

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS
AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE
AND ARRANGEMENT INVOLVING OLYMPUS
UNITED FUNDS CORPORATION / CORPORATION
DE FONDS UNIS OLYMPUS**

**OLYMPUS UNITED FUNDS CORPORATION /
CORPORATION DE FONDS UNIS OLYMPUS, BY ITS
RECEIVER, RSM RICHTER INC.**

APPLICANT

**FIFTEENTH REPORT OF THE MONITOR
DATED OCTOBER 21, 2021**

INTRODUCTION

1. By Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated June 29, 2005 and by subsequent orders of the Court, RSM Richter Inc. (now Richter Advisory Group Inc.) (“**Richter**”) was appointed as receiver (the “**Receiver**”) of Olympus United Funds Corporation/Corporation de Fonds Unis Olympus (the “**Company**”) and certain other related entities identified below (collectively, the “**Norshield Companies**”).
2. For ease of reference, capitalized terms not otherwise defined in this Fifteenth Report are as defined in the Initial Order or the Plan, each as defined below.
3. As part of its Court-ordered mandate to identify and realize upon the assets of the Company, the Receiver determined that the Company had potential claims against

KPMG LLP (“**KPMG**”), which reported upon certain of the audited financial statements of the Company.

4. KPMG denied these claims but, without admission of wrongdoing, agreed to a settlement with the Receiver pursuant to which KPMG agreed to pay \$7.5 million (the “**Settlement Amount**”) to the Company for distribution to creditors of the Company holding Proven Claims.
5. The settlement with KPMG was conditional upon, among other things, a full release of KPMG pursuant to a plan of compromise and arrangement (the “**Plan**”) to be filed by the Company pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”).
6. In accordance with the settlement between the Receiver and KPMG, the Receiver sought and obtained from the Court on September 7, 2011 an Order (the “**Initial Order**”) granting the Company protection under the CCAA and appointing Richter as Monitor for the purpose of these CCAA proceedings (the “**Monitor**”). A copy of the Initial Order is attached as Exhibit “**A**”. The Stay Period under the Initial Order has been periodically extended by the Court. By order of the Court dated October 28, 2020, the Stay Period was extended to October 31, 2021. A copy of the October 28, 2020 order is attached as Exhibit “**B**”.
7. The Company’s plan pursuant to the CCAA (the “**Plan**”) was approved by the requisite majorities of creditors and was sanctioned by Order of the Court dated March 19, 2012 (the “**Sanction Order**”). By Order of the Court dated September 17, 2012, certain Late Claims (as defined therein) were admitted as Proven Claims for the purpose of the Plan (the “**Late Claims Order**”). Copies of the Plan, Sanction Order and Late Claims Order are attached hereto as Exhibits “**C**”, “**D**” and “**E**”.
8. The Plan Conditions were satisfied on October 16, 2012 and the Monitor filed a Certificate with the Court confirming that the Plan Implementation Date had occurred as of that date.

9. The Monitor has distributed the Settlement Amount *pro rata* to all creditors holding Proven Claims as at the date of the Late Claims Order with the exception of distributions to four creditors who cannot be located by the Monitor despite efforts to do so. These four creditors hold aggregate claims of \$82,083 which represent \$4,925 of unclaimed dividends. The Monitor will continue holding these funds until such time as the beneficiaries have been located or these CCAA Proceedings are terminated. There have been no receipts or disbursements from the estate since the date of the Monitor's Twelfth Report to the Court.
10. Documents relating to the CCAA Proceedings, including notices, reports of the Monitor and Orders rendered by the Court, have been posted on the Monitor's website at www.richter.ca/Restructuring/Olympus.aspx.

PURPOSE OF THE REPORT

11. The purpose of this report ("**Fifteenth Report**") is to provide an update regarding the status of the CCAA Proceedings and the basis for a further extension of the Stay Period for a period of one year from October 31, 2021 to October 31, 2022.

TERMS OF REFERENCE

12. In preparing the Fifteenth Report and making the comments contained herein, the Monitor has relied in part upon information and records available from the Company (including the September 30, 2003 audited financial statements of the Company and the other Norshield Companies, being the most recent and complete financial statements available) and certain related entities, as well as from third parties, including the Joint Custodians, the Olympus Uninvest JOL's and the Mosaic JOL's (each as defined below) (collectively, the "**Information**"). As noted in the Receiver's reports to the Court, the Receiver, and, as a consequence, the Monitor have been unable to fully determine all transactions that occurred affecting the Company and the other Norshield Companies prior to June 29, 2005, the date of the Receiver's appointment.

