

THE QUEEN'S BENCH
Winnipeg Centre

BETWEEN:

BERNARD W. BELLAN,

Plaintiff

- and -

CHARLES E. CURTIS, PETER OLFERT, WALDRON (WALLY) FOX-DECENT, LEA BATURIN, ALBERT R. BEAL, RON WAUGH, DIANE BERESFORD, SYLVIA FARLEY, ROBERT HILLIARD, ROBERT ZIEGLER, JOHN CLARKSON, DAVID G. FRIESEN, HUGH ELIASSON, SHERMAN KREINER, JAMES UMLAH, JANE HAWKINS, JANICE LEDERMAN, PRICEWATERHOUSE COOPERS LLP, NESBITT BURNS INC., WELLINGTON WEST CAPITAL INC., CROCUS CAPITAL INC., THE MANITOBA SECURITIES COMMISSION and THE CROCUS INVESTMENT FUND

Defendants

Proceedings under *The Class Proceedings Act*, C.C.S.M. c. C130

File No. CI 06-01-46955

THE QUEEN'S BENCH
Winnipeg Centre

BETWEEN:

BERNARD W. BELLAN, and ROBERT NELSON,

Plaintiffs,

- and -

THE GOVERNMENT OF MANITOBA,

Defendant,

Proceedings under *The Class Proceedings Act*, C.C.S.M. c. C130

ORDER

(RE: Updating Notice)

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Counsel for the Plaintiffs

THE QUEEN’S BENCH
Winnipeg Centre

THE HONOURABLE)
)
MR. JUSTICE HANSSEN) Wednesday, July 2, 2008

BETWEEN:

BERNARD W. BELLAN, Plaintiff

- and -

CHARLES E. CURTIS, PETER OLFERT, WALDRON (WALLY) FOX-DECENT, LEA BATURIN, ALBERT R. BEAL, RON WAUGH, DIANE BERESFORD, SYLVIA FARLEY, ROBERT HILLIARD, ROBERT ZIEGLER, JOHN CLARKSON, DAVID G. FRIESEN, HUGH ELIASSON, SHERMAN KREINER, JAMES UMLAH, JANE HAWKINS, JANICE LEDERMAN, PRICEWATERHOUSE COOPERS LLP, NESBITT BURNS INC., WELLINGTON WEST CAPITAL INC., CROCUS CAPITAL INC., THE MANITOBA SECURITIES COMMISSION and THE CROCUS INVESTMENT FUND

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THE QUEEN’S BENCH
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BETWEEN:

BERNARD W. BELLAN, and ROBERT NELSON, Plaintiffs,

- and -

THE GOVERNMENT OF MANITOBA, Defendant,

Proceedings under *The Class Proceedings Act*, C.C.S.M. c. C130

ORDER

THIS MOTION, made by the Plaintiff, Bernard Bellan, on consent, for an order updating the form of notice approved in the settlement with the Defendants, Manitoba Securities Commission and the Government of Manitoba, and co-ordinating this notice

with notice in the settlement with the Defendant, BMO Nesbitt Burns Inc., was heard this day,

ON HEARING the submissions of counsel for the Plaintiff,

THIS COURT ORDERS AS FOLLOWS:

1. Further to the order approving the settlement with the Manitoba Securities Commission and the Government of Manitoba, granted May 20, 2008, and signed May 30, 2008, the form of Notice of Certification and Settlement Approval in that settlement is hereby replaced and substituted with the form substantially as attached at Schedule A.
2. Further to the order approving the settlement with BMO Nesbitt Burns Inc., granted May 30, 2008, and signed June 18, 2008, the form of Notice of Certification and Settlement with the respect to that settlement is approved in substantially the form attached at Schedule A.
3. To permit and co-ordinate a single notice with respect to these two settlements, on or before July 14, 2008 the Administrator shall mail by ordinary mail a copy of the Notice of Certification and Settlement Approval approved in this order to the last known address it has in its records for each holder of Crocus Investment Fund Class A shares. The Notice of Certification and Settlement Approval will also be posted on the Klein Lyons web site, and on the Receiver's web site. The Administrator will further cause the Notice of Certification and Settlement Approval to be published in one weekday edition of the Winnipeg Free Press.

