

Crocus Investment Fund
Receiver's Report
No. 17
May 12, 2016

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1.0 Appointment

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 (“Initial 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 Initial 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.

2.0 Purpose

Paragraph 18 of the Initial Receiving Order requires the Receiver and its legal counsel to pass their accounts from time to time.

The Receiver previously sought approval of its fees and disbursements (“Fees and Disbursement”), including those of its counsel, for the period from June 28, 2005 to March 31, 2012. In support of the Fees and Disbursements the Receiver filed Receiver’s Report No. 14 dated May 25, 2012 as well as Receiver’s Report No. 15 dated July 6, 2012. On September 4, 2012 the Court approved the Fees and Disbursements as filed in Report No.14.

The purpose of this report (“Report”) is to support a motion seeking approval of the Receiver’s Fees and Disbursements and those of its counsel for the period from April 1, 2012 to March 31, 2016.

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.

Unless otherwise stated, all monetary amounts contained in this Report are expressed in Canadian dollars. Capitalized terms used in this Report but not defined herein are as defined in Receiver’s Report No. 14 and Report No. 15.

3.0 Background

Crocus was a Labour-Sponsored Venture Capital Corporation (formerly referred to as a Labour Sponsored Income Fund or LSIF). The Fund was created with the enactment of *The Manitoba Employee Ownership Fund Corporation Act*, C.C.S.M. c. E95. The purpose of the Act was to facilitate the raising of venture capital through the sale of common shares of the Fund. The proceeds from the sale of shares were intended to be invested in eligible Manitoba businesses. The name of the Act was subsequently changed to *The Crocus Investment Fund Act* (“the Crocus Act”) by virtue of Part 2 of *The Labour-Sponsored Investment Funds (Various Acts Amended) Act*, C.C.S.M. c. C308.

Common shares of the Fund (“Class A Shares”) were available for purchase by individuals, with the purchase of shares generally being made through Registered Retirement Savings Plans (“RRSP”). Purchasers of Class A Shares were in most cases entitled to certain Provincial and Federal tax credits. The Fund offered shares for purchase between 1992 and December 2004, at which time trading of the shares was halted. At that time, Crocus’s valuation of the Class A Shares was \$10.45 per share. Due to a write down in the value of the Crocus investment portfolio in April 2005 of approximately \$43 million, the value of Class A Shares was reduced to approximately \$7.00 per share.

The capitalization of the Fund as at June 28, 2005, the date of receivership, was as follows:

- (a) 200,000 Class G Shares issued for \$2.0 million held by the Province of Manitoba;
- (b) 20 Class L Shares issued for \$200 held by the Manitoba Federation of Labour;
- (c) 69,126 Series Two Class I Shares issued for \$800,145 held by three (3) different institutional shareholders;
and
- (d) 14,220,000 Class A Shares (“Common Shares”) issued for \$185,214,324 held by 33,569 individual shareholders.

Most of the Class A shareholders invested \$1,000 to \$5,000 in the Fund, representing 58% of the invested money. The average individual investment in the Fund was approximately \$5,500 and the median investment was \$5,000. Cumulatively, 29,331 or 87% of the shareholders originally invested less than \$10,000. These figures exclude the tax credits to which investors were entitled as a result of their purchases.

Due to further losses and write-downs incurred by the Fund subsequent to April 2005, the value of Class A Shares at the date of the receivership was approximately \$5.99 per share. Since the commencement of the receivership in June 2005, the Receiver has undertaken to realize on the investment portfolio held by the Fund in a commercially reasonable manner. Cumulatively to March 31, 2016, forty (40) of the forty-six (46) investments have been realized upon or closed. Since its appointment, the Receiver has realized proceeds of approximately \$60.3 million for investments with a June 28, 2005 book value of approximately \$59.3 million, representing a recovery of approximately 103%.

The Court has authorized three interim distributions (the first on September 4, 2009 for approximately \$54.7 million; the second on December 12, 2011 for approximately \$9.0 million; and the third on October 14, 2014 for approximately \$8.6 million) to Class A & I shareholders representing approximately \$72.3 million or \$5.06 per share. In addition the Court authorized distributions from Class Actions to shareholders totalling approximately \$7.5 million, or approximately \$0.52 per share, concurrent with the first and third interim distributions.

4.0 Receiver Activities

4.1 Significant Events

Since the previous passing of accounts, the Receiver has prepared two (2) reports on various matters as well as sixteen (16) quarterly reports all of which detail its activities and which are available on the Receiver's website www.deloitte.com/ca/crocusfund.

The receivership has involved complex and difficult negotiations in liquidating many of the investments as well as a significant amount of litigation, some of which is ongoing. The following provides details of certain significant events that have occurred during the period April 1, 2012 to March 31, 2016.

Interim Taxation of Receiver's Accounts

In April 2012, in support of an interim passing of accounts, the Receiver began preparing Report No. 14 detailing the activities of the Receiver and its counsel since the inception of its appointment on June 28, 2005. Report No. 14 was filed with the Court on May 25, 2012.

Subsequent to the preparation of Receiver's Report No. 14, the Receiver prepared and filed Report No. 15 on July 6, 2012 which provided details of the notice the Receiver posted on its website and published in the Winnipeg Free Press advising shareholders of Report No. 14 and the process for any creditor to raise an objection as to the Receiver's accounts. The Receiver did not receive any objections to the passing of its accounts, and the accounts of the Receiver and those of its legal counsel were approved by the Court on September 4, 2012.

