

Crocus Investment Fund

March 31, 2009 Quarterly Report

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1.0 Background

On June 28, 2005, pursuant to an application made by the Manitoba Securities Commission ("MSC") under Section 27 of *The Securities Act*, the Court of Queen's Bench (the "Court") made an Order appointing Deloitte & Touche Inc. ("Deloitte" or the "Receiver") as Receiver and Manager of the Crocus Investment Fund ("Crocus" or the "Fund"). The Receiving Order appointed Deloitte as Receiver over all of Crocus' current and future assets, undertakings and properties and granted the Receiver powers to carry out its duties as outlined in the Order.

The purpose of this Report is to report on the activities of the Receiver as well as to provide an update on the financial position of the Fund. The Report will cover the Receiver's operations and activities since the December 31, 2008 Quarterly Report.

2.0 Activities of the Receiver

The following summarizes the major activities of the Receiver since December 31, 2008:

- Preparation of the December 31, 2008 and March 31, 2009 Quarterly Reports.
- Monitoring the status of the action commenced by Bernard W. Bellan under *The Class Proceedings Act* (the "Class Action") as well as the status of the Manitoba Securities Commission ("MSC") hearings brought against the former members of the Board of Directors of Crocus and various other parties.
- Meeting and corresponding with various parties interested in acquiring certain of the investee companies.
- Ongoing discussions and meetings with counsel regarding settlement between the Receiver on behalf of Crocus, the Class Action plaintiffs, the directors and officers and the insurer.
- Supervising and directing Crocus staff retained by the Receiver.
- Meeting and corresponding with individual Crocus shareholders.
- Regular monitoring of the investee companies and discussions with various stakeholders of the investees about the possible courses of action respecting Crocus' investment in the investees.
- Ongoing discussions and negotiations with certain of the investee companies about possible exit strategies for Crocus.
- Meetings and discussions regarding debt agreements with certain of the investee companies.
- Corresponding with Colorado counsel and the Court Appointed Receiver of COH Holdings Inc. ("COH") regarding the settlement agreement.
- Fulfilling the duties of Crocus as General Partner of the Manitoba Science & Technology Fund ("MS&T").

- Review of Crocus shareholder records and investigation into tax, technology banking, trust and legal issues in anticipation of a distribution to shareholders.
- Corresponding with pension authorities and plan actuary about wind-up of the Crocus pension fund.
- Preparation of annual tax returns.
- Discussions and correspondence from Crocus' landlord and sub-tenants regarding ongoing tenancy and sub-tenancy issues.

3.0 Operations

The ongoing activities of Crocus consist of investment monitoring, financial reporting, shareholder services and tax reporting as well as information technology. The Receiver presently employs one (1) staff member and has sub-contracted certain information technology and back office services.

The Receiver continues to occupy approximately one half of the 5th floor of the Crocus premises at 211 Bannatyne Avenue. The balance of the space which Crocus leased has been sublet.

4.0 Financial position

Financial statements for Crocus have been prepared for the second fiscal quarter ended March 31, 2009 and are attached as Appendix 1. The statements are internal and unaudited, and have been prepared in a manner consistent with the financial information that was formerly provided to Crocus shareholders with the exception that the portfolio valuation is carried at the June 28, 2005 value, unless the investment has been realized upon. The June 28, 2005 value was derived from the external valuations which were completed after Crocus ceased trading in December 2004.

4.1 Financial highlights

The following are the financial highlights for the first quarter of the September 30, 2009 fiscal year:

- Net Income for the quarter was approximately \$46,000 and year to date net income was approximately \$187,000.
- Investments in cash and equivalents (bonds, GIC's and Banker's Acceptances) of approximately \$66.0 million.
- Accounts receivable of approximately \$3.0 million. The majority of the balance consists of accrued interest on marketable securities and portfolio investments. In addition there is a balance due from the sale of one (1) portfolio investment. Pursuant to the sale arrangement with this investee, a portion of the sale price is contingent on the future earnings of the investee.
- Net carrying value of the remaining Crocus portfolio of investees of approximately \$19.7 million.
- Accounts payable of \$0.5 million.

