

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

FIRST REPORT OF THE MONITOR
DATED SEPTEMBER 27, 2011

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. was appointed as receiver (the “**Receiver**”) of Olympus United Funds Corporation / Corporation de Fonds Unis Olympus (the “**Company**”) and certain other related entities (collectively, the “**Norshield Companies**”).
2. 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.

3. KPMG has denied these claims but, without admission of wrongdoing, agreed to a settlement with the Receiver, described in more detail below, which is 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**”).
4. 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 RSM Richter Inc. as Monitor for the purpose of these CCAA proceedings (the “**Monitor**”). The CCAA proceedings commenced by the Applicant under the CCAA will be referred to herein as the “**CCAA Proceedings**”. A copy of the Initial Order is attached as Exhibit “A”.
5. The Initial Order, together with related Court documents and other notices have been posted on the Monitor’s website at www.rsmrichter.com/Restructuring/Olympus.aspx.

PURPOSE OF THE REPORT

6. The purpose of this report (“**First Report**”) is to provide the Court with the following information regarding the Monitor’s motion to (i) extend the Stay Period to November 30, 2011; (ii) and approve the First Report and the activities of the Monitor described herein:
 - (a) the activities of the Monitor and the Receiver in connection with the Company since the commencement of the CCAA Proceedings;
 - (b) the status of and next steps to be taken under the settlement with KPMG and the CCAA Proceedings; and

(c) the Monitor's recommendations with respect to the relief sought.

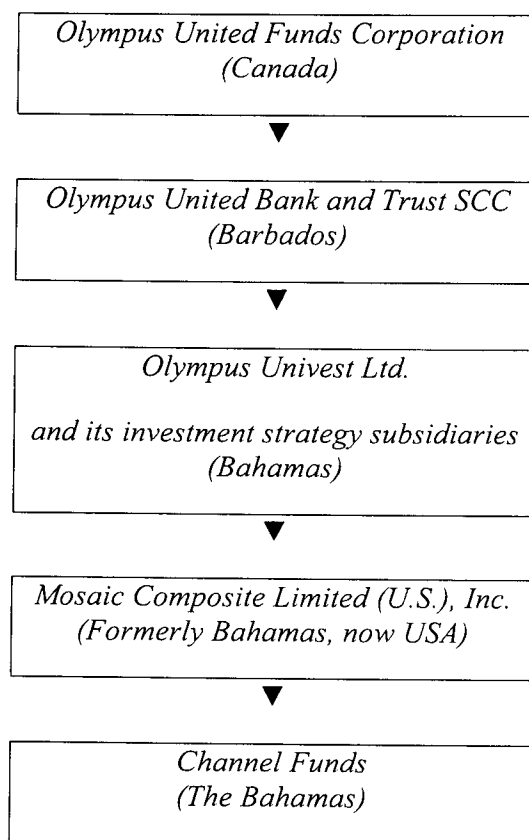
7. Unless otherwise provided, capitalized terms not otherwise defined in this First Report are as defined in the Initial Order.

TERMS OF REFERENCE

8. In preparing the First Report and making the comments contained herein, the Monitor has relied upon information and records available from the Company and certain related entities, as well as from third parties, including the September 30, 2003 audited financial statements (the most recent and complete financial statements available) of the Company and the other Norshield Companies. The Monitor has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the information and, accordingly, the Monitor expresses no opinion or other form of assurance on the information contained in the First Report. Future oriented financial information referred to or relied upon in the First Report is based on assumptions regarding future events and conditions that are not ascertainable. The Monitor's review of this information does not encompass an audit of the financial position or operating results of any of the entities described herein. The financial information presented by the Monitor, including asset recovery information, 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 First Report.
9. Unless otherwise stated, all dollar amounts contained in the First Report are expressed in Canadian currency.