Investment in Winnipeg Goldeyes Ltd. ("Goldeyes")

In November 2006, the Receiver issued a statement of claim against the Goldeyes for unpaid interest which, at the time, totalled approximately \$306,000. A summary judgment motion was heard on May 14, 2008 and on December 24, 2008, the Court issued a judgment dismissing the summary judgment motion. In essence, the Court concluded that the matter was not clear enough to deal with summarily and that a trial was required. The Receiver subsequently had numerous intervening discussions around settlement of the outstanding interest, as well as the principal debt and shares owned by Crocus, but no agreement was ever reached.

In September 2011, the Receiver issued a demand for repayment of the principal owed by the Goldeyes pursuant to two (2) debentures. No repayment or response was received from the Goldeyes. The Receiver then filed an amended statement of claim on April 25, 2012 seeking to add the outstanding principal to its claim, to which the Goldeyes filed an amended statement of defence on June 7, 2012.

Numerous meetings were held and communications were exchanged between the Receiver and the Goldeyes during the period of October 2012 to July 2013, in an effort to reach a settlement. A final agreement was reached in September 2013 whereby the Receiver settled its interest in the principal, interest and shares of the Goldeyes. As part of the settlement the Receiver discontinued its legal action against the Goldeyes.

Crocus Building (211 Bannatyne)

Settlement of Operating Cost Litigation

In 2001, Crocus entered into a lease agreement for its premises at 211 Bannatyne (the “Leased Property”) which was to expire on September 30, 2016. In May 2011, the landlord, Ashdown Arts Exchange Consortium Ltd. (“Ashdown” or the “Landlord”), through its agent, Shelter Canadian Properties Ltd. (“Shelter” or the “Agent”), notified the Receiver of a claim for past building operating costs of approximately \$0.2 million. During the period May 2011 to September 2013, the Receiver had several meetings and communications with the Agent regarding the quantification and potential settlement of the claim. No resolution was reached, and on October 23, 2013, the Agent issued a statement of claim against Crocus and the Receiver for approximately \$0.1 million. On November 26, 2013, the Receiver filed a statement of defence and plead that as at October 31, 2013 it had overpaid building operating costs by approximately \$42,000.

In March 2014, examinations for discovery were held which resulted in various undertakings by the parties involved. Settlement discussions continued thereafter and further analysis was performed. In September 2015, concurrent with the sale of the Leased Property (as further detailed below), a settlement agreement was reached with the Agent.

Exit and Sale of the Leased Property

The 2001 lease agreement for the Leased Property contained an option to purchase clause, which was further amended and clarified by an agreement dated January 1, 2002 (the “Option Clarification Agreement”). On previous occasions during the term of the lease a subtenant of Crocus, which occupied a portion of the Leased Property, had approached Crocus with a view to purchasing the Leased Property. The Receiver had the Leased Property appraised in January 2014 and determined that the appraised value was not significantly different than the value outlined in the Option Clarification Agreement. The Receiver was of the view that a sale of the property at the price outlined in the Option Clarification Agreement (the “Purchase Option”) would allow the Receiver to terminate the lease prior to September 30, 2016, thereby reducing its financial obligations and also assist in finalizing the litigation between the landlord and Crocus regarding the past operating costs.

In anticipation of exercising the Purchase Option, on April 30, 2015 the Receiver entered into an agreement (the “Purchase Agreement”) with Taylor George Creative Marketing Inc. and McKim Communications Group Ltd. (collectively the “Purchaser”) whereby the Receiver agreed to exercise the Purchase Option for, and on behalf of, the Purchaser or their nominee. The Purchase Option was to be effective July 1, 2015. As part of the terms of the Purchase Agreement, the Purchaser and Crocus agreed to terminate the original lease and sublease agreements that were in place.

On May 6, 2015, the Receiver gave notice to the Landlord and the Agent of its intention to exercise its rights under the Option Clarification Agreement to purchase the condominium title to the Leased Property. All of the conditions surrounding the Purchase Option were satisfied and title to the Leased Property was transferred to the Purchaser on August 4, 2015. The Receiver entered into a short term lease agreement with the Purchaser and continued to occupy certain space within the Leased Property until October 31, 2015. Prior to October 31, 2015, the Receiver removed all Crocus records from the Leased Property to a secure storage facility.

Concurrent with the exercise of the Purchase Option, the Receiver and the Agent reached a settlement agreement with respect to the litigation for past building operating costs, wherein the Agent claimed approximately \$0.2 million was owing by Crocus (the "Action"). A mutual release was executed by the Receiver and the landlord on July 9, 2015, and on September 4, 2015, a consent judgement order was issued by the Court dismissing the Action on a without costs basis.

Class Action Settlement

Approximately two weeks following the appointment of the Receiver, a Class Action statement of claim (the "Class Action") was issued against Crocus, Crocus Capital Inc. and 21 other defendants. The claim sought \$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 (collectively referred to as the "Class Actions"). Certain of the defendants, namely certain former directors and officers of Crocus, Wellington West Inc., and BMO Nesbitt Burns Inc., claimed written or statutory indemnities from Crocus for any amounts which they might have been obliged to pay to the Class Action plaintiffs.

The parties in the Class Actions subsequently entered into various settlement agreements, the last of which was approved by Mr. Justice K. Hanssen on April 22, 2009. As part of the settlements, the directors and officers assigned any claim for contribution and indemnity that they may have had to the Class Action plaintiff. Pursuant to this assignment, on June 25, 2010, the Class Action plaintiff filed a statement of claim against Fillmore Riley LLP ("Fillmore") and Stafford F. Swain & Associates ("Stafford"). Fillmore had acted as counsel to the Fund and Stafford had provided valuation services. The claim was a representative action on behalf of the shareholder class and claimed damages of up to \$5.0 million, plus interest.