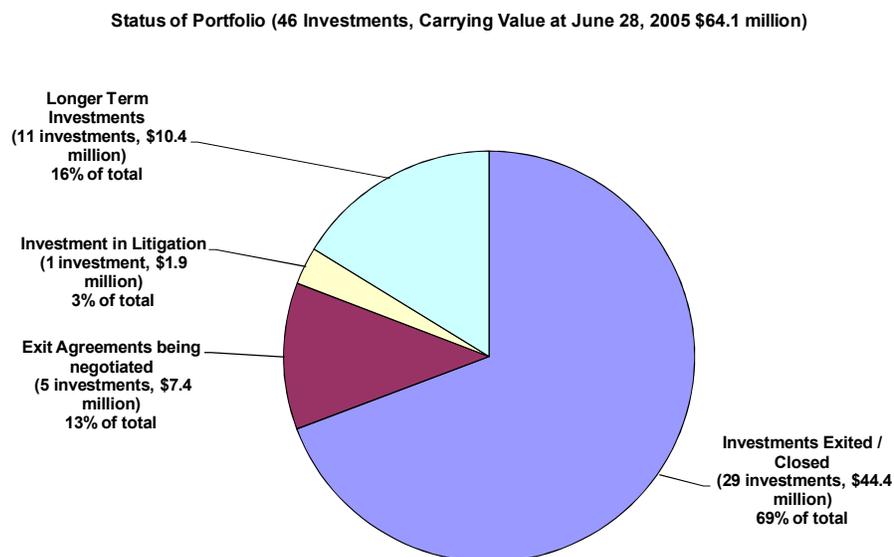
4.2 Liquidity

As is noted above, Crocus has approximately \$66.0 million in cash and equivalents representing a \$1.2 million increase from the previous quarter. The increase is due to the sale of a portion of one investment. The Receiver is maintaining a conservative investment policy for these funds which consists of investing in government bonds, GIC's and Banker's Acceptances.

5.0 Portfolio

5.1 Status and valuation

As at June 28, 2005 there were 46 individual investee companies in the Crocus portfolio with a gross carrying value of \$64.1 million. The Receiver has categorized the current status of the portfolio as follows:



As noted in previous reports, one of the overriding issues with the Crocus portfolio is that the majority of agreements entered into between Crocus and the investee companies did not provide for any exit mechanism. Accordingly, the Receiver continues to monitor and discuss exit strategies with many of the remaining investees. The position of the majority of the investees is that they prefer to negotiate an arrangement whereby the investee company and/or the existing non-Crocus shareholder(s) of the investee would buy Crocus' interest from the Receiver.

Cumulatively to March 31, 2009, 29 of the 46 investments within the Crocus portfolio have been realized upon or are considered closed. There are 17 investments remaining.

In summary, since its appointment the Receiver has realized proceeds of approximately \$47.9 million for investments with a June 28, 2005 book value of approximately \$44.4 million representing a recovery of approximately 107%. Crocus' carrying value for these investments when it ceased trading in December 2004 was approximately \$79.9 million, which would represent a recovery of approximately 60%. In addition, since its appointment the Receiver has also

eliminated exposure on approximately \$2.3 million in guarantees that had been reserved.

The Receiver remains of the view that the original estimated timetable of approximately five (5) years to deal with the majority of the Crocus portfolio is reasonable. The Receiver also continues to remain of the view that the cost would outweigh the benefit in revaluing the portfolio on an ongoing basis given that the Fund is not trading and, accordingly, for the present, the valuation of most remaining investees within the portfolio has been frozen at their June 28, 2005 values.

The Receiver has in the past and will continue to update investee valuations prior to entering into negotiations for sale.

5.2 Exit agreements being negotiated

The Receiver continues discussions with a number of the investee companies regarding the possible exit of Crocus' interest. Currently there are five (5) investees with a carrying value of approximately \$7.4 million where varying levels of discussions are taking place.

