

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE CONSOLIDATED  
BANKRUPTCY OF PORTUS ALTERNATIVE ASSET  
MANAGEMENT INC. AND PORTUS ASSET  
MANAGEMENT INC.,** both corporations incorporated pursuant  
to the *Business Corporations Act* (Ontario) with its principal place  
of business in the City of Toronto, in the Province of Ontario,  
bankrupts

**MOTION RECORD**

September 2, 2009

**ThorntonGroutFinnigan LLP**  
Barristers and Solicitors  
Suite 3200, P.O. Box 329  
Canadian Pacific Tower  
Toronto-Dominion Centre  
Toronto, ON M5K 1K7

**James H. Grout (LSUC# 22741H 1B)**  
**Larry Ellis (LSUC# 49313KC)**

Tel: (416) 304-1616  
Fax: (416) 304-1313

Solicitors for KPMG Inc., in its capacity as Trustee  
of the Consolidated Estate of Portus Alternative  
Asset Management Inc. and Portus Asset  
Management Inc., bankrupts

## MOTION RECORD INDEX

<b>TAB</b>	<b>DOCUMENT</b>
1	Notice of Motion Returnable on Tuesday, September 8, 2009
2	Affidavit of I. George Gutfreund sworn August 31, 2009
3	Affidavit of James H. Grout sworn September 2, 2009
A	Redacted copies of the bills of costs issued to the Trustee by ThorntonGroutFinnigan LLP for fees and disbursements incurred by ThorntonGroutFinnigan LLP in the course of the Consolidated Estate of Portus Alternative Asset Management Inc. and Portus Asset Management Inc. between January 1, 2009 and March 31, 2009
B	Schedule summarizing each invoice, the total billable hours charged per invoice, the total fees charged per invoice and the average hourly rate charged per invoice
C	Schedule summarizing the respective years of call and billing rates of each of the solicitors at TGF who acted for the Receiver
4	Affidavit of Michael C. Nicholas to be filed
A	Summaries of the invoices issued to the Trustee by McCarthy Tetrault LLP for fees and disbursements incurred by McCarthy in the course of the Consolidated Estate of Portus Alternative Asset Management Inc. and Portus Asset Management Inc. between January 1, 2009 and March 31, 2009 to be sworn
B	Schedule summarizing each invoice, the total billable hours charged per invoice, the total fees charged per invoice and the average hourly rate charged per invoice to be sworn
C	Schedule summarizing the respective years of call and billing rates of each of the solicitors of McCarthy Tetrault LLP who acted for the Trustee to be sworn
5	Report of Jonathan Wigley September 1, 2009
6	Draft Order

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE CONSOLIDATED BANKRUPTCY  
OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC.  
AND PORTUS ASSET MANAGEMENT INC.,** both corporations  
incorporated pursuant to the *Business Corporations Act* (Ontario)  
with its principal place of business in the City of Toronto, in the  
Province of Ontario, bankrupts

**NOTICE OF MOTION**

**KPMG INC.** (the “Trustee”), in its capacity as the Trustee of the Consolidated Estate of Portus Alternative Asset Management Inc. (“PAAM”) and Portus Asset Management Inc. (“PAM”), bankrupts (the “Consolidated Estate”), will make a motion before the Honourable Mr. Justice Colin L. Campbell on Tuesday, September 8, 2009 at 10 o’clock in the morning or as soon after that time as the motion can be heard at 330 University Avenue, in the City of Toronto.

**THIS MOTION IS FOR AN ORDER:**

1. assessing and allowing the fees and disbursements of the Trustee and those of its counsel for the period January 1, 2009 to March 31, 2009, as filed; and
2. such further and other relief as counsel may request and this Honourable Court may deem just.

**THE GROUNDS FOR THE MOTION ARE:**

1. the fees and disbursements of the Trustee and those of its counsel for the period January 1, 2009 to March 31, 2009 have been approved by the Inspectors of the Consolidated Estate;

2. pursuant to the provisions of the *Bankruptcy and Insolvency Act* (Canada), the fees and disbursements of the Trustee and those of its counsel must be assessed by this Honourable Court;

3. pursuant to the Order of this Honourable Court dated May 18, 2007, the Honourable Mr. Justice Colin L. Campbell is to assess the accounts of the Trustee and those of its counsel; and

4. such further and other grounds as counsel may advise and this Honourable Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion:

1. the Affidavit of I. George Gutfreund sworn August 31, 2009;
2. the Affidavit of James H. Grout sworn September 2, 2009;
3. the Affidavit of Michael Nicholas to be filed;
4. the Report of the Independent Counsel dated September 1, 2009; and
5. such further and other material as counsel may advise and this Honourable Court may permit.

**September 2, 2009**

**ThorntonGroutFinnigan LLP**  
Suite 3200, P.O. Box 329  
Canadian Pacific Tower  
Toronto-Dominion Centre  
Toronto, ON M5K 1K7

**James H. Grout (LSUC# 22741H 1B)**  
**Larry Ellis (LSUC# 49313KC)**  
Tel: (416) 304-1616  
Fax: (416) 304-1313

Solicitors for KPMG Inc., in its capacity as Trustee  
of the Consolidated Estate of Portus Alternative  
Asset Management Inc. and Portus Asset  
Management Inc., bankrupts

**TO:** THIS HONOURABLE COURT  
**AND TO:** THE SERVICE LIST

IN THE MATTER OF THE BANKRUPTCY OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC., PORTUS ASSET MANAGEMENT INC., BANCNOTE CORP., SOUTHWEST ASSET MANAGEMENT INC., SOUTHWEST CAPITAL CORP., each of which is a corporation incorporated pursuant to the *Business Corporations Act* (Ontario) with its principal place of business in the City of Toronto, in the Province of Ontario

Court File No. 31-OR-207257-T

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**  
Proceeding commenced in Toronto

**NOTICE OF MOTION**

**ThorntonGroutFinnigan LLP**  
Barristers and Solicitors  
100 Wellington Street West  
Suite 3200, P.O. Box 329  
Canadian Pacific Tower  
Toronto, ON M5K 1K7

**James H. Grout (LSUC# 22741H 1B)**  
**Larry Ellis (LSUC #49313K)**

Tel: (416) 304-1616  
Fax: (416) 304-1313

Solicitors for KPMG Inc., in its capacity as  
Trustee of the Estate of Portus Alternative Asset  
Management Inc., a bankrupt

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)**

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**IN THE MATTER OF THE CONSOLIDATED BANKRUPTCY  
OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC.  
AND PORTUS ASSET MANAGEMENT INC., both corporations**  
Incorporated pursuant to the *Business Corporations Act* (Ontario)  
with its principal place of business in the City of Toronto, in the  
Province of Ontario, bankrupts

**AFFIDAVIT OF I. GEORGE GUTFREUND  
(Sworn August 31, 2009)**

**I, I. GEORGE GUTFREUND**, of the Town of Markham, in the Province of Ontario,  
**MAKE OATH AND SAY:**

1. I am a Vice President with KPMG Inc., the Trustee of the Consolidated Bankruptcy of Portus Alternative Asset Management Inc. and Portus Asset Management Inc., bankrupts, and as such I have knowledge of the matters to which I herein depose. Where the source of my information is other than myself or other representatives of the Trustee, I have set out the source thereof and I believe it to be true.
2. Pursuant to the Orders of the Honourable Mr. Justice Campbell of the Ontario Superior Court of Justice (Commercial List) in the matter of *Ontario Securities Commission v. Portus Alternative Asset Management Inc., Portus Asset Management Inc. and BancNote Corp.*, Court File No. 05-CL-5792, including, without limitation, the Amended & Restated Order dated June 23, 2005 (the "Amended & Restated Order"), KPMG Inc. ("KPMG") has been appointed Receiver of all of the assets, undertakings and properties of Portus Alternative Asset Management Inc., Portus Asset Management Inc., BancNote Corp. and the entities and assets listed as Schedule "A" to the Amended & Restated Order (collectively, the "Portus Group").
3. Upon the application of the Receiver, Portus Alternative Asset Management Inc. ("PAAM") was adjudged a bankrupt and KPMG Inc. was appointed as Trustee of the Estate (the "PAAM Estate") pursuant to the Order of this Honourable Court dated March 24, 2006 (the "PAAM Bankruptcy Order").

4. The first meeting of the creditors of the PAAM estate was held on June 21, 2006. At that meeting, KPMG Inc. was affirmed as the Trustee of the PAAM Estate and five inspectors were elected (the "PAAM Inspectors").

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5. PAAM was a securities firm within the meaning of Part XII of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA"). Accordingly the PAAM Estate was administered in accordance with Part XII of the BIA.
6. Upon the application of the Receiver, Portus Asset Management Inc. ("PAM") was adjudged a bankrupt, KPMG Inc. was named as Trustee of the Estate and the Estate was consolidated with the PAAM Estate on a substantive and procedural basis (the "Consolidated Estate") pursuant to the Order of this Honourable Court dated May 18, 2007 (the "Consolidated Bankruptcy Order").
7. Pursuant to the Consolidated Bankruptcy Order, KPMG Inc., (the "Trustee") is Trustee of the Consolidated Estate and the PAAM Inspectors are the inspectors of the Consolidated Estate (the "Inspectors").
8. The Consolidated Estate is being administered in accordance with Part XII of the BIA.
9. Attached hereto as Exhibit "A" is a true copy of the invoice issued by KPMG Inc. for fees and disbursements incurred between January 1, 2009 and March 31, 2009.
10. Attached hereto as Exhibit "B" is a schedule summarizing the invoice in Exhibit "A", the total billable hours charged per invoice, the total fees charged per invoice and the average hourly rate charged per invoice.
11. Attached hereto as Exhibit "C" is a schedule summarizing the seniority and billing rates for each of the individuals at KPMG Inc. who have acted for the Trustee.
12. The hourly billing rates outlined in Exhibit "C" to this affidavit reflect a discount of the hourly rates charged by the Trustee consistent with files of this nature.
13. Attached hereto as Exhibit "D" is a Resolution of the Inspectors passed on August 12, 2009 approving the Trustee's Interim Statement of Receipts and Disbursements for the period ending March 31, 2009.

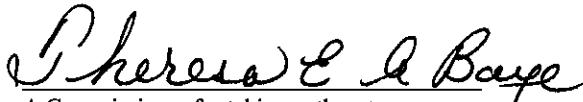
14. Attached hereto as Exhibit "E" is a Resolution of the Inspectors passed on August 12, 2009 approving the Trustee's fees and disbursements for the period January 1, 2009 to March 31, 2009 in the amount of \$523,703.78.

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15. Attached here to as Exhibit "F" is a Resolution of the Inspectors passed on August 12, 2009 approving the fees for the period January 1, 2009 to March 31, 2009 of ThorntonGroutFinnigan LLP, counsel to the Consolidated Estate in the amount of \$133,554.72.
16. Attached hereto as Exhibit "G" is a Resolution of the Inspectors passed on August 12, 2009 approving the fees for the period January 1, 2009 to March 31, 2009, of McCarthy Tétrault LLP, securities and tax counsel to the Consolidated Estate in the amount of \$5,474.70.
17. Attached hereto as Exhibit "H" is a Resolution of the Inspectors passed on August 12, 2009 approving the fees for the period January 1, 2009 to March 31, 2009 of ThorntonGroutFinnigan LLP, litigation counsel to the Consolidated Estate in the amount of \$31,146.05.
18. I make this affidavit in support of a motion by the Trustee for, among other things, the approval of the fees and disbursements of the Trustee and its legal counsel and for no other or improper purpose.

