

ROBB EVANS & ASSOCIATES LLC
Temporary Receiver of
Lake Shore Asset Management, Ltd., et al.

11450 Sheldon Street
Sun Valley, California 91352-1121
Telephone No.: (818) 768-8100
Facsimile No.: (818) 768-8802

Commodity Futures Trading Commission v. Lake Shore Asset Management Limited, et al.
CASE No. 07C-3598

**Receiver's Motion for Entry of an Order Expanding Receivership to
Include FTG Capital Canada, LTD**

Filed December 28, 2010

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

UNITED STATES COMMODITY FUTURES)		
TRADING COMMISSION,)		
)	
Plaintiff,)		
)	No. 07 C 3598
v.)		Hon. Blanche M. Manning
)	Magistrate Judge Michael T. Mason
LAKE SHORE ASSET MANAGEMENT)		
LIMITED, <i>et al.</i> ,)		
)	
Defendants.)		

**RECEIVER'S MOTION FOR ENTRY OF AN ORDER EXPANDING RECEIVERSHIP
TO INCLUDE FTG CAPITAL CANADA, LTD.**

Robb Evans & Associates, LLC, the temporary equity Receiver for the Lake Shore Common Enterprise (the "Receiver"), hereby respectfully moves this Court (the "Motion") to enter an order expanding the receivership to include FTG Capital Canada Ltd. ("FTG") as an entity subject to the terms and conditions of the Amended Order Appointing Receiver dated April 24, 2008 [Dkt. No. 554] (the "Amended Receivership Order").

Introduction

1. Pursuant to an International Letter Rogatory signed by this Court on June 25, 2009, the Receiver conducted discovery in Canada. As part of this discovery and pursuant to an Order of the Ontario Superior Court of Justice issued October 28, 2009, the Receiver conducted deposition of Mr. John Kurgan ("Kurgan") and Mr. David Tonken ("Tonken"); conducted a telephone interview of Mr. Nicholas Eveleigh ("Eveleigh"); and submitted written interrogatories to Mrs. Patricia Kurgan ("Mrs. Kurgan"), the wife of John Kurgan, who is the sole officer of FTG (the "Depositions"). Kurgan's deposition was conducted on November 17, 2009, and Eveleigh and Tonken were deposed on November 18, 2009. Numerous documents

also were produced pursuant to the Ontario Superior Court Order. The Letter Rogatory specifically sought documents from FTG, in particular: "all records of any funds received from Hanford Investments Ltd., Lake Shore Asset Management Inc., Lake Shore Asset Management Ltd., Anglo International Associates Ltd., Man Financial n/k/a MF Global UK Ltd., Lehman Brothers International (Europe), or Fimat."¹ (the "Documents" and collectively with Depositions, the "Canadian Discovery").

2. The testimony and documents obtained through the Canadian Discovery established that FTG, a Canadian company, conducted transactions on behalf of the Lake Shore Group of Companies ("Lake Shore"). Lake Shore was a participant in the Lake Shore Common Enterprise² and FTG both received funds from Lake Shore and operated as the predecessor to Lake Shore Asset Management, Ltd. ("LSAM"), also part of the Lake Shore Common Enterprise. Mrs. Kurgan, who is the sole officer and shareholder of FTG, has confirmed that FTG was formed by her husband John Kurgan, that she did not actively manage the company or operate it as an ongoing business, or participate in its business affairs in any way. John Kurgan had signatory authority over the FTG bank accounts. Subsequently, he authorized Nicholas Eveleigh to direct payments from the accounts.

3. The FTG bank records produced by Kurgan show that initially the expenses of LSAM were paid from the FTG accounts, including invoices submitted by Roth Mosey LLP ("Roth Mosey"), the third party administrator of LSAM. Tonken, the accountant for FTG testified that FTG initially paid the expenses of LSAM. When LSAM began using a London payroll services company named Anglo International Associates Ltd. ("Anglo"), in April 2006,

¹ Man Financial n/k/a MF Global UK Ltd., Lehman Brothers International (Europe) and Fimat are hereafter referred to as the "London FCM's."

² As defined in the Amended Receivership Order.

FTG's role changed and the administrative expenses and sales commissions were then paid by Anglo. The FTG bank accounts were closed in July 2007.

4. In support of this Motion, the Receiver has obtained the Declaration of Philip James Baker (the "Baker Declaration"), a copy of which is attached hereto as Exhibit A. In his Declaration, Baker confirms that FTG operated as the predecessor to LSAM.

Factual Background

Corporate Structure

5. FTG was incorporated in Canada on June 27, 1994, with a Registration No. of 001087436. Its sole shareholder is Mrs. Kurgan. She also serves as the sole officer, acting as President and Secretary-Treasurer. The corporate registration documents are attached as Exhibit B.

FTG Bank Accounts

6. Subsequent to its formation, FTG maintained two bank accounts:

Bank of Montreal, First Canadian Place Branch, Toronto
US\$ Business Account #0002 4668-952
Opened March 1, 2002
Closed July 27, 2007
(the "US Account"); and

Canadian \$ Account #0002 1424-523
Opened March 1, 2002
Closed July 31, 2007
(the "Canadian Account")

Summary of Banking Activity

7. The US account received funds from Hallmark Bank & Trust ("Hallmark") in the Turks and Caicos Islands on a monthly basis. As set forth in the Receiver's Report dated April 16, 2010, [Dkt. No. 803], Hallmark maintained an account for Hanford Investments Ltd., ("Hanford") which received funds from the Lake Shore customer accounts on a regular, ongoing

basis. Hanford, a Turks and Caicos Islands company, received more than \$33 million from Lake Shore accounts at Sentinel Management Group, Inc. and the London FCM's for the period March 2002 to June 2007. Attached hereto as Exhibit C is a chart prepared by the Receiver that documents specific transfers to FTG from Hanford totaling \$2.89 million. Beginning in May 2006, payments were sent to FTG from Anglo instead of Hallmark. The funds were sent to the US Account, and substantial sums were then transferred to the Canadian Account every month. There were payments from the Canadian Account on a regular basis to: Peter S. Barry (beginning March 2003), Mauricio Porras (beginning May 2004), and Mark Gray (beginning April 06), each of whom were Lake Shore sales agents. Funds were also paid by Hanford directly to Zumer Investments Ltd., a company owned by Kurgan. As confirmed by Kurgan during his deposition, Zumer then transferred funds to FTG which then loaned certain funds to another company controlled by Mrs. Kurgan.

FTG Loans to Mrs. Kurgan

8. Mrs. Kurgan also is the sole shareholder, officer and director of another Canadian company 1662663 Ontario Ltd., ("Ontario, Ltd."), incorporated on June 10, 2005, Registration No. 1662663. The Registration Documents for Ontario, Ltd. are attached as Exhibit D. The registered office is located at 2283 Towne Blvd., Oakville, Ontario Canada L6H5J9. Documents produced in the Canadian Discovery, including tax returns, show that FTG made a series of loans to Ontario, Ltd. totaling \$854,240 CDN (the "FTG Loans"). The FTG Loans were comprised of the following transfers: (i) Feb 22, 2006 \$114,440.00 (following a transfer from FTG's US Account the same day); (ii) Feb 24, 2006 \$401,800.00 (following a transfer from FTG's US Account the same day); (iii) Mar 19, 2006 \$20,000.00; and (iv) July 18, 2006 \$318,000.00.

9. Mrs. Kurgan confirmed that the FTG Loans are still due and owing. In response

to the Letter Rogatory, Mrs. Kurgan responded to written interrogatories concerning FTG. She stated in a sworn written response dated December 18, 2009 that:

- (i.) She was the sole shareholder officer and director of FTG and Ontario, Ltd. (Interrogatory ¶1);
- (ii.) FTG was a company formed by her husband John Kurgan and she has had no involvement in its operation since the date of its formation (Interrogatory ¶¶2, 4, 9);
- (iii.) The payments from FTG to Ontario, Ltd. were not payment for services rendered, they were simply loans from one sole-shareholder corporation to another held by the same sole-shareholder (Interrogatory ¶6);
- (iv.) There is no documentation for the loans, no interest terms, and no repayment terms (Interrogatory ¶7);
- (v.) The assets of Ontario, Ltd. are a cottage north of Toronto and a replica Model "A" Ford (Interrogatory ¶8); and
- (vi.) She has no knowledge of the day to day business operations of FTG (Interrogatory ¶9).