July 2, 2008

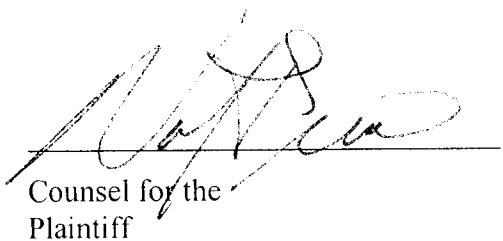
K. R. HANSSEN

J.

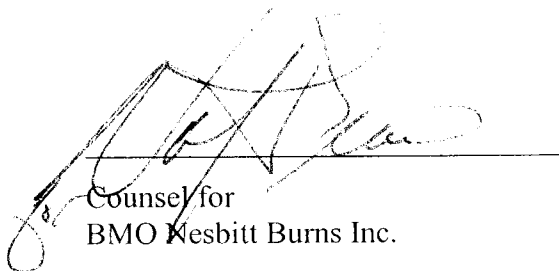
Approved and consented as to form and content by:

Counsel for the
Government of Manitoba

Counsel for the
Manitoba Securities Commission



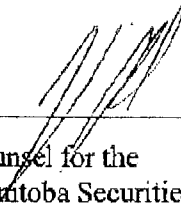
Counsel for the
Plaintiff



Counsel for
BMO Nesbitt Burns Inc.

Approved and consented as to form and content by:

Counsel for the
Government of Manitoba



Counsel for the
Manitoba Securities Commission

Counsel for the
Plaintiff

Counsel for
Nesbitt Burns Inc.

Approved and consented as to form and content by:



Counsel for the
Government of Manitoba

Counsel for the
Manitoba Securities Commission

Counsel for the
Plaintiff

Counsel for
Nesbitt Burns Inc.

Crocus Investment Fund Class Actions Notice of Certification and Settlement Approval

To all persons who own Class A common shares in the Crocus Investment Fund (the “Fund”), this notice will be important to you.

Settlements have been approved by the Court in lawsuits brought on behalf of shareholders in the Fund. This notice is published by Order of The Honourable Mr. Justice Hanssen of the Manitoba Court of Queen’s Bench and explains:

1. the lawsuits;
2. the terms of settlement;
3. your right to choose to opt out of the class actions;
4. legal fees; and
5. where to get more information.

1. The Lawsuits

Bernard Bellan commenced class action lawsuits relating to the Fund on behalf of shareholders in the Manitoba Court of Queen’s Bench as action nos. CI 05-01-42765 and CI 06-01-46955. The Manitoba Securities Commission, the Government of Manitoba, and BMO Nesbitt Burns Inc. have agreed to settle these lawsuits (the “Settling Defendants”). In addition, on June 23, 2008, proposed settlements with the former officers and directors of the Fund, Pricewaterhouse Coopers LLP, Crocus Capital Inc., and the Crocus Investment Fund were given provisional approval, subject to certain amendments, before they can be finalized. As of the date hereof, it is uncertain whether the required amendments will be satisfactory to the former officers and directors or PricewaterhouseCoopers LLP. There has been no settlement at all with one remaining defendant, Wellington West Capital Inc., and this claim is continuing.

On May 20, 2008 and May 30, 2008, Mr. Justice Hanssen certified these lawsuits as class actions for the purposes of settlement as against the Settling Defendants, and approved the settlement agreements reached with the Settling Defendants. The court defined the class as persons who own Class A common shares in the Fund including their legal representatives, heirs, successors and assigns, and who have not opted out but excludes each of the Defendants named or ever named in the lawsuits. The court appointed Mr. Bellan as representative plaintiff for the class. The court appointed the firms of Klein Lyons, Booth Dennehy LLP and Prober Law Offices, (collectively, “Class Counsel”) as counsel to the class.