BACKGROUND

10. The Receiver has determined that funds invested by approximately 1,900 retail investors in Canada (the “**Retail Investors**”) and other Canadian investors flowed through numerous entities/jurisdictions involving the Company, Olympus United Bank and Trust SCC (“**Olympus Bank**”), Olympus Univest Ltd. (“**Olympus Univest**”) and Mosaic Composite Limited (U.S.), Inc. (“**Mosaic**”) (the term “investment strategy subsidiaries” that appears in the chart below refers to entities that exist but appear to merely be “shell” entities) (collectively referred to herein as the “**Olympus Funds Investment Structure**”):



11. The Retail Investors, a significant number of whom reside in Ontario, held investments in the Company in the amount of approximately \$159 million as at June 2005, according to

the records of the Company. Based on the audited financial statements for the Company, Olympus Bank, Olympus Uninvest and Mosaic as at September 30, 2003, the Company made significant investments in its wholly-owned subsidiary, Olympus Bank in Barbados. Olympus Bank held investments in Olympus Uninvest in the Commonwealth of The Bahamas (“**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”. Olympus Uninvest held substantial investments in 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 the Royal Bank of Canada, which were consolidated into a single option on March 31, 2004 (referred to in the reports of the Receiver to the Court as the “**RBC SOHO Option**”) while the non-hedged assets consisted mainly of investments in the Channel Funds.

Collapse of the Olympus Funds Investment Structure

12. Extensive forensic investigative work into the activities of the Norshield Companies, Olympus Uninvest, Mosaic and other entities has led to the conclusion by the Receiver that the above-mentioned Canadian, Barbadian and Bahamian entities, as well as their directors and officers, all operated in concert and with common interest despite attempts to give the appearance that many of the entities and individuals were unconnected and acting independently.
13. As the funds flowed through the Olympus Funds Investment Structure, significant dissipation of investor funds occurred at each level as a result of redemptions at

artificially inflated net asset values (“NAV’s”), unexplained payments to entities related or connected to the Norshield Companies and/or their principals, and the costs of maintaining the investment structure itself.

14. Those inflated NAVs were employed to camouflage the dissipation of investor funds and to provide a false positive picture of the Olympus Funds Investment Structure to investors.
15. As time went by, there ceased to be enough money in the Olympus Funds Investment Structure to meet redemptions. Existing assets had been overvalued and many were illiquid. In the months leading up to the Receiver's appointment, new subscriptions were entirely used to fund redemptions.
16. The failure of the Norshield Companies, Olympus Uninvest and Mosaic was caused by, among other things, the enormous disparity between the real and the reported values of the assets purportedly held in the Olympus Funds Investment Structure, which resulted in collective losses in excess of \$400 million suffered by the Retail Investors in Olympus Funds as well as by direct investors in Olympus Uninvest.
17. The Company no longer conducts any business and has no operations, save for the realization of its assets by the Receiver.

Negotiations and Proposed Settlement with KPMG LLP

18. The Receiver obtained the working papers relating to the audit of the Company in Canada and Olympus Bank in Barbados for the fiscal years ended September 30, 2002 and September 30, 2003.

19. The Receiver determined that material investments held by the Company and Olympus Bank were significantly impaired, such that the Receiver purports to have potential claims against, among others, KPMG, which reported upon the audited financial statements of Olympus Funds for the fiscal years ended September 30, 2002 and September 30, 2003.
20. Confidential meetings were held and confidential correspondence was exchanged between KPMG and the Receiver's counsel regarding the potential claims of the Receiver and the means of addressing those claims in the most expeditious, cost-effective manner.
21. After much negotiation, including the assistance of a mediator, KPMG and the Receiver were able to reach an agreement and, on or about July 27, 2011, executed confidential minutes of settlement (the "**Minutes of Settlement**"), subject to creditor and Court approval.
22. KPMG denies the Receiver's potential claims but, without admission of liability, is prepared to make a payment of \$7,500,000 (the "**Settlement Amount**") to the Receiver, conditional upon:
 - (a) approval in accordance with section 6 of the CCAA of the Plan to be filed by the Company, which shall contain releases and bar orders described in the Minutes of Settlement;
 - (b) the issuance of an Order of the Court approving the Plan (the "**Sanction Order**"), or in the event of an appeal therefrom, confirmation of the Sanction Order on appeal;