13. The Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards (“GAAS”) pursuant to the Canadian Institute of Chartered Accountants Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information. Future oriented financial information referred to or relied upon by the Monitor as described in the Fifteenth Report is based on assumptions regarding future events and conditions that are not ascertainable at this time and therefore such future oriented financial information remains subject to change. In particular, information presented by the Monitor regarding potential distributions to the Creditors of the Company remains subject to change in the event further information becomes available to the Monitor. Any such additional information could affect the conclusions drawn by the Monitor in the Fifteenth Report.
14. Unless otherwise stated, all dollar amounts contained in the Fifteenth Report are expressed in Canadian currency.

OVERVIEW OF THE NORSHIELD RECEIVERSHIP

15. On June 28, 2005, the Ontario Securities Commission (“OSC”) sought and obtained from the Court an Order appointing Richter as the Receiver of the following:
 - (a) Norshield Asset Management (Canada) Ltd. / Gestion de Placements Norshield (Canada) Ltée (“NAM”);
 - (b) Norshield Investment Partners Holdings Ltd. / Gestion des Partenaires d’Investissement Norshield Ltée;
 - (c) Olympus United Funds Holdings Corporation;
 - (d) the Company;
 - (e) Olympus United Bank and Trust SCC (“Olympus Bank”); and
 - (f) Olympus United Group Inc. / Groupe Olympus United Inc. (“**Olympus Group**”),

(collectively, the “**Original Respondents**”).

16. The Receiver’s appointment was continued by Order of the Court dated July 14, 2005 and, by Orders dated September 9, 2005 and October 14, 2005, Richter was also appointed as Receiver of the following:
 - (a) Norshield Capital Management Corporation / Corporation Gestion de l’Actif Norshield (“Norshield Capital Management”); and
 - (b) Honeybee Software Technologies Inc. / Technologies de Logiciels Honeybee Inc. (formerly Norshield Investment Corporation/Corporation d’Investissement Norshield) (“**Honeybee Software**”).
17. The Original Respondents, Norshield Capital Management and Honeybee Software are referred to herein as the “**Norshield Companies**”.
18. Prior to the Receiver’s appointment, NAM carried on business as the manager and advisor of a variety of hedge funds and alternative investment products offered across Canada by Olympus Group. Those products were sold primarily as classes of preferred shares in the Company. NAM was registered as an investment advisor under both Ontario and Quebec securities laws. Olympus Group was registered under Ontario securities law as a limited market dealer and mutual fund dealer.
19. On May 2, 2005, the Company announced the deferral of redemptions in a number of the funds that comprised part of its share structure. Thereafter, the OSC issued a series of orders suspending the registrations of NAM and Olympus Group. The OSC also ordered that all client accounts of Olympus Group be frozen and no withdrawals from such accounts be permitted. Finally, following a review of NAM’s operations by Richter as monitor, the OSC sought the appointment of the Receiver in June 2005.

THE NORSHIELD INVESTMENT STRUCTURE

20. The Receiver has determined that, as at June 2005, approximately 1900 Canadian retail investors (“**Retail Investors**”), a significant number of whom reside in Ontario, held

investments in the Company in the amount of approximately \$159 million. The investment structure employed by the Company and the other Norshield Companies was complex, costly to maintain and spanned Canada, Barbados and the Commonwealth of The Bahamas (the “**Bahamas**”).

21. The Company made significant investments in its wholly-owned subsidiary, Olympus Bank in Barbados. Olympus Bank held investments in Olympus Uninvest Ltd. (“**Olympus Uninvest**”) in the Bahamas. These investments were then co-mingled in Olympus Uninvest with investments received from Canadian pension funds and financial institutions and individuals and entities whose investments were in cash/cash equivalents and/or alleged contributions “in kind”.
22. Olympus Uninvest held substantial investments in Mosaic Composite Limited (U.S.), Inc. (“**Mosaic**”). Mosaic, in turn, held investments in both hedged and non-hedged assets. The hedged assets were predominantly comprised of two cash settled equity barrier call options with Royal Bank of Canada, which were consolidated into a single option on March 31, 2004 (referred to in the reports of the Receiver as the “**RBC SOHO Option**”) while the non-hedged assets consisted mainly of investments in a number of private entities, namely:
 - (a) Channel Fixed Income Fund Ltd.;
 - (b) Channel F.S. Fund Ltd.;
 - (c) Channel Technology Fund Ltd.; and
 - (d) Channel Diversified Private Equity Fund Ltd.(collectively, the “Channel Funds”).
23. Given the structure and flow of investments within the Norshield investment structure, the Receiver determined that it would be necessary to take steps to safeguard the assets of Olympus Bank in Barbados and Olympus Uninvest and Mosaic in the Bahamas.