Mrs. Kurgan's sworn written response to the Receiver's interrogatories is attached hereto as Exhibit E.

10. The 2007 Canadian tax return for FTG shows the FTG Loans as a loan payable. Other than the loan payable to FTG by Ontario, Ltd., and the cottage and the Model "A" Ford, the Receiver has not identified any other assets of FTG.

Statement of R. Thomas Baker of Roth Mosey & Partners LLP

11. In a sworn examination held on July 11, 2008 conducted by the CFTC and the Receiver, Mr. Thomas Baker, Managing Partner of Roth Mosey, stated that their initial and subsequent engagement letters was between FTG and Roth Mosey. Copies of the engagement letters and an invoice sent to FTG by Roth Mosey are attached as Exhibit F.

Examination of John Kurgan, November 17, 2009

12. In his examination, conducted by the Receiver's counsel pursuant to the Letter Rogatory, Kurgan stated, among other things, that he allowed Baker to use FTG to set up his investment management company for commodity trading. He also confirmed that money went

to FTG to pay expenses and the cost of running the fund, and that his accountant, Tonken, was engaged by FTG to supervise the management of the FTG bank accounts.

The Baker Declaration

13. The Baker Declaration states that he and Kurgan signed a partnership agreement to form FTG for purposes of setting up an investment fund. Attached as Exhibit G is the Partnership Agreement between Kurgan and Baker dated June 18, 1999, wherein they agreed to form FTG as an investment management company for commodity trading (Baker Declaration ¶1). The Baker Declaration also confirms that FTG was a predecessor entity to LSAM, and was used to support LSAM's business activities (Baker Declaration ¶2). LSAM acted as Investment Advisor and Investment Manager for the Lake Shore funds and accounts (Baker Declaration ¶2). Baker stated in his Declaration that he instructed Hanford to transfer funds to FTG on a regular and ongoing basis (Baker Declaration ¶3). Baker further stated that FTG paid administrative expenses for LSAM from funds sent by Hanford (Baker Declaration ¶5), and that when LSAM began using Anglo to pay its fees and expenses in April 2006, FTG's role was more limited (Baker Declaration ¶5).

Points and Authorities

14. The Court should expand the receivership to include FTG, because FTG was the predecessor to LSAM and was operated as part of the Lake Shore Common Enterprise. As this Court has previously held, "this case is the poster child for the transaction of business through a maze of interrelated companies" because "all of the evidence presented to the court indicates that all of the Lake Shore companies . . . were under common control and did not operate at arms-length." [Order of Preliminary Injunction, Dkt. No. 118, at 46, and Order of Permanent Injunction and Default Judgment, Dkt. No. 552, at 4.] FTG was one of those interrelated

companies. It was used extensively to conduct business transactions on behalf of Lake Shore, particularly in the early years of Lake Shore's operations.

15. The evidence shows that the entities that comprised the Lake Shore Common Enterprise sent funds, on a regular and ongoing basis, to FTG, for payment of administrative expenses and commissions. Funds were paid to FTG through Hanford and Anglo, two entities which received funds directly from the Lake Shore customer accounts (through both the London FCM trading accounts and the Sentinel sub-Custodian accounts at Bank of New York). FTG paid various expenses and sales commissions for LSAM's business operations in Canada. FTG then loaned funds to Mrs. Kurgan, the wife of LSAM trader John Kurgan, Baker's business partner. Mrs. Kurgan used the loan proceeds to acquire real estate and a Model "A" Ford automobile. She has confirmed no services were performed in exchange for the FTG Loan.

16. It is clear that the court has authority to expand the receivership to include FTG. The court "has broad powers and wide discretion to determine relief in an equity receivership" *Securities & Exch. Commission v. Elliot*, 953 F.2d 1560, 1566 (11th Cir. 1992). This "discretion derives from the inherent powers of an equity court to fashion relief," and that "[i]n granting relief, it is appropriate for the district court to use summary proceedings" *Elliot*, 953 F.2d at 1560. The use of summary proceedings must comply with due process. *S.E.C. v. Basic Energy Affiliated Res., Inc.*, 273 F.3d 657,668 (6th Cir. 2001). In the present case, the Receiver has served this Motion on FTG, Kurgan and Mrs. Kurgan to ensure that adequate notice and due process have been complied with.

17. The Receiver is, by the Amended Receivership Order, directed to collect and take control of assets, "wherever situated." The Amended Receivership Order appoints the Receiver as receiver of "all funds, properties, premises, accounts and other assets directly or indirectly

owned, beneficially or otherwise, by the Lake Shore Common Enterprise . . . that are held for the benefit of Lake Shore clients." Accordingly, expanding the receivership to include FTG and authorizing the Receiver to proceed in Canada to collect the FTG loans is consistent with the Receiver's duties, and will not require the Receiver to take action that is contrary to Canadian law. The Receiver, will, if necessary, seek the advice of its Canadian counsel to comply with Canadian law in any attempt to collect the FTG Loans. See *Citronelle-Mobile Gathering Inc. v. Watkins*, 934 F.2d 1180, 1187 (11th Cir. 1991) ("a duly appointed receiver may exercise authority over any assets located in foreign countries provided that his actions are taken in accord with or otherwise do not violate the law of that foreign nation. ").

Conclusion

18. Based on the foregoing, the Receiver submits that there is ample evidence to establish that FTG operated as the predecessor entity to LSAM and that it received substantial sums from accounts held by entities that comprise the Lake Shore Common Enterprise. The Receiver should therefore be authorized to collect all sums due and owing to FTG for the benefit of the Lake Shore investors, as this represents monies due and owing to an entity that is part of the Lake Shore Common Enterprise. To further this objective and to ensure that the Receiver is fully authorized to take all reasonable steps to collect this debt, the Receiver respectfully requests that this Court enter an order:

- (a) granting the motion;
- (b) expanding the receivership to include FTG;
- (c) finding that the Receiver is entitled to take all reasonable steps to collect all sums due and owing to FTG pursuant to the terms and conditions of the Amended Receivership Order and in compliance with Canadian law;
- (d) requesting the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the

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

- (e) finding that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings;
- (f) finding that the Receiver is authorized to seek recognition of his Order of Appointment as Receiver of FTG Capital Canada Ltd. in the Canadian Courts or any other jurisdiction as necessary; and
- (g) finding that the Receiver is authorized to take any other steps necessary to collect and marshal the assets of the Receivership entities, including FTG Capital Canada Ltd.