5.3 Investment in litigation

On November 29, 2006, the Receiver issued a statement of claim against the Goldeyes for unpaid interest which at the time totalled approximately \$306,000. A statement of defence was received and was reviewed by the Receiver and counsel. The Receiver filed a motion to have this matter dealt with summarily by the Court. Counsel for the Goldeyes requested an examination of the Receiver on its affidavit and brought a motion seeking an Order to compel the Receiver to produce certain documents. The Receiver produced the documents sought and the Goldeyes' motion was not proceeded with. The parties then engaged in a series of cross-examinations on affidavits. A summary judgment motion was heard on May 14, 2008. On December 24, 2008, the Court issued a judgment dismissing the summary judgment motion. In essence, the Court has concluded that the matter was not clear enough to deal with the matter summarily and that a trial was required.

5.4 Longer term investments

Eleven (11) investments with a carrying value of \$10.4 million are currently considered longer term investments. In the opinion of the Receiver, exit transactions with these investees in the short term are unlikely. The Receiver continues to monitor these investees and, where deemed appropriate, has taken Board positions.

One (1) investee, MS&T, is a limited partnership holding several science and technology investments. Crocus is an investor in the limited partnership and is the sole owner of the General Partner. A number of the investments held by the limited partnership are common to the investments held by Crocus. At a meeting held on February 29, 2008, the limited partners gave the General Partner a mandate to wind down the partnership. Deloitte has proceeded with this mandate and reports to the limited partners on a quarterly basis.

6.0 Contingent liabilities

Previous Quarterly Reports outlined a number of contingent liabilities of the Fund. The following is an update on developments regarding known contingent liabilities. The Receiver, however, cannot provide any assurance that all contingent liabilities of the Fund have been identified.

6.1 Indemnifications

Prior to the appointment of the Receiver, there had been an investigation of Crocus by the Office of the Auditor General ("OAG") as well as an investigation into the conduct of Crocus and its directors and officers by the MSC. In total, 17 former directors and officers were named in the investigations and proceedings. The By-laws of Crocus, as well as certain provisions contained in certain severance agreements, make provision for indemnification of directors and officers. In addition, Crocus had contractually indemnified its former lead brokers, which are also named as defendants in the Class Action.

In January 2006, Madam Justice McCawley ordered that Crocus, through the Receiver, is responsible for paying the ongoing legal costs of the various directors and officers named in the Class Action as well as those parties named in the regulatory proceedings brought by the MSC. The decision was upheld by the Court of Appeal.

6.2 Class action proceedings

The Receiver continues to monitor the Class Action suit that has been brought by the Crocus shareholders against Crocus, Crocus Capital Inc. and 21 other defendants. The Class Action suit seeks \$150 million in damages from the defendants for negligence and oppression as well as punitive and exemplary damages. A second class action was subsequently filed against the Government of Manitoba.

In earlier Quarterly Reports, the Receiver advised that January 14, 2008 had been set by the Case Management Judge as the date on which a certification hearing would commence. A certification hearing is a procedure under the *Class Proceedings Act*, during which a Judge decides whether a case should proceed as a class proceeding. If the Judge decides that it should not proceed as a class action, then shareholders who wish to litigate would be required to bring individual actions. If the class action is certified, the parties would then engage in the civil litigation process, which in the absence of any settlement, would ultimately lead to a trial.

The certification hearing was subsequently adjourned to June 23 to 25, 2008, inclusive.

In the meantime, certain parties entered into mediated settlement discussions. As a result of those discussions, several agreements in principle were reached amongst the plaintiffs and all of the defendants involved in both Class Action suits, with the exception of Wellington West Capital Inc. ("Wellington West") which was one of the underwriters.

On May 20, 2008 and May 30, 2008, Mr. Justice Hanssen certified the lawsuits against the Government of Manitoba, the MSC and Nesbitt Burns Inc. (the "Settling Defendants") as class actions for the purposes of settlement and approved the settlement agreements reached with the Settling Defendants. Pursuant to the terms of the settlement agreements, the Settling Defendants have agreed to pay a total of \$2.85 million as settlement, \$2.75 million of which will be paid on behalf of the Government of Manitoba and the MSC and \$100,000 of which will be paid by Nesbitt Burns Inc. In exchange for payment, the claims against the Government of Manitoba, the MSC and Nesbitt Burns Inc. will be dismissed and no admissions of liability will be made. Payment of the settlement funds has now been made to the plaintiff's solicitor.