24. In July 2005, the Central Bank of Barbados seized management and control of Olympus Bank. Thereafter, following negotiations with the Central Bank of Barbados, Richter and Brian F. Griffiths & Company, a Barbados accounting firm, were appointed Joint Custodians of Olympus Bank (the “**Joint Custodians**”) by Order of the Barbados High Court of Justice.
25. In the Bahamas, Raymond Massi (“**Massi**”), a partner at Richter and G. Clifford Culmer (“**Culmer**”), a partner of BDO Mann Judd, an accounting firm located in Nassau, Bahamas, sought and obtained their appointment as joint official liquidators of Olympus Univest (“**Olympus Univest JOL’s**”) by Order of the Supreme Court of the Commonwealth of The Bahamas (the “**Bahamas Court**”) in February 2006. Culmer and Massi also sought and obtained from the Bahamas Court their appointment as joint receivers of Mosaic in January 2006, as joint provisional liquidators of Mosaic in March 2006 and ultimately as joint official liquidators of Mosaic (“**Mosaic JOL’s**”) in January 2007.
26. In addition to the inherent difficulties posed by the complexity of the Norshield investment structure, the task of identifying and realizing upon the assets of the Norshield Companies, Olympus Bank, Olympus Univest and Mosaic has been compounded by incomplete financial records, missing financial information and, in certain cases, the destruction of key books and records. The Receiver and/or the Olympus Univest and Mosaic JOL’s have conducted examinations of key individuals involved with the Norshield investment structure. While those examinations have assisted the recovery of certain assets, the Receiver has been unable to fully and adequately determine transactions that occurred between September 30, 2003 (the date of the last audited financial statements for the Norshield Companies) and the date of the Receiver’s appointment on June 29, 2005.

FURTHER DISTRIBUTIONS TO CREDITORS OF THE COMPANY

27. Section 5.5 of the Plan provides that the Monitor shall distribute to the Creditors of the Company any amounts in the possession of the Monitor, in addition to the Settlement

Amount, which will be available from the receivership of the Company for distribution to the Creditors of the Company, as determined by the Monitor in its sole discretion.

28. Pursuant to Section 10.1 of the Plan, the Plan Completion Date shall occur upon receipt by the Monitor of a notice from the Receiver confirming that there is no likelihood of additional funds becoming available for distribution to Creditors in accordance with Section 5.5 of the Plan. At that point, the Sanction Order authorizes and directs the Monitor to file a certificate with the Court confirming that the Plan has been completed, which will also have the result of discharging the Monitor and releasing it from further obligations or responsibilities under the Plan.
29. As of the date of this Fifteenth Report, the Receiver anticipates that additional funds will be received by the Receiver from the liquidations of Olympus Uninvest and Mosaic for distribution to the creditors holding Proven Claims. One of the most significant assets remaining in the Mosaic estate is Mosaic's 50.4% interest in Premier Commercial Real Estate Investment Corporation ("**Premier**"), a formerly publicly traded (now de-listed) Bahamian income trust which owns commercial real estate in the Bahamas. Premier's only real estate holding consists of a commercial office building located in Freeport, Bahamas (the "**Remaining Property**").
30. When the Mosaic JOL's were appointed, the Remaining Property needed significant repairs, had a high vacancy rate and a number of tenants were in arrears of their rent. Over the years, management of Premier, in consultation with the Mosaic JOL's, had successfully negotiated and/or re-negotiated long term leases for a significant portion of the floor space available and completed capital expenditures to maintain or enhance the value of the Remaining Property.
31. In 2018, it was discovered that part of the Remaining Property was infiltrated with water and mold had developed which affected the two major tenants. Remedial work and additional capital repairs were made, and the situation was corrected to the tenants' satisfaction. The building also required repairs to its air conditioning system, some exterior walls as well as window replacements; these repairs were completed with cashflow generated by the Remaining Property. The intention of the Mosaic JOLs, along

with certain other major shareholders of Premier, was to re-activate efforts to sell the Remaining Property following completion of these repairs.