Respectfully submitted:

ROBB EVANS & ASSOCIATES, LLC

Dated: December 28, 2010

By: /s/ Ira Bodenstein
Counsel to Robb Evans & Associates,
LLC, the temporary equity receiver for
the Lake Shore Common Enterprise

Ira Bodenstein (#3126857)
S. Jarret Raab (#6294632)
SHAW GUSSIS FISHMAN GLANTZ
WOLFSON & TOWBIN, LLC
321 N. Clark Street, Suite 800
Chicago, IL 60610
(312) 541-0151
ibodenstein@shawgussis.com
jraab@shawgussis.com

Linda Candler (Calif. #181805)
ROBB EVANS & ASSOCIATES, LLC
11450 Sheldon Street
Sun Valley, CA 91352-1121
linda_candler@robbevans.com

EXHIBIT A

DECLARATION OF PHILIP JAMES BAKER

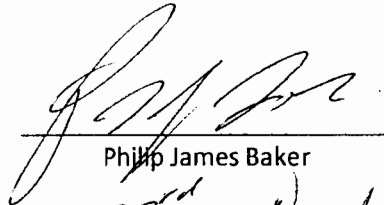
I, Philip James Baker, make this declaration freely and voluntarily in support of the efforts of the Court-Appointed Receiver, Robb Evans & Associates LLC, to collect and marshal the assets of the Lake Shore Common Enterprise.¹

1. I formed an investment management company for commodity trading with John Kurgan in 1999. Previously, Mr. Kurgan and I had worked as traders at Refco Futures. On or about June 18, 1999, I signed a Partnership Agreement with Mr. Kurgan to form a company called FTG Capital Canada Ltd. (FTG). This company name was provided by Mr. Kurgan. Pursuant to the Partnership Agreement, we agreed to an equal division of assets, payout and compensation of all revenue generated by FTG after deduction of reasonable expenses.
2. FTG was a predecessor entity to Lake Shore Asset Management Ltd. (Lake Shore). It was used by Mr. Kurgan and myself to support Lake Shore's business activities. Lake Shore acted as the Investment Advisor and Investment Manager for the Lake Shore funds and accounts.
3. I instructed Hanford Investments Limited, a Turks and Caicos Islands company under my direction and control, to transfer funds to FTG on a regular and ongoing basis beginning in 2002. In April 2006, Lake Shore began using Anglo Associates International Ltd., (Anglo) a London payroll services company, and I or Nicholas Eveleigh, on my instructions, also directed Anglo to transfer funds to FTG.
4. The funds paid to FTG by Hanford and later by Anglo were from fees and commissions generated by operation and management of the Lake Shore funds.
5. FTG paid administrative expenses for Lake Shore from the funds sent by Hanford. When Lake Shore began using Anglo to pay its fees and expenses, FTG's role was more limited, as most of the administrative expenses and sales commissions were paid directly by Anglo to the recipients of these payments.
6. FTG sent funds on a regular and ongoing basis to Peter S. Barry, ~~Meridian Global Investors~~, ~~Damon Wilson~~ and Mark Gray. These were sales agents of Lake Shore. PB
11/23/10

¹ Defined by the Order Appointing the Receiver to include the following entities: "Lake Shore Asset Management Limited ("LSAM"). Lake Shore Group, Lake Shore Asset Management Inc., Lake Shore Alternative Financial Asset Account Limited, a/k/a Lake Shore Alternative Financial Asset Ltd., Lake Shore Alternative Financial Asset Account Limited, Lake Shore Alternative Financial Asset Account II Limited, Lake Shore Alternative Financial Asset Account III Limited, Lake Shore Alternative Financial Asset Fund Limited, Lake Shore Alternative Financial Asset Fund II Limited, Lake Shore Alternative Financial Asset Fund III Limited, Geneva Corporation Funds World Limited and/or Genevacorp Funds World Ltd. (formerly known as Lake Shore Alternative Financial Asset Fund IV Limited), Lake Shore Alternative Financial Asset Fund IV US, LLC, Lake Shore Alternative Financial Asset Yen Fund I, Lake Shore Alternative Financial Asset Yen Fund Limited Class II, Lake Shore Alternative Financial Asset Yen Fund Limited Class III, Hanford Investments Ltd., all funds, properties, premises, accounts and other assets directly or indirectly owned, beneficially or otherwise, by the LS Common Enterprise, individually or collectively, including, but not limited to, funds on deposit at Sentinel Management Group, Inc....."

Funds were also sent from FTG to Roth Mosey to pay administrative expenses. This was done at my direction or at the direction of Nicholas Eveleigh, on my instructions.

7. John Kurgan had signatory authority over the FTG accounts. Later, Nicholas Eveleigh was authorized to direct payments from the FTG accounts.
8. On or about November 3, 2006, an agreement was entered between Lake Shore Asset Management, Inc. (LSAM, Inc.), Thomas Church and Lake Shore. LSAM, Inc. was an Illinois company that was owned by Mr. Church. Lake Shore was a Bermuda corporation incorporated in September 2006. Lake Shore acquired the name LSAM, Inc. so that it could transact business in the State of Illinois under the name Lake Shore.
9. Subsequent to acquiring the name, LSAM, Inc., Lake Shore operated from that point on, as part of the Lake Shore Group of Companies, Inc. Limited, an Isle of Man company formed on 21 April 2006.



Philip James Baker

Subscribed and sworn to before me this 23rd day of November 2010.



Notary Public for Illinois

My commission expires:



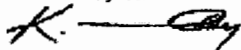
EXHIBIT B

Request ID: 011636610
 Transaction ID: 39569640
 Category ID: (C)CC/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2009/10/09
 Time Report Produced: 16:44:38
 Page: 1

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
 Ministry of Government Services
 Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
1087436	FTG CAPITAL (CANADA) LTD.	1994/06/27
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address		Date Amalgamated Amalgamation Ind.
203-1183 FINCH AVE W		NOT APPLICABLE NOT APPLICABLE
		New Amal. Number Notice Date
DOWNSVIEW ONTARIO CANADA M3J 2G2		NOT APPLICABLE NOT APPLICABLE
Mailing Address		Letter Date
203-1183 FINCH AVE W		NOT APPLICABLE
		Revival Date Continuation Date
DOWNSVIEW ONTARIO CANADA M3J 2G2		NOT APPLICABLE NOT APPLICABLE
		Transferred Out Date Cancel/Inactive Date
		NOT APPLICABLE NOT APPLICABLE
		EP Licence Eff.Date EP Licence Term.Date
		NOT APPLICABLE NOT APPLICABLE
	Number of Directors	Date Commenced
	Minimum Maximum	in Ontario
	00001 00005	NOT APPLICABLE
Activity Classification		Date Ceased
NOT AVAILABLE		in Ontario
		NOT APPLICABLE

Request ID: 011636610
Transaction ID: 39569640
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2009/10/09
Time Report Produced: 16:44:38
Page: 2

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1087436	FTG CAPITAL (CANADA) LTD.

Corporate Name History	Effective Date
FTG CAPITAL (CANADA) LTD.	1994/06/27

Current Business Name(s) Exist:	NO
Expired Business Name(s) Exist:	NO

Administrator: Name (Individual / Corporation)	Address
NICHOLAS EVELEIGH	120 WEST BEAVER CREEK Suite # 17 RICHMOND HILL ONTARIO CANADA L4B 1L2

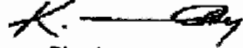
Date Began	First Director	Resident Canadian
2006/07/01	NOT APPLICABLE	
Designation	Officer Type	
DIRECTOR		Y

Request ID: 011636610
Transaction ID: 39569640
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2009/10/09
Time Report Produced: 16:44:38
Page: 3

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1087436	FTG CAPITAL (CANADA) LTD.

Administrator: Name (Individual / Corporation)	Address
NICHOLAS EVELEIGH	120 WEST BEAVER CREEK Suite # 17 RICHMOND HILL ONTARIO CANADA L4B 1L2

Date Began	First Director	Resident Canadian
2006/07/01	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	PRESIDENT	Y

Administrator: Name (Individual / Corporation)	Address
NICHOLAS EVELEIGH	120 WEST BEAVER CREEK Suite # 17 RICHMOND HILL ONTARIO CANADA L4B 1L2

Date Began	First Director	Resident Canadian
2006/07/01	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	SECRETARY	Y

Request ID: 011636610
Transaction ID: 39569640
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2009/10/09
Time Report Produced: 16:44:38
Page: 4

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1087436	FTG CAPITAL (CANADA) LTD.

Administrator: Name (Individual / Corporation)	Address
NICHOLAS EVELEIGH	120 WEST BEAVER CREEK Suite # 17 RICHMOND HILL ONTARIO CANADA L4B 1L2

Date Began	First Director	
2006/07/01	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	TREASURER	Y

Administrator: Name (Individual / Corporation)	Address
MARY PATRICIA KURGAN	2272 MOWAT AVENUE Suite # 18 OAKVILLE ONTARIO CANADA L6H 5L8

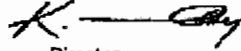
Date Began	First Director	
1994/06/27	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
DIRECTOR		Y

Request ID: 011636610
Transaction ID: 39569640
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2009/10/09
Time Report Produced: 16:44:38
Page: 5

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1087436	FTG CAPITAL (CANADA) LTD.