A settlement was reached and approved between the Class Action plaintiff and Stafford on November 15, 2011 and settlement funds in the approximate amount of \$147,000 were received by the Receiver. Fillmore opposed and sought to have the claim against them struck. Fillmore's motion was heard by the Court of Appeal and the claim by the Class Action plaintiff was upheld. The Class Action plaintiff had filed a motion to compel Fillmore to produce an affidavit of documents and to determine whether certain documents in Fillmore's possession, including its solicitors' file, were privileged. Subsequently, the Class Action plaintiff advised that a settlement with Fillmore had been reached in the approximate amount of \$35,000.

One of the previous settlement agreements was with PriceWaterhouseCoopers LLP ("PwC"), the Fund's former auditors. As part of the settlement agreement, the Class Action plaintiff was required to hold \$0.5 million (the "Holdback Amount") in trust to compensate or reimburse PwC for reasonable fees, disbursements or other expenses or charges that PwC may incur subsequent to the settlement agreement as a result of the claim assigned to the Class Action plaintiff against Fillmore or any related proceeding, or its involvement in a proceeding commenced by the Receiver against any Crocus investee. Pursuant to the settlement agreement, the Class Action plaintiff was to apply

to Court following the conclusion of the Class Actions for an order releasing the Holdback Amount to be paid to the Receiver. Counsel for the Class Action plaintiff requested that the Receiver apply to Court for release of the Holdback Amount in its place. On August 19, 2014, the Receiver filed a motion with the Court to have the Holdback Amount released, and on September 18, 2014, Mr. Justice K. Hanssen ordered the release of the Holdback Amount, which finalized the Class Actions.

Canad Corporation Ltd. Litigation

On June 19, 2014, the Receiver caused Crocus to commence proceedings against Leon Norman Ledohowski (“Leo”), LRC Holding Corporation Inc., and Canad Corporation Ltd. (“Canad”) as Respondents in a Court of Queen’s Bench filing. In its Notice of Application, Crocus sought various forms of relief including declarations that Leo had exercised his powers as a director of Canad, and that Canad had conducted its business and affairs in a manner that was oppressive of, or unfairly prejudicial to, or which unfairly disregarded, the interests of Crocus as a shareholder of Canad. The Notice of Application also sought an Order that Canad be liquidated and dissolved and that the proceeds from such liquidation be distributed to the shareholders of Canad. The Notice of Application was supported by an Affidavit sworn by Steven P. Peleck (the “Peleck Affidavit”), in his capacity as Senior Vice-President of the Receiver. Counsel for Canad filed a motion seeking an order expunging certain parts of the Peleck Affidavit. The motion was heard on May 27, 2015 and, during submissions before Madam Justice Pfeutzner, it was agreed that the Notice of Application and Affidavit would be expunged with leave to file amended documents.

On July 17, 2015, an Amended Notice of Application was filed seeking various forms of relief including declarations that Leo had exercised his powers as a director of Canad and that Canad had conducted its business and affairs in a manner that was oppressive of, or unfairly prejudicial to, or which unfairly disregarded, the interest of Crocus as a shareholder of Canada. The Amended Notice of Application also sought an Order that Canad be liquidated and dissolved and that the proceeds from such liquidation be distributed to the shareholders of Canad. The Amended Notice of Application was supported by an Affidavit sworn by Brent Warga (the “Warga Affidavit”), in his capacity as Senior Vice-President of the Receiver. No affidavit evidence has yet been filed on behalf of the Respondents. Cross-examinations on affidavits are tentatively scheduled for May 2016.

Interim Distribution Administration

The Receiver filed Receiver’s Report No. 13 on May 31, 2011, and the Supplement to Receiver’s Report No. 13 on October 14, 2011 and recommended, inter alia, a rateable distribution amongst the Class A and Class I shareholders. On December 12, 2011, the Court approved the second interim distribution (“Second Distribution”) of approximately \$9.0 million which equated to \$0.63 per Class A and Class I Share. In addition, the Court ordered a \$1.0 million holdback for the benefit of certain directors.

The Receiver filed Receiver’s Report No. 16 on October 6, 2014 and recommended, inter alia, a rateable distribution amongst the Class A and Class I shareholders. On October 14, 2014, the Court approved the third interim distribution (“Third Distribution”) of approximately \$8.6 million which equated to \$0.60 per Class A and Class I Share. The Third Distribution also included the remaining Class Actions settlement proceeds of approximately \$0.7 million.

Administration of the First, Second, and Third Distributions are ongoing.

4.2 Investments

The events outlined above, and the related research, formulation of positions and reporting, required the expenditure of significant amounts of time and effort by the Receiver and its counsel. In addition to attending to those matters, the Receiver was required to realize on the portfolio of Crocus which, as at April 1, 2012, consisted of seven (7) remaining investments (individually also referred to as “Investees”).

Investment	Status
1) Winnipeg Goldeyes Baseball Club Inc.	Exited September 2013
2) Diamedica Inc.	Partially exited
3) Genesys Venture Inc.	Not exited
4) Manitoba Science & Technology Fund	Partially exited
5) ST Partnership	Partially exited
6) Novra Technologies Inc.	Not exited
7) Canad Corporation of Canada Inc.	Not exited and in litigation

For the remaining Investees, the major activities of the Receiver since April 1, 2012 have been as follows:

- Regular monitoring of the Investees which included a review and analysis of their financial and operational performance;
- Discussions with various stakeholders of the Investees with respect to possible courses of action regarding Crocus' investment in the Investees and possible exits;
- Negotiating exits;
- Fulfilling the duties of Crocus as General Partner of the Manitoba Science & Technology Fund;
- Supervising and directing agents retained by the Receiver;
- Attendance at annual shareholder and other meetings; and
- Instituting legal action as required.