32. In early September of 2019, Hurricane Dorian, a massive Category 5 storm, hit Freeport, Grand Bahama, where the Remaining Property is situated. Despite the catastrophic impact of the prolonged and intense storm conditions, including heavy rainfall, high winds and storm surge, the Remaining Property was not structurally affected but did suffer damage both to the exterior and the interior.
33. Following the impact of Hurricane Dorian, local management of Premier submitted a significant claim for both property damage as well as lost revenues to its insurers and a settlement was reached. Part of the proceeds of this settlement were used to complete certain repairs to the structure of the Remaining Property as well as to support other ongoing operating needs.
34. Despite the need for additional repairs, efforts continued to sell the Remaining Property. In March 2020, the management of Premier engaged Bahama Realty Ltd. to advertise and market the property.
35. Despite the prevailing negative economic impact of Hurricane Dorian on the economy of Freeport, Bahamas plus the impact of the Covid-19 pandemic, various potential purchasers expressed preliminary interest in the Remaining Property.
36. One potential purchaser continued its discussions with the management of Premier which ultimately resulted in the receipt of a formal purchase offer. Discussions ensued and counter-offers were exchanged and the parties finally entered into a purchase and sale agreement on May 26, 2021 (the “**APA**”). The APA provides for a six-month due diligence period. Once the purchaser has completed its due diligence and waived its rights in respect thereof, the Mosaic JOLs will present a motion before the Bahamas Court to seek authorization to conclude this sale transaction. All the supporting documents relating to this motion are in the process of being compiled in the interim.
37. It is anticipated that the closing for this transaction will occur in November 2021. The total net proceeds, after payment of costs, Bahamas VAT taxes, and other incidentals

relating to the transaction will be publicly disclosed at the time approval of the transaction is sought from the Bahamas Court.

38. By order of the Court dated June 1, 2017, a copy of which is attached as Exhibit “F”, the Receiver was authorized to carry out the terms of a settlement reached in connection with a claim by the Mosaic JOL’s and the Receiver against the former auditors of the Channel Funds. The Mosaic JOL’s and the Receiver are in possession of the settlement proceeds in the amount of \$700,000. The Receiver and Culmer, in his capacity as one of the Mosaic JOL’s, will allocate the costs incurred by the Receiver and the Mosaic JOL’s in connection with this settlement as part of the final distribution of funds from Mosaic. This allocation will be completed once the sale of the Remaining Property is concluded, after which all assets of Mosaic will have been monetized.
39. Once the all the assets of Mosaic have been monetized, funds will not become available to the Monitor for distribution to the creditors until distributions are made by the Mosaic JOL’s to Olympus Uninvest, by the Olympus Uninvest JOL’s to the creditors of Olympus Uninvest (including Olympus Bank) and finally by Olympus Bank to the Company.
40. By Orders of the Bahamas Court each dated August 6, 2014, the claims processes conducted by the Olympus Uninvest and Mosaic JOL’s were approved and the Olympus Uninvest and the Mosaic JOL’s were authorized by the Bahamas Court to reject any creditor claims which were not accepted either in whole or in part by the Olympus Uninvest or the Mosaic JOL’s. Any creditor of Olympus Uninvest or Mosaic whose claim was fully or partially rejected by the Olympus Uninvest or the Mosaic JOL’s had a right to appeal such disallowance to the Bahamas Court. All relevant appeal periods have expired, and the Olympus Uninvest and Mosaic claims processes are therefore complete.
41. In Barbados, the Joint Custodians have resolved the most significant competing claim resulting in the withdrawal of such claim, which will ultimately benefit the Retail Investors. The treatment of the claims in the liquidation of Olympus Bank and the distribution of funds available to the creditors of Olympus Bank will be completed subject to the approval of the Barbados High Court of Justice. Such approval will be

requested once the realization processes in Olympus and Mosaic are complete and funds from those estates are available to distribute to Olympus Bank, among other creditors.