SWORN before me, at the )  
 City of Toronto, in the )  
 Province of Ontario, this 31 day )  
 of August 2009. )

  
 \_\_\_\_\_  
 I. George Gutfreund

  
 A Commissioner for taking oaths, etc.

**THERESA EVA ANNE BAYE, A  
 Commissioner, etc., City of Toronto,  
 for KPMG LLP, Chartered Accountants,  
 KPMG Inc. Trustee in Bankruptcy and  
 KPMG Management Services LP.  
 Expires February 6, 2011.**

Invoice

July 9, 2009

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Portus Alternative Asset Management Inc. and  
Portus Asset Management Inc., Bankrupts  
c/o KPMG Inc.  
PO Box 31, Commerce Court West  
Toronto, ON M5L 1B2

GST#: 12236 3153 RT0001

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To professional services rendered in connection with the above-noted matter for the period January 1 to March 31, 2009, including:

- Planning for and commencement of special audit procedures of the claims database and allocation system re the generation of the third allocation cheques;
- Preparation for and attendance at the 39<sup>th</sup> meeting of Inspectors;
- Continued discussion and attendance at meetings with representatives of Northwater regarding the early redemption of the SocGen notes and monitoring of same;
- Receipt, reviews and comment on court materials regarding Manulife/SocGen Class Action Settlement;
- Preparation of appropriate materials required from the Trustee for the Court Approval of the Manulife/SocGen Class Action Settlement;
- Implementation of Court Approved Manulife/SocGen Class Action Settlement including publication of appropriate notices, website postings, coordination of opt-out investor forms, execution of releases and receipt of settlement funds;
- Continuation of day-to-day processing of proofs of claim received and entering into the database;
- Day-to-day processing of registered product forms and posting to the claims database;
- Review of daily processing and issuance of appropriate correspondence to investors for improperly completed forms;
- Attendance at meetings with legal counsel to review the status of ongoing litigation re the potential recovery of preference and reviewable transaction payments;
- Continued monitoring of the call centre as to types and volumes of calls received and updating of the Q&A's for the Manulife/SocGen Class Action Settlement;
- Attendance at meetings re third interim allocation planning;
- Preparation and issuance of third interim allocation;
- Review of funding requirement for third interim allocation and appropriate holdbacks for the ongoing administration of the estate;
- Preparation of and issuance of December 31, 2008 year end T-slips and appropriate year end tax reporting; and

- Overall administration of the bankruptcy, dealing with day-to-day administrative issues, responding to investor and creditor inquiries, updating of website, monitoring operations of the call centre and attendance at all meetings, proceedings and/or Court appearances, as required.

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Our Fee	\$491,117.50
Add Disbursements	<u>7,648.00</u>
	498,765.50
GST	<u>24,938.28</u>
TOTAL INVOICE	<u>\$523,703.78</u>

THIS IS EXHIBIT....."A".....  
REFERRED TO IN THE AFFIDAVIT OF  
I. GEORGE GUTFREUND  
SWORN BEFORE ME THIS.....31.....  
DAY OF AUGUST 20 08  
*Theresa La Baye*  
A COMMISSIONER, ETC.

PORTUS ALTERNATIVE ASSET MANAGEMENT INC.					
TRUSTEE'S TIME SUMMARY					
FOR THE PERIOD JANUARY 1 TO MARCH 31, 2009					
Name	Level	Oct 1/08 Rate		January 1 to March 31, 2009	
		Std.	Disc.	Hours	Billed Amt
R. Rusko	Partner	\$800	\$640	48.5	\$31,040.00
D. Benson	Assoc. Partner	\$750	\$605	66.5	40,232.50
G. McRae	Assoc. Partner	\$725	\$605	2.0	1,210.00
G. Gutfreund	Senior Mgr	\$690	\$585	335.4	196,209.00
J. Poulos	Senior Mgr	\$690	\$585	0.5	292.50
J. Bradley	Senior Mgr	\$620	\$535	0.5	267.50
E. DosSantos	Senior Mgr	\$530	\$450	5.7	2,565.00
J. Kwon	Specialist	\$370	\$315	7.0	2,205.00
M. Schankula	Specialist	\$295	\$250	450.6	112,650.00
M. Knoll	Technician	\$230	\$205	386.1	79,150.50
A. Rzhovsky	Technician	\$230	\$205	10.9	2,234.50
A. Singels-Ludvik	Technician	\$230	\$205	80.6	16,523.00
S.H. Jung	Student	\$110	\$90	27.5	2,475.00
T. Baye	Admin	\$100	\$85	17.5	1,487.50
R. Palazzo	Admin	\$100	\$85	0.5	42.50
P. King-Pearson	Admin	\$100	\$85	29.8	2,533.00
				1,469.6	\$491,117.50
Add out of pocket expenses including,					
	Printing House				213.00
	Citilogistics				7,435.00
					7,648.00
Total Time and Expenses - Prior to GST					
					\$498,765.50
GST					
					24,938.28
TOTAL					
					\$523,703.78

THIS IS EXHIBIT "B"  
 REFERRED TO IN THE AFFIDAVIT OF  
I. GEORGE GUTFREUND  
 SWORN BEFORE ME THIS 31  
 DAY OF AUGUST 20 09  
Pheresa L. Baye  
 A COMMISSIONER, ETC.

## PORTUS ALTERNATIVE ASSET MANAGEMENT INC. ET AL

TRUSTEE'S SUMMARY OF KPMG STAFF AND RATES  
DURING THE PERIOD JANUARY 1 TO MARCH 31, 2009

Name	Oct 1/08 Rate	
	Std.	Disc.
<u>Partner:</u>		
R. Rusko	\$800	\$640
<u>Assoc. Partner:</u>		
D. Benson	\$750	\$605
G. McRae	\$725	\$605
<u>Senior Manager:</u>		
G. Gutfreund	\$690	\$585
J. Poulos	\$690	\$585
J. Bradley	\$620	\$535
E. DosSantos	\$530	\$450
<u>Specialist:</u>		
J. Kwon	\$370	\$315
M. Schankula	\$295	\$250
<u>Technician:</u>		
M. Knoll	\$230	\$205
A. Rzhovsky	\$230	\$205
A. Singels-Ludvik	\$230	\$205
<u>Student:</u>		
S.H. Jung	\$110	\$90
<u>Administrative:</u>		
T. Baye	\$100	\$85
R. Palazzo	\$100	\$85
P. King-Pearson	\$100	\$85

THIS IS EXHIBIT "C"  
 REFERRED TO IN THE AFFIDAVIT OF  
I GEORGE GUTFREUND  
 SWORN BEFORE ME THIS 31  
 DAY OF August, 2009  
Theresa E. Baye  
 A COMMISSIONER, ETC.

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE CONSOLIDATED BANKRUPTCY OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC. AND PORTUS ASSET MANAGEMENT INC.,** both corporations incorporated pursuant to the *Business Corporations Act* (Ontario) with their principal place of business in the City of Toronto, in the Province of Ontario

**INSPECTORS' RESOLUTION**

August 12, 2009

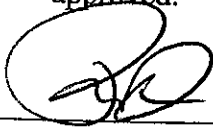
**WHEREAS:**

- A. Portus Alternative Asset Management Inc. ("PAAM") was adjudged a bankrupt on March 24, 2006 and KPMG Inc. ("KPMG") was appointed as the Trustee ("Trustee") of the Estate of PAAM (the "PAAM Estate");
- B. by Order dated May 18, 2007, Portus Asset Management Inc. ("PAM") was adjudged a bankrupt and the Estate of PAM was consolidated with the Estate of PAAM ("the Consolidated Estate") and that KPMG Inc. is the Trustee of the Consolidated Estate;
- C. pursuant to *the Bankruptcy and Insolvency Act*, on June 21, 2006, at the first meeting of creditors to the PAAM Estate, the creditors of the PAAM Estate elected five inspectors (the "Inspectors");
- D. by Order dated May 18, 2007, the Inspectors elected in the PAAM Estate shall continue and shall be the Inspectors in the Consolidated Estate;
- E. the Inspectors are charged with the responsibility of supervising the Trustee in its administration of the Consolidated Estate, including approving the Trustee's Interim Statement of Receipts and Disbursements for the period ended March 31, 2009; and
- F. the Trustee, along with its counsel, has provided the Inspectors with the necessary information in order to consider the issues as they relate to this particular Inspectors' resolution.

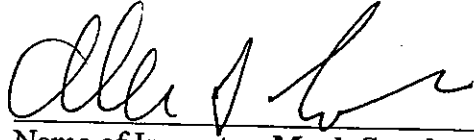
THIS IS EXHIBIT....."D"  
REFERRED TO IN THE AFFIDAVIT OF  
*I. GEORGE GUTFREUND*  
SWORN BEFORE ME THIS.....31.....  
DAY OF *August* 20 *09*  
*Phereese e. Baye*  
A COMMISSIONER, ETC.

**THEREFORE BE IT RESOLVED** that:

1. the Trustee's Interim Statement of Receipts and Disbursements for the period ending March 31, 2009, attached hereto as Schedule "A", be and it is hereby approved.



Name of Inspector: **Rod Bell**



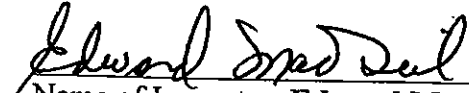
Name of Inspector: **Mark Segal**



Name of Inspector: **David Kerr**



Name of Inspector: **Gregg Clifton**



Name of Inspector: **Edward MacNeil**

## PORTUS ALTERNATIVE ASSET MANAGEMENT INC. ET AL

Consolidated Statement of Receiver and Trustee's Receipts and Disbursements  
for the period March 4, 2005 to March 31, 2009

	Receiver's Account	Trustee's Account	TOTAL
<b>RECEIPTS:</b>			
Proceeds from Portus bank accounts, domestic and offshore	\$1,792,854.21	\$154,262,645.37	\$156,055,499.58
Exchange on USD conversion to CDN, including interest income	5,044,054.79		5,044,054.79
SocGen Notes	18,143,965.08	593,768,187.92	611,912,153.00
Interest income	3,032,211.92	14,740,141.52 (1)	17,772,353.44
Litigation settlement	-	81,158.62	81,158.62
Refund of deposit - PDP Int'l Bank re St Vincent	500,000.00		500,000.00
Proceeds from LOM - reimbursement	254,525.16		254,525.16
Proceeds from sale of surplus fixed assets	20,725.90		20,725.90
Miscellaneous receipt	13,607.91		13,607.91
<b>Total Receipts</b>	<b>\$28,801,944.97</b>	<b>\$762,852,133.43</b>	<b>\$791,654,078.40</b>
<b>DISBURSEMENTS:</b>			
RBC GIC collateral and related costs	213,260.98	-	\$213,260.98
<b>Hardship Disbursements:</b>			
Hardship payments	2,299,166.92		2,299,166.92
Income Tax withholdings re hardship payments	78,889.67		78,889.67
Admin fee paid to Financial Services Commission of Ontario	2,738.00		2,738.00
Office expense	199.77		199.77
<b>Total Hardship Disbursements</b>	<b>2,380,994.36</b>	<b>-</b>	<b>2,380,994.36</b>
<b>Receiver / Trustee Operating Disbursements:</b>			
Activity fee	-	37,496.30	37,496.30
Advertising	-	45,632.90	45,632.90
Call centre expenses	217,234.80	624,047.90	841,282.70
Consulting	1,547,657.02	744,939.56	2,292,596.58
First creditor's meeting room rental, costs and insurance	-	35,108.41	35,108.41
Goods and services tax paid	116,422.06	117,632.93	234,054.99
Information technology costs including licenses and royalties	-	328,922.16	328,922.16
Inspector's expenses	-	26,557.41	26,557.41
Insurance	40,587.48	20,297.52	60,885.00
Lease payment	6,880.68		6,880.68
Moving expenses	-	56,736.91	56,736.91
Office expense	19,175.46	137,015.11	156,190.57
Petty cash	-	554.38	554.38
Rent	379,065.98	371,615.46	750,681.44
Rent deposit	1,623.00		1,623.00
Security	6,382.92		6,382.92
Security deposits - legal proceedings in Israel	59,870.00		59,870.00
Service charges	2,228.77		2,228.77
The Printing House (photocopying charges)	-	139,812.51	139,812.51
Settlement expenses	-	178,608.42	178,608.42
Trustee's filing fee	-	150.00	150.00
Utilities	28,643.42	44,784.05	73,427.47
<b>Total Receiver / Trustee Operating Disbursements</b>	<b>2,425,771.59</b>	<b>2,909,911.93</b>	<b>5,335,683.52</b>
<b>Total Disbursements before professional fees and expenses</b>	<b>5,020,026.93</b>	<b>2,909,911.93</b>	<b>7,929,938.86</b>
<b>Professional Fees and Expenses:</b>			
<b>KPMG Inc:</b>			
Receiver / Trustee	10,051,474.32	5,668,625.39	15,720,099.71
GST	646,403.84	304,819.48	951,223.32
	<b>10,697,878.16</b>	<b>5,973,444.87</b>	<b>16,671,323.03</b>