Details on the status of the remaining investments are as follows.

Diamedica Inc., Genesys Ventures Inc., Manitoba Science & Technology Fund (“MS&T”), and ST Partnership

Crocus is an investor in MS&T which is a limited partnership holding several science and technology investments. Crocus is the sole owner of the General Partner and the limited partners gave the General Partner a mandate to wind down the partnership. Crocus and MS&T's holdings include Diamedica Inc., Genesys Ventures Inc. and ST Partnership. There are numerous interrelationships amongst these entities. In some cases, the ability to negotiate divestitures of MS&T's science and technology investments is limited given that certain of the companies are publicly traded with limited market liquidity. As a result, the timing of a complete disposition is unknown.

Novra Technologies Inc. (“Novra”)

Novra is an investment held by the Fund representing both equity and debt obligations due to Crocus. The Receiver and Novra have entered into a long term agreement for the repayment of the indebtedness.

Canad Corporation Ltd. (“Canad”)

On June 19, 2014, the Receiver caused Crocus to commence proceedings against Leon Norman Ledohowski (“Leo”), LRC Holding Corporation Inc., and Canad Corporation Ltd. (“Canad”) as Respondents in a Court of Queen’s Bench filing as detailed in section 4.1 above. The Notice of Application was supported by the Peleck Affidavit. Counsel for Canad filed a motion seeking an order expunging certain parts of the Peleck Affidavit. The motion was heard on May 27, 2015 at which time it was agreed that the Notice of Application and Peleck Affidavit would be expunged with leave to file amended documents.

On July 17, 2015, an Amended Notice of Application was filed supported by the Warga Affidavit. No affidavit evidence has yet been filed on behalf of the Respondents and cross-examinations on affidavits are scheduled for May 2016. The litigation is ongoing.

4.3 Creditors, Commitments and Contingencies

The following details the activities of the Receiver with certain major creditors of Crocus:

- As at April 1, 2012, the primary remaining obligation of the Fund was a lease agreement for the premises at 211 Bannatyne. As detailed in section 4.1 above, with the exercise of the Purchase Option and settlement of the litigation with the Landlord, all obligations of Crocus with respect to the Leased Property have been finalized.
- The only remaining known contingency relates to an indemnity provided by Crocus to an Investee company. This indemnity does not create a requirement for Crocus to fund the Investee but does potentially alter the rights of Crocus and other shareholders of the Investee.

4.4 Shareholder Services/Correspondence

Throughout the receivership, the Receiver kept the shareholders apprised on the status of its activities through direct correspondence, updating of its website and by email and telephone. As is noted above, there were 33,569 individual shareholders at the commencement of the receivership.

In addition, the Receiver entered into a sub-contract with a company owned by former Crocus employees to provide those services previously provided by Crocus’ shareholders services department, which responded to enquiries from shareholders, recorded address changes, recorded changes in marital circumstance and processed deceased shareholders’ accounts.

4.5 Distribution to Shareholders

Crocus did not have a system in place to effect an “en masse” distribution to its shareholders. In addition, the Class Action settlements were based on the original cost of the investment as opposed to the number of shares held. As a result, for each of the three interim distributions, a significant amount of time was spent by the Receiver planning and testing the distribution systems.

5.0 Accounts of the Receiver

Pursuant to Paragraph 17, 18 and 19 of the Initial Receiving Order, any expenditure or liability properly made or incurred by the Receiver, including the fees of the Receiver and its counsel incurred at their normal rates and charges, as well as the disbursements of the Receiver and its counsel, were authorized to be paid on a periodic basis subject to any final assessment or taxation as may be ordered by the Court. The Receiver's Accounts are summarized in a Statement of Receipts and Disbursements from April 1, 2012 to March 31, 2016 attached as Appendix 2. Receipts total approximately \$7.6 million with disbursements totalling \$4.8 million. Interim distributions paid to shareholders during the period total approximately \$9.7 million.

5.1 Account Summary

The following is a summary of the accounts:

Receipts	Amount (\$)	Description
Income Tax Refund	236,693	Represents various refunds of Income Taxes and Goods and Services Taxes.
Interest – Portfolio	288,930	Represents interest paid by Crocus Investees where Crocus had made loan advances.
Interest – Short Term Investments	350,743	The Receiver invested surplus funds primarily in Business Accounts and Guaranteed Investment Certificates. This category represents interest earned on these investments.
Investment Principal Repayments	291,859	Represents principal repayments received for certain loans advanced by Crocus.
Management Fees	176,526	Crocus was an investor in MS&T, which is a limited partnership holding several science and technology investments. Crocus is the sole owner of the General Partner and the limited partners gave the General Partner a mandate to wind down the partnership. The majority of the fees relate to the management of MS&T.
Proceeds on Disposal of Investments	4,698,337	Represents funds received from the liquidation of equity investments. Refer to Section 4.2 above.
Rent/Sub-Lease	866,664	Crocus had entered into a fifteen (15) year lease for its premises at 211 Bannatyne Avenue, in Winnipeg. The Receiver sublet the majority of the space. This represents payments from sub-lessees.
Sundry	4,200	Represents various other receipts and recoveries by the Receiver on behalf of Crocus.
Class Action Settlements	681,946	Represents net Class Action settlement proceeds from PriceWaterhouseCoopers LLP, Fillmore Riley LLP and Stafford F. Swain & Associates.