Administrator: Name (Individual / Corporation)	Address
MARY PATRICIA KURGAN	2272 MOWAT AVENUE Suite # 18 OAKVILLE ONTARIO CANADA L6H 5L8

Date Began	First Director	
1994/06/27	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	PRESIDENT	Y

Administrator: Name (Individual / Corporation)	Address
MARY PATRICIA KURGAN	2272 MOWAT AVENUE Suite # 18 OAKVILLE ONTARIO CANADA L6H 5L8

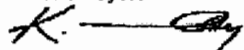
Date Began	First Director	
1994/06/27	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	SECRETARY	Y

Request ID: 011636610
Transaction ID: 39569640
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2009/10/09
Time Report Produced: 16:44:38
Page: 6

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1087436

FTG CAPITAL (CANADA) LTD.

Administrator:
Name (Individual / Corporation)

Address

MARY
PATRICIA
KURGAN

2272 MOWAT AVENUE

Suite # 18
OAKVILLE
ONTARIO
CANADA L6H 5L8

Date Began

First Director

1994/06/27

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

TREASURER

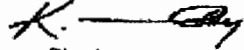
Y

Request ID: 011636610
Transaction ID: 39569640
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2009/10/09
Time Report Produced: 16:44:38
Page: 7

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1087436

FTG CAPITAL (CANADA) LTD.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	ANNUAL RETURN 2008	1C	2009/06/03

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1882, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this certified report in electronic form is authorized by the Ministry of Government Services.

Request ID: 011636613
Demande n° :
Transaction ID: 39569649
Transaction n° :
Category ID: CT
Catégorie :

Province of Ontario
Province de l'Ontario
Ministry of Government Services
Ministère des Services gouvernementaux

Date Report Produced: 2009/10/09
Document produit le :
Time Report Produced: 16:45:06
Imprimé à :

CERTIFICATE OF STATUS ATTESTATION DU STATUT JURIDIQUE

This is to certify that according to the records of the Ministry of Government Services

D'après les dossiers du Ministère des Services gouvernementaux, nous attestons que la société

FTG CAPITAL (CANADA) LTD.

Ontario Corporation Number

Numéro matricule de la société (Ontario)

0 0 1 0 8 7 4 3 6

is a corporation incorporated, amalgamated or continued under the laws of the Province of Ontario.

est une société constituée, prorogée ou née d'une fusion aux termes des lois de la Province de l'Ontario.

The corporation came into existence on

La société a été fondée le

JUNE 27 JUIN, 1994

and has not been dissolved.

et n'est pas dissoute.

Dated

Fait le

OCTOBER 09 OCTOBRE, 2009



Director
Directrice

The issuance of this certificate in electronic form is authorized by the Ministry of Government Services.

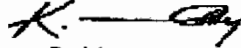
La délivrance du présent certificat sous forme électronique est autorisée par le Ministère des Services gouvernementaux.

Request ID: 011636612
Transaction ID: 39569646
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2009/10/09
Time Report Produced: 16:44:57
Page: 1

Certified a true copy of the data as recorded on the Ontario Business Information System.



Registrar
Ministry of Government Services
Toronto, Ontario

LIST OF CURRENT BUSINESS NAMES REGISTERED BY A CORPORATION

Ontario Corporation Number
1087436

CORPORATION NAME
FTG CAPITAL (CANADA) LTD.

REGISTRATION DATE	BUSINESS NAME	EXPIRY DATE	BUSINESS ID NUMBER
----------------------	------------------	----------------	-----------------------

NO CURRENT BUSINESS NAMES ON FILE!

THE REPORT SETS OUT ALL BUSINESS NAMES REGISTERED OR RENEWED BY THE CORPORATION IN THE PAST 5 YEARS AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. IF MORE DETAILED INFORMATION IS REQUIRED, YOU MAY REQUEST A SEARCH AGAINST INDIVIDUAL NAMES SHOWN ON THIS REPORT.

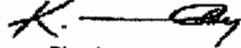
The issuance of this certified report in electronic form is authorized by the Ministry of Government Services.

Request ID: 011636611
Transaction ID: 39569643
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2009/10/09
Time Report Produced: 16:44:48
Page: 1

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION DOCUMENT LIST

Ontario Corporation Number
1087436

Corporation Name
FTG CAPITAL (CANADA) LTD.

ACT/CODE	DESCRIPTION	FORM	DATE (YY/MM/DD)
CIA	ANNUAL RETURN 2008 PAF: EVELEIGH, NICHOLAS	1C	2009/06/03
CIA	ANNUAL RETURN 2007	1C	2008/02/02
CIA	CHANGE NOTICE PAF: EVELEIGH, NICHOLAS	1	2007/07/19
CIA	ANNUAL RETURN 2006	1C	2007/02/10
CIA	ANNUAL RETURN 2005	1C	2006/04/01
CIA	ANNUAL RETURN 2004	1C	2005/02/05
CIA	ANNUAL RETURN	1C	2004/01/25
CIA	ANNUAL RETURN	1C	2003/11/23
CIA	ANNUAL RETURN	1C	2003/11/23
CIA	INITIAL NOTICE PAF: KURGAN, MARY PATRICIA	1	1995/08/15
BCA	ARTICLES OF INCORPORATION	1	1994/06/27

THIS REPORT SETS OUT ALL DOCUMENTS FOR THE ABOVE CORPORATION WHICH HAVE BEEN FILED ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

ALL "PAF" (PERSON AUTHORIZING FILING) INFORMATION IS DISPLAYED EXACTLY AS RECORDED IN ONBIS. WHERE PAF IS NOT SHOWN AGAINST A DOCUMENT, THE INFORMATION HAS NOT BEEN RECORDED IN THE ONBIS DATABASE.

The issuance of this certified report in electronic form is authorized by the Ministry of Government Services.

EXHIBIT C

The Lake Shore Common Enterprise (LSAM) Analysis of Movement of Funds Expressed in USD