PORTUS ALTERNATIVE ASSET MANAGEMENT INC. ET AL

Consolidated Statement of Receiver and Trustee's Receipts and Disbursements  
for the period March 4, 2005 to March 31, 2009

	Receiver's Account	Trustee's Account	TOTAL
Offshore KPMG offices	224,471.16		224,471.16
Legal - Domestic	3,670,482.67	1,932,592.35	5,603,075.02
GST	242,879.90	109,636.79	352,516.69
	3,913,362.57	2,042,229.14	5,955,591.71
Legal - Domestic (Litigation)	-	13,710.66	13,710.66
GST	-	541.50	541.50
	-	14,252.16	14,252.16
Legal - Thomas Anthony Malcolm	11,113.46		11,113.46
GST	622.60		622.60
	11,736.06	-	11,736.06
Legal - Representative Counsel	1,332,886.11		1,332,886.11
GST	90,878.53		90,878.53
	1,423,764.64	-	1,423,764.64
Legal Fees - MNPF	194,502.56		194,502.56
GST	29,708.05		29,708.05
	224,210.61	-	224,210.61
Legal - Offshore	1,526,152.17		1,526,152.17
Total Professional Fees per Summary Schedules	18,021,575.38	8,029,926.18	26,051,501.54
Total Disbursements	\$23,041,602.31	\$10,939,838.10	\$33,981,440.40
Excess of Receipts over Disbursements before Investor Allocation Payments	\$5,760,342.67	\$751,912,295.33	\$757,672,638.00
Less: Total Investor Allocation Payments	-	(\$716,697,378.11)	(716,697,378.11)
EXCESS OF RECEIPTS OVER DISBURSEMENTS	\$5,760,342.67	\$35,214,917.22	\$40,975,259.89
Less: Accrued Professional Fee Invoices Received post March 31, 2009 for Services Rendered to March 31, 2009	(607,304.62)	(1,487,705.90)	(2,095,010.52)
	\$5,153,038.05	\$33,727,211.32	\$38,880,249.37
Represented By:			
Receiver's accounts	\$5,760,342.67		\$5,760,342.67
Trustee's account		\$5,226,067.22	5,226,067.22
Trustee's account - investments		29,988,850.00	29,988,850.00
Accrued Professional Fees - to be paid	(607,304.62)	(1,487,705.90)	(2,095,010.52)
Total Cash and Investments	\$5,153,038.05	\$33,727,211.32	\$38,880,249.37

- (1) Transfer of \$13,527,547.33 from RBCDS Receiver's bank account to Trustee's operating account to fund the allocation in March 2009.

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)

IN THE MATTER OF THE CONSOLIDATED BANKRUPTCY  
OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC.  
AND PORTUS ASSET MANAGEMENT INC., both corporations  
incorporated pursuant to the *Business Corporations Act* (Ontario) with  
their principal place of business in the City of Toronto, in the Province  
of Ontario

INSPECTORS' RESOLUTION

August 12, 2009

WHEREAS:

- A. Portus Alternative Asset Management Inc. ("PAAM") was adjudged a bankrupt on March 24, 2006 and KPMG Inc. ("KPMG") was appointed as the Trustee ("Trustee") of the Estate of PAAM (the "PAAM Estate");
- B. by Order dated May 18, 2007, Portus Asset Management Inc. ("PAM") was adjudged a bankrupt and the Estate of PAM was consolidated with the Estate of PAAM ("the Consolidated Estate") and that KPMG Inc. is the Trustee of the Consolidated Estate;
- C. pursuant to *the Bankruptcy and Insolvency Act*, on June 21, 2006, at the first meeting of creditors to the PAAM Estate, the creditors of the PAAM Estate elected five inspectors (the "Inspectors");
- D. by Order dated May 18, 2007, the Inspectors elected in the PAAM Estate shall continue and shall be the Inspectors in the Consolidated Estate;
- E. the Inspectors are charged with the responsibility of supervising the Trustee in its administration of the Consolidated Estate, including approving the fees and disbursements of the Trustee; and
- F. the Trustee, along with its counsel, has provided the Inspectors with the necessary information in order to consider the issues as they relate to this particular Inspectors' resolution.

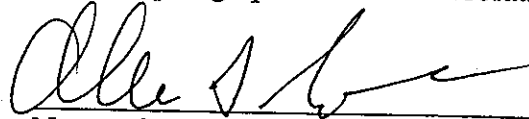
THIS IS EXHIBIT "E"  
 REFERRED TO IN THE AFFIDAVIT OF  
I. GEORGE GUTERUND  
 SWORN BEFORE ME THIS 31  
 DAY OF AUGUST, 2009  
Sherrill E. Bayle  
 A COMMISSIONER, ETC.

**THEREFORE BE IT RESOLVED that:**

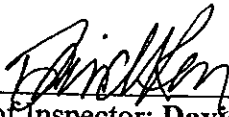
1. the Trustee's fees and disbursements for the period January 1, 2009 to March 31, 2009 in the amount of \$523,703.78 be and they are hereby approved.
2. the Trustee is authorized and directed by the Inspectors of the Consolidated Estate to make full payment of those fees approved in paragraph one of this resolution.



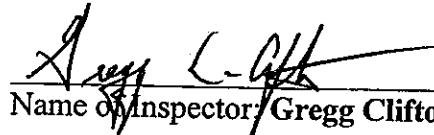
Name of Inspector: **Rod Bell**



Name of Inspector: **Mark Segal**



Name of Inspector: **David Kerr**



Name of Inspector: **Gregg Clifton**



Name of Inspector: **Edward MacNeil**

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE CONSOLIDATED BANKRUPTCY OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC. AND PORTUS ASSET MANAGEMENT INC.,** both corporations incorporated pursuant to the *Business Corporations Act* (Ontario) with their principal place of business in the City of Toronto, in the Province of Ontario

**INSPECTORS' RESOLUTION**

August 12, 2009

**WHEREAS:**

- A. Portus Alternative Asset Management Inc. ("PAAM") was adjudged a bankrupt on March 24, 2006 and KPMG Inc. ("KPMG") was appointed as the Trustee ("Trustee") of the Estate of PAAM (the "PAAM Estate");
- B. by Order dated May 18, 2007, Portus Asset Management Inc. ("PAM") was adjudged a bankrupt and the Estate of PAM was consolidated with the Estate of PAAM ("the Consolidated Estate") and that KPMG Inc. is the Trustee of the Consolidated Estate;
- C. pursuant to *the Bankruptcy and Insolvency Act*, on June 21, 2006, at the first meeting of creditors to the PAAM Estate, the creditors of the PAAM Estate elected five inspectors (the "Inspectors");
- D. by Order dated May 18, 2007, the Inspectors elected in the PAAM Estate shall continue and shall be the Inspectors in the Consolidated Estate;
- E. the Inspectors are charged with the responsibility of supervising the Trustee in its administration of the Consolidated Estate, including approving the fees and disbursements of counsel to the Consolidated Estate; and
- F. the Trustee, along with its counsel, has provided the Inspectors with the necessary information in order to consider the issues as they relate to this particular Inspectors' resolution.

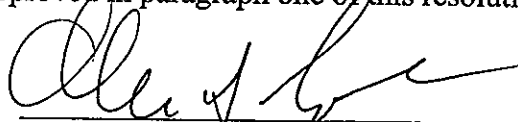
THIS IS EXHIBIT.....<sup>"F"</sup>.....  
REFERRED TO IN THE AFFIDAVIT OF  
I. GEORGE GUTERLUND  
SWORN BEFORE ME THIS.....<sup>31</sup>.....  
DAY OF AUGUST 2009  
Cherise P. Baye  
A COMMISSIONER, ETC.

**THEREFORE BE IT RESOLVED that:**

1. the fees for the period January 1, 2009 to March 31, 2009 of ThorntonGroutFinnigan LLP, counsel to the Trustee, in the amount of \$133,554.72 be and they are hereby approved.
2. the Trustee is authorized and directed by the Inspectors of the Consolidated Estate to make full payment of those fees approved in paragraph one of this resolution.



Name of Inspector: **Rod Bell**



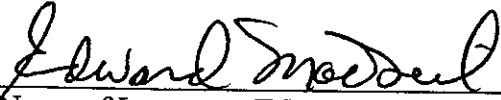
Name of Inspector: **Mark Segal**



Name of Inspector: **David Kerr**



Name of Inspector: **Gregg Clifton**



Name of Inspector: **Edward MacNeil**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE CONSOLIDATED BANKRUPTCY  
OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC.  
AND PORTUS ASSET MANAGEMENT INC.,** both corporations  
incorporated pursuant to the *Business Corporations Act* (Ontario) with  
their principal place of business in the City of Toronto, in the Province  
of Ontario

**INSPECTORS' RESOLUTION**

August 12, 2009

**WHEREAS:**

- A. Portus Alternative Asset Management Inc. ("PAAM") was adjudged a bankrupt on March 24, 2006 and KPMG Inc. ("KPMG") was appointed as the Trustee ("Trustee") of the Estate of PAAM (the "PAAM Estate");
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- E. the Inspectors are charged with the responsibility of supervising the Trustee in its administration of the Consolidated Estate, including approving the fees and disbursements of counsel to the Consolidated Estate; and
- F. the Trustee, along with its counsel, has provided the Inspectors with the necessary information in order to consider the issues as they relate to this particular Inspectors' resolution.

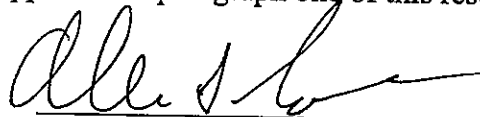
THIS IS EXHIBIT....."G"  
REFERRED TO IN THE AFFIDAVIT OF  
I. GEORGE GUTREUND  
SWORN BEFORE ME THIS.....31.....  
DAY OF August 2009  
Theresa Ch Bay  
A COMMISSIONER, ETC.

**THEREFORE BE IT RESOLVED that:**

1. the fees for the period January 1, 2009 to March 31, 2009 of McCarthy Tetrault LLP, securities and tax counsel to the Trustee, in the amount of \$5,474.70 be and they are hereby approved.
2. the Trustee is authorized and directed by the Inspectors of the Consolidated Estate to make full payment of those fees approved in paragraph one of this resolution.