Disbursements (Expenditures)	Amount (\$)	Description
Computer Telephone and Office Expense	136,813	The Receiver has maintained an office primarily to house the shareholders services department which was required to maintain telephone and computer systems to deal with enquiries and make changes as necessary for the approximate 37,000 shareholder accounts.
Insurance	25,955	Represents premiums to insure Crocus' property.
Investment Expenses	4,636	Represents various out of pocket costs in managing the investments.
Legal Fees	253,900	Refer to Section 5.3 below.
Legal Disbursements	8,943	Represents disbursements incurred by legal counsel.
Taxes on Legal Fees and Disbursements	32,185	Represents taxes on legal fees and disbursements.
Legal Fees – Indemnification	76,423	Refer to Section 5.4 below.
Legal Disbursements – Indemnification	1,769	Represents legal disbursements for indemnification claims.
Taxes on Legal Fees and Disbursements – Indemnification	9,254	Represents taxes on legal fees and disbursements for indemnification claims.
Receiver and Manager Fees	1,673,380	Refer to Section 5.2 below.
Taxes on Receiver and Manager Fees	83,733	Represents taxes on Receiver and Manager fees.
Rent	1,418,248	Represents payments to the landlord for rent and operating costs for the Crocus premises at 211 Bannatyne Ave.
Settlements	196,875	Represents settlements paid by the Receiver including a settlement relating to an operating cost dispute with the landlord of 211 Bannatyne.
Shareholder Services	847,245	Represents fees paid to the firm which maintains the Trust for Crocus' registered products as well as fees paid to Fundserv which allows for dealer enquiries and shareholder transfers to be processed. Also represents the costs of contract Back Office services to service shareholder enquiries and requests, as well as postage and mailing costs for the numerous notices sent to the shareholders.

5.2 Receiver Fees

The fees of the Receiver from April 1, 2012 to March 31, 2016 total approximately \$1.7 million excluding Goods and Service Tax. The following summarizes the quantum of fees by year:

Position	Annual Receiver Fees (GST excluded)							Subtotal	Total
	As Taxed	Post Taxation (April 1, 2012)							
	2005 to 2012	2012	2013	2014	2015	2016			
Technician	\$ 45,243	\$ 68	\$ 30	\$ 68	\$ 120	\$ -	\$ 286	\$ 45,529	
Staff Accountant	1,953,247	210,441	177,009	222,532	234,658	50,362	895,001	2,848,248	
Manager	329,043	23,568	22,220	33,138	64,865	2,145	145,935	474,978	
Senior Manager	1,844,916	47,631	38,580	57,774	69,170	-	213,155	2,058,071	
Associate Partner / Partner	2,958,518	146,806	96,735	98,852	19,435	57,176	419,004	3,377,522	
Total	\$ 7,130,967	\$ 428,513	\$ 334,574	\$ 412,363	\$ 388,248	\$ 109,683	\$ 1,673,380	\$ 8,804,347	

The following summarizes the number of hours by level:

Position	Annual Hours							Subtotal	Total
	As Taxed	Post Taxation (April 1, 2012)							
	2005 to 2012	2012	2013	2014	2015	2016			
Technician	597.5	0.9	0.4	1.1	1.5	-	3.9	601.4	
Staff Accountant	12,516.5	1,152.6	937.2	1,124.4	1,249.8	240.2	4,704.2	17,220.7	
Manager	1,373.7	85.7	80.8	120.5	237.1	7.8	531.9	1,905.6	
Senior Manager	4,762.9	128.6	99.6	149.7	182.6	-	560.5	5,323.4	
Associate Partner / Partner	6,005.8	297.1	196.2	199.7	44.0	117.6	854.6	6,860.4	
Total	25,256.4	1,664.9	1,314.2	1,595.4	1,715.0	365.6	6,655.1	31,911.5	

The following summarizes the average hourly rate by level by year:

Position	Average Hourly Rate							Average	Combined Average
	As Taxed	Post Taxation (April 1, 2012)							
	2005 to 2012	2012	2013	2014	2015	2016			
Technician	\$ 76	\$ 75	\$ 75	\$ 62	\$ 80	\$ -	\$ 73	\$ 76	
Staff Accountant	156	183	189	198	188	210	190	165	
Manager	240	275	275	275	274	275	274	249	
Senior Manager	387	370	387	386	379	-	380	387	
Associate Partner / Partner	493	494	493	495	442	486	490	492	
Average	\$ 282	\$ 257	\$ 255	\$ 258	\$ 226	\$ 300	\$ 251	\$ 276	

The fees charged by the Receiver are based on the amount of professional time required at hourly billing rates, which vary depending upon the experience, level and location of the professionals involved. The rates charged by the Receiver are comparable to the rates charged for the provision of services by other professional firms providing specialized financial advisory and restructuring services and the fees are fair and reasonable in the circumstances. Furthermore they have been validly incurred in accordance with the provisions of the Initial Receiving Order.

5.3 Legal Fees

The following table summarizes the legal fees for counsel to the Receiver by year.

Law Firm	Annual Legal Fees (Excluding Disbursements and Taxes)							Subtotal	Total
	As Taxed	Post Taxation (April 1, 2012)							
	2005 to 2012	2012	2013	2014	2015	2016			
Aikins MacAulay Thorvaldson LLP	\$ 53,338	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,338
Fairfield Woods P.C.	42,919	-	-	-	-	-	-	-	42,919
Fillmore Riley LLP	96,925	-	-	-	-	-	-	-	96,925
Hill Sokalski Walsh Olson LLP	797,013	36,503	8,046	9,745	332	1,519	56,145	853,158	
Thompson Dorfman Sweatman LLP	1,048,143	48,465	37,945	60,945	44,775	5,625	197,755	1,245,898	
Total	\$ 2,038,338	\$ 84,968	\$ 45,991	\$ 70,690	\$ 45,107	\$ 7,144	\$ 253,900	\$ 2,292,238	

Hill Sokalski Walsh Olson LLP acted as primary litigation counsel to the Receiver while Thompson Dorfman Sweatman LLP acted as primary commercial counsel and also served the role of general counsel to which the Receiver regularly turned in seeking advice on the conduct of the receivership and review of various documents prepared by the Receiver, including certain of its Reports. In addition to representing the Receiver on the various litigation matters outlined above, the legal firms also acted for the Receiver on matters relating to specific Investees as well as other matters.

