

## **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 and purpose of this notice;
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 and Purpose of this Notice**

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. By notice issued by Mr. Justice Hanssen of the Manitoba Court of Queen’s Bench and published July 11, 2008 (the “First Notice”), it was announced that certain defendants, namely the Manitoba Securities Commission, the Government of Manitoba, and BMO Nesbitt Burns Inc had agreed to settle with shareholders, and that the court had approved these settlements. These first settlements became final on August 18, 2008.

This First Notice further advised that a provisional settlement had also been reached, subject to certain amendments, with certain other defendants, namely the former officers and directors of the Fund, Pricewaterhouse Coopers LLP, Crocus Capital Inc., and the Crocus Investment Fund, and that litigation was continuing against Wellington West Capital Inc., with whom no settlement had been reached. All of these remaining defendants have now agreed to settle the claims of shareholders (the “Settling Defendants”).

On April 22, 2009, Mr. Justice Hanssen certified the lawsuit against the Settling Defendants as a class action for the purposes of settlement, and approved the settlement agreements, including amendments, 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 \$9.65 million to compensate class members (\$6 million paid by Pricewaterhouse Coopers LLP, \$3.15 million paid by the former officers and directors of the Fund and \$500,000 paid by Wellington West Capital Inc., now Wellington West Holdings Inc.) The Settling Defendants have also agreed 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. In exchange, the claims against the Settling Defendants will be dismissed. No admission of liability has been made.

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. 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, and amendments, are available online at [www.kleinlyons.com](http://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 **June 22, 2009** signed by the person opting out and setting out that person's name, address, number of shares held, the reason for opting out, and specifying which Settling Defendants you are opting out against. Failure to specify which Settling Defendants you are opting out against will be treated as opting out as against all Settling Defendants.

All class members who do not opt out of the settlements with the Settling Defendants, 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](mailto:dlennox@kleinlyons.com), [www.kleinlyons.com](http://www.kleinlyons.com).