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| COURT FILE NUMBER | 1101-09473 |
| COURT | COURT OF QUEEN'S BENCH OF ALBERTA |
| JUDICIAL CENTRE | CALGARY |
| PLAINTIFF | GERRY DUPAS |
| DEFENDANT | PHILLIP PINCUS, in his capacity as Trustee of the PLATINUM INVESTMENT TRUST and PLATINUM EQUITIES INC. |
| DOCUMENT | FIFTH REPORT TO THE COURT |
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TABLE OF CONTENTS TO THE FIFTH REPORT TO COURT

INTRODUCTION AND BACKGROUND 2

 Purpose of this Report 3

 Terms of Reference 3

 Currency 3

FUNDS RECEIVED AND FURTHER DEVELOPMENTS 3

INTRODUCTION AND BACKGROUND

1. On May 25, 2012 the Applicant applied for the appointment of a Receiver over the Platinum Investment Trust ("PIT"). On June 5, 2012, the Court of Queen's Bench of Alberta (the "Court") issued an order (the "Receivership Order") appointing Ernst & Young Inc. ("EY") as the Receiver and Manager (the "Receiver") of PIT.
2. On August 30, 2012, the Court confirmed by Order that the Property (as defined by the Receivership Order) includes, inter alia, a number of loans and mortgages (the "Loans") as set out in Schedule "A" to that Order (the "Property Order").
3. On November 20, 2012 the Court heard an application by the Receiver in respect of a PIT asset known as the 85th Street Mortgage (otherwise known as Loan 10) and matters of contempt of Court. The Court granted an Order directing, among other things, that Accretive Asset Management Corp. ("Accretive") forthwith deliver the sum of \$350,000 (being the proceeds of Loan 10 improperly obtained by Accretive, Shariff Chandran and Chitra Chandran) to the Receiver. Shariff Chandran and Chitra Chandran were both directed to do everything in their power to ensure that Accretive paid and delivered those funds to the Receiver, and that Accretive, Shariff Chandran and Chitra Chandran hold the funds in trust pending their delivery.
4. On November 22, 2012, the Court extended the delivery deadline to December 3, 2012 on the strength of assurances from Shariff Chandran that payment in full was imminent. On November 26, 2012 the Receiver obtained \$25,000 from Wolf Leia LLP, then counsel to Shariff Chandran and Chitra Chandran.
5. The parties returned to Court on December 3, 2012 and the Court declared Accretive, Shariff Chandran and Chitra Chandran to be in contempt for their failure to deliver the remainder of the Loan 10 proceeds. A further \$100,000 was delivered by Wolff Leia LLP in accordance with the terms of the Order dated December 3, 2012 and the parties were ordered to return to Court on January 29, 2013 for a hearing on the consequences of the contempt, unless it had been fully purged by that date.
6. The parties returned to Court on January 29, 2013, at which time Shariff Chandran sought an adjournment to February 6, 2013. He advised at that time that he expected the full amount of \$225,000 to be delivered imminently as a result of a financing of his residence (the "Residence") with the assistance of Jennifer Cherry, his estranged wife. The Court directed that, in the event that the full amount of \$225,000 is not delivered by Shariff Chandran, Chitra Chandran and Accretive by the end of the day on February 4, 2013, Shariff Chandran was directed to file an Affidavit detailing the efforts he has undertaken to purge contempt.
7. No further amounts were delivered to the Receiver, and the parties again returned to Court on February 6, 2013. Shariff Chandran did file an Affidavit dated February 6, 2013, but asked the Court that certain exhibits not form part of the Court file. At that time it appeared

from information obtained from Katherine Kowalchuk, the solicitor involved in a potential financing of the Residence, that a transaction was being contemplated in support of the payment of \$225,000 to the Receiver. Mr. Chandran also referenced in his affidavit an investment account holding marketable securities which could be used to satisfy a portion of the \$225,000 obligation to the Receiver. The Court adjourned the hearing *sine die* and directed Mr. Chandran to execute a Direction to Pay in the sum of \$227,000 before the close of business on February 7, 2013 in respect of any financing of the home. The Court further directed Shariff Chandran to make all reasonable efforts to secure the agreement of Jennifer Cherry to execute the same or similar Direction to Pay. The Court directed that the matter could be returned before Justice Jeffrey on two days' notice, subject to Justice Jeffrey's availability.

8. This is the fifth report filed by EY in its capacity as Receiver of PIT.

Purpose of this Report

9. The purpose of this report (the "Fifth Report") is to summarize the activities of the Receiver in respect of:
- a) Ongoing efforts by the Receiver to recover the Loan 10 trust funds; and
 - b) The receipt of any funds from Accretive, Shariff Chandran and Chitra Chandran pursuant to the Court Orders referenced above.

Terms of Reference

10. In developing this Report, the Receiver has relied upon unaudited financial information prepared by the Company's management, the Company's books and records and discussions with its management. The Receiver has not performed an audit or other verification of such information. An examination of the Company's financial forecasts as outlined in the Canadian Institute of Chartered Accountants Handbook has not been performed. Future-oriented financial information relied upon in this Report is based on management's assumptions regarding future events. Actual results achieved may vary from this information and these variations may be material, and as such the Receiver expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Report, or relied upon by the Receiver in preparing this Report.

Currency

11. All currency references in this Report are in Canadian dollars.

FUNDS RECEIVED AND FURTHER DEVELOPMENTS

12. As reported to the Court previously, \$125,000 has been received by the Receiver from Wolff Leia LLP, a cheque in the amount of \$25,000 on November 26, 2012 and a bank draft in the amount of \$100,000 on December 19, 2012, in part payment of the \$350,000

the Court ordered Accretive to pay to the Receiver. No further funds have been received from Accretive, Shariff Chandran or Chitra Chandran.

13. Shariff Chandran and Jennifer Cherry did execute a Direction to Pay dated February 7, 2013. However, despite repeated enquiries of Shariff Chandran and Katherine Kowalchuk, it appears the refinancing of the Chandran matrimonial home has not taken place despite a number of months passing. The Receiver is informed by Chandran that the Residence is currently listed for sale, a different transaction than originally described to the Receiver.
14. As referenced above, the Receiver was informed by Chandran through its counsel that certain investments could be liquidated to provide funds in part satisfaction of the amount outstanding. Mr. Chandran advised that the investments were subject to a Canada Revenue Agency ("CRA") Requirement to Pay, but that CRA was amenable to the release of those funds to the Receiver. CRA informed the Receiver through its counsel that it had made a payment arrangement with Chandran that, if met, would see the release in whole or in part of the Requirement to Pay. However, CRA further advised that payment due under this arrangement on or before April 1, 2013 had not been satisfied and therefore the Requirement to Pay would not be released in favour of the Receiver. The Receiver believes the prospects of receiving funds from Chandran's investment account are minimal.
15. As a result, the Receiver has received no additional funds from Accretive, Shariff Chandran or Chitra Chandran since December 19, 2012 notwithstanding repeated assurances of imminent payment from Shariff Chandran.

All of which is respectfully submitted this 14th day of May, 2013.

**ERNST & YOUNG INC.
IN ITS CAPACITY AS RECEIVER AND MANAGER OF PLATINUM INVESTMENT TRUST AND
NOT IN ITS PERSONAL CAPACITY**



Robert J. Taylor, CA•CIRP
Senior Vice-President