Throughout the receivership the Receiver strived to maintain the confidential nature of the commercial relationships that Crocus had with its Investees and, to that end, has limited the disclosure with respect to both the Receiver and legal fees incurred in dealing with the individual Investees. In general the activities of counsel with respect to the Investees included but were not limited to:

- Review and renewal of Annual Corporations Returns for Crocus and its subsidiaries;
- Review and renewal of various Land Titles and Personal Property Registrations registered by Crocus against the Investees;
- Review of shareholder and other agreements and arrangements that Crocus had entered into with its Investees and reporting to the Receiver on the various rights, if any, that it had pursuant to the agreements;
- Review of underlying security documents where Crocus had made advances by way of debt and providing opinions on the perfection, validity and enforceability of same;
- Review of the validity and enforceability of guarantees or indemnities where Crocus had guaranteed the obligations of an Investee or provided an indemnity;
- Providing the Receiver with views on the various options available regarding exit of the investments;
- Review of term sheets and preparation of definitive agreements relating to the sale of Investees;
- Preparation and attendance at closings and reporting thereon;
- Review of various Securities Laws and Exchange rules and regulations relating to the disposal and other transactions involving public companies;
- Drafting of claims and representing the Receiver for those Investees where the Receiver initiated litigation; and
- Representing the Receiver in settlement discussions.

Other matters where the Receiver required counsel included, but were not limited to:

- Review of the Crocus head lease for its premises at 211 Bannatyne and preparation of various sub-leases and amendments thereto; and
- Review of the Purchase Option under the head lease and assistance with the exercise and closing of same.

Given the complex nature of the Crocus receivership, there was a significant amount of Partner time involved. Hourly rates vary by firm and throughout the course of the receivership Partner rates have ranged from \$250 to \$495 per hour. The Receiver considers the fees of its counsel as fair and reasonable in the circumstances and validly incurred in accordance with the provisions of the Initial Receiving Order.

5.4 Legal Fees – Indemnification

Law Firm	Annual Legal Fees - Indemnification (Excluding Disbursements and Taxes)							Subtotal	Total
	As Taxed		Post Taxation (April 1, 2012)						
	2005 to 2012	2012	2013	2014	2015	2016			
D'Arcy & Deacon LLP	\$ 212,029	\$ 25,645	\$ 27,179	\$ -	\$ -	\$ -	\$ 52,824	\$ 264,853	
D'Arcy & Deacon LLP - MSC Settlement	250,000	-	-	-	-	-	-	250,000	
Pitblado LLP	80,371	-	8,431	-	-	-	8,431	88,802	
Lavene Tadman Golub Law Corporation	79,582	-	-	-	-	-	-	79,582	
Tapper Cuddy LLP	30,000	-	-	-	-	-	-	30,000	
Aikins MacAulay Thorvaldson LLP	-	8,352	6,816	-	-	-	15,168	15,168	
Total	\$ 651,982	\$ 33,997	\$ 42,426	\$ -	\$ -	\$ -	\$ 76,423	\$ 728,405	

The above table outlines legal fees paid by the Receiver on behalf of former directors. The Receiver is not aware of any remaining claims where the former directors or officers would be looking to the Fund for indemnification.

6.0 Outstanding Matters

The following is a summary of outstanding matters, many of which include commitments into the future and matters beyond the control of the Receiver. Accordingly the Receiver is unable to predict the timing of completion of the receivership.

- The Receiver has entered into litigation with one (1) of the investments. The timing, outcome and costs relating to this matter are unknown.
- One of the remaining investments is primarily a debt obligation where the Receiver and the Investee have entered into a long term agreement for the Investee to repay the debt. Furthermore certain of the exits negotiated by the Receiver require payments over the next two (2) years.
- Certain of the remaining investments do not have defined exits available to Crocus and the Receiver. Accordingly the timing, outcome and costs relating to realizing on these investments are unknown.
- Crocus is an investor in MS&T which is a limited partnership holding several science and technology investments. Crocus is the sole owner of the General Partner and the limited partners gave the General Partner a mandate to wind down the partnership. Crocus and MS&T's holdings include Diamedica Inc., Genesys Ventures Inc. and ST Partnership. There are numerous interrelationships amongst these entities. In some cases, the ability to negotiate exits from MS&T's science and technology investments is limited given that certain of the companies are publicly traded with limited market liquidity. As a result, the timing of a complete disposition is uncertain.

Given the illiquidity of the remaining investments, as well as the ongoing litigation, the Receiver is of the view that any future distribution will be based on the settlement or outcome of the litigation. Accordingly, the Receiver is unable to determine when, or if, any future distributions will take place.

7.0 Summary

The Receiver respectfully submits that all of the disbursements detailed above are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Initial Receiving Order. Accordingly the Receiver now seeks approval of its Fees and Disbursements including that of its counsel for the period from April 1, 2012 to March 31, 2016.

Respectfully submitted this 12th day of May, 2016.

Deloitte Restructuring Inc., in its capacity as Receiver and Manager of Crocus Investment Fund and not in its personal capacity.



