



**Crocus Investment Fund**  
September 30, 2022 Quarterly Report  
October 25, 2022

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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 of Manitoba (the "**Court**") made an Order (the "**Receiving Order**") appointing Deloitte Restructuring Inc. (formerly Deloitte & Touche Inc., hereafter referred to as "**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 Receiving Order.

The purpose of this report (the "**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 June 30, 2022 Quarterly Report.

The financial information herein has not been audited and therefore the Receiver does not express any opinion on (a) the financial statements as of any date or for any period or (b) any financial data or other information referred to in this Report. The reader is cautioned that this Report may not disclose all matters and details about the ongoing Receivership proceedings. The Receiver assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction or use of this Report. Any use which any party makes of this Report, or any reliance or decision to be made based on this Report, is the sole responsibility of such party.

## 2.0 Activities of the Receiver

The following summarizes the activities of the Receiver since June 30, 2022:

- Preparing the June 30, 2022 and September 30, 2022 Quarterly Reports;
- Administering the Distributions (as defined below) as outlined in the Court Orders of September 4, 2009, December 12, 2011, October 14, 2014, and January 17, 2022;
- Corresponding with numerous shareholders, brokers, dealers, and intermediaries regarding the Distributions and status of the Fund;
- Supervising and directing agents retained by the Receiver; and
- Corresponding with the bare trustee for the Fund.

## 3.0 Operations

The ongoing activities related to Crocus consist of financial reporting, administration of the Distributions, shareholder services, and tax reporting. The Receiver no longer employs any former employees of Crocus but has sub-contracted certain information technology and back office services.

## 4.0 Financial position

Financial information for Crocus has been prepared by the Receiver for the fourth fiscal quarter ended September 30, 2022, and is attached as Appendix 1.

The primary assets in the Fund include the following:

- Approximately \$0.2 million in respect of the residual Receiver's Holdback (as defined in Receiver's Report No. 19 dated January 6, 2022);
- Approximately \$0.6 million on account of undistributed funds in respect of the Final Distribution (as defined below), inclusive of unremitted withholding taxes; and
- Approximately \$1.7 million on account of undistributed funds in respect of the First, Second, and Third Distributions (all as defined below).

## 5.0 Portfolio

As at June 28, 2005, there were 46 individual investee companies in the Crocus portfolio with a gross carrying value of approximately \$64.1 million. Cumulatively to March 31, 2022, all investments within the Crocus portfolio were realized upon.

Since its appointment, the Receiver has realized proceeds of approximately \$65.8 million for investments with a June 28, 2005 book value of approximately \$64.9 million, representing a recovery of approximately 101%. Crocus' carrying value for these investments, when it ceased trading in December 2004, was approximately \$101.2 million, which would represent a recovery of approximately 65%. In addition, since its appointment, the Receiver has eliminated exposure on approximately \$2.3 million in guarantees that had been reserved by Crocus.

## 6.0 Share value

Subsequent to the Final Distribution, the net asset value of the Class A and Class I shares as at September 30, 2022 was Nil, as detailed in Appendix 1.



## 7.0 Distributions

The Court has approved four (4) distributions in the receivership proceedings (collectively, the “**Distributions**”), as follows:

### 7.1 First interim distribution

On September 4, 2009, the Court issued an Order authorizing a rateable interim distribution of approximately \$54.7 million to the Class A and Class I shareholders (the “**First Distribution**”). Concurrent with the First Distribution, the Receiver also began distributing the net proceeds of the Class Actions settlements in the amount of approximately \$6.8 million. Class A and Class I shareholders received \$3.83 per share from the approved distribution plus their portion of the Class Actions settlements.

As at September 30, 2022, the Receiver had paid out approximately \$53.8 million, or approximately 98% of the First Distribution, and approximately \$6.7 million of the Class Actions settlements. There remains approximately \$1.0 million in unclaimed distributions.

### 7.2 Second interim distribution

On December 12, 2011, the Court issued an Order authorizing a second interim distribution of approximately \$9.0 million to the Class A and Class I shareholders (the “**Second Distribution**”).

Mailings for the Second Distribution took place in January 2012. As at September 30, 2022, the Receiver had paid out approximately \$8.7 million, or 97% of the Second Distribution, and there remains approximately \$0.3 million in unclaimed distributions.