Name of Inspector: **Rod Bell**



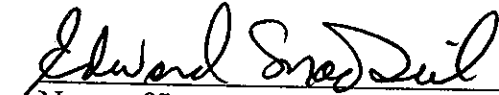
Name of Inspector: **Mark Segal**



Name of Inspector: **David Kerr**



Name of Inspector: **Gregg Clifton**



Name of Inspector: **Edward MacNeil**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)**

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**IN THE MATTER OF THE CONSOLIDATED BANKRUPTCY  
OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC.  
AND PORTUS ASSET MANAGEMENT INC.,** both corporations  
incorporated pursuant to the *Business Corporations Act* (Ontario) with  
their principal place of business in the City of Toronto, in the Province  
of Ontario

**INSPECTORS' RESOLUTION**

August 12, 2009

**WHEREAS:**

- A. Portus Alternative Asset Management Inc. ("PAAM") was adjudged a bankrupt on March 24, 2006 and KPMG Inc. ("KPMG") was appointed as the Trustee ("Trustee") of the Estate of PAAM (the "PAAM Estate");
- B. by Order dated May 18, 2007, Portus Asset Management Inc. ("PAM") was adjudged a bankrupt and the Estate of PAM was consolidated with the Estate of PAAM ("the Consolidated Estate") and that KPMG Inc. is the Trustee of the Consolidated Estate;
- C. pursuant to *the Bankruptcy and Insolvency Act*, on June 21, 2006, at the first meeting of creditors to the PAAM Estate, the creditors of the PAAM Estate elected five inspectors (the "Inspectors");
- D. by Order dated May 18, 2007, the Inspectors elected in the PAAM Estate shall continue and shall be the Inspectors in the Consolidated Estate;
- E. the Inspectors are charged with the responsibility of supervising the Trustee in its administration of the Consolidated Estate, including approving the fees and disbursements of counsel to the Consolidated Estate; and
- F. the Trustee, along with its counsel, has provided the Inspectors with the necessary information in order to consider the issues as they relate to this particular Inspectors' resolution.

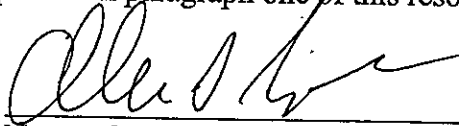
THIS IS EXHIBIT.....<sup>"H"</sup>.....  
REFERRED TO IN THE AFFIDAVIT OF  
T. GEORGE GUTFREUND  
SWORN BEFORE ME THIS.....<sup>31</sup>.....  
DAY OF August 20 09  
Theresa La Baye  
A COMMISSIONER, ETC.

**THEREFORE BE IT RESOLVED that:**

1. the fees for the period January 1, 2009 to March 31, 2009 of ThorntonGroutFinnigan LLP, litigation counsel to the Trustee, in the amount of \$31,146.05 be and they are hereby approved.
2. the Trustee is authorized and directed by the Inspectors of the Consolidated Estate to make full payment of those fees approved in paragraph one of this resolution.



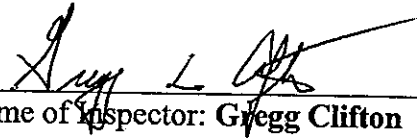
Name of Inspector: **Rod Bell**



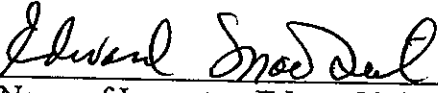
Name of Inspector: **Mark Segal**



Name of Inspector: **David Kerr**



Name of Inspector: **Gregg Clifton**



Name of Inspector: **Edward MacNeil**

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE CONSOLIDATED  
BANKRUPTCY OF PORTUS ALTERNATIVE ASSET  
MANAGEMENT INC. AND PORTUS ASSET  
MANAGEMENT INC.**, both corporations incorporated pursuant  
to the *Business Corporations Act* (Ontario) with its principal place  
of business in the City of Toronto, in the Province of Ontario,  
bankrupts

**AFFIDAVIT OF JAMES H. GROUT**  
*(Sworn September 2, 2009)*

I, **James H. Grout**, of the City of Toronto, in the Province of Ontario, **MAKE  
OATH AND SAY AS FOLLOWS:**

1. I am a Barrister and Solicitor qualified to practice law in the Province of Ontario. I am a founding partner of ThorntonGroutFinnigan LLP (“TGF”), solicitors for KPMG Inc. (the “Trustee”), in its capacity as Trustee of the Consolidated Estate of Portus Alternative Asset Management Inc. (“PAAM”) and Portus Asset Management Inc. (“PAM”), bankrupts and, as such, I have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.
2. Attached hereto as Exhibit “A” are copies of the bills of costs issued to the Trustee by TGF for fees and disbursements incurred by TGF in the course of the Consolidated Estate of PAAM and PAM between January 1, 2009 and March 31, 2009. These bills of costs have been redacted to prevent the disclosure of privileged information.
3. Attached hereto as Exhibit “B” is a schedule summarizing each invoice in Exhibit “A”, the total billable hours charged per invoice, the total fees charged per invoice and the average hourly rate charged per invoice.

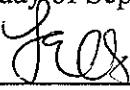
4. Attached hereto as Exhibit "C" is a schedule summarizing the respective years of call and billing rates of each of the solicitors at TGF who acted for the Trustee.

5. The hourly billing rates outlined in Exhibit "C" to this affidavit are significantly lower to the hourly rates charged by TGF for services rendered in relation to similar proceedings.

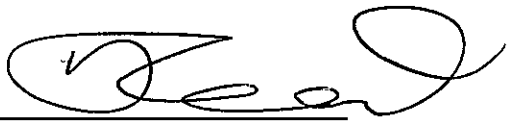
6. Our rates are reduced by approximately 20% to reflect the interests of approximately 26,000 investors and the public in general in maximizing the recoveries for investors and maintaining the confidence in the public matters of Canada.

7. I make this affidavit in support of a motion by the Trustee for, amongst other things, approval of the fees and disbursements of the Trustee's counsel.

**SWORN BEFORE ME**  
at the City of Toronto, in the  
Province of Ontario this 2nd  
day of September, 2009.

  
Larry C. Ellis  
A commissioner for taking oaths, etc.

)  
)  
)  
)  
)  
)

  
James H. Grout

# EXHIBIT "A"

Court File No. 31-OR-207257-T

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE CONSOLIDATED BANKRUPTCY OF  
PORTUS ALTERNATIVE ASSET MANAGEMENT INC. AND PORTUS  
ASSET MANAGEMENT INC.** both corporations incorporated pursuant to the  
*Business Corporations Act* (Ontario) with its principal place of business in the  
City of Toronto, in the Province of Ontario, bankrupts

**THIRTIETH INTERIM BILL OF COSTS OF THE SOLICITORS  
FOR THE TRUSTEE OF THE CONSOLIDATED ESTATE OF  
PORTUS ALTERNATIVE ASSET MANAGEMENT INC. and  
PORTUS ASSET MANAGEMENT INC., BANKRUPTS**

**For the period ending January 31, 2009**

Jan-05-09	Email regarding settlement negotiations with P. Carlen;	<b>0.20</b>	<b>JHG</b>
	Meeting with K. Ferreira to discuss status of the actions against friends and family; review status of each action and draft "strategy to do list" for each action; exchange emails with S. Horn regarding documentation required regarding the friends and families actions;	<b>5.10</b>	<b>LE</b>
Jan-06-09	Review reasons on class action approval settlement motion; letter to clients;	<b>0.40</b>	<b>JHG</b>
	Continue review of outstanding actions against friends and family; review documents received from S. Horn; meeting with K. Ferreira to discuss outstanding litigation against friends and family; begin review of litigation against the Directors' and Officers' Trust and the money held by the IFSA; continue drafting notes on next steps to recover outstanding monies;	<b>4.60</b>	<b>LE</b>
Jan-07-09	Emails regarding opt out from class action settlement;	<b>0.40</b>	<b>JHG</b>
	Exchange correspondence with E. Hoaken regarding opt out numbers; exchange correspondence with G. Gutfreund regarding opt out numbers; review correspondence from J. Grout regarding Order and endorsement of Justice Campbell; review endorsement of Justice Campbell on the approval of the class action; begin review of actions against B. Manor and M. Mendelson and drafting notes regarding actions;	<b>3.70</b>	<b>LE</b>

Jan-08-09	Emails regarding Inspectors' meeting;	0.40	JHG
	Review correspondence to H. Juroviesky regarding the class action against PWC; calls with team to discuss the next Inspectors meeting and to discuss the litigation memorandum; review multiple emails from the Inspectors; meeting with G. Gutfreund and B. Rusko to discuss moving forward with Inspectors' meeting;	2.50	LE
Jan-09-09	Discussions with L. Ellis and emails regarding Inspectors meeting;	0.40	JHG
	Correspondence with J. Douglas regarding Hurst class action;	0.40	JLF
	Review hardship program Court materials; [REDACTED] exchange multiple emails with K. Borg; exchange emails with E. Hoaken; calls with G. Gutfreund to confirm information; calls with R. Rusko; begin draft of litigation memorandum;	4.90	LE
Jan-11-09	Emails regarding PWC class action;	0.20	JHG
Jan-12-09	Emails regarding Inspectors meeting;	0.20	JHG
	Calls with client to receive updates on certain outstanding litigation; calls with various counsel to friends and family to receive updates on actions; meeting with K. Ferreira to discuss friends and family actions; continue to draft portion of litigation update regarding the friends and family actions; call with J. Grout to receive update on the F. Manor settlement discussions; review files to determine status of Affidavits of Documents; review Sherriff reports; review Judgment of M. Greenberg;	7.50	LE
Jan-13-09	Discussions with client and criminal counsel and memos regarding criminal proceedings;	0.80	JHG
	Emails with J. Douglas regarding Court hearing; prepare for attendance;	1.30	JLF
	Exchange multiple emails with K. Borg regarding payment process for settlement proceeds; [REDACTED] meeting with J. Grout to discuss status of Israel proceedings; call with Israeli counsel and KPMG team to discuss status of Israeli proceedings; continue to work on litigation update memorandum; review memorandum establishing connections between PDP Bank and investor monies; review correspondence from team regarding	7.40	LE

	opt out status;		
Jan-14-09	Discussions with L. Ellis regarding litigation update memo; letter from Faye's Manor counsel with settlement offer;	0.60	JHG
	Prepare for and attend before Justice Powell on Case Conference; emails with KPMG regarding PWC investigation;	1.50	JLF
	Exchange multiple emails with E. Murphy regarding PDP status; exchange emails with G. Brough; review latest offer from F. Manor and emails from J. Grout; review emails from B. Rusko and reply; continue to work on first draft of litigation report;	5.80	LE
Jan-15-09	Meeting with L. Ellis and K. Ferreira regarding litigation memo;	0.40	JHG
	Memos regarding mechanics of sale of notes to SGC;	0.20	JHG
	Review litigation memo; conference call with client, L. Ellis and K. Ferreira;	2.60	JHG
	Office conference with L. Ellis; review and revise litigation report;	1.60	JLF
	Portus litigation meeting with L. Ellis and J. Finnigan; review and provide comment on litigation memo; discussion with L. Ellis; review revised litigation memorandum; telephone conference with KPMG and TGF; prepare executive summary of probable recoveries;	6.00	KF
	Complete first draft of the litigation memorandum; meeting with K. Ferreira to discuss litigation memorandum; make substantial revisions to litigation memorandum; meeting with J. Finnigan to discuss litigation memorandum; emails to G. Gutfreund and B. Rusko regarding litigation memorandum; call with team to discuss Inspectors' meeting and the agenda thereto; continue to incorporate suggested revisions into litigation memorandum; review email correspondence regarding the Inspectors meeting; draft summary of high probability recoveries; meetings with K. Ferreira to revise summary of high probability recoveries; circulate draft of summary of high probability recoveries and incorporate suggested revisions; calls to E. Murphy to discuss certain outstanding litigation;	9.50	LE
Jan-16-09	Prepare and attend Inspectors meeting; prepare and meet with clients and criminal counsel; prepare notes of Inspectors meeting;	5.40	JHG
	Prepare for and attend at KPMG's office for Inspectors' meeting;	8.10	LE

prepare for and attend meeting with D. Hunt, G. Jennings, B. Rusko, J. Grout and G. Gutfreund; begin preparing notes from Inspectors' meeting; insert J. Finnigan's comments into litigation memorandum;