Per: B. Warga
Senior Vice-President

Appendix 1 – Initial Receiving Order (June 28, 2005)

**THE QUEEN'S BENCH
Winnipeg Centre**

BETWEEN:

THE MANITOBA SECURITIES COMMISSION,

Applicant,

– and –

CROCUS INVESTMENT FUND,

Respondent,

Application under Section 27 of the Securities Act, CCSM c. S50
and Queen's Bench Rule 14.05(2)(b)

IDENTIFIED COPY

RECEIVING ORDER

HILL ABRA DEWAR
Litigation Counsel
2670 – 360 Main Street
Winnipeg, Manitoba
R3C 3Z3

R.A. Dewar

Telephone: (204) 943-6740
Fax: (204) 943-3934
File No. **05157 RAD**

**THE QUEEN'S BENCH
Winnipeg Centre**

THE HONOURABLE)
MR. JUSTICE SCURFIELD)

Tuesday, the 28 of June, 2005

BETWEEN:

THE MANITOBA SECURITIES COMMISSION,

Applicant,

- and -

CROCUS INVESTMENT FUND,

Respondent,

Application under Section 27 of the Securities Act, CCSM c. S50
and Queen's Bench Rule 14.05(2)(b)

~~certified copy~~

ORDER

THIS MOTION, made by the Applicant for an Order pursuant to Section 27 of The Securities Act, CCSM c. S50 and Queen's Bench Rule 14.05(2)(b) appointing DELOITTE & TOUCHE, Inc. as receiver and manager (the "Receiver") without security, of all of the assets, undertakings and properties of CROCUS INVESTMENT FUND (the "Respondent"), and for such other Orders as may be just and convenient in the circumstances was heard this day on June 28, 2005 at the Law Courts, 408 York Avenue, in the City of Winnipeg.

ON READING the affidavit of Robert B. Bouchard sworn June 27, 2005 and the Exhibits thereto and on hearing the submissions of counsel for the applicant, ~~no one for the respondent, and for THE MANITOBA FEDERATION OF LABOUR~~ appearing for the respondent although duly served, and on reading the consent of DELOITTE & TOUCHE, Inc. to act as the Receiver, and this matter coming on for final decision on this date:

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application is hereby abridged so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to Section 27 of The Securities Act, CCSM c. S50, DELOITTE & TOUCHE, Inc. is hereby appointed Receiver, without security, of all of the Respondent's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate and carry on the business of the Respondent, including the powers to enter into any agreements, incur any

obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Respondent;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the powers and duties conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Respondent or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Respondent and to exercise all remedies of the Respondent in collecting such monies, including, without limitation, to enforce any security held by the Respondent;
- (g) to settle, extend or compromise any indebtedness owing to the Respondent;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Respondent, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Respondent;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Respondent, the Property or the Receiver, and to settle or compromise any such proceedings.

The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$100,000;
- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Respondent;

- (q) to exercise any shareholder, partnership, joint venture or other rights which the Respondent may have, including but not limited to the right to designate representatives of the Receiver to the board of directors of any company to which the Respondent had such right immediately preceding the granting of this order; and
- (r) to take any steps reasonably incidental to the exercise of these powers,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Respondent, and without interference from any other Person.

4. This Court orders that the ability of the Receiver to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business, other than those transactions described in paragraph 3(l) hereof, shall be the subject of future application to this Court.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. THIS COURT ORDERS that (i) the Respondent, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

6. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related

to the business or affairs of the Respondent, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

7. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE RESPONDENT OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Respondent or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Respondent or the Property are hereby stayed and suspended pending further Order of this Court, provided that the within stay shall not apply to proceedings initiated or continued by the Applicant.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Respondent, the Receiver, or affecting the Property, including, but not limited to, the exercise of any contractual rights, including but not limited to a right to a setoff, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this paragraph shall (i) empower the Receiver or the Respondent to carry on any business which the Respondent is not lawfully entitled to carry on, (ii) exempt the Receiver or the Respondent from compliance with statutory or regulatory provisions relating to securities, health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Respondent, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Respondent or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation

services, utility or other services to the Respondent are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Respondent's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Respondent or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Respondent who have not yet been terminated effective as of the time of this Order, shall remain the employees of the Respondent until such time as the Receiver, on the Respondent's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts, other than such amounts as the Receiver may specifically agree in writing to pay, or such amounts as may be determined in a Proceeding before a court or tribunal of competent jurisdiction.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

16. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Receiver by any other applicable legislation.

RECEIVER'S ACCOUNTS

17. THIS COURT ORDERS that any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees of the Receiver and the fees and disbursements of its legal counsel, incurred at the standard rates and charges of the Receiver and its counsel, shall be allowed to it in passing its accounts and shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person (the "Receiver's Charge").

18. THIS COURT ORDERS the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of this Honourable Court.

19. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$1,000,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge .

21. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

22. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

23. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE

24. THIS COURT ORDERS that the Receiver is directed to serve notice of its appointment as Receiver by placing advertisements regarding such appointment substantially in the form attached as Schedule "B" hereto in at least one (1) local newspaper and one (1) Canadian daily newspaper with national distribution.

25. THIS COURT ORDERS that the Receiver shall use reasonable efforts to serve notice of its appointment as Receiver within 21 days hereof, by forwarding by ordinary mail ^{or e-mail,} a copy of a notice substantially in the form attached as Schedule "B" hereto, to the shareholders of the Respondent at the addresses as last indicated in the records of the Respondent.

26. THIS COURT ORDERS that the Receiver is directed to serve notice of its appointment as Receiver within 21 days hereof by forwarding by ordinary mail a copy of this Order to all creditors who have registered a security interest against the assets of Respondent in the Personal Property Registry of Manitoba.

GENERAL

27. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Respondent.