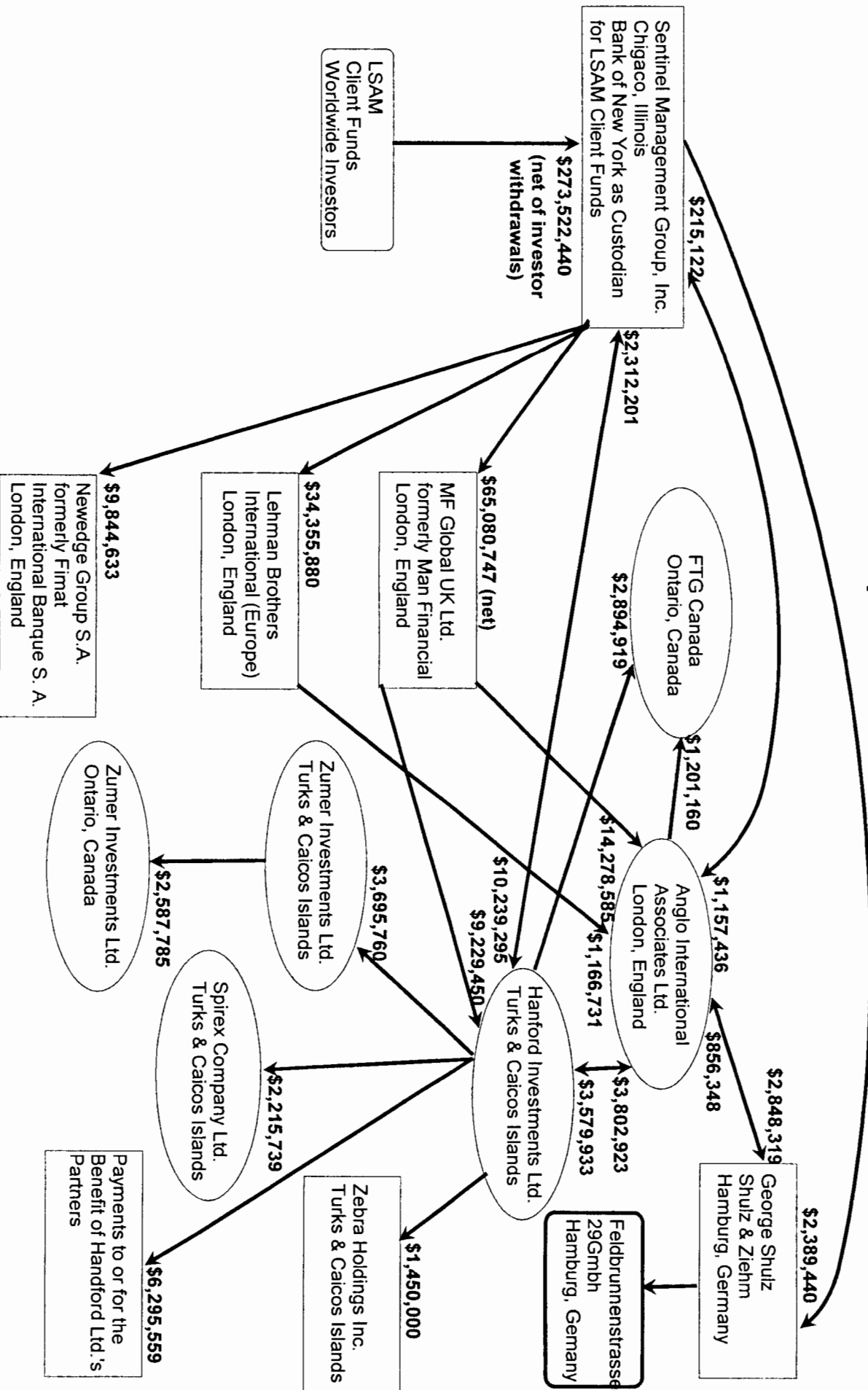


EXHIBIT D

Request ID: 011739390
 Transaction ID: 39917276
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2009/11/19
 Time Report Produced: 17:47:41
 Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
1662663	1662663 ONTARIO LIMITED	2005/06/10
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address		Date Amalgamated
2283 TOWNE BLVD.		NOT APPLICABLE
		Amalgamation Ind.
		NOT APPLICABLE
		New Amal. Number
OAKVILLE		NOT APPLICABLE
ONTARIO		
CANADA L6H 5J9		Notice Date
		NOT APPLICABLE
Mailing Address		Letter Date
2283 TOWNE BLVD.		NOT APPLICABLE
		Revival Date
OAKVILLE		NOT APPLICABLE
ONTARIO		Continuation Date
CANADA L6H 5J9		NOT APPLICABLE
		Transferred Out Date
		NOT APPLICABLE
		Cancel/Inactive Date
		NOT APPLICABLE
		EP Licence Eff.Date
		NOT APPLICABLE
		EP Licence Term.Date
		NOT APPLICABLE
		Date Commenced in Ontario
		NOT APPLICABLE
		Date Ceased in Ontario
		NOT APPLICABLE
Activity Classification	Number of Directors	
NOT AVAILABLE	Minimum Maximum	
	00001 00010	

Request ID: 011739390
Transaction ID: 39917276
Category ID: UNE

Province of Ontario
Ministry of Government Services

Date Report Produced: 2009/11/19
Time Report Produced: 17:47:41
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1662663	1662663 ONTARIO LIMITED

Corporate Name History	Effective Date
1662663 ONTARIO LIMITED	2005/06/10

Current Business Name(s) Exist:	NO
Expired Business Name(s) Exist:	NO

Administrator: Name (Individual / Corporation)	Address
PATRICIA KURGAN	2283 TOWNE BLVD OAKVILLE ONTARIO CANADA L6H 5J9

Date Began	First Director	
2005/06/10	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
DIRECTOR		Y

Request ID: 011739390
Transaction ID: 39917276
Category ID: UNE

Province of Ontario
Ministry of Government Services

Date Report Produced: 2009/11/19
Time Report Produced: 17:47:41
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1662663	1662663 ONTARIO LIMITED

Administrator: Name (Individual / Corporation)	Address
PATRICIA KURGAN	2283 TOWNE BLVD OAKVILLE ONTARIO CANADA L6H 5J9

Date Began	First Director	
2005/06/10	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	PRESIDENT	Y

Administrator: Name (Individual / Corporation)	Address
PATRICIA KURGAN	2283 TOWNE BLVD OAKVILLE ONTARIO CANADA L6H 5J9

Date Began	First Director	
2005/06/10	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	SECRETARY	Y

Request ID: 011739390
Transaction ID: 39917276
Category ID: UNE

Province of Ontario
Ministry of Government Services

Date Report Produced: 2009/11/19
Time Report Produced: 17:47:41
Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1662663	1662663 ONTARIO LIMITED

Administrator: Name (Individual / Corporation)	Address
PATRICIA KURGAN	2283 TOWNE BLVD OAKVILLE ONTARIO CANADA L6H 5J9

Date Began	First Director	Resident Canadian
2005/06/10	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	TREASURER	Y

Request ID: 011739390
Transaction ID: 39917276
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2009/11/19
Time Report Produced: 17:47:41
Page: 5

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1662663

1662663 ONTARIO LIMITED

Last Document Recorded

Act/Code	Description	Form	Date
CIA	ANNUAL RETURN 2006	1C	2007/05/26

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.
ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

Request ID: 011739391
Transaction ID: 39917278
Category ID: UNE

Province of Ontario
Ministry of Government Services

Date Report Produced: 2009/11/19
Time Report Produced: 17:47:50
Page: 1

CORPORATION DOCUMENT LIST

Ontario Corporation Number
1662663

Corporation Name
1662663 ONTARIO LIMITED

ACT/CODE	DESCRIPTION	FORM	DATE (YY/MM/DD)
CIA	ANNUAL RETURN 2006	1C	2007/05/26
CIA	ANNUAL RETURN 2005	1C	2007/05/26
CIA	INITIAL RETURN	1	2005/07/12
	PAF: KURGAN, PATRICIA		
BCA	ARTICLES OF INCORPORATION	1	2005/06/10

THIS REPORT SETS OUT ALL DOCUMENTS FOR THE ABOVE CORPORATION WHICH HAVE BEEN FILED ON OR AFTER
JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF
PRINTING. ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

ALL "PAF" (PERSON AUTHORIZING FILING) INFORMATION IS DISPLAYED EXACTLY AS RECORDED IN ONBIS. WHERE PAF IS
NOT SHOWN AGAINST A DOCUMENT, THE INFORMATION HAS NOT BEEN RECORDED IN THE ONBIS DATABASE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

Request ID: 011739392
Transaction ID: 39917280
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2009/11/19
Time Report Produced: 17:47:59
Page: 1

LIST OF CURRENT BUSINESS NAMES REGISTERED BY A CORPORATION

Ontario Corporation Number
1662663

CORPORATION NAME
1662663 ONTARIO LIMITED

REGISTRATION DATE	BUSINESS NAME	EXPIRY DATE	BUSINESS ID NUMBER
----------------------	------------------	----------------	-----------------------

NO CURRENT BUSINESS NAMES ON FILE

THE REPORT SETS OUT ALL BUSINESS NAMES REGISTERED OR RENEWED BY THE CORPORATION IN THE PAST 5 YEARS AND
RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. IF MORE DETAILED
INFORMATION IS REQUIRED, YOU MAY REQUEST A SEARCH AGAINST INDIVIDUAL NAMES SHOWN ON THIS REPORT.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

Request ID: 011742476
Demande n° :
Transaction ID: 39928853
Transaction n° :
Category ID: CT
Catégorie :

Province of Ontario
Province de l'Ontario
Ministry of Government Services
Ministère des Services gouvernementaux

Date Report Produced: 2009/11/20
Document produit le :
Time Report Produced: 15:13:17
Imprimé à :

CERTIFICATE OF STATUS ATTESTATION DU STATUT JURIDIQUE

This is to certify that according to the records of the Ministry of Government Services

D'après les dossiers du Ministère des Services gouvernementaux, nous attestons que la société

1 6 6 2 6 6 3 ONTARIO LIMITED

Ontario Corporation Number

Numéro matricule de la société (Ontario)

0 0 1 6 6 2 6 6 3

is a corporation incorporated, amalgamated or continued under the laws of the Province of Ontario.

est une société constituée, prorogée ou née d'une fusion aux termes des lois de la Province de l'Ontario.