Jan-19-09	Emails regarding Manor bankruptcy proceeding; met with J. Finnigan regarding Manor; letter to Faye Manor's counsel regarding settlement terms; draft Manor bankruptcy motion;	2.40	JHG
	Telephone discussion with Israeli counsel regarding status of Israeli proceedings and next steps; analysis of bankruptcy option for B. Manor; office conference with J. Grout;	1.80	JLF
	Telephone discussion with Israeli counsel regarding status of Israeli proceedings and next steps; analysis of bankruptcy option for B. Manor; office conference with J. Grout;	1.80	JLF
	Exchange emails with team regarding the status of litigation in Israel; meeting with J. Finnigan to provide update regarding outcome of Inspectors' meeting; call with KPMG team and Israeli counsel to discuss status of litigation; continue working on revisions to litigation update memorandum;	4.20	LE
Jan-20-09	Emails regarding interest rate payable by Societe Generale; [REDACTED]	1.00	JHG
	Review litigation memorandum; emails with L. Ellis;	0.30	JLF
	Discussion with L. Ellis; review emails from Bahamian counsel and counsel for Trustees;	0.80	KF
	[REDACTED] exchange emails with J. Finnigan regarding litigation meeting; meeting with K. Ferreira regarding the Portus litigation status; review status of claim against the Directors' and Officers' Trust; continue to work on Litigation Update summary and begin drafting action/status memorandum; call with B. Rusko to discuss best approach for dealing with litigation; meeting with J. Grout to receive update on bankruptcy materials and to [REDACTED]; meeting with K. Ferreira to discuss status; review historical correspondence from B. Simms and draft email to B. Moree and B. Simms to request a status update;	6.80	LE
Jan-21-09	Drafting memo	0.80	JHG
	Met with L. Ellis; met with clients and Farber regarding Manor bankruptcy proceeding;	0.80	JHG

	Meeting with L. Ellis and K. Ferreira regarding litigation status reports; discussion of strategy for various actions; revisions to memorandum; office conference with J. Grout;	1.70	JLF
	Meeting with L. Ellis and J. Finnigan to discuss litigation memo and strategy going forward; review emails from Trustee's counsel and Bahamian counsel;	2.10	KF
	Exchange multiple emails with B. Simms regarding status of D&O Trust; exchange multiple emails with B. Moree regarding the status of the D&O Trust; meeting with K. Ferreira to discuss next steps for recovering funds held in the D&O Trust; meeting with J. Finnigan and K. Ferreira to discuss all outstanding litigation; continue drafting action plan for litigation; meeting with A. Farber, A. Nackan, J. Grout, G. Gutfreund and K. Ferreira regarding petition of B. Manor;	4.90	LE
Jan-22-09	Emails regarding interest rate payable by Societe Generale; [REDACTED]	0.80	JHG
	Telephone conference with L. Ellis and Bahamian counsel;	0.70	KF
	Exchange multiple emails with K. Ferreira; exchange correspondence with B. Moree; call with B. Moree and K. Ferreira to discuss next steps for proceeding with litigation; review email correspondence from J. Poulos regarding rates of interest for settlement; [REDACTED]	3.10	LE
Jan-23-09	[REDACTED] met with J. Finnigan and L. Ellis; emails to clients and counsel;	2.20	JHG
	Review correspondence from K. Ferreira regarding the Sheriff's report on B. Manor; finalize review of bankruptcy materials;	1.10	LE
Jan-24-09	Emails with Representative Counsel regarding pending motion;	0.20	JHG
Jan-26-09	[REDACTED] met with J. Finnigan; discussions with client;	1.00	JHG
	Review emails from A. Nackan regarding Trusteeship; exchange email correspondence with G. Brough regarding the Saint Vincent funds; email to B. Moree regarding the Officers' and Directors' Trust; meeting with K. Ferreira to discuss status of litigation; review email from K. Borg;	2.70	LE

Jan-27-09	Review materials from K. Borg regarding status of release; meeting with J. Grout to discuss status of the lease; review emails from D. Hausman regarding status of opt outs; exchange email correspondence with team regarding dealing with investors that opted out by accident; review CRA tax certificate for B. Manor; review emails from J. Finnigan; review emails from J. Leon; emails out to client regarding schedule B to the release and regarding the Order re: Hardship; review various responses from team regarding schedule B to the release;	3.20	LE
Jan-28-09	Meeting with K. Ferreira to discuss litigation memorandum; draft action plan for most of the outstanding actions in the litigation memorandum; review email from J. McAuley regarding parties to schedule B; meeting with K. Ferreira to discuss revisions to Bankruptcy Application Court materials; calls with G. Gutfreund and K. Ferreira to discuss completion of materials; review funding agreement as proposed by A. Nackan; review correspondence from team regarding parties to Schedule "B"; exchange emails with J. Grout regarding status of bankruptcy materials;	5.50	LE
Jan-29-09	Emails regarding completion of Societe Generale settlement and Societe Generale releases; letter from Turton regarding Malcolm;	1.20	JHG
	Regarding: Societe Generale - Discussion with J. Grout; review email chain; review Schedule B to Release;	0.50	KF
	Review emails from K. Ferreira regarding the Affidavits of Documents; call with G. Gutfreund and K. Ferreira to discuss the Funding Agreement with Farber; call with K. Ferreira to discuss various outstanding issues; review Third Party Deposit Agreement;	1.90	LE
Jan-30-09	[REDACTED]	0.40	JHG
	Review email from Trustee's counsel with enclosures; telephone conference with Bahamian counsel;	0.80	KF
	Call with G. Gutfreund to discuss [REDACTED]; meeting with K. Ferreira to discuss Societe Generale release and Schedule "B"; email to K. Borg regarding Schedule "B"; email to B. Rusko and G. Gutfreund to discuss execution version of the release; call with B. Rusko to discuss agenda for Monday's call; call with J. Grout to discuss agenda for Monday's call; call with B. Moree; exchange correspondence with J. Poulos; begin review of class action agreements to determine documents necessary to close;	3.50	LE
	And to all other necessary telephone communications, attendances and correspondence with respect to the conduct of this matter;		

And to engrossing this Bill of Costs, service on the trustee, receive signed Bill of Costs, prepare Notice of Assignment for Assessment and forward the same to the Superintendent and Trustee and attending upon the assessment and serving the Trustee with the assessed Bill of Costs.

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
James H. Grout	23.00	\$675.00	\$15,525.00
John L. Finnigan	10.40	\$675.00	\$7,020.00
Kim Ferreira	10.90	\$275.00	\$2,997.50
Larry Ellis	96.00	\$300.00	\$28,800.00
OUR FEE HEREIN		\$54,342.50	
GST on Fee		\$2,717.13	
<b>Total Fee and GST</b>			<b>\$57,059.63</b>
<b><u>Disbursements:</u></b>			
Facsimiles		\$0.75	
Meals		\$44.99	
Photocopies		\$238.75	
Telephone		\$312.96	
Total Taxable Disbursements		\$597.45	
GST on Disbursements		29.87	
Total Non-Taxable Disbursements		\$0.00	
<b>Total Disbursements and GST</b>			<b>\$627.32</b>
<b>Total Fees, Disbursements &amp; GST</b>			<b>\$57,686.95</b>

ASSESSED AND ALLOWED at Toronto, this      day of      , 2009.

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Colin L. Campbell, J.

The undersigned hereby certifies that it has examined the above interim bill of costs, that the services therein described have been duly authorized and rendered and the charges in our opinion are fair and reasonable. The receipts to date of this Estate after payment of secured creditors' claims amounts to approximately \$ .

We hereby waive notice of the time and place of the taxation of this bill.

**KPMG Inc.**

**Per:**

\_\_\_\_\_

The undersigned, being the Inspectors of the Consolidated Estate of Portus Alternative Asset Management Inc. and Portus Asset Management Inc., hereby approve payment of the within legal costs.

\_\_\_\_\_

Gregg Clifton

\_\_\_\_\_

David Kerr

\_\_\_\_\_

Mark Segal

\_\_\_\_\_

Rod J. Bell

\_\_\_\_\_

Edward MacNeil

\_\_\_\_\_

Matter No. 508-018

Invoice No. 20580

Date: Feb 19/09

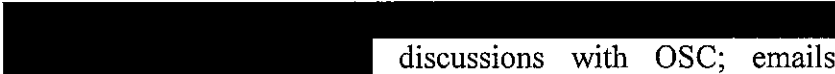
**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE CONSOLIDATED BANKRUPTCY OF  
PORTUS ALTERNATIVE ASSET MANAGEMENT INC. AND PORTUS  
ASSET MANAGEMENT INC.** both corporations incorporated pursuant to the  
*Business Corporations Act* (Ontario) with its principal place of business in the  
City of Toronto, in the Province of Ontario, bankrupts

**THIRTY-FIRST INTERIM BILL OF COSTS OF THE SOLICITORS  
FOR THE TRUSTEE OF THE CONSOLIDATED ESTATE OF  
PORTUS ALTERNATIVE ASSET MANAGEMENT INC. and  
PORTUS ASSET MANAGEMENT INC., BANKRUPTS**

**For the period ending February 28, 2009**

Feb-02-09	Conference call with clients, Societe Generale and counsel regarding completion of Societe Generale settlement; emails regarding interest and releases;	<b>0.80</b>	<b>JHG</b>
	Analysis of position in response to amended Claim;	<b>1.00</b>	<b>JLF</b>
	Call with G. Gutfreund and B. Rusko to discuss issues required for closing of Societe Generale settlement; call with G. Gutfreund to discuss status of our release; exchange emails with G. Gutfreund; draft closing agenda for purpose of call; call with J. Leon to discuss purpose of call; exchange emails with P. Osborne regarding call; revisions to closing agenda; circulate closing agenda to P. Osborne and our team for purpose of receiving comments; review emails from K. Ferreira regarding Judgment Debtor examination; review emails from J. Poulos; prepare for and attend call with Societe Generale team, KPMG team and Manulife team; review email from J. Leon regarding litigation summary; [REDACTED]	<b>4.70</b>	<b>LE</b>
Feb-03-09	Call with G. Gutfreund and K. Ferreira to discuss status of Trustee in Bankruptcy funding letter; review drafts of funding letter; review emails from G. Gutfreund and K. Ferreira regarding funding letter; review revised G. Gutfreund Affidavit;	<b>1.90</b>	<b>LE</b>
Feb-04-09	Discussions with client; emails regarding litigation; letters to counsel for Manor, Malcolm and Freeman;	<b>2.40</b>	<b>JHG</b>

