
Dated January 3, 2006**

**to the First Report to the Court
By A. John Page & Associates Inc.
Receiver of
@rgentum Management and
Research Corporation and certain
@rgentum Mutual Funds Dated
November 29, 2005**

A. John Page & Associates Inc.
347 Bay Street, Suite 1203
Toronto, Ontario
M5H 2R7
Tel: (416) 364-4894
Fax: (416) 364-4869
Email: ajpage@ajohnpage.com

Attention: A. John Page