Settlement agreements reached in principle with the former directors and officers of Crocus and PricewaterhouseCoopers LLP ("PWC") would have added an additional \$9.15 million to the amount of the settlement being paid by the remaining defendants. On June 23, 2008, the Court declined to approve the settlements on the terms proposed; however, the parties continue negotiations.

Should revised settlements with the former directors and officers of Crocus and PWC be finalized and approved by the Court, the other defendants have proposed to abandon most claims for indemnity against the Fund asserted in the Class Action. This would result in one of the major obstacles to the distribution of funds to the shareholders being removed.

On June 23 to 25, 2008, inclusive, the certification hearing as against the remaining defendant, Wellington West, was heard. At the request of the Plaintiffs and Wellington West, Mr. Justice Hanssen was asked to defer ruling on the certification motion in light of the possibility that the parties would reach an overall resolution of the matter. Since that time, the Plaintiffs and Wellington West have made some progress resolving matters; but there are still issues remaining. A meeting was scheduled for October 15, 2008 between counsel for the Plaintiffs, Wellington West, the officers and directors, PWC and the Receiver to see if a settlement amongst these parties could be finalized, which, notwithstanding some progress, has not resulted in final settlements. Although further progress was made at that meeting, a

significant obstacle arose between the Receiver and the former Directors and Officers. In order to try to overcome that obstacle, the Receiver made application to the Court on January 7, 2009 to obtain a claims bar order in favour of Crocus and the former Directors and Officers. The claims bar order requested by the Receiver was not granted and the parties have therefore gone back to try and find another negotiated solution to the remaining obstacle. As of March 31, 2009 those negotiations had not been completed. A court date however has been arranged by the Plaintiffs in the Class Action for April 22, 2009 at which time they will ask the court to proceed with the Class Action or approve any settlement which has been achieved by that time.

Even if settlements are finalized, further motions to the Court will be required for its approval. Accordingly, the earlier forecasts of the Receiver for a potential distribution during the fall of 2008 have been delayed. While the Receiver remains hopeful that these matters will be resolved it is unlikely that this resolution will happen in the short term and as such the Receiver is unable to provide any indication as to when a distribution to the shareholders may occur.

6.3 Trailer fees

Crocus paid referring brokers/agents a commission, a portion of which was payable over the hold period of the investment. As the ultimate amount of repayment to shareholders is unknown, no liability for such trailer fees has been accrued in the financial statements. The potential liability, if any, of Crocus for ongoing trailer fees remains under consideration.

6.4 Insurer

Crocus had maintained insurance coverage on behalf of directors and officers (but not on behalf of the lead brokers) to cover claims. The coverage is limited to \$5,000,000, with a \$100,000 deductible which has been paid by the Receiver. At present, the insurer has denied coverage for those legal costs related to the MSC and OAG investigations. A statement of claim was filed by the Receiver against the insurer asking the Court to declare that the legal costs associated with the MSC and OAG investigations are covered by the policy of insurance.

Examinations for discovery of a representative of the insurer and of a representative of Crocus were set for November 2007, but were postponed as the proposed Class Action settlement had also contemplated settlement between the insurer and the Receiver. Should a negotiated settlement with the officers and directors be completed, this action would be dismissed.

6.5 Guarantees/Other

The Receiver is not aware of any guarantees of indebtedness to lenders of investee companies which remain outstanding.

In addition to the indemnifications outlined in Section 6.1 above, the Receiver is aware of one additional indemnity provided by Crocus relating to an investee company which remains outstanding.

7.0 Share value

The net asset value per share ("share value") as at March 31, 2009 was \$6.21. As noted in previous Reports, the Receiver emphasizes that the share value of \$6.21 is an accounting book value partially based on the June 28, 2005 carrying value of the investment portfolio.