The corporation came into existence on

La société a été fondée le

JUNE 10 JUIN, 2005

and has not been dissolved.

et n'est pas dissoute.

Dated

Fait le

NOVEMBER 20 NOVEMBRE, 2009



Director
Directrice

The issuance of this certificate in electronic form is authorized by the Ministry of Government Services.

La délivrance du présent certificat sous forme électronique est autorisée par le Ministère des Services gouvernementaux.

RUN NUMBER : 323
RUN DATE : 2009/11/19
ID : 20091119175352.63

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(8479)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 1662663 ONTARIO LIMITED
FILE CURRENCY : 18NOV 2009

ENQUIRY NUMBER 20091119175352.63 CONTAINS 1 PAGE(S), 0 FAMILY(IES).

NO REGISTRATIONS ARE REPORTED IN THIS ENQUIRY RESPONSE.

OSLER, HOSKIN & HARCOURT LLP (EM)
1 FIRST CANADIAN PLACE PO BOX 50
TORONTO ON M5X 1B8

CERTIFIED BY/CERTIFIÉS PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SURETÉS MOBILIÈRES
K. [Signature]
(c)12/1/2009



EXHIBIT E

Court File No. 09-8393-00CL

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

BETWEEN:

ROBB EVANS & ASSOCIATES LLC

Applicant

- and -

**JOHN KURGAN, NICHOLAS EVELEIGH, DAVID TONKEN, DESJARDINS, ROTH
MOSEY AND PARTNERS LLP, and FTG CAPITAL CANADA LTD.**

Respondents

APPLICATION UNDER section 46 of the *Canada Evidence Act*, R.S.C. 1985, c. C-5 and
section 60 of the *Evidence Act*, R.S.O. 1990, c. E.23

**AFFIDAVIT OF PATRICIA KURGAN
(Sworn on December 18, 2009)**

I, Patricia Kurgan, of the City of Oakville, in the Province of Ontario, **MAKE OATH
AND SAY:**

1. I am the sole shareholder of FTG Capital Canada ("FTG") and the sole shareholder of 1662663 Ontario Ltd ("166"). I am also the sole Director and Officer of each of those corporations. I make this affidavit in response to written interrogatories received from Canadian counsel for the Receiver, Robb Evans and Associates LLP. The responses provided herein are given on the basis of my personal knowledge, and where that knowledge is based on information and belief, I will indicate the source of that information.
2. FTG was formed in 1994 by my husband, John Kurgan. John was then and is still today a commodities trader. I was made the shareholder and director of FTG

because as a commodities trader, John is exposed to potential claims from clients, or even his employer, if there is a trading error for which he is deemed responsible. By having FTG in my name, John's liability on any such claim would be limited.

3. I recall that when FTG was formed, I did not think much of it at the time. John often has ideas for business or client development, and I assumed FTG was being formed for that purpose. I thought it was some sort of "holding company". I was not aware of any specific intention for FTG at the time, but assumed it might potentially have some revenue at some future date.
4. I have had no involvement with FTG from the time of its formation to the present.
5. My answers to the written interrogatories follow.
6. Question 1:
The first four payments listed there are shareholder loans between FTG and 166. There were no services purchased or benefit received *per se*. These payments represent a loan from one corporation to another, with each corporation having the same sole shareholder. I understand that loans between companies with the same sole shareholder are not taxable, and do not require interest to be charged. I have no knowledge of the fifth payment.
7. Question 2:
There is no loan agreement, or other records evidencing loan. I understand my husband was advised by his accountant, David Tonken, that this is typically not required when a loan is made from one company to another, having the same sole shareholder. The \$854,240.00 loan receivable is the total of the first four amounts referenced in question 1, above.

8. Question 3

As I indicated above, I am the sole shareholder and officer of 166. Attached hereto as Exhibit "1" is a copy of the "Corporation Profile Report" for 166. To the best of my knowledge, the assets of 166 are a cottage located north of Toronto and a replica Model "A" Ford.

9. Question 4

I have had no involvement with FTG since its inception. I have performed no services for FTG.

10. Question 5

I have received no payments from FTG.

11. Question 6

I have been the sole shareholder and Director/Officer of FTG since its formation. I am advised by John that he provided the corporate records of FTG to the Receiver. I believe this information is documented in those records.

12. Question 7

I am not directly aware of anyone entitled to withdraw funds from FTG except John. I am advised by John that Mr. Nick Eveleigh had authorization to do online banking and wire transfers. I do not believe any authorization was required to deposit funds into the FTG bank account.

13. Question 8

I have no knowledge of the funds transferred into the FTG account except for the amounts transferred into the account by my husband in 2006, and referenced in my answer to question 1.

14. Question 9

I have no direct knowledge. I am advised by John that he, Nick Eveleigh, and Philip Baker would have had that authority.

15. Question 10

I do not have copies in my possession but have made a request for copies of those documents.

16. Question 11

I have no knowledge of the reason for payments made to Fruchet Asset Management Inc.

17. Question 12

I have no knowledge of any insurance policies maintained by FTG.

18. Question 13

I have no such documentation in my possession or custody and no knowledge of its whereabouts, or who might possess it.

19. Question 14

As noted in my answer to question 14, I have no knowledge of who might possess that documentation.

20. Question 15

I have no such documentation in my possession and no knowledge of any such communications.

21. Question 16

I have no such documentation in my possession and no knowledge of any such communications.

22. Question 17

I have no such documentation in my possession and no knowledge of any such communications.

23. Question 18

I have no such documentation in my possession and no knowledge of any such communications.

24. Question 19

I have no such documentation in my possession and no knowledge of any such communications.

25. Question 20

I have no such documentation in my possession and no knowledge of any such communications.

26. Question 21

I am not aware of any credit cards held by FTG.

27. Question 22

I believed when FTG was formed in 1994, as described above, that it might be used as a holding company or business development vehicle by my husband. I do not know what other purpose it might have been used for. I do not know any of its employees.

28. Question 23

I have no knowledge of the details of the closing of the FTG bank account. I am advised by my husband that it was closed as the account had become virtually inactive.

29. Question 24

I have no knowledge of that information.

30. Question 25

I do not have the requested documents.

31. Question 26

I have made no shareholder loans to FTG. I am advised by John that certain amounts that were advanced to FTG by him were described as shareholder advances in the FTG financial statements. I do not know when they were repaid but believe this would be reflected in the FTG financial statements. I do not know what method of repayment was used.

32. Question 27

I am advised by John that he provided the corporate records for FTG to the Receiver, and that the information requested in this question is found in those records.

33. Question 28

I did not receive a salary or wages from FTG. I have no knowledge or information in respect of any of the other questions asked in paragraph 28.

34. Question 29

I have no knowledge of who hired FTG employees or who was responsible for supervising them.

35. Question 30

I am employed at Zurich, Canada, an insurance company located in Toronto. My current title is Senior Organization Effectiveness Consultant.

36. Question 31

I do not know what product or services the company was selling in connection with the amount shown as sales on the 2005 financial statement.

37. Question 32

I do not know what product or services the company was selling in connection with the amounts shown as sales on the 2006 and 2007 financial statements.

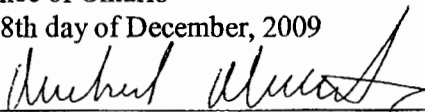
38. Question 33

I have no knowledge of the furniture and equipment listed as assets in that financial statement or the computer listed there either. I therefore cannot provide an inventory. I have no knowledge of the whereabouts of those items.