2. The Terms of Settlement

The Settling Defendants have agreed to pay up to a total of \$2.85 million to compensate class members (\$2.75 million paid by the Government of Manitoba on behalf of the Government of Manitoba and the Manitoba Securities Commission, and \$100,000 plus a release of a claim for costs which substantially exceeded this amount in the case of BMO Nesbitt Burns Inc.). In exchange, the claims against the Settling Defendants will be dismissed. No admission of liability has been made.

If the settlements with the former directors and officers and Pricewaterhouse Coopers receive final approval from the Court, this could add up to an additional \$9.15 million to the amount of \$2.75 million being paid by the Government of Manitoba on behalf of the Government of Manitoba and the Manitoba Securities Commission and the amount paid by BMO Nesbitt Burns Inc. Should the former directors and officers and the Pricewaterhouse Coopers settlements be finalized, those other defendants have also proposed to drop most claims for indemnity against the Fund with respect to claims asserted in the lawsuits, thereby significantly reducing one of the major obstacles to the distribution of money to shareholders held in the Fund's receivership.

The ongoing status of the potential settlements with the former directors and officers and PricewaterhouseCoopers can be obtained by reviewing the Klein Lyons web page at www.kleinlyons.com.

Compensation will be distributed pro rata to the Settlement Class Members based on the monies paid for each Settlement Class Member's Class A common shares of the Crocus Investment Fund which remained unredeemed as of the date of the Receivership. Compensation will be distributed by Deloitte & Touche Inc., the Receiver to the Fund, which the court has appointed as the Administrator for the settlements. It is anticipated that compensation will be distributed to class members at the same time that the Administrator makes a distribution of monies from the Receivership to shareholders. If this settlement is concluded, a distribution is anticipated in late fall 2008, at the earliest. To be eligible to receive compensation, it is not necessary for you to take any steps, other than make sure that the Administrator has your correct mailing address. The Administrator is mailing a copy of this notice to all shareholders in the Fund. If you received a copy of this notice in the mail from the Administrator, and it is addressed to you at your current address, this confirms that it has your mailing address.

The class members' recoveries will be subject to payment of Class Counsel's fee, in an amount to be determined by the Court. Copies of the Settlement Agreements are available online at www.kleinlyons.com. Hard copies can be obtained by calling Class Counsel at 1-800-216-1383.

3. Your Right to Choose Whether or Not to be Part of the Class Actions

(a) How to be Included in the Class

If you are a class member, you will automatically be included in the class actions and eligible to receive compensation unless you opt out.

(b) How to be Excluded from the Lawsuits

To opt out of the class actions, you must deliver a letter to the Administrator on or before the **[Opt Out Deadline]** signed by the person opting out and setting out that person's name, address, number of shares held and reason for opting out. Note that the within Notice only involves the settlements which have been conclusively approved to date, namely the settlements with the Government of Manitoba, the Manitoba Securities Commission, and BMO Nesbitt Burns Inc. You will be given notice in the future of any settlements reached with the former directors and

officers and PricewaterhouseCoopers if and when they have been finalized, at which time you will have the opportunity to consider whether to accept or opt out of those settlements.

All class members who do not opt out of the settlements with The Government of Manitoba, the Manitoba Securities Commission, and BMO Nesbitt Burns Inc. as described above will be bound by the settlements.

The address for writing to the Administrator to opt out is: Crocus Class Action Settlement Administrator, Deloitte & Touche Inc., 360 Main Street, Suite 2300, Winnipeg MB, R3C 3Z3.

4. Legal Fees

Mr. Bellan retained Class Counsel to represent him and the Class in the lawsuits. Class Counsel are paid legal fees only if the lawsuit is successful, and then only in an amount approved by the Court.

5. More Information

For further information about the class actions you may contact: Klein Lyons, Barristers & Solicitors, P.O. Box 85, Suite 1220, 65 Queen St. W., Toronto, ON M5H 2M5, 1-800-216-1383, Attn: Doug Lennox dlennox@kleinlyons.com, www.kleinlyons.com.