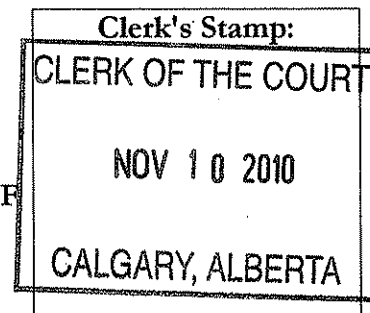


COURT FILE NUMBER 0901-18773
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF BETH FREDEEN
DEFENDANTS ARTEVO CORPORATION, IRENE BESSE AND CHRISTOPHER TALBOT
DOCUMENT RECEIVER'S SIXTH REPORT
NOVEMBER 10, 2010



ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

RECEIVER
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Exhibits

- 1 Fees and Costs of Alger & Associates Inc.
- 2 Fees and Costs of Independent Legal Counsel to the Receiver –
Blake Cassels & Graydon LLP
- 3 Statement of Receipts and Disbursements to November 10, 2010

Introduction

1. On December 18, 2009, Alger and Associates Inc. (the "Receiver") was appointed Receiver and Manager of all Artevo Corporation's ("Artevo") current and future assets, undertakings and property of every nature and kind whatsoever by Order of the Honourable Madam Justice J. Strekaf of the Court of Queen's Bench of Alberta.
2. The Receiver has previously reported on five occasions to this Court:
 - The Receiver's First Report, dated February 10, 2010, provided details as to the Receiver's preliminary activities, assets and undertakings of Artevo and intended course of action.
 - The Receiver's Second Report, dated February 26, 2010, informed the Court of a sales process conducted by the Receiver regarding specified assets and which sought to have a sale of those assets approved by the Court.
 - The Receiver's Third Report, dated March 3, 2010, provided supplementary information to the Second Report.
 - The Receiver's Fourth Report, dated June 2, 2010, informed the Court of a sales process conducted by the Receiver regarding the remaining significant assets of Artevo, namely its investment in SMIF Holdings Inc. ("SMIF") and which sought to have a sale of those assets approved by the Court.
 - The Receiver's Fifth Report, dated July 5, 2010, provided an update to the Fourth Report.
3. This Sixth Report provides an update to this Honourable Court of matters arising since July 5, 2010, in conjunction with the Receiver's application for an Order to Discharge the Receiver.

Limitations of Report

4. The information contained in this report has been obtained from the records of Artevo and its related entities. The Receiver has relied on this information and has not performed an audit, review or other verification of such information.

Sale of Miscellaneous Remaining Assets

5. Assets including a vehicle, digital camera and accessories and some office equipment have now been sold by the Receiver for total net proceeds of \$23,772.30. These assets were not originally included in the assets to be sold en-bloc as various creditors had asserted a security interest in these assets. The Receiver, with the advice of legal counsel, has dealt with all such claims and undertaken a formal process of disputing security interests where appropriate.

Accounts Receivable

6. In its Fourth Report, the Receiver provided details of remaining accounts receivable and, at that time, estimated the net realization for these accounts, with a book value of \$52,141, would be between nil and \$10,000. The Receiver has not collected any further funds as all accounts are disputed for one reason or another. Further collection efforts, including legal action, may be

warranted but the cost of the Receiver undertaking such actions outweighs the potential for recovery. Accordingly, the Receiver is requesting an Order of this Honourable Court granting the Receiver permission to assign Artevo into bankruptcy and thereby allowing the collection of these disputed accounts receivable to be assigned to any creditors willing to undertake further collection action.

Account Taxation

7. The Receiver and its counsel respectfully request that this Honourable Court approve their incurred and accrued fees and costs of \$270,166.08 and \$106,653.37 respectively, as outlined in the attached Exhibits 1 and 2. Copies of the invoices will be available to the Court at the application if required.
8. It should be noted that the net realization is not sufficient to pay all the Receiver's fees and costs. Accordingly, a reduction of \$10,106.92 has been made so the fees equal the remaining cash on hand.