	Exchange emails with team regarding the St. Vincent funds; review emails from G. Brough; meeting with J. Grout and K. Ferreira to discuss outstanding litigation; review email from K. Ferreira to discuss revised offer from P. Carlen; review emails from team regarding our instructed response to the revised P. Carlen offer; review revised Trustee release and provide to E. Murphy;	2.90	LE
Feb-05-09	Met with client; emails with client regarding settlement with Societe Generale; discussions with F. Manor's counsel;	1.80	JHG
	Review email from K. Ferreira regarding revised funding agreement and G. Gutfreund's Affidavit; review revised funding agreement and Affidavit; review response from G. Gutfreund; review Farber consent document; review email from J. Leon regarding call centre status; review email from J. Poulos; prepare for closing of Societe Generale settlement; work on Affidavit and other closing documents; review multiple emails from Manulife counsel and Societe Generale counsel; edit Trustee's release and exchange multiple emails with K. Borg regarding the release; review email exchange regarding status of service of B. Manor;	6.70	LE
Feb-06-09	 discussions with OSC; emails regarding completion of settlement with Societe Generale;	1.80	JHG
	Work with counsel from Societe Generale and Manulife to complete documents required for closing; review releases; review and comment on Affidavit; meeting with G. Gutfreund to discuss documents; review emails from J. Poulos; review emails from J. Grout; meeting with J. Grout; review update letter from J. Grout to client in regards to the criminal proceeding;	7.10	LE
Feb-09-09	Met with L. Ellis and emails regarding Societe Generale and Mendelson; letters to client;	2.00	JHG
	Emails regarding Société Generale settlement; office conference with L. Ellis;	0.30	JLF
	Prepare for and attend meeting with Bob Rusko and G. Gutfreund; calls with J. Leon; calls with D. Hausman; calls with E. Hoaken; calls with P. Osborne; review directions to law firms regarding accounts; review emails from team throughout the day regarding closing of Societe Generale settlement; work with various counsel to facilitate closing of Societe Generale settlement;	5.80	LE

Feb-10-09	Met with clients and L. Ellis regarding third party litigation; review third party litigation; discussions with counsel for Faye Manor; letters to counsel for Malcolm and Freeman;	3.20	JHG
	Discussion with L. Ellis and J. Grout; review email from L. Ellis; review Statement of Claim;	0.60	KF
	Review J. Leon Affidavit and circulate to client; exchange emails with client regarding litigation update meeting; review email from E. Hoaken and draft response; prepare for and attend meeting with B. Rusko, G. Gutfreund and J. Grout to discuss outstanding litigation; meeting with K. Ferreira to discuss next steps for proceeding with each outstanding action; exchange emails with B. Morree regarding the status of the Directors and Officers Trust litigation; ██████████ ██████████ review emails from G. Gutfreund and J. Poulos; review correspondence regarding status of J. Berman clients;	5.50	LE
Feb-11-09	Emails regarding Manor bankruptcy proceeding, met with J. Finnigan, emails regarding SG settlement and press release and third allocation;	1.40	JHG
	Meeting with L. Ellis and K. Ferreira to discuss proceedings to obtain release of trust funds; investigate the process and evidence required;	0.80	JLF
	Discussion with L. Ellis; review draft letter; Revise letter to B. Simms; email to Bahamian counsel; review email from Bahamian counsel;	1.30	KF
	Review email from A. Farber and various responding emails from team; research process for serving bankruptcy petition papers; review email from G. Gutfreund regarding the Societe Generale settlement; draft responding letter to B. Simms; meeting with K. Ferreira to discuss responding letter and revise; review email to B. Simms; review email from B. Morree;	4.50	LE
Feb-12-09	Discussions with L. Ellis; emails regarding Manor bankruptcy proceeding and SG Settlement;	1.20	JHG
	Emails regarding B. Manor; further review of litigation strategy for trust monies;	0.50	JLF
	Discussion with L. Ellis; conference call with Bahamian counsel; review letter from counsel;	1.50	KF
	Exchange multiple emails with K. Borg to establish process for obtaining closing documents; review emails from team related to	4.50	LE

the Bankruptcy of B. Manor; review emails from A. Farber and K. Ferreira regarding service of B. Manor; call with J. Grout to discuss next steps for dealing with J. Berman clients; call with J. Berman to discuss next steps for documenting settlement; call with J. Grout to provide update; review email to B. Morree; review letter from J. Berman; begin revising litigation memorandum to provide most recent information and determine strategies for certain outstanding actions; review email from J. Grout regarding RCMP update;

Feb-13-09	[REDACTED]	0.60	JHG
	Exchange emails with J. Grout regarding J. Berman's letter; review emails related to service of B. Manor;	0.40	LE
Feb-14-09	Review email from J. Grout;	0.20	LE
Feb-15-09	[REDACTED]	0.20	JHG
Feb-16-09	[REDACTED]	0.70	JLF
	Conference call with Bahamian counsel and D&O Trustee's counsel; email exchange with L. Ellis;	1.50	KF
	Prepare for and attend call to discuss the Officer and Directors Trust, call with B. Simms, B. Morree and K. Ferreira; call with K. Ferreira and B. Morree to discuss next steps for proceeding; draft game plan for proceeding with O/S action; exchange multiple emails with K. Ferreira;	3.90	LE
Feb-17-09	Emails regarding funds in St. Vincent; review settlement letter with Fay Manor and met with L. Ellis; emails regarding third party litigation; discussions with OSC regarding recoveries;	1.40	JHG
	Discussion with L. Ellis regarding preparation of motion materials;	1.00	KF
	Review email from J. Poulos and responding emails from team; review letter from M. Vaturi; review correspondence from K. Ferreira regarding the judgment debtor examination of Fine Arts; review email from K. Ferreira regarding service of B. Manor; meeting with J. Grout to discuss service of B. Manor; continue update of litigation memorandum;	2.10	LE

Feb-18-09	Discussions with OSC regarding recoveries; met with K. Ferreira regarding settlement with Wendy Manor;	0.80	JHG
	Review correspondence from J. Grout to S. Turton; call with S. Horn to provide explanation of required documentation; review email from S. Horn; begin drafting Affidavit of Law; meeting with Kim to schedule the remaining documents for drafting;	3.10	LE
Feb-19-09	Emails regarding third party litigation;	0.40	JHG
	Exchange multiple emails with K. Ferreira regarding litigation summary to be provided to J. Leon; make revisions to suggested memorandum and to covering email; meeting with K. Ferreira to finalize litigation summary; draft letter to J. Berman;	1.90	LE
Feb-20-09	Emails and correspondence regarding settlement of third party litigation claims;	0.40	JHG
	Review email from M. Vaturi regarding P. Carlen's offer to settle; meeting with J. Grout to provide litigation update; continue to work on documents for Directors and Officers Trust O/S action; exchange email correspondence with B. Rusko regarding status of litigation;	1.40	LE
Feb-21-09	[REDACTED] email to B. Morree regarding timeline for preparation of Court materials;	1.10	LE
Feb-23-09	Discussions with client regarding Thomey and Chainrock claims; letter to MRS Trust regarding securities pledge from Chainrock; memo to file regarding securities pledge agreement; met with K. Finnigan and letter to counsel for Greenberg; emails regarding Manor bankruptcy;	1.80	JHG
	[REDACTED] [REDACTED] review correspondence from M. Vaturi; review email from B. Rusko;	0.40	LE

Feb-24-09	Discussions with Greenberg's counsel; met with K. Ferreira; emails regarding Manor bankruptcy proceeding; review Amended Claim against PWC;	1.40	JHG
	[REDACTED] review multiple emails from K. Ferreira regarding status of settlements; revised Portus litigation memorandum [REDACTED];	3.20	LE
Feb-25-09	[REDACTED] email from client and letter to RCMP;	0.60	JHG
	[REDACTED] review email regarding RCMP update;	0.30	LE
Feb-26-09	[REDACTED] finalize letter to MRS Trust Company; emails [REDACTED];	1.20	JHG
	Review emails regarding service of B. Manor; review multiple emails from K. Ferreira regarding outstanding settlements;	0.50	LE
Feb-27-09	[REDACTED]	0.40	JHG

And to all other necessary telephone communications, attendances and correspondence with respect to the conduct of this matter

And to engrossing this Bill of Costs, service on the trustee, receive signed Bill of Costs, prepare Notice of Assignment for Assessment and forward the same to the Superintendent and Trustee and attending upon the assessment and serving the Trustee with the assessed Bill of Costs.

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
James H. Grout	23.80	\$675.00	\$16,065.00
John L. Finnigan	3.30	\$675.00	\$2,227.50
Kim Ferreira	5.90	\$275.00	\$1,622.50

Larry Ellis	62.10	\$300.00	\$18,630.00
OUR FEE HEREIN		\$38,545.00	
GST on Fee		\$1,927.25	
<b>Total Fee and GST</b>			<b>\$40,472.25</b>

**Disbursements:**

Couriers		\$79.97	
Facsimiles		\$0.75	
Photocopies		\$55.00	
Telephone		\$67.70	
Filing of Motion Records		\$47.00	
Total Taxable Disbursements		\$250.42	
GST on Disbursements		12.52	
Total Non-Taxable Disbursements		\$0.00	
<b>Total Disbursements and GST</b>			<b>\$262.94</b>
<b>Total Fees, Disbursements &amp; GST</b>			<b>\$40,735.19</b>

**ASSESSED AND ALLOWED at Toronto, this      day of      , 2009.**

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**Colin L. Campbell, J.**

The undersigned hereby certifies that it has examined the above interim bill of costs, that the services therein described have been duly authorized and rendered and the charges in our opinion are fair and reasonable. The receipts to date of this Estate after payment of secured creditors' claims amounts to approximately \$ .

We hereby waive notice of the time and place of the taxation of this bill.

**KPMG Inc.**

**Per:**

---

The undersigned, being the Inspectors of the Consolidated Estate of Portus Alternative Asset Management Inc. and Portus Asset Management Inc., hereby approve payment of the within legal costs.

---

Gregg Clifton

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David Kerr

---

Mark Segal

---

Rod J. Bell

---

Edward MacNeil

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Matter No. 508-018

Invoice No. 20665

Date: Mar 11/09

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE CONSOLIDATED BANKRUPTCY OF  
PORTUS ALTERNATIVE ASSET MANAGEMENT INC. AND PORTUS  
ASSET MANAGEMENT INC.** both corporations incorporated pursuant to the  
*Business Corporations Act* (Ontario) with its principal place of business in the  
City of Toronto, in the Province of Ontario, bankrupts

**THIRTY-SECOND INTERIM BILL OF COSTS OF THE SOLICITORS  
FOR THE TRUSTEE OF THE CONSOLIDATED ESTATE OF  
PORTUS ALTERNATIVE ASSET MANAGEMENT INC. and  
PORTUS ASSET MANAGEMENT INC., BANKRUPTS**

**For the period ending March 31, 2009**

Mar-02-09	Discussion with L. Ellis; review Sixth and Ninth Receiver's Report; review Receiver's Special Report;	<b>1.80</b>	<b>KF</b>
	[REDACTED] review history of correspondence from E. Ofer and [REDACTED]; meeting with K. Ferreira to discuss settlement with E. Ofer;	<b>1.90</b>	<b>LE</b>
Mar-03-09	Review Receiver's Special Report; review Trust Indenture;	<b>1.40</b>	<b>KF</b>
	Begin research required to complete Affidavit of Law for the D&O Trust litigation; begin outline of Affidavit of Law;	<b>4.40</b>	<b>LE</b>
Mar-04-09	Emails and correspondence [REDACTED] with third party litigants; emails with RCMP regarding Swiss bank accounts;	<b>0.80</b>	<b>JHG</b>
	[REDACTED]	<b>0.40</b>	<b>JLF</b>
	Draft Affidavit;	<b>2.00</b>	<b>KF</b>
	Meetings with K. Ferreira to discuss Director's and Officer's Trust Court documents;	<b>1.10</b>	<b>LE</b>
Mar-05-09	Continue to work on Affidavit of Law; exchange correspondence with S. Horn regarding the flow of funds to the O&D Trust; review letter from S. Turton; call with B. Morree to discuss next steps for proceeding;	<b>1.20</b>	<b>LE</b>