### 7.3 Third interim distribution

On October 14, 2014, the Court issued an Order authorizing a third interim distribution of \$0.60 per share to the Class A and Class I shareholders, or approximately \$8.6 million (the “**Third Distribution**”). Concurrent with the Third Distribution, the Receiver also distributed the remaining Class Actions settlements proceeds of approximately \$0.7 million.

Mailings for the Third Distribution took place in October and November 2014. As at September 30, 2022, the Receiver had paid out approximately \$8.1 million, or 94% of the Third Distribution and approximately \$0.6 million of the remaining Class Actions settlements. There remains approximately \$0.5 million in unclaimed distributions.

### 7.4 Fourth and final distribution

On January 17, 2022, the Court issued an Order authorizing a final distribution of approximately \$5.2 million to the Class A and Class I shareholders (the “**Final Distribution**”).

Mailings for the Final Distribution took place in March 2022. As at September 30, 2022, the Receiver had paid out approximately \$4.6 million, or 88% of the Final Distribution, and there remains approximately \$0.6 million in unclaimed distributions.

### 7.5 Unclaimed Distributions

As at the date of this Report, approximately \$2.3 million remains unclaimed by shareholders from the Distributions, as summarized in the table below:

Unclaimed Distributions<sup>1</sup>

Distribution	# of shareholders	Amount	Minimum \$ per any one shareholder	Maximum \$ per any one shareholder
First Distribution	1,128	\$ 953,538	\$ 5.57	\$ 13,995.19
Second Distribution	2,054	308,465	0.78	2,061.67
Third Distribution	2,643	458,464	5.10	2,109.98
Fourth (Final) Distribution	4,741	571,689	2.91	1,484.62
<b>Total</b>	<b>10,566</b>	<b>\$ 2,292,155</b>		

**Notes:**

1) Excludes issued and outstanding cheques. Stop payments will be issued for all outstanding cheques on October 31, 2022, to enable the Receiver to remit all unclaimed funds to the Minister of Finance on or before November 15, 2022.

The January 17, 2022 Order approved the Receiver’s recommendation that the Distributions remain “open” for shareholders to claim their entitlement to their respective pro-rata distributions for a period of six (6) months from the date of the Objection Deadline (i.e. February 25, 2022, as defined in the March 31, 2022 Quarterly Report), or September 30, 2022, which ever is later (the “**Distribution Period**”).

As at September 30, 2022, the Distribution Period closed, and the Receiver is no longer maintaining an active shareholder registry as same has been frozen. All unclaimed funds (the “**Unclaimed Funds**”) will be remitted to the Minister of Finance on or before November 15, 2022, after which time shareholders can contact the Minister of Finance to claim any entitlements. Additional contact information for the Minister of Finance will be posted to the Receiver’s website [www.deloitte.com/ca/crocusfund](http://www.deloitte.com/ca/crocusfund) (the “**Receiver’s Website**”) on or before November 15, 2022.

Once the Unclaimed Funds are paid to the Minister of Finance, the Receiver will finalize any residual administration matters (i.e. tax filings, final dissolution of Crocus, etc.) and will then file the Receiver’s Discharge Certificate with the Court.

## 8.0 Shareholder communication

The Receiver has continued to post Court Orders, Receiver's Reports, Quarterly Reports, media statements and shareholder letters on the Receiver's Website.

## 9.0 General

A Statement of Receipts and Disbursements for the period from June 28, 2005 to September 30, 2022 is attached as Appendix 2.

The Receiver will provide a final report to the Court in mid-December 2022, which will include an update on the Distributions, the payment of funds to the Minister of Finance, and the conclusion of the receivership proceedings.

Respectfully submitted this 25<sup>th</sup> day of October, 2022.

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



Per: Brent Warga, CPA, CA, CIRP, LIT  
Senior Vice-President

Appendix 1 –  
Crocus financial information as  
at September 30, 2022

**Crocus Investment Fund**  
**Consolidated Statement of Net Assets**  
**As September 30, 2022 (unaudited)**

**ASSETS**

Cash - Receiver's Holdback	\$ 212,082
Cash in Trust - Withholding Tax Remittance	16,709
Cash in Trust - Unclaimed Interim Distributions	2,292,155
	<u>2,520,946</u>

**September 30, 2022**

**LIABILITIES**

Accounts payable	16,709
Accrued closing costs	212,082
Due to Shareholders - Interim Distributions	2,292,155
	<u>2,520,946</u>