Receipts and Disbursements

9. Attached as Exhibit 3 is the Receiver's Statement of Receipts and Disbursements for the period December 18, 2009 to November 10, 2010 ("R&D"). The R&D provides a complete accounting for all funds received and disbursed by the Receiver and includes an accrual for Receiver and Professional fees as detailed above.
10. The sale of the SMIF assets to 1518494 Alberta Ltd., as discussed in the Receiver's Fourth and Fifth Reports, has closed. This sale resulted in further proceeds of \$1,100,000, being \$200,000 cash and a credit of \$900,000 to the secured creditors as represented by Olympia Trust.
11. Inventory and assets sold en-bloc by the Receiver in February, 2010, as approved by this Honourable Court on March 8, 2010, remained in storage at Artevo's premises for a number of months after closing at the request of the purchaser. The Receiver was recently reimbursed for utility, rent and other costs in this regard resulting in a reduction of occupancy costs totalling \$28,479.51.

Conclusion

12. The Receiver has now completed its duties and respectfully requests that its accounts and those of its legal counsel be approved as presented and that, upon the determination of whether Artevo will be assigned into bankruptcy or made subject to a bankruptcy order in accordance with paragraph 6 above and upon the filing of a Receiver's Certificate with respect to the same, the Receiver be discharged.

Artevo Corporation
Receiver's Sixth Report
Alger & Associates Inc.
November 10, 2010

Submitted this 10th day of November 2010.

Alger & Associates Inc.,
Receiver and Manager for Artevo Corporation

A handwritten signature in black ink, appearing to read 'Bruce Alger', with a stylized flourish at the end.

Per: Bruce Alger
Direct Line: (403) 296-2970
Email: balger@alger.ca

Action No: 0901-18773

Estate No.: 25-093965

**In the Matter of the Receivership of Artevo Corporation
Fees and Costs of Alger & Associates Inc.
For the Period from December 18, 2009 to Discharge**

	Date	Invoice #	Fees	Costs	Sub-total	GST	Total
Paid							
	31-Jan-10	250641	-	1,156.90	1,156.90	57.85	1,214.75
	6-Jul-10	257105	-	1,901.38	1,901.38	95.07	1,996.45
	2-Feb-10	258708	140,000.00	-	140,000.00	7,000.00	147,000.00
	30-Apr-10	262070	91,818.50	-	91,818.50	4,590.93	96,409.43
Paid to September 30, 2010			<u>231,818.50</u>	<u>3,058.28</u>	<u>234,876.78</u>	<u>11,743.85</u>	<u>246,620.63</u>
Projected to Discharge							
	WIP to Oct 31-10		43,454.50	16.00	43,470.50	2,173.53	45,644.03
	Cost to Complete		5,000.00	-	5,000.00	250.00	5,250.00
Projected to be paid			<u>48,454.50</u>	<u>16.00</u>	<u>48,470.50</u>	<u>2,423.53</u>	<u>50,894.03</u>
Total			280,273.00	3,074.28	283,347.28	14,167.38	297,514.66
Less: reduction in fees to cash remaining			(10,106.92)	0.00	(10,106.92)	(505.35)	(10,612.27)
Fees per Statement of Receipts and disbursements			<u>\$270,166.08</u>	<u>\$ 3,074.28</u>	<u>\$ 273,240.36</u>	<u>\$13,662.03</u>	<u>\$ 286,902.39</u>

Action No: 0901-18773

Estate No.: 25-093965

**In the Matter of the Receivership of Artevo Corporation
Fees and Costs of Counsel to the Receiver - Blake Cassels & Graydon LLP
For the Period from December 18, 2009 to Discharge**