Mar-06-09	Discussion with G. Gutfreund [REDACTED];	0.50	KF
Mar-09-09	emails regarding fraud cases;	0.40	JHG
Mar-10-09	Exchange emails with B. Rusko regarding litigation update; review emails regarding service of B. Manor; [REDACTED]	0.40	LE
Mar-11-09	Emails regarding Manor bankruptcy proceeding;	0.40	JHG
	Office conference with K. Ferreira; emails regarding bankruptcy order for B. Manor;	0.50	JLF
	Prepare draft Affidavit to R. Rusko for Bahamian Application; review email of S. Horn and attachments; review correspondence to law firms in 2005;	2.40	KF
Mar-12-09	Emails regarding third party litigation and criminal proceedings against Manor;	0.80	JHG
	Litigation meeting with KPMG; review litigation strategy going forward with KPMG;	1.50	KF
	Review email from K. Ferreira regarding Order for substituted service; review Order together with endorsement; exchange emails with team regarding litigation update meeting; review multiple emails from G. Gutfreund; review email from J. Grout;	0.80	LE
Mar-13-09	Emails regarding class action settlement and opt out process;	0.20	JHG
	Email from K. Ferreira regarding third party litigation;	0.20	JHG
	Emails regarding statutes of limitation claims and next steps; office conference with K. Ferreira;	0.30	JLF
Mar-16-09	[REDACTED]	0.40	JHG
	Discussion with Commercial Court regarding securing dates for taxation of accounts; discussion with G. Gutfreund;	1.20	KF
	Discussion with J. Finnigan; review Mendelson directions; email directions to J. Finnigan; telephone call to Mr. Carlen's lawyer;	0.80	KF
Mar-17-09	Emails regarding criminal proceedings against Manor and regarding pending taxation and RBCDS accounts;	0.60	JHG

	Analysis of evidence required for release of trust funds in lawyer's possession, including directions from M. Mendelson; office conference with K. Ferreira regarding next steps for application for return of funds; telephone calls to C. Lax and R. Staley; letter to C. Lax, R. Staley and M. Teplitsky; review and comments regarding Release from Carlen, email to team;	<b>2.60</b>	<b>JLF</b>
	Review draft Release provided by Carlen; email to TGF team; review emails from J. Finnigan and J. Grout;	<b>0.80</b>	<b>KF</b>
	Review email from J. Poulos; review email from G. Gutfreund; review emails regarding the D&O Directions; review email from J. Grout regarding taxation of accounts;	<b>0.40</b>	<b>LE</b>
Mar-18-09	Emails regarding Manor bankruptcy proceedings and taxation of accounts;	<b>0.40</b>	<b>JHG</b>
	Revise letter to C. Lax, R. Staley and M. Teplitsky; office conference with K. Ferreira; review application for bankruptcy order;	<b>1.00</b>	<b>JLF</b>
	Revise Affidavit of R. Rusko; review Trustee Reports; emails to L. Ellis;	<b>4.50</b>	<b>KF</b>
	Review emails from KPMG and J. Grout regarding taxation; telephone call with G. Gutfreund;	<b>0.50</b>	<b>KF</b>
	Review email from K. Ferreira regarding Bankruptcy Application; review email from A. Farber; review JLF letters to various law firms;	<b>0.50</b>	<b>LE</b>
Mar-19-09	Revise Affidavit; review Trustee Reports regarding D&O Trust; review Trust Indenture and amended Trust Indenture; review KPMG tracing chart;	<b>4.10</b>	<b>KF</b>
	Discuss with J. Finnigan, review and compile correspondence regarding return of funds held by various law firms;	<b>2.50</b>	<b>AF</b>
Mar-20-09	Review draft of B. Rusko Affidavit and provide comments;	<b>1.10</b>	<b>LE</b>
	Review and compile correspondence regarding funds held by various law firms;	<b>6.00</b>	<b>AF</b>
Mar-21-09	Memo to J. Finnigan regarding law firm issues;	<b>0.20</b>	<b>JHG</b>
Mar-23-09	Emails regarding negotiations with third party litigants;	<b>0.20</b>	<b>JHG</b>
	Telephone discussion with C. Lax; email from J. Grout;	<b>0.60</b>	<b>JLF</b>

	Review email from K. Ferreira [REDACTED];	0.20	LE
	Review and compile correspondence regarding funds held by various law firms;	5.50	AF
Mar-24-09	Telephone discussion with C. Lax for Blakes; instructions to clerk regarding history of correspondence;	0.80	JLF
	Review revised B. Rusko Affidavit; exchange correspondence with K. Ferreira;	0.70	LE
	Review revised B. Rusko Affidavit; exchange correspondence with K. Ferreira;	0.70	LE
	Review and compile correspondence regarding funds held by various law firms;	6.50	AF
Mar-25-09	Emails regarding Manor bankruptcy proceeding;	0.20	JHG
	Discussion with L. Ellis regarding Rusko; revise draft of Rusko Affidavit; review;	1.80	KF
	Review bankruptcy Oder; review multiple emails from K. Ferreira; review letter from J. Berman; continued to work on B. Rusko's Affidavit; research law related to preferences;	8.50	LE
Mar-26-09	Emails regarding Swiss bank accounts;	0.20	JHG
	Discussion with L. Ellis regarding D&O Trust; review comments to Rusko draft Affidavit;	0.80	KF
	Meetings with K. Ferreira to discuss content of B. Rusko's Affidavit; review outstanding litigation, including status of all actions against friends and family; review status of minutes and resolutions for the Inspectors' meetings;	6.90	LE
Mar-27-09	Email from RCMP regarding Swiss bank accounts;	0.20	JHG
	Begin draft of "outstanding litigation update";	1.90	LE
	Review and compile correspondence regarding funds held by law firms;	4.60	AF
Mar-29-09	Emails with RCMP and clients;	0.20	JHG
Mar-30-09	Discussion with L. Ellis; review Sixth and Ninth Report; review offshore jurisdiction Orders; revise Affidavit;	2.50	KF

	Continued to work on draft of litigation update; continued to work on B. Rusko's Affidavit;	<b>5.50</b>	<b>LE</b>
	Review and compile correspondence regarding funds held by various law firms;	<b>1.50</b>	<b>AF</b>
Mar-31-09	Review Manor bankruptcy order and met with K. Ferreira regarding third party litigation;	<b>0.40</b>	<b>JHG</b>
	Discussion with J. Finnigan; discussion with L. Ellis; review revised Affidavit and provide comments; review Sixth and Ninth Report;	<b>1.80</b>	<b>KF</b>
	Exchanged multiple emails with team regarding the B. Rusko Affidavit; meeting with K. Ferreira regarding the B. Rusko Affidavit; meeting with J. Finnigan and K. Ferreira regarding the B. Rusko Affidavit; revised and reworked B. Rusko Affidavit;	<b>6.50</b>	<b>LE</b>
	And to all other necessary telephone communications, attendances and correspondence with respect to the conduct of this matter		
	And to engrossing this Bill of Costs, service on the trustee, receive signed Bill of Costs, prepare Notice of Assignment for Assessment and forward the same to the Superintendent and Trustee and attending upon the assessment and serving the Trustee with the assessed Bill of Costs.		

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
James H. Grout	5.80	\$675.00	\$3,915.00
John L. Finnigan	6.20	\$675.00	\$4,185.00
Kim Ferreira	28.40	\$275.00	\$7,810.00
Larry Ellis	42.70	\$300.00	\$12,810.00
Annette Fournier(Law Clerk)	26.60	\$175.00	\$4,655.00
OUR FEE HEREIN		\$33,375.00	
GST on Fee		\$1,668.75	
<b>Total Fee and GST</b>			<b>\$35,043.75</b>

**Disbursements:**

Facsimiles	\$4.00	
Photocopies	\$68.00	
Telephone	\$12.60	
Total Taxable Disbursements	\$84.60	
GST on Disbursements	4.23	
Total Non-taxable Disbursements	\$0.00	
<b>Total Disbursements and GST</b>		<b>\$88.83</b>
<b>Total Fees, Disbursements &amp; GST</b>		<b>\$35,132.58</b>

**ASSESSED AND ALLOWED at Toronto, this                      day of                      , 2009.**

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**Colin L. Campbell, J.**

The undersigned hereby certifies that it has examined the above interim bill of costs, that the services therein described have been duly authorized and rendered and the charges in our opinion are fair and reasonable. The receipts to date of this Estate after payment of secured creditors' claims amounts to approximately \$ .

We hereby waive notice of the time and place of the taxation of this bill.

**KPMG INC.**

**Per:** \_\_\_\_\_

The undersigned, being the inspectors of the consolidated estate of PORTUS ALTERNATIVE ASSET MANAGEMENT INC. and PORTUS ASSET MANAGEMENT INC., hereby approves payment of the within legal costs.

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Gregg Clifton

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David Kerr

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Mark Segal

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Rod J. Bell

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Edward MacNeil

Matter No. 508-018  
Invoice No. 20942  
Date: Apr 28/09

## EXHIBIT "B"

Calculation of Average Hourly Billing Rates of  
ThorntonGroutFinnigan LLP  
for the period January 1, 2009 to March 31, 2009

Invoice No.	Fees	Disbursements	GST	Hours	Average Rate	Total
20580	\$ 54,342.50	\$ 597.45	\$2,747.00	140.3	\$387.33	\$ 57,686.95
20665	38,545.00	250.42	1,939.77	95.1	405.31	40,735.19
20942	33,375.00	84.60	1,672.98	109.7	304.24	35,132.58
	<b>\$126,262.50</b>	<b>\$932.47</b>	<b>\$6,359.75</b>			<b>\$133,554.72</b>

## EXHIBIT "C"

### Billing Rates of ThorntonGroutFinnigan LLP

For the period January 1, 2009 to March 31, 2009

	<u>Rate</u>	<u>Year of Call</u>
James H. Grout	\$675.00	1983
John L. Finnigan	\$675.00	1984
Larry Ellis	\$300.00	2004
Kim Ferreira	\$275.00	2005
Annette Fournier	\$175.00	Law Clerk

IN THE MATTER OF THE BANKRUPTCY OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC., PORTUS ASSET MANAGEMENT INC., BANCNOTE CORP., SOUTHVIEW ASSET MANAGEMENT INC., SOUTHVIEW CAPITAL CORP., each of which is a corporation incorporated pursuant to the *Business Corporations Act* (Ontario) with its principal place of business in the City of Toronto, in the Province of Ontario

Court File No. 31-OR-207257-T

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**  
Proceeding commenced in Toronto

**AFFIDAVIT OF JAMES H. GROUT**

**ThorntonGroutFinnigan LLP**  
Barristers and Solicitors  
100 Wellington Street West  
Suite 3200, P.O. Box 329  
Canadian Pacific Tower  
Toronto, ON M5K 1K7

**James H. Grout (LSUC# 22741H 1B)**  
**John L. Finnigan (LSUC #240408)**  
**Larry Ellis (LSUC #49313K)**

Tel: (416) 304-1616  
Fax: (416) 304-1313

Solicitors for KPMG Inc., in its capacity as  
Trustee of the Estate of Portus Alternative Asset  
Management Inc., a bankrupt

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN:

**ONTARIO SECURITIES COMMISSION**

Applicant

-and-

**PORTUS ALTERNATIVE ASSET MANAGEMENT INC.,  
PORTUS ASSET MANAGEMENT INC. AND BANCNOTE CORP.**

Respondents

Report of the Independent Counsel regarding  
Fees and Costs in the Bankruptcy of PAAM and PAM

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**REPORT #B5:**

**Fee Period: January 2009 – March 2009**

**A. Report of Independent Counsel (“Cost Counsel”)  
Re: Trustee Fees and Costs**

1. Independent counsel was appointed pursuant to an Order of Mr. Justice C. Campbell dated January 23, 2006 (the “Order”), to review the fees and disbursements of the Receiver, its counsel and representative counsel appointed by this Court. The Bankruptcy of PAAM and PAM subsequently occurred. This report deals with the fees and disbursements in the Estate of PAAM and PAM following their respective bankruptcies and is considered to be subsumed within the general order of the Court noted above.