**NET ASSETS**

\$ -

**SHAREHOLDERS' EQUITY**

Share capital	\$ 188,014,669
Deferred selling costs adjustment	(9,134,637)
Interim Distributions - Class "A" shares	(77,189,150)
Interim Distributions - Class "I" shares	(375,233)
Interim Distributions - Class "L" shares	(200)
Deficit	(101,315,449)
	<u>\$ -</u>

**NET ASSET VALUE PER SHARE**

Net assets \$ -

Balance attributed to the Class "A" Common and Series Two Class "I" Special Shares \$ -

Number of issued Class "A" Common Shares 14,220,000

Number of issued Series Two Class "I" Special Shares 69,126

14,289,126

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

\$ -

Appendix 2 –  
Statement of receipts and  
disbursements to September 30,  
2022

**Deloitte Restructuring Inc., Receiver and Manager of  
CROCUS INVESTMENT FUND  
Statement of Receipts and Disbursements  
For the Period June 28, 2005 to September 30, 2022**

	<b>June 28, 2005 to December 31, 2021</b>	<b>January 1, 2022 to September 30, 2022</b>	<b>Total</b>
<b>Receipts</b>			
Cash and Short Term Investments on Hand	\$ 23,363,012	\$ -	\$ 23,363,012
Contract Back Office Services	518,463	-	518,463
Dividends-Portfolio	817,483	-	817,483
Income Tax Refund	549,059	250	549,309
Insurance Claim and Premium Refund	20,662	-	20,662
Interest-Portfolio	2,115,936	-	2,115,936
Interest-Short Term Investments	7,962,651	31,712	7,994,363
Investment Principal Repayments	3,718,992	-	3,718,992
Management Fees	1,501,932	2,502	1,504,434
Proceeds on Disposal of Investments	62,009,554	65,490	62,075,044
Rent/Sub-Lease	2,671,548	-	2,671,548
Sundry	301,676	-	301,676
Pre-Receivership Accounts Receivable	1,247,463	-	1,247,463
Class Action Settlements	7,494,924	-	7,494,924
<b>Total Receipts</b>	<b>\$ 114,293,355</b>	<b>\$ 99,954</b>	<b>\$ 114,393,309</b>
<b>Disbursements</b>			
Advances to Investees	\$ 265,132	\$ -	\$ 265,132
Capital Tax	200,257	-	200,257
Computer, Telephone and Office Expense	887,672	3,978	891,650
Consulting Fees	359,150	-	359,150
Employee Pension	442,922	-	442,922
Insurance - Indemnification	167,563	-	167,563
Investee Guarantee and Indemnification	1,344,677	-	1,344,677
Investment Expenses	232,886	-	232,886
Legal Fees	2,417,451	21,865	2,439,316
Disbursements	67,723	672	68,395
Taxes	310,180	2,640	312,820
Legal Fees - Indemnification	728,405	-	728,405
Disbursements	12,985	-	12,985
Taxes	59,311	-	59,311
Payroll & Benefits	1,735,550	-	1,735,550
Receiver and Manager Fees	9,552,876	207,400	9,760,276
Taxes	529,379	10,370	539,749
Rent	4,317,703	-	4,317,703
Settlements	775,991	-	775,991
Shareholder Services	3,321,647	230,942	3,552,589
Pre-Receivership Payables and Accruals	914,385	-	914,385
<b>Total Disbursements</b>	<b>28,643,845</b>	<b>477,867</b>	<b>29,121,712</b>
<b>Excess of Receipts over Disbursements prior to:</b>	<b>85,649,510</b>	<b>(377,913)</b>	<b>85,271,597</b>
Interim Distributions - Class "A" Shares	70,128,845	4,894,141	75,022,986
Interim Distributions - Class "I" & "L" Shares	349,970	25,462	375,432
Class Action Settlements	7,332,340	19,893	7,352,233
<b>Excess of Receipts over Disbursements</b>	<b>\$ 7,838,355</b>	<b>\$ (5,317,409)</b>	<b>\$ 2,520,946</b>
Represented by:			
Cash			\$ 212,082
Cash in Trust - Withholding Tax Remittance			16,709
Cash in Trust - Unclaimed Interim Distributions			2,292,155
			<u>\$ 2,520,946</u>





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