	Date	Invoice #	Fees	Costs	Sub-total	GST	Total
Paid							
	31-Jan-10	1470984	18,897.00	1,042.75	19,939.75	996.99	20,936.74
	28-Feb-10	1477279	23,750.50	353.81	24,104.31	1,203.82	25,308.13
	31-Mar-10	1481791	13,576.50	420.22	13,996.72	699.84	14,696.56
	30-Apr-10	1487526	4,264.50	3.00	4,267.50	213.23	4,480.73
	31-May-10	1492856	9,046.50	44.45	9,090.95	454.56	9,545.51
	30-Jun-10	1498307	11,540.00	188.50	11,728.50	586.43	12,314.93
	31-Jul-10	1504437	13,185.00	488.51	13,673.51	683.68	14,357.19
Paid to July 31, 2010			94,260.00	2,541.24	96,801.24	4,838.55	101,639.79
Projected to Discharge							
	Bill to Aug 31-10		609.50	755.26	1,364.76	68.24	1,433.00
	Bill to Oct 31-10				1,088.57	54.43	1,143.00
	Costs to Complete		7,000.00		7,000.00	350.00	7,350.00
Projected to be paid			7,000.00	0.00	9,453.33	472.67	9,926.00
Total			101,260.00	2,541.24	106,254.57	5,311.22	111,565.79
Add: Burstall Winger re minute book			398.80		398.80	19.94	418.74
Per Statement of Receipts & Disbursements			<u>\$101,658.80</u>	<u>\$ 2,541.24</u>	<u>\$106,653.37</u>	<u>\$ 5,331.16</u>	<u>\$ 111,984.53</u>

In the Matter of the Receivership of Artevo Corporation
Statement of Receipts and Disbursements
For the Period From December 18, 2009 to November 10, 2010

Action No: 0901-18773
Estate No: 25-093965

	December 18, 2009 to June 30, 2010	July 1, 2010 to November 10, 2010	December 18, 2009 to November 10, 2010
RECEIPTS			
Cash in bank	\$ 43,772.55	\$ -	\$ 43,772.55
Insurance refund	980.00	-	980.00
Accounts receivable	69,410.11	-	69,410.11
Sale of inventory	62,039.77	-	62,039.77
Sale of assets	5,600.00	23,772.30	29,372.30
Sale of assets en bloc	1,175,024.39	1,099,975.61	2,275,000.00
GST refund	64,082.32	9,069.41	73,151.73
GST collected	2,844.85	688.71	3,533.56
Interest	-	184.89	184.89
	<u>1,423,753.99</u>	<u>1,133,690.92</u>	<u>2,557,444.91</u>
DISBURSEMENTS			
Appraisal	10,500.00	-	10,500.00
Insurance	12,987.67	(1,129.85)	11,857.82
Change of locks & advertising	1,457.82	350.00	1,807.82
Photocopy, postage, courier & miscellaneous	1,353.29	399.88	1,753.17
Telephone	5,484.47	809.78	6,294.25
Legal fees & costs	71,798.03	34,855.34	106,653.37
Receiver's fees (reduced to cash on hand)	-	270,166.08	270,166.08
Security, utilities, occupation costs, & operating expenses	106,042.35	(28,479.51)	77,562.84
Computer services, software fee	9,347.41	300.00	9,647.41
Repairs & maintenance	2,577.50	-	2,577.50
Wages - priority payment	40,499.39	-	40,499.39
Payroll deductions	8,373.14	-	8,373.14
GST/PST remitted	15,735.82	-	15,735.82
Counting & moving inventory	1,145.00	-	1,145.00
Consultant fees - engineering	5,558.13	257.00	5,815.13
Victoria agent fee	25,301.59	4,142.22	29,443.81
Contract services/commission	24,321.05	820.00	25,141.05
GST/PST paid	10,722.92	15,650.70	26,373.62
Power Play Events Ltd. expenses	21,762.06	-	21,762.06
Payment to secured creditors	984,335.63	900,000.00	1,884,335.63
	<u>1,359,303.27</u>	<u>1,198,141.64</u>	<u>2,557,444.91</u>
BALANCE IN TRUST ACCOUNT	<u>\$ 64,450.72</u>		<u>\$ -</u>