2. Paragraph 8 of the Order requires the Cost Counsel to consider whether the Professional Fees are fair and reasonable and whether they ought to be assessed and allowed as filed and in doing so to consider, among other things.

- (a) the number of investors;
- (b) the nature of their investments - directly or through RRSPs and/or RRIFs;
- (c) the amounts invested;
- (d) the complexity of the investment structures as described to the investors;
- (e) the deficiencies in the investment structures as actually implemented by the Portus Group;
- (f) the complexity of the flows of funds through the myriad of bank accounts maintained in numerous jurisdictions around the world;
- (g) the commingling of funds and assets which ought to have been kept separate and apart;
- (h) the destruction of the books and records of the Portus Group;
- (i) the refusal of Mr. Boaz Manor to cooperate with the Receiver;
- (j) the efforts of Manor to misappropriate funds received by the Portus Group from investors both prior and subsequent to the appointment of the Receiver;
- (k) the efforts of the Receiver to enforce orders of this Honourable Court in jurisdictions around the world where the Portus group had transferred funds and/or assets acquired with funds received from investors;
- (l) tax issues;
- (m) issues with respect to the promissory notes purchased from Societe Generale (Canada);
- (n) the efforts of the Receiver to enforce orders of the Courts in other jurisdictions around the world where funds and/or assets acquired with funds received from investors were located; and
- (o) the overall complexity of the receivership.

3. In addition to these criteria, Cost Counsel has also considered the provisions of the Bankruptcy and Insolvency Act vis. trustee and other costs, Rule 58.06 of the Rules of Civil Procedure, the reports of the Trustee during the relevant period, the various retainer letters and

other agreements regarding fees of the parties involved and amendments thereto in connection with the initial retainers in the overall matter and has made such inquiries as appeared necessary.

4. For the period January, 2009 to March, 2009, Cost Counsel was provided with those accounts referred to in *Schedule A* attached hereto.

**B. Synopsis of Work for the Period and Comments**

5. Very briefly, the period January, 2009 to March, 2009 involved considerable administrative matters including:

- (i) Inspector's meetings; trustee issues regarding the SocGen notes and settlement;
- (ii) GST bankruptcy issues, creation and administration of an electronic allocation system, program changes to that system, website updates, cheque reconciliation and audit thereof; investor queries; deemed trust claims; investor RRSP and RIF issues, call centre questions; hardship issues;
- (iii) Planning for and implementation of the third interim allocation;
- (iv) Litigation matters including the application for bankruptcy order against Boaz Manor, class action settlement items, various motions and 13 actions including Boaz Manor, criminal proceedings against Manor, and miscellaneous matters including consideration of the pension benefits act and life income funds and transfers.

**C. Costs Meriting Consideration**

- (i) Accounts for KPMG have been reviewed. There are a number of instances of repetitive narrative and some thin work descriptions in a few instances. These have been discussed and we are more than satisfied as to the nature of the work (which is in some instances administrative and repetitive) and the time recorded. Cost Counsel as a result has no concerns with KPMG's accounts.
  
- (ii) As noted in the Receiver's Report #10, senior counsel rates at ThorntonGroutFinnigan rates increased from \$625 per hour to \$675 per hour on January 1st, 2009. Other counsel in the firm have had their rates similarly adjusted. A fair portion of the work involved however is being conducted by junior counsel at economic rates. In the period of this report, of the hours logged on the various matters roughly 77% was completed by junior solicitors in the \$275 to \$300 range. Only 23% of the time recorded related to work conducted by senior counsel. This appears to be an efficient use of personnel for the benefit of the estate.
  
- (iii) There are no other accounts which in the opinion of Cost Counsel merit particular attention by the court.

**D. Summary and Conclusion**

6. Cost Counsel has conducted the review mandated by this Court and considers that for the Period, and, subject to the comments noted above, the services indicated in the accounts were requested and the fees and expenses charged were fair and reasonable and ought to be assessed and allowed as filed.

Dated: September 1, 2009

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Independent Costs Counsel

Schedule A -- List of Accounts (January, 2009 to March, 2009)

	January	February	March
1. KPMG	Date: 07/09/09 Reference: CA001-11406355 [This covers the period from January 1, 2009 to March 31, 2009]		
2. ThorntonGrout Finnigan LLP	Date: 02/19/09 Inv. No. 20580 [For the period ending January 31, 2009]	Date: 03/11/09 Inv. No. 20665 [For the period ending February 28, 2009]	Date: 04/28/09 Inv. No. 20942 [For the period ending March 31, 2009]
3. ThorntonGrout Finnigan LLP (Re: Fine Arts Imports Inc.)			Date: 04/17/09 Inv. No. 20887 For the period ending March 31, 2009]
4. ThorntonGrout Finnigan LLP (Re: Pamela Greene)		Date: 03/12/09 Inv. No. 20679 [For the period ending February 28, 2009]	
5. ThorntonGrout Finnigan LLP (Re: Andrew Cairns)	Date: 02/18/09 Inv. No. 20566 [For the period ending January 31, 2009]		Date: 04/20/09 Inv. No. 20893 [For the period ending March 31, 2009]
6. ThorntonGrout Finnigan LLP (Re: Boaz Manor)	Date: 03/19/09 Inv. No. 20560 [For the period ending January 31, 2009]	Date: 03/11/09 Inv. No. 20673 [For the period ending February 28, 2009]	Date: 04/16/09 Inv. No. 20884 [For the period ending March 31, 2009]
7. ThorntonGrout Finnigan LLP (Re: Donald David Drewell Developments Inc.)	Date: 02/18/09 Inv. No. 20561 [For the period ending January 31, 2009]		

	January	February	March
8. ThorntonGrout Finnigan LLP (Re: Mendel Greenberg)		Date: 03/11/09 Inv. No. 20671 [For the period ending February 28, 2009]	
9. ThorntonGrout Finnigan LLP (Re: Northstar Ventures (Canada) Inc. and Foreview Corp.)		Date: 03/12/09 Inv. No. 20677 [For the period ending February 28, 2009]	
10. ThorntonGrout Finnigan LLP (Re: Powerpoint Microsystems Holding Corp.)		Date: 03/24/09 Inv. No. 20716 [For the period ending February 28, 2009]	
11. ThorntonGrout Finnigan LLP (Re: Faye Manor)	Date: 02/19/09 Inv. No. 20568 [For the period ending January 31, 2009]		Date: 04/16/09 Inv. No. 20885 [For the period ending March 31, 2009]
12. ThorntonGrout Finnigan LLP (Re: Innovative Infinity Inc.)	Date: 02/18/09 Inv. No. 20558 [For the period ending January 31, 2009]		
13. ThorntonGrout Finnigan LLP (Re: Michael Mendelson and Boaz Manor)			Date: 04/21/09 Inv. No. 20915 [For the period ending March 31, 2009]
14. ThorntonGrout Finnigan LLP (Re: Peter L. Carlen)	Date: 02/19/09 Inv. No. 20574 [For the period ending January 31, 2009]	Date: 03/12/09 Inv. No. 20681 [For the period ending February 28, 2009]	

	January	February	March
15. ThorntonGrout Finnigan LLP (Re: Valerio Cesselli)		Date: 03/11/09 Inv. No. 20669 [For the period ending February 28, 2009]	
16. McCarthy Tetrault	Date: 03/31/09 Inv. No. 2316687 [[For the period from December 2, 2008 to February 28, 2009]		

ONTARIO SECURITIES COMMISSION  
Applicant

-and- PORTUS ALTERNATIVE ASSET MANAGEMENT INC. et al  
Respondents

Court File No. 05-CL-5792

*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
PROCEEDING COMMENCED AT  
TORONTO, ONTARIO

**REPORT #B5**

**GARDINER ROBERTS LLP**

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Independent Costs Counsel

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)**

**THE HONOURABLE MR. ) TUESDAY THE 8<sup>th</sup>  
JUSTICE COLIN L. CAMPBELL ) DAY OF SEPTEMBER, 2009**

**IN THE MATTER OF THE CONSOLIDATED BANKRUPTCY  
OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC.  
AND PORTUS ASSET MANAGEMENT INC.,** both corporations  
incorporated pursuant to the *Business Corporations Act* (Ontario)  
with its principal place of business in the City of Toronto, in the  
Province of Ontario, bankrupts

**ORDER**

**THIS MOTION** made by KPMG Inc. (the “Trustee”), in its capacity as the Trustee of the Consolidated Estate of Portus Alternative Asset Management Inc. (“PAAM”) and Portus Asset Management Inc. (“PAM”), bankrupts (the “Consolidated Estate”), for the relief sought in its Notice of Motion herein dated August 26, 2009 was heard this day at 330 University Avenue, in the City of Toronto.

**UPON READING** the Affidavit of I. George Gutfreund sworn August 31, 2009, the Affidavit of James H. Grout sworn September 2, 2009, the Affidavit of Michael Nicholas sworn ►, 2009 and the Report B#5 of the Independent Counsel dated September 1, 2009 and upon hearing the submissions of counsel for the Consolidated Estate and the Independent Counsel:

1. **THIS COURT ORDERS** that the fees and disbursements of the Trustee for the period January 1, 2009 to March 31, 2009 be and they are hereby assessed and allowed as filed.

2. **THIS COURT ORDERS** that the fees and disbursements of ThorntonGroutFinnigan LLP, counsel to the Trustee, for the period January 1, 2009 to March 31, 2009 be and they are hereby assessed and allowed as filed.

3. **THIS COURT ORDERS** that the fees and disbursements of McCarthy Tétrault LLP, securities and tax counsel to the Trustee, for the period January 1, 2009 to March 31, 2009 be and they are hereby assessed and allowed as filed.

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IN THE MATTER OF THE BANKRUPTCY OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC., PORTUS ASSET MANAGEMENT INC., BANCNOTE CORP., SOUTHWEST ASSET MANAGEMENT INC., SOUTHWEST CAPITAL CORP., each of which is a corporation incorporated pursuant to the *Business Corporations Act* (Ontario) with its principal place of business in the City of Toronto, in the Province of Ontario

Court File No. 31-OR-207257-T

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**  
Proceeding commenced in Toronto

**ORDER**

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Solicitors for KPMG Inc., in its capacity as  
Trustee of the Estate of Portus Alternative Asset  
Management Inc., a bankrupt

IN THE MATTER OF THE BANKRUPTCY OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC., PORTUS ASSET MANAGEMENT INC., BANCNOTE CORP., SOUTHWEST ASSET MANAGEMENT INC., SOUTHWEST CAPITAL CORP., each of which is a corporation incorporated pursuant to the *Business Corporations Act* (Ontario) with its principal place of business in the City of Toronto, in the Province of Ontario

Court File No. 31-OR-207257-T

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**  
Proceeding commenced in Toronto

**MOTION RECORD**

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Management Inc., a bankrupt

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