- (c) the issuance of an Order by the Quebec Superior Court (the “**Quebec Court**”) dismissing the proposed class action commenced against KPMG in Court File No. 500-06-000434-080, or in the event of an appeal therefrom, confirmation of that Order on appeal; and
 - (d) the issuance of an Order by the Quebec Court recognizing and giving effect to the Sanction Order, or in the event of an appeal therefrom, confirmation of that Order on appeal.
23. KPMG is also, without admission, prepared to make a contribution of up to \$750,000 in reimbursement of the professional fees and disbursements incurred in connection with the CCAA Proceedings and related proceedings by the Receiver, the Monitor and their legal counsel, the whole in accordance with the Minutes of Settlement.
24. By Order dated August 22, 2011, the Court authorized the Receiver’s execution of the Minutes of Settlement, declared that they are fair and reasonable, and approved same. A copy of the August 22, 2011 Order is attached hereto as Exhibit “**B**”.

MONITOR’S ACTIVITIES

25. The Monitor has undertaken the following activities in accordance with the Initial Order:
- (a) On September 13, 2011, the Monitor made the Initial Order publicly available by posting it on its website at www.rsmrichter.com/Restructuring/Olympus.aspx;
 - (b) Reviewed the claims filed against the Company in accordance with the claims process previously conducted by the Receiver;
 - (c) Arranged for publication in The Globe and Mail, the Montreal Gazette, *La Presse*, and The Vancouver Sun of the initial notice of the CCAA Proceedings containing

the prescribed information under the CCAA. A copy of the notice is attached hereto as Exhibit "C";

- (d) Prepared and sent on September 23, 2011 a notice pursuant to section 23 (1)(a)(ii)(B) of the CCAA and the Initial Order to every known creditor who has a claim against the Company, or a KPMG Claim against a KPMG Releasee, of more than \$1,000; and
- (e) Continued to communicate with KPMG regarding steps to be taken in the CCAA Proceedings to ensure compliance with the Minutes of Settlement.

STAY EXTENSION

- 26. The Monitor is currently reviewing the claims process conducted by the Receiver in order to determine the most appropriate method of determining the quantum and validity of the claims by the Company's creditors for the purpose of the CCAA Proceedings. The Monitor expects that the Receiver will be in a position to finalize the manner in which creditors will prove their claims against the Company for the purpose of voting upon the Plan prior to November 30, 2011.
- 27. The Receiver and the Monitor continue to work with KPMG to prepare the Plan to be filed and presented to the Company's creditors. The Monitor expects that the Receiver and KPMG will be in a position prior to November 30, 2011 to prepare and file the Plan with the Court. At that time, the Receiver will seek an order granting permission to the Company to hold a meeting of the Company's creditors to consider and vote upon the Plan.


28. The Monitor believes that creditors would not be prejudiced by an extension of the Stay Period to November 30, 2011. The Company, through the Receiver, has acted and continues to act in good faith and with due diligence in all matters and that circumstances exist that make an extension of the Stay Period appropriate.
29. The Monitor therefore recommends that the Court approve an extension of the Stay Period from September 30, 2011 to November 30, 2011 to permit the Company to complete and file the Plan and to prepare all the required materials to hold a meeting of the Company's creditors.

MONITOR'S RECOMMENDATIONS

30. For the reasons set out above, the Monitor recommends that:
- (a) the First Report and activities of the Monitor as described in the First Report be approved; and
 - (b) the Stay Period be extended to November 30, 2011.

All of which is respectfully submitted at Toronto, Ontario this 27th day of September, 2011.

RSM RICHTER INC.
in its capacity as Monitor of
Olympus United Funds Corporation /
Corporation de Fonds Unis Olympus



Per:

Raymond Massi, CA CIRP
Partner

EXHIBIT "A"

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



ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

THE HONOURABLE MR.
JUSTICE COLIN CAMPBELL

)
)
)

WEDNESDAY, THE 7th DAY
OF SEPTEMBER, 2011

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

INITIAL ORDER

THIS APPLICATION, made by the Applicant, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Raymond Massi sworn August 30, 2011 and the Schedules thereto, and on hearing the submissions of counsel for RSM Richter Inc. ("Richter" or "Receiver"), in its capacity as the Court-appointed receiver of the Applicant Olympus United Funds Corporation / Corporation de Fonds Unis Olympus ("Olympus Funds") and of counsel for KPMG LLP ("KPMG"), and on reading the consent of Richter to act as the Monitor,

SERVICE

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

APPLICATION

2. THIS COURT ORDERS AND DECLARES that Olympus Funds is a company to which the CCAA applies, and that the term "creditors" used herein shall include the retail investors who invested funds with Olympus Funds.