CLASS ACTION AGAINST THE ROYAL BANK OF CANADA

42. Following issuance of the Twelfth Report, the Receiver was approached by legal counsel (“**Class Counsel**”) acting on behalf of plaintiffs in a class action that has been certified against the Royal Bank of Canada, RBC Dominion Securities Limited, RBC Dominion Securities Inc and RBC Capital Markets Corporation before the Superior Court of Quebec in court file no: 500-06-000435-087 (the “**Class Action Proceeding**”). The Receiver understands that virtually all the Retail Investors are members of the class.
43. Class Counsel and RBC reached a settlement of the Class Action Proceeding that required RBC to make a payment, without any admission of liability, in the amount of \$6,000,000 (the “**RBC Settlement Amount**”) to settle all claims against RBC in respect of the Class Action Proceeding, which settlement was approved by the Superior Court of Quebec.
44. In order to facilitate the distribution of the RBC Settlement Amount to the class members within the Class Action Proceeding, Class Counsel requested, and the Superior Court of Quebec authorized, Richter to act as administrator pursuant to the Class Action Proceeding (the “**Administrator**”). Richter, in its capacity as Monitor, has available the most complete listing of the Retail Investors by virtue of the claims process that was established in this CCAA Proceeding.
45. In its capacity as Administrator, Richter completed a distribution totalling \$3,954,300 to 1559 class members. As at the date of this report, 163 class members with claims totalling approximately \$325,000 have not cashed their distribution cheques and Richter is working with Class Counsel to locate and contact these claimants. Once these efforts are fully exhausted, Richter will issue and submit to the Superior Court of Quebec its Administrator report.

46. It is important to note that the right of Creditors holding Proven claims to receive further distributions within these CCAA Proceedings will not be affected as a result of participating in the distribution pursuant to the Class Action Proceeding.

MONITOR'S RECOMMENDATIONS

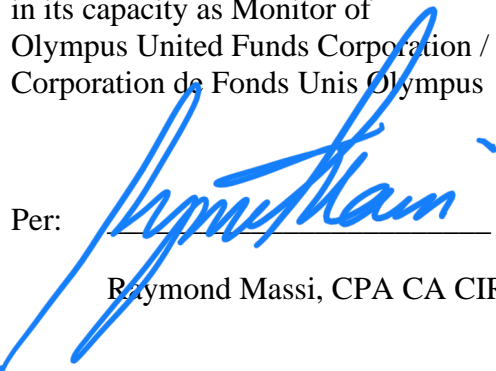
47. In the circumstances, the Receiver and the Monitor have determined that it is appropriate to extend the Stay Period for a further twelve months in order to preserve the CCAA Proceeding for the purpose of carrying out a further distribution of funds to Creditors holding Proven Claims. Although the timing of the distributions from Mosaic and Olympus Uninvest will be determined by the Bahamas Court and the timing of the distribution from Olympus Bank will be determined by the Barbados High Court of Justice, the Receiver and the Monitor intend to take all available steps to ensure that such distributions are completed as quickly as possible so that these CCAA Proceedings can in turn be terminated following a final distribution to the Creditors holding Proven Claims.
48. The claims process that was completed within the CCAA Proceeding clearly determines and identifies the Creditors holding Proven Claims within the receivership proceedings and therefore provides a definite framework within which further distributions may be completed. In the Monitor's view, maintaining the CCAA proceedings will be more cost effective to carry out any further distributions to Creditors holding Proven Claims than doing so within the receivership proceeding.
49. In addition, preserving the CCAA Proceedings will facilitate Richter's completion of its role as Administrator.
50. The Monitor believes that the Creditors would not be prejudiced by an extension of the Stay Period to October 31, 2022. The Company, through the Receiver, has acted and continues to act in good faith and with due diligence in all matters and circumstances exist that make an extension of the Stay Period appropriate.
51. For the reasons set out above, the Monitor therefore recommends that the Court grant an order:

- (i) extending the Stay Period from October 31, 2021 to October 31, 2022; and
- (ii) approving the Fifteenth Report and the activities of the Monitor described herein.

All of which is respectfully submitted at Montreal, Quebec this 21st day of October, 2021.

RICHTER ADVISORY GROUP INC.
(formerly RSM RICHTER INC.)
in its capacity as Monitor of
Olympus United Funds Corporation /
Corporation de Fonds Unis Olympus

Per: _____


Raymond Massi, CPA CA CIRP

Exhibits

Exhibit "A"	Initial CCAA Order
Exhibit "B"	October 28, 2020 Stay Extension Order
Exhibit "C"	Plan of Compromise and Arrangement
Exhibit "D"	Sanction Order
Exhibit "E"	Late Claims Order
Exhibit "F"	Settlement Approval Order

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT INVOLVING OLYMPUS UNITED FUNDS CORPORATION /
CORPORATION DE FONDS UNIS OLYMPUS

OLYMPUS UNITED FUNDS CORPORATION / CORPORATION DE FONDS UNIS OLYMPUS, BY ITS RECEIVER, RSM RICHTER INC.

APPLICANT

Court File No.: CV-11-9368-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at **Toronto**

FIFTEENTH REPORT OF THE MONITOR

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