39. Question 34

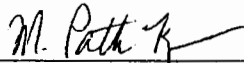
I have no knowledge of the amount listed as retained earnings on the 2007 financial statement. I am advised by John that he provided to the Receiver all FTG banking records that he is aware of, and to which he had access. I do not know where the funds are held. I can advise those funds were not disbursed to me as the shareholder.

SWORN before me at the City of Toronto,
Province of Ontario
this 18th day of December, 2009



A Commissioner for Taking Affidavit

)
)
)
)
)



PATRICIA KURGAN

Request ID: 011802654
 Transaction ID: 40121206
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2009/12/15
 Time Report Produced: 09:12:35
 Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
1662663	1662663 ONTARIO LIMITED	2005/06/10
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address		Date Amalgamated
2283 TOWNE BLVD.		NOT APPLICABLE
		Amalgamation Ind.
		NOT APPLICABLE
		New Amal. Number
		NOT APPLICABLE
		Notice Date
		NOT APPLICABLE
		Letter Date
		NOT APPLICABLE
Mailing Address		Revival Date
2283 TOWNE BLVD.		NOT APPLICABLE
		Continuation Date
		NOT APPLICABLE
		Transferred Out Date
		NOT APPLICABLE
		Cancel/Inactive Date
		NOT APPLICABLE
		EP Licence Eff.Date
		NOT APPLICABLE
		EP Licence Term.Date
		NOT APPLICABLE
		Date Commenced in Ontario
		NOT APPLICABLE
		Date Ceased in Ontario
		NOT APPLICABLE
Activity Classification	Number of Directors Minimum Maximum	
NOT AVAILABLE	00001 00010	

This is Exhibit 1 referred to in the
 affidavit of Patricia Kurgan
 sworn before me, this 18th
 day of December 20 10

Michael M. [Signature]

A COMMISSIONER FOR TAKING AFFIDAVITS

Request ID: 011802654
Transaction ID: 40121206
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2009/12/15
Time Report Produced: 09:12:35
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1662663

1662663 ONTARIO LIMITED

Corporate Name History

Effective Date

1662663 ONTARIO LIMITED

2005/06/10

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:
Name (Individual / Corporation)

Address

PATRICIA
KURGAN

2283 TOWNE BLVD

OAKVILLE
ONTARIO
CANADA L6H 5J9

Date Began

First Director

2005/06/10

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

DIRECTOR

Y

Request ID: 011802654
Transaction ID: 40121206
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2009/12/15
Time Report Produced: 09:12:35
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1662663

1662663 ONTARIO LIMITED

Administrator:
Name (Individual / Corporation)

Address

PATRICIA
KURGAN

2283 TOWNE BLVD

OAKVILLE
ONTARIO
CANADA L6H 5J9

Date Began

First Director

2005/06/10

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

PRESIDENT

Y

Administrator:
Name (Individual / Corporation)

Address

PATRICIA
KURGAN

2283 TOWNE BLVD

OAKVILLE
ONTARIO
CANADA L6H 5J9

Date Began

First Director

2005/06/10

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

SECRETARY

Y

Request ID: 011802654
Transaction ID: 40121206
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2009/12/15
Time Report Produced: 09:12:35
Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number

1662663

Corporation Name

1662663 ONTARIO LIMITED

Administrator:
Name (Individual / Corporation)

PATRICIA
KURGAN

Address

2283 TOWNE BLVD

OAKVILLE
ONTARIO
CANADA L6H 5J9

Date Began

2005/06/10

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

TREASURER

Resident Canadian

Y

Request ID: 011802654
Transaction ID: 40121206
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2009/12/15
Time Report Produced: 09:12:35
Page: 5

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1662663

1662663 ONTARIO LIMITED

Last Document Recorded

Act/Code	Description	Form	Date
CIA	ANNUAL RETURN 2006	1C	2007/05/26

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

ROBB EVANS & ASSOCIATES LLC
Applicant

-and-

JOHN KURGAN et al
Respondents
Court File No. 09-8393-00CL

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

Proceeding Commenced at Toronto

AFFIDAVIT OF PATRICIA KURGAN
(Sworn December 18, 2009)

CRAWLEY MEREDITH BRUSH LLP
Suite 703- 205 Richmond Street West
Toronto, ON M5V 1V3

Michael Meredith (LSUC# 383530)
Tel: (416) 217-0853
Fax: (416) 217-0220

Lawyers for the Respondent,
John Kurgan

EXHIBIT F

**ROTH MOSEY
& PARTNERS LLP**
CHARTERED ACCOUNTANTS

R. Thomas Baker
Gregory F. Mosey
Peter J. Roth
James L. Roy
J. Claire Wales
David G. Zultek

June 15, 1999

FTG Capital Canada Ltd.
268 Lakeshore Road East
Suite 614
Oakville, ON L6J 7S4

Attention: Mr. P. James Baker, Vice-President

Dear James:

Pursuant to our discussion, I am summarizing our understanding of the terms of our engagement to perform bookkeeping and other "back office" services for your company. We understand that our engagement may eventually lead to possible audit services being performed. However, we request that you do not refer to us as auditors.

We will provide a staff member, Elizabeth (Liz) Kruzely, to perform the required services as outlined in your correspondence dated June 9, 1999. In her absence, Dari DesRoches will be made available. Liz will perform these services at a rate of \$50 per hour using software provided to us by your company. Liz will work under your direct supervision and you will be responsible for the accuracy of her work. All work will be performed on a timely basis, provided reasonable notice is given for non-routine matters.

It is estimated that Liz's time will be needed for 4 hours per month for each limited partnership. All time spent by her in setting up and learning the software will not be charged. Also, we will consider reducing her time spent during the preliminary stages while learning the software and other required procedures. In any case, you have agreed to a minimum monthly fee of \$200 per limited partnership. I will be available for \$175 per hour on an as-needed basis.

The arrangements outlined in this letter shall remain in effect until amended. Both parties expect to work within this arrangement for two or three months on a trial basis, before any changes are implemented.

.../2

If you have any questions about the contents of this letter, please raise them with us. If the services outlined are in accordance with your requirements, and if the above terms are acceptable to you, please sign this letter in the space provided and fax it back to us.

Yours truly,

ROTH MOSEY & PARTNERS LLP

A handwritten signature in black ink, appearing to read "Tom Baker", written in a cursive style.

R. Thomas Baker, Partner

The services and terms set out above are as agreed.

FTG CAPITAL CANADA LTD.

Per: John V. Kurgan, President

**ROTH MOSEY
& PARTNERS LLP**
CHARTERED ACCOUNTANTS

R. Thomas Baker
Gregory F. Mosey
Peter J. Roth
James L. Roy
J. Claire Wales
Beth Yeh
David G. Zultek

April 4, 2001

FTG Capital Canada Ltd.
268 Lakeshore Road East
Suite 614
Oakville, ON L6J 7S4

Attention: Mr. John V. Kurgan, President

Dear John:

Pursuant to our discussions, I am summarizing our understanding of the terms of our engagement to perform administrative services for your company. As our services are to be limited to this function, we request that you do not refer to us as auditors.

We will provide staff members to perform the required services as outlined during previous correspondence and our ongoing discussions. These staff members will perform these administrative services at a rate of \$50 per hour using software provided to us by your company. These staff members will be under the direct supervision of Allen Provost, C.A., who will provide supervisory services at an hourly rate of \$115. I will be available for \$200 per hour on an as-needed basis although minimal involvement is anticipated. All work will be performed on a timely basis, provided reasonable notice is given for non-routine matters.

The arrangements outlined in this letter amend our previous engagement letter dated June 15, 1999 and these new arrangements shall remain in effect until amended. Both parties expect to work within this arrangement for two or three months on a trial basis, before any changes are implemented. Our firm will provide FTG Capital Canada Inc. with information regarding the actual amount of time being spent on the engagement on a monthly basis. The resulting billing will be paid promptly. FTG Capital Canada Inc. will pay a retainer of \$3,000 immediately, which will be applied against the first billings rendered. This retainer shall also be used to fund any up-front expenditures required.