Future events will determine the ultimate realizable value of the portfolio. Those events include determination of amounts that Crocus will have to pay in order to settle known and contingent liabilities, including payment on various indemnities. Such matters may have a material effect on the share value which is ultimately available for distribution to Crocus shareholders. The Receiver continues to believe that the total amount of claims against Crocus may be significant in light of the current investigations and the Class Action against the Fund. The future events identified to date include:

- Possible further increases/reductions in the value of the portfolio as a result of ongoing investee performance.
- The length of time taken to realize on the portfolio.
- Professional costs incurred by the Receiver and its counsel as a result of current and future litigation.
- Costs and damages for which Crocus may become liable and the Receiver may have to pay as a result of indemnities granted by Crocus.
- Costs and damages for which Crocus may become liable as a result of the Class Action.
- Any provision for the costs of the difference between the head lease and subleases for the premises maintained by Crocus.
- The additional liability, if any, for the trailer fees payable to agents/brokers.
- Any additional guarantees or indemnities granted by Crocus which have not yet been identified.
- All other costs of monitoring the portfolio and realizing on the assets.

The Receiver will continue to provide updates on the share value in future Quarterly Reports.

8.0 Shareholder communication

The Receiver has continued to post Court Orders, Receiver's Reports, Quarterly Reports, Media Statements and shareholder letters as well as information related to the Class Action settlements on its website at www.deloitte.com/ca/crocusfund.

9.0 Distribution

In December 2005, the Receiver issued Receiver's Report No. 6 which requested that the Court authorize an initial distribution to shareholders as well as additional distributions as cash became available. The Court heard the matter and in April 2006 ruled that the Receiver should not make any distribution of funds until such time as the liabilities for which Crocus may be responsible are better determined. The indemnifications to the directors and officers and underwriters as a result of the Class Action form the vast majority of the Fund's contingent liabilities.

In light of the agreements in principle between the Class Action plaintiffs and certain of the defendants, the question arises as to when a distribution to Class A shareholders can be reasonably expected to occur. The Receiver is of the view that it would be unable to make an application to Court recommending a distribution to the shareholders prior to the following being resolved or otherwise dealt with by the Court:

- The plaintiffs, directors and officers, and where appropriate, the Receiver on behalf of Crocus, will have to finalize the arrangements outlined above and all settlements will need to be documented in formal settlement agreements.
- The agreements in principle between the plaintiffs and the other defendants need to be documented in formal settlement agreements.
- The settlement agreements will have to be approved by the Class Action Court and all subject conditions in the agreements will need to be satisfied.

In addition, the Receiver is of the view that a claims bar process is required to identify any claims which the Receiver is not aware and bar any future claims prior to distribution. Accordingly, the Receiver had made a motion for a claims bar process on January 7, 2009 at which time the judge did not request the relief requested by the Receiver. Once a clearer direction is known regarding the Class Action proceeding, it is the intention of the Receiver to reapply to the court with a modified request for a claims process.

10.0 General

A Statement of Receipts and Disbursements from June 28, 2005 to March 31, 2009 is attached as Appendix 2.

The Receiver will continue to keep the Court apprised of ongoing developments with the next Quarterly Report to be filed in mid-July 2009.

Respectfully submitted this 15th day of April, 2009.

DELOITTE & TOUCHE INC., in its capacity as Receiver and Manager of Crocus Investment Fund and not in its personal capacity.



Per: A. R. Holmes
Senior Vice-President

Appendix 1 – Crocus financial statements as at March 31, 2009

Crocus Investment Fund
Consolidated Statement of Net Assets
As at March 31, 2009 (unaudited)

ASSETS

Cash and equivalents
Investments in Manitoba businesses

Accounts receivable
Capital assets

March 31, 2009

	66,021,133
	<u>\$ 19,697,102</u>
	85,718,235
	3,006,700
	<u>411,685</u>
	89,136,621

LIABILITIES

Accounts payable and accrued liabilities

	<u>451,447</u>
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NET ASSETS

	<u><u>\$ 88,685,173</u></u>
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SHAREHOLDERS' EQUITY