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

4. THIS COURT ORDERS that the Receiver shall remain in possession and control of Olympus Funds' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Receiver shall continue to exercise the powers granted to it pursuant to the Receivership Orders of this Court dated June 29, 2005 and July 14, 2005, and all subsequent Orders in that proceeding bearing Court file number 05-CL-5965. The Receiver shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable for the carrying out of the terms of this Order.

5. THIS COURT ORDERS that, except as otherwise provided to the contrary in paragraph 17 or elsewhere herein, the Receiver shall be entitled but not required to cause Olympus Funds to pay all reasonable expenses incurred by Richter, in its capacity as Receiver or Monitor, in carrying out the provisions of this Order, which expenses shall include, without limitation, all

expenses reasonably necessary for the preservation of the Property including, without limitation, payments on account of insurance, maintenance and security services.

6. THIS COURT ORDERS that Richter shall cause Olympus Funds to remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by Olympus Funds in connection with the sale of goods and services by Olympus Funds where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of Olympus Funds' business (the "Business").

7. THIS COURT ORDERS that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by Olympus Funds to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities.

NO PROCEEDINGS AGAINST THE APPLICANT, THE PROPERTY OR THE KPMG RELEASEES

8. THIS COURT ORDERS that until and including September 30, 2011, or such later date as this Court may order (the “**Stay Period**”):

- (a) no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of Olympus Funds or Richter, either in its capacity as Receiver or Monitor, or affecting the Property, except with the written consent of the Monitor or with leave of this Court; and
- (b) no claims relating directly or indirectly to Olympus Funds, Norshield Asset Management (Canada) Ltd. / Gestion de Placements Norshield (Canada) Ltée, Norshield Investment Partners Holdings Ltd. / Gestion des Partenaires d’Investissement Norshield Ltée, Olympus United Funds Holdings Corporation, Olympus United Bank and Trust SCC, Olympus United Group Inc. / Groupe Olympus United Inc., Norshield Capital Management Corporation / Corporation Gestion de l’Actif Norshield and Honeybee Software Technologies Inc. / Technologies de Logiciels Honeybee Inc. (formerly Norshield Investment Corporation/Corporation d’Investissement Norshield) that have been, that could be, or that could have been asserted against KPMG Canada, KPMG LLP (Canada), KPMG Barbados, all other member firms of KPMG International and their related or affiliated entities and their respective past, present and future partners, officers, directors, employees, servants, agents, assigns, insurers and counsel (each a “**KPMG Releasee**”) (“**KPMG Claims**”) shall be commenced or continued against the KPMG Releasees, except with the written consent of the Monitor and the consent of the applicable KPMG Releasee, or with leave of this Court; and
- (c) any and all Proceedings currently under way against or in respect of the Applicant, the Receiver or the Property, and any and all Proceedings against the KPMG Releasees in respect of KPMG Claims, are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “Persons” and each being a “Person”) against or in respect of Olympus Funds or Richter, either in its capacity as Receiver or Monitor, or affecting the Property, or against the KPMG Releasees in respect of KPMG Claims, are hereby stayed and suspended except with the written consent of the Monitor and, as the case may be, the consent of the applicable KPMG Releasee, or leave of this Court, provided that nothing in this Order shall (i) empower Olympus Funds to carry on any business which Olympus Funds is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

10. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by Olympus Funds, except with the written consent of the Monitor or leave of this Court.

NON-DEROGATION OF RIGHTS

11. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

APPOINTMENT OF MONITOR

12. THIS COURT ORDERS that Richter is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of Olympus Funds, with the powers and obligations set out in the CCAA or set forth herein and that Olympus Funds and its shareholders, officers, directors, and Assistants shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

13. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (b) participate in the development of the Plan and any amendments to the Plan;
- (c) participate in the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (d) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (e) perform such other duties as are required by this Order or by this Court from time to time.

14. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, the *Ontario Occupational Health and Safety Act*, the *Quebec Environment Quality Act* or the *Quebec Act respecting occupational health and safety*, and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

15. THIS COURT ORDERS that the Monitor shall respond to reasonable requests for information made to it in writing by any creditor of Olympus Funds, subject to and in accordance with the July 23, 2007 Order of this Court and the Investor Communications Protocol attached as Schedule A thereto. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph.

16. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, Richter, whether acting as Receiver and/or Monitor, shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded to Richter by the CCAA or any applicable legislation.

17. THIS COURT ORDERS that Richter, in its capacity as Monitor and Receiver, and its legal counsel, shall be paid their reasonable fees and disbursements incurred in connection with these CCAA proceedings, in each case at their standard rates and charges, only from the maximum amount of CAD \$750,000 to be paid by KPMG, the whole in accordance with the confidential Minutes of Settlement agreement between the Receiver and KPMG. The fees and disbursements of Me Jean Fontaine of the law firm Stikeman Elliott LLP, as representative counsel on behalf of all individual natural persons who invested funds with or through, *inter alia*, Olympus Funds ("**Representative Counsel**"), shall continue to be paid in accordance with the February 7, 2006 Representative Counsel Order and the July 14, 2005 Order rendered by this Court.

SERVICE AND NOTICE

18. THIS COURT ORDERS that Richter, in its capacity as Receiver and/or Monitor shall (i) without delay, publish in the Globe and Mail, the Montreal Gazette, *La Presse* and a local newspaper in Vancouver a notice containing the information prescribed under the CCAA, as well as other information that it may determine in its discretion to be appropriate, (ii) within twenty days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, and (B) send, in the prescribed manner, a notice to every known creditor who has a claim against Olympus Funds, or a KPMG Claim against a KPMG Releasee, of more than \$1,000, and (C) be exempt from filing, distribution and/or communication of:

- (a) the financial documentation prescribed in Sections 10(2) and 23(1)(b) and (d) of the CCAA; or
- (b) a list of names and addresses of creditors of Olympus Funds and the estimated amounts of their claims, referred to in Section 23(1)(a) of the CCAA and the regulations made thereunder, which shall be treated as confidential until further Order of this Court.

19. THIS COURT ORDERS that Richter, in its capacity as Receiver or Monitor, be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the creditors of Olympus Funds or other interested parties at their respective addresses as last shown on the records of Olympus Funds and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

20. THIS COURT ORDERS that Richter, in its capacity as Receiver or Monitor, and any party who has filed a Notice of Appearance, may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and Richter, in its capacity as Receiver or Monitor, may post a copy of any or all such materials on its website at <http://www.rsmrichter.com/Restructuring/Norshield.aspx>.

GENERAL

21. THIS COURT ORDERS that Richter, in its capacity as Receiver or Monitor, may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

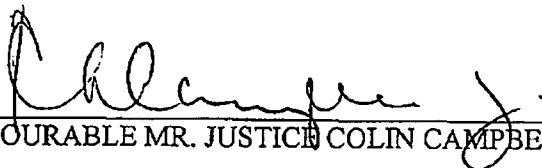
22. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, Receiver, a receiver and manager, or a trustee in bankruptcy of Olympus Funds, the Business or the Property.

23. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, Barbados, The Bahamas, the Cayman Islands or any other nation or state, to give effect to this Order and to assist Richter, in its capacity as Receiver or Monitor, and its respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to Richter, in its capacity as Receiver or Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to carry out the terms thereof, and to grant representative status to the Monitor in any foreign proceeding.

24. THIS COURT ORDERS that Richter, in its capacity as Receiver or Monitor, be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

25. THIS COURT ORDERS that any interested party (including Richter, in its capacity as Receiver or Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

26. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.


 THE HONOURABLE MR. JUSTICE COLIN CAMPBELL

ENTERED AT / INSCRIT À TORONTO
 DN / BOOK NO:
 LE / DANS LE REGISTRE NO.:

SEP 07 2011

PER/PAMI



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, BY ITS RECEIVER, RSM RICHTER INC.