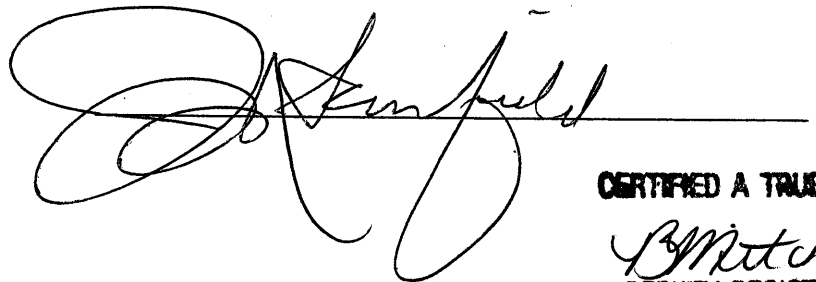
29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

31. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

32. THIS COURT DIRECTS that given the appearance before this Court by the Manitoba Federation of Labour, a hearing shall be held on WEDNES day, the 13th day of July, 2005, ^{OR SOONER BY CONSENT} or such further date set by this Honourable Court, to continue the appointment of the Receiver.

SIGNED this 28th day of June, 2005, at 1:50 p.m.



CERTIFIED A TRUE COPY

J. Mitchell
DEPUTY REGISTRAR

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Deloitte & Touche, Inc., the receiver and manager (the "Receiver") of all of the assets, undertakings and properties of Crocus Investment Fund appointed by Order of the Manitoba Court of Queen's Bench (the "Court") dated the ___ day of _____, 2005 (the "Order") made in an action having Court file number CI _____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded no more frequently than monthly not in advance after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at _____ [address of Lender].

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this

certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property (as defined in the Order) as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 2005.

Deloitte & Touche, Inc., solely in its capacity
as Receiver of the Property (as defined in
the Order), and not in its personal capacity

Per: _____

Name:

Title:

SCHEDULE "B"

NOTICE

in respect of

CROCUS INVESTMENT FUND (the "Respondent")

Please be advised that pursuant to the Order of the Honourable Mr. Justice J.M. Scurfield of the Court of Queen's Bench dated June 28, 2005 in Court File No. _____ (the "Order"), Deloitte & Touche, Inc. has been appointed as receiver and manager (the "Receiver") of all of the Respondents' assets, undertakings and properties. The appointment of the Receiver was made under Section 27 of the *Manitoba Securities Act*.

A copy of the Order and other information regarding the Receiver's appointment are available online at www._____. The Receiver has established a helpline available at _____.

Appendix 2 – Statement of Receipts and Disbursements (March 31, 2016)

**Deloitte Restructuring Inc., Receiver and Manager of
CROCUS INVESTMENT FUND
Statement of Receipts and Disbursements
For the Period June 28, 2005 to March 31, 2016**

	June 28, 2005 to March 31, 2012	April 1, 2012 to March 31, 2016	Total
Receipts			
Cash and Short Term Investments on Hand	\$ 23,363,012	\$ -	\$ 23,363,012
Contract Back Office Services	518,463	-	518,463
Dividends-Portfolio	657,483	-	657,483
Income Tax Refund	283,503	236,693	520,196
Insurance Claim and Premium Refund	20,662	-	20,662
Interest-Portfolio	1,640,835	288,930	1,929,765
Interest-Short Term Investments	7,376,492	350,743	7,727,235
Investment Principal Repayments	2,890,163	291,859	3,182,022
Management Fees	1,118,517	176,526	1,295,043
Proceeds on Disposal of Investments	52,442,430	4,698,337	57,140,767
Rent/Sub-Lease	1,804,884	866,664	2,671,548
Sundry	297,476	4,200	301,676
Pre-Receivership Accounts Receivable	1,247,463	-	1,247,463
Class Action Settlements	6,812,978	681,946	7,494,924
Total Receipts	\$ 100,474,361	\$ 7,595,898	\$ 108,070,259
Disbursements			
Advances to Investees	\$ 265,132	\$ -	\$ 265,132
Capital Tax	200,257	-	200,257
Computer, Telephone and Office Expense	719,488	136,813	856,301
Consulting Fees	359,150	-	359,150
Employee Pension	442,922	-	442,922
Insurance	141,608	25,955	167,563
Investee Guarantee and Indemnification	1,344,677	-	1,344,677
Investment Expenses	218,497	4,636	223,133
Legal Fees	2,038,338	253,900	2,292,238
Disbursements	55,735	8,943	64,678
Taxes	261,922	32,185	294,107
Legal Fees - Indemnification	651,982	76,423	728,405
Disbursements	11,216	1,769	12,985
Taxes	50,057	9,254	59,311
Payroll & Benefits	1,735,550	-	1,735,550
Receiver and Manager Fees	7,130,967	1,673,380	8,804,347
Taxes	407,821	83,733	491,554
Rent	2,899,455	1,418,248	4,317,703
Settlements	579,116	196,875	775,991
Shareholder Services	1,317,222	847,245	2,164,467
Pre-Receivership Payables and Accruals	914,385	-	914,385
Total Disbursements	21,745,497	4,769,359	26,514,856
Excess of Receipts over Disbursements prior to:	78,728,864	2,826,539	81,555,403
Interim Distributions - Class "A" Shares	59,850,522	8,931,581	68,782,103
Interim Distributions - Class "I" & "L" Shares	308,494	41,476	349,970
Class Action Settlements	6,537,507	685,300	7,222,807
Excess of Receipts over Disbursements	\$ 12,032,341	\$ (6,831,818)	\$ 5,200,523
Represented by:			
Short Term Investments and Bonds			\$ 1,759,911
Cash in Trust - Interim Distributions			3,440,612
			\$ 5,200,523

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