Share capital
Deferred selling costs adjustment
Deficit

	\$ 188,014,669
	(9,134,637)
	<u>(90,194,858)</u>
	<u><u>\$ 88,685,173</u></u>

**NET ASSET VALUE PER CLASS "A" COMMON SHARE and
SERIES TWO CLASS "I" SPECIAL SHARE**

	<u><u>\$ 6.21</u></u>
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Crocus Investment Fund**Consolidated Statement of Operations****For the period ended March 31, 2009 (unaudited)**

	Quarter Ending		Year to Date
	March 31, 2009		March 31, 2009
REVENUE			
Interest and Dividend Revenue	\$ 305,451	\$	750,534
Management Fees & Other Recoveries	104,830		308,922
	<u>410,281</u>		<u>1,059,455</u>
EXPENSES			
Amortization of Capital Assets	26,499		52,997
Occupancy	92,113		184,226
Administrative, Office and Investment	71,539		126,252
Legal - Receivership	48,471		102,193
Receiver and Manager	150,319		403,839
Salaries and Benefits	38,095		77,845
	<u>427,036</u>		<u>947,353</u>
OPERATING INCOME BEFORE NON-RECURRING ITEMS	<u>(16,756)</u>		<u>112,102</u>
Amount realized in excess of June 28, 2005 carrying value	62,654		75,060
INCOME FOR THE PERIOD	<u>\$ 45,898</u>	\$	<u>187,162</u>

Crocus Investment Fund
Consolidated Statement of Deficit
For the period ended March 31, 2009 (unaudited)

DEFICIT-Beginning of period, September 30, 2008
Income for the period
DEFICIT-END OF PERIOD

March 31, 2009
\$ (90,382,020)
187,162
\$ (90,194,858)

Consolidated Statement of Changes in Net Assets
For the period ended March 31, 2009 (unaudited)

NET ASSETS - September 30, 2008
Operating activities
Income for the period
NET ASSETS - END OF PERIOD

March 31, 2009
\$ 88,498,011
187,162
\$ 88,685,173

Crocus Investment Fund
Consolidated Statement of Investment Portfolio
As at March 31, 2009 (unaudited)

Investments In Manitoba Businesses	Debt Cost	Equity Cost
Investments	<u>\$ 4,860,863</u>	<u>\$ 22,431,186</u>
INVESTMENTS IN MANITOBA BUSINESSES AT COST		27,292,049
NET UNREALIZED DEPRECIATION OF INVESTMENTS IN MANITOBA BUSINESSES		(7,594,947)
NET INVESTMENTS IN MANITOBA BUSINESSES		<u><u>\$ 19,697,102</u></u>

Crocus Investment Fund

Consolidated Statement of Investment Portfolio

As at March 31, 2009 (unaudited)

BONDS AND DEBENTURES

Province of Manitoba
City of Winnipeg

	Par Value		Amortized Cost
\$	200,000	\$	200,000
	300,000		299,558
	<u>500,000</u>		<u>499,558</u>

SHORT TERM INVESTMENTS

Assiniboine Credit Union
BMO Mortgage Corporation
Canadian Western Bank
HSBC
Scotia Bank
TD Waterhouse

	50,000		50,000
	5,420,163		5,420,163
	8,773,441		8,773,441
	5,539,254		5,539,254
	28,071,421		28,071,421
	<u>17,539,224</u>		<u>17,539,224</u>
	<u>65,393,503</u>		<u>65,393,503</u>
	65,893,503		65,893,061

NET UNREALIZED APPRECIATION OF INVESTMENTS

128,072

CASH & EQUIVALENTS

\$ 66,021,133

Crocus Investment Fund

Notes to the Consolidated Financial Statements

For the period ended March 31, 2009 (unaudited)

Net Asset Value of Class "A" Common Shares and Series Two Class "I" Special Shares

The net asset value of the Fund's issued Class "A" Common Shares and Series Two Class "I" Special Shares is calculated as follows:

	March 31, 2009
Net assets - end of year	\$ 88,685,173
Less: Attributed to Class "L" Special Shares	<u>(200)</u>
Balance attributed to the Class "A" Common and Series Two Class "I" Special Shares	<u>\$ 88,684,973</u>
Number of issued Class "A" Common Shares	14,220,000
Number of issued Series Two Class "I" Special Shares	<u>69,126</u>
	14,289,126
NET ASSET VALUE PER CLASS "A" COMMON SHARE and SERIES TWO CLASS "I" SPECIAL SHARE	<u>\$ 6.21</u>

Crocus Investment Fund**Consolidated Statement of Investment Portfolio****Investments in Manitoba Businesses**

		Debt Cost	Equity Cost
Investments		\$	\$
Biovar Life Support Inc.	Class "B" common shares	-	500,000
	Promissory note	350,000	-
Canad Corporation of Canada Inc.	Common shares	-	5,000,000
	Promissory note	46,939	-
Cando Contracting Ltd.	Class "A" common shares	-	680,878
Crocus Hockey Holdings Inc.	Common shares	-	5,067,524
Diamedica Inc.	Common shares	-	391,505
D.L.J.S. Enterprises Ltd.	Promissory note	112,180	-
Enterprise Swine Systems Ltd	Debenture	600,000	-
Enterprise Swine Systems II Ltd	Debenture	267,086	-
ESS Holding Company	Common shares	-	600,000
	Guarantee	557,512	-
Genesys Venture Inc.	Voting common shares	-	125,000
	Promissory note	100,000	-
Manitoba Science & Technology Fund	Class "A" limited partnership units	-	2,072,567
Muddy Waters Smokehouse	Promissory note	100,573	-
Novra Technologies Inc.	Common shares and warrants	-	1,249,999
	Debenture	777,197	-
Online Enterprises Inc.	Class "A" common shares	-	5,500,003
ST Partnership	Limited partnership units	-	666,860
Winnipeg Goldeyes Baseball Club Inc.	Common shares	-	576,851
	Debenture	434,149	-
W.O.W. Hospitality Concepts Inc.	Debenture	1,515,227	-
Other	Each individually less than \$100,000	-	-
Total Operating		4,860,863	22,431,186
INVESTMENTS IN MANITOBA BUSINESSES AT COST			27,292,049
NET UNREALIZED DEPRECIATION OF INVESTMENTS IN MANITOBA BUSINESSES			(7,594,947)
NET INVESTMENTS IN MANITOBA BUSINESSES			19,697,102

Appendix 2 – Statement of receipts and disbursements to March 31, 2009

**Deloitte & Touche Inc., Receiver and Manager of
CROCUS INVESTMENT FUND
Statement of Receipts and Disbursements
For the Period June 28, 2005 to March 31, 2009**

Receipts

Cash and Short Term Investments on Hand	\$ 23,363,056
Contract Back Office Services	518,463
Dividends-Portfolio	657,483
Income Tax Refund	131,991
Insurance Claim and Premium Refund	20,662
Interest-Portfolio	1,552,519
Interest-Short Term Investments	6,529,256
Investment Principal Repayments	925,667
Management Fees	930,613
Proceeds on Disposal of Investments	45,470,706
Rent/Sub-Lease	937,379
Sundry	229,405
Pre-Receivership Accounts Receivable	566,705

Total Receipts

81,833,906

Disbursements

Advances to Investees	\$ 265,132
Capital Tax	198,746
Computer, Telephone and Office Expense	554,555
Consulting Fees	385,679
Insurance - Indemnification	114,178
Investee Guarantee and Indemnification	1,344,677
Investment Expenses	194,625
Legal Fees	1,676,054
Legal Fees - Indemnification	535,523
Payroll & Benefits	1,675,371
Receiver and Manager Fees	3,992,902
Records Review	1,288,814
Rent	1,540,870
Settlements	620,000
Shareholder Services	511,190
Pre-Receivership Payables and Accruals	914,385

Total Disbursements

15,812,698

Excess of Receipts over Disbursements

\$ 66,021,208

Represented by:

Short Term Investments and Bonds \$ 66,021,208



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