.../2

- 2 -

If you have any questions about the contents of this letter, please raise them with us. If the services outlined are in accordance with your requirements, and if the above terms are acceptable to you, please sign this letter in the space provided and fax it back to us.

Yours truly,

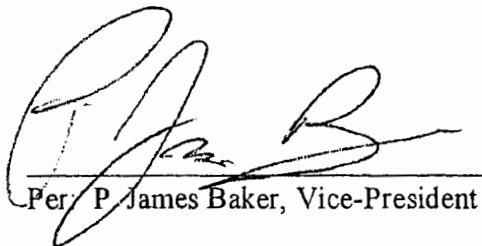
ROTH MOSEY & PARTNERS LLP



R. Thomas Baker, Partner

The services and terms set out above are as agreed.

FTG CAPITAL CANADA LTD.


Per: P. James Baker, Vice-President

**ROTH MOSEY
& PARTNERS LLP**
CHARTERED ACCOUNTANTS

April 6, 2004

FTG Capital Canada Ltd.
268 Lakeshore Road East
Suite 614
Oakville, ON L6J 7S4

Invoice No. 008429
G.S.T. Number
R116212259

Professional services rendered for the month of March 2004 in connection with the following:

Maintaining FTG Capital Canada Ltd. web site including initial set up of clients, advisors and dealers, entering client trades, performing weekly/monthly valuations, and preparing weekly risk reports.

Preparation of monthly statements for clients.

General operating procedures including communicating with Sentinel, Filogix dealer administration and advisors.

Communications with Phil Baker and John Kurgan to discuss various business and operational matters.

Our Time:		
Lori Way	- 20.0 hours @ \$55.00	\$ 1,100.00
Rodney Gagnon	- 13.5 hours @ \$125.00	<u>1,687.50</u>
Our Fee		2,787.50
Out of pocket expenses – stamps/paper		<u>134.89</u>
		2,922.39
G.S.T.		<u>204.56</u>
		<u>\$ 3,126.95</u>

Accounts due when rendered. Thereafter, interest at 1 1/4% per month.

Your branch address:

FIRST CANADIAN PLACE
P.O. BOX 3
TORONTO, ONTARIO M5X 1A3

Business Banking

1801

FTG CAPITAL CANADA LTD
MR. JOHN KURGAN
APT 614 -268 LAKESHORE RD E SUITE
OAKVILLE ON L6J 7S4

Your Branch
FST CON PLACE TORONTO ONT
Transit number: 0002

For questions about your statement call
(416) 867-5050

Direct Banking
1-877-262-5907
www.bmo.com

Business Banking statement

For the period ending May 31, 2004



Summary of account

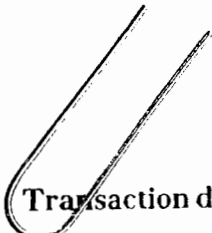
Account	Opening balance (\$)	Total amounts debited (\$)	Total amounts credited (\$)	Closing balance (\$) on May 31, 2004
Value Plan Deposit Account # 0002 1424-523	31,348.42	50,190.73	59,839.32	40,997.01

Mosaik® MasterCard® for Business, exclusively from BMO Bank of Montreal®. Customize your credit card to suit your unique business needs. See enclosed for more information or visit us online at mosaikbusiness.com.

Transaction details

Date	Description	Amounts debited from your account (\$)	Amounts credited to your account (\$)	Balance (\$)
Value Plan Deposit Account # 0002 1424-523				
	Plan: Value Plan 1			
May 1	Opening balance			31,348.42
May 3	Pre-Authorized Payment, MITC MSP/DIV	140.19		31,208.23
May 3	Pre-Authorized Payment, BODKIN CAPITAL MSP/DIV	165.27		31,042.96
May 3	Debit Memo, F/O PETER BARRY	500.00		30,542.96
May 3	Cheque, NO.528	374.00		30,168.96
May 3	Cheque, NO.529	1,500.00		28,668.96
May 6	Debit Memo, F/O MAURICIO PORRAS	5,000.00		23,668.96
May 7	Debit Memo, F/O PETER S. BARRY	500.00		23,168.96

continued



Transaction details (continued)

Date	Description	Amounts debited from your account (\$)	Amounts credited to your account (\$)	Balance (\$)
Value Plan Deposit Account # 0002 1424-523				(continued)
May 11	US S Wire Payment, AT1.4109 OC \$10.00, 2000.00	2,831.80		20,337.16
May 12	Cheque, NO.505	68.08		20,269.08
May 14	Pre-Authorized Payment No Fee, CASH MGMI FEE BOM/B/M	15.00		20,254.08
May 14	Cheque, NO.546	3,500.00		16,754.08
May 17	Debit Memo, F/O PETER S BARRY	500.00		16,254.08
May 17	Debit Memo, F/O MERIDIAN GLOBAL, INVESTORS INC	856.00		15,398.08
May 17	Incoming Wire Payment, CA, FIG CAPITAL CANADA LT		58,824.32	74,222.40
May 17	Cheque, NO.547	2,581.26		71,641.14
May 17	Cheque, NO.547	285.00		71,356.14
May 17	Cheque, NO.538	2,601.12		68,755.02
May 18	Online Bill Payment, ROYAL BANK VISA	100.00		68,655.02
May 18	Cheque, NO.532	39.27		68,615.75
May 18	Cheque, NO.531	172.74		68,443.01
May 18	Cheque, NO.537	691.57		67,751.44
May 19	Cheque, NO.545	281.85		67,469.59
May 19	Cheque, NO.535	1,615.81		65,853.78
May 19	Cheque, NO.536	5,885.00		59,968.78
May 19	Cheque, NO.533	2,000.00		57,968.78
May 19	Cheque, NO.539	5,000.00		52,968.78
May 20	Debit Memo, F/O MERIDIAN GLOBAL, INVESTORS INC	1,000.00		51,968.78
May 20	Cheque, NO.541	3,126.95		48,841.83
May 21	Outgoing Wire Payment, WIRF PYMT 0002 0002F0076	1,000.00		47,841.83
May 21	Error Correction, WIRE PYMT 0002 0002F0076		1,000.00	48,841.83
May 21	Debit Memo, F/O PETER BARRY	1,000.00		47,841.83
May 21	Cheque, NO.534	2,523.25		45,318.58
May 25	Pre-Authorized Payment, GUARANTEE CO. INS/ASS	190.04		45,128.54
May 25	Cheque, NO.544	2,000.00		43,128.54
May 26	Pre-Authorized Payment, BMW GROUP FS MSP/DIV	698.53		42,430.01
May 27	Cheque, NO.543	428.00		42,002.01
May 28	Online Bill Payment, ROYAL BANK VISA	1,000.00		41,002.01
May 31	Plan Fee	15.00		40,987.01
May 31	Plan Fee		15.00	41,002.01

FIG
payme
Apr to
Invo

continued

EXHIBIT G

1078 2100

PARTNERSHIP AGREEMENT

This agreement shall between the two parties henceforth outlined as

Party in the first part shall hereby be known as

John V. Kurgan

And -

Party in the second shall hereby be known as

Philip J. Baker

The two parties have agreed to work together in the production of a investment management company in the area of commodity trading . The parties agree that the party in the first part shall act as President of the formed partnership (hereby referred to as FTG Capital Canada Ltd.). As president the party in the first part shall be responsible for all trading and investment activities and the coordinating of the back office activities from clients under management of FTG Capital Canada Ltd. The party in the second part shall be responsible for business development and sales.

The two parties agree to equal division of assets payout and compensation of all revenue generated by FTG after the deduction of all reasonable expenses. The two parties agree that both parties may designate assignees to receive their compensation.

This agreement shall remain in effect until such time as both parties agree to dissolve the partnership either by mutual agreement, or secondly at one point one party buying out the other parties interest. This agreement shall be ratified when both parties agree to its appropriateness.

First Party

John V. Kurgan

Dated June 18th , 1999

Second Party

Philip J. Baker