APPLICATION UNDER SECTIONS 8, 11, 11.02 AND 42 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)
Proceeding commenced in Toronto

INITIAL ORDER

ThorntonGroutFinnigan LLP
3200 – 100 Wellington Street West
P.O. Box 329
Toronto, ON M5K 1K7

John L. Finnigan (LSUC# 24040L)
Grant B. Moffat (LSUC# 32380L)
Tel: (416) 304-1616
Fax: (416) 304-1313

Fishman Flanz Meland Paquin LLP
1250 René-Lévesque Boulevard West
Suite 4100
Montreal, PQ H3B 4W8

Avram Fishman
Tel: (514) 932-4100
Fax: (514) 932-4170

Lawyers for the Applicant

EXHIBIT "3"

Court File No. 05-CL-5965



ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.

JUSTICE COLIN CAMPBELL

)
)
)

Monday, THE 22nd

DAY OF AUGUST, 2011

IN THE MATTER OF THE *SECURITIES ACT*
R.S.O. 1990, c. S.5, AS AMENDED

B E T W E E N:

ONTARIO SECURITIES COMMISSION

Applicant

- and -

GESTION DE PLACEMENTS NORSHIELD (CANADA) LTÉE /
NORSHIELD ASSET MANAGEMENT (CANADA) LTD., NORSHIELD INVESTMENT
PARTNERS HOLDINGS LTD. / GESTION DES PARTENAIRES D'INVESTISSEMENT
NORSHIELD LTÉE, OLYMPUS UNITED FUNDS HOLDINGS CORPORATION,
OLYMPUS UNITED FUNDS CORPORATION / CORPORATION DE FONDS UNIS
OLYMPUS, OLYMPUS UNITED BANK AND TRUST SCC, GROUPE OLYMPUS
UNITED INC. / OLYMPUS UNITED GROUP INC.

Respondents

MINUTES OF SETTLEMENT APPROVAL ORDER

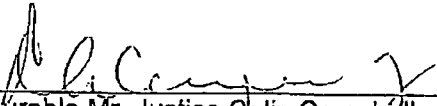
THIS MOTION brought jointly by RSM Richter Inc. ("Richter"), the court appointed receiver ("Receiver") of, *inter alia*, the respondent Olympus United Funds Corporation/Corporation de Fonds Unis Olympus ("Olympus Funds") and KPMG LLP ("KPMG") for an Order authorizing the Receiver's execution of the Minutes of Settlement attached to this Order as

Schedule "A" and an Order approving the Minutes of Settlement was read this day at 330 University Avenue, Toronto, Ontario.

ON READING the Minutes of Settlement and the Sixteenth Report of the Receiver dated August 19, 2011 (the "**Sixteenth Report**"), and on hearing the submissions of counsel for the Receiver and KPMG;

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT AUTHORIZES** the Receiver's execution of the Minutes of Settlement.
3. **THIS COURT DECLARES** that the Minutes of Settlement are fair and reasonable and hereby approves same.
4. **THIS COURT DIRECTS** that the Minutes of Settlement be sealed from the public record until further Order of this Court;
5. **THIS COURT ORDERS** that the Sixteenth Report of the Receiver, and the activities and conduct of the Receiver described therein, are hereby approved; and
6. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, Barbados, The Bahamas, the Cayman Islands or any other nation or state, to give effect to this Order and to assist the Receiver, and its respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative

bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its respective agents in carrying out the terms of this Order.


The Honourable Mr. Justice Colin Campbell

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

AUG 22 2011

PER/FAR:

NB

ONTARIO SECURITIES COMMISSION
Applicant

and

GESTON DE PLACEMENTS NORSHIELD (CANADA)
LTÉE/NORSHIELD ASSET MANAGEMENT (CANADA)
LTD. ET AL.

Respondents

Court File No.:05-CL-5965

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)
Proceeding commenced in Toronto

MINUTES OF SETTLEMENT
APPROVAL ORDER

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

John Finnigan (LSUC# 240408)
Grant Moffat (LSUC# 32380L
Tel: (416) 304-0148
Fax: (416) 304-1313

Lawyers for RSM Richter Inc., in its capacity as
Receiver of Respondent Olympus United Funds
Corporation/Corporation de Fonds Unis
Olympus

EXHIBIT "C"

RSM Richter Inc.
2, Place Alexis Nihon, bureau 1820
Montréal (Québec) H3Z 3C2
Téléphone / Telephone : 514.934.3440
Télécopieur / Facsimile : 514.934.3504
www.rsmrichter.com

Ligne directe / Direct Line : 514.934.3537
Courriel / E-mail : rmassi@rsmrichter.com

September 8, 2011

TO THE CREDITORS OF OLYMPUS UNITED FUNDS CORPORATION ("OUFC")

As you are aware, by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated June 29, 2005 and by subsequent orders, RSM Richter Inc. was appointed receiver of OUFC and certain other entities forming part of the Norshield Financial Group (the "Receiver"). Copies of the Receiver's reports to the Court forming part of the public record are posted on its website at (www.rsmrichter.com/Restructuring/Norshield.aspx).

As part of its Court-ordered mandate to identify and realize upon the assets of OUFC, the Receiver previously advised the Court that it was assessing the possibility of instituting legal proceedings against certain third parties who had dealings with the Norshield Financial Group.

The Receiver is pleased to advise that a settlement agreement has been reached with one of those third parties, namely KPMG LLP ("KPMG"), the former auditors of OUFC. The agreement provides for a payment of \$7,500,000, without any admission of fault, in exchange for a full release of KPMG and parties related thereto, and it is subject to a number of conditions, including the approval of the creditors of OUFC (including the retail investors in Canada who invested in OUFC). The agreement also provides for the filing of a plan of arrangement (the "Plan") pursuant to the *Companies' Creditors Arrangement Act* ("CCAA"), which was determined to be the most appropriate and effective manner to seek the creditors' approval of the agreement and to provide to KPMG the necessary releases stipulated therein. If approved by the required majority of creditors and the Court in accordance with the provisions of the CCAA, this settlement would allow the Receiver to make a first distribution of funds shortly after the completion of the CCAA process.

Accordingly, the Receiver sought and obtained, on September 7, 2011, a Court order (the "Initial CCAA Order") granting protection to OUFC pursuant to the CCAA and appointing RSM Richter Inc. as Monitor for the purpose of the CCAA proceedings. Please be advised that the Initial CCAA Order suspends all proceedings against OUFC and KPMG. A copy of the Initial CCAA Order can be obtained upon direct request to the Monitor/Receiver or on its website at (www.rsmrichter.com/Restructuring/Olympus.aspx).

At present, you are not required to take any action.

In due course, the Monitor will be forwarding to you details of the claims and voting processes as well as a report describing the proposed Plan and terms of the settlement with KPMG referred to above. You will also be advised of the place and time of the meeting of creditors of OUFC which will be convened to consider and vote upon the Plan.

The CCAA proceedings will not otherwise affect the liquidation process of the remaining assets of OUFC and any other eventual distributions that could be made from the receivership process.

For any further information, please do not hesitate to contact the undersigned or visit the Monitor/Receiver's website (as referenced above). Additional information, as it becomes available, will also be posted on our website.

RSM Richter Inc.
Court-Appointed Monitor

Raymond Massi, CA, CIRP

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, BY ITS RECEIVER, RSM RICHTER INC.

APPLICATION UNDER SECTIONS 8, 11, 11.02 AND 42 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

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

ONTARIO

SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced in Toronto

FIRST REPORT OF THE MONITOR

ThorntonGroutFinnigan LLP

3200 – 100 Wellington Street West
P.O. Box 329
Toronto, ON M5K 1K7

John L. Finnigan (LSUC# 24040L)

Grant B. Moffat (LSUC# 32380L)

Tel: (416) 304-1616

Fax: (416) 304-1313

Fishman Flanz Meland Paquin LLP

1250 René-Lévesque Boulevard West
Suite 4100

Montreal, PQ H3B 4W8

Avram Fishman

Tel: (514) 932-4100

Fax: (514) 932-4170

Lawyers for the Monitor