

*Name of Deponent: Croft Axsen
Affidavit Sworn: March 18, 2005*

ACTION NO: 0401-19905

**IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY**

IN THE MATTER OF

**TITAN INVESTMENTS LIMITED PARTNERSHIP, and TITAN GENPAR INC,
and EVOLUTION CAPITAL MANAGEMENT LTD, and THE ESTATE OF
DAVID COMTE, DECEASED, and THE COMTE FAMILY TRUST and
PREDATOR HOLDINGS LTD.**

**IN THE MATTER OF THE *JUDICATURE ACT*, R.S.A. 2000, c. J-2,
and RULES 467 and 468 OF THE ALBERTA RULES OF COURT**

A F F I D A V I T

I, Croft Axsen, of the City of Calgary, in the Province of Alberta, Businessman,
MAKE OATH AND SAY THAT:

1. My wife and I have both invested significant funds in the business known as Titan Investments Limited Partnership (the "Titan Partnership"). I have also been appointed and acted as a member of the Investors Committee appointed pursuant to the Order of the Court dated January 21, 2005, and as such, I have a personal knowledge of the matters herein deposed to. I am authorized to swear this Affidavit on behalf of the Investors Committee.
2. Except as otherwise expressly defined herein capitalized terms shall have the meaning as defined in the Receiver's First Report. All funds, unless otherwise specifically denoted to be otherwise, are in U.S. dollars.
3. The Investors Committee continues to work with the Receiver in maximizing the recovery of the funds invested by the investors in the Titan Partnership. In addition the Investors Committee has sought and obtained information regarding the distribution of

funds by David Comte over the period in which the Titan Partnership operated up until Comte's suicide in December 2004.

(a) Operation of Titan Partnership

4. The Titan Partnership was represented to me as an investment vehicle wherein Comte raised funds from investors for purposes of trading in the futures market.

5. Upon making an investment in the Fund, an investor received a number of units in the Titan Partnership purportedly based on the value which Comte alleged was the underlying asset value in the Titan Partnership. Although Comte maintained some cash assets in the limited partnership, based on the Receiver's First Report, he did not significantly trade in the futures market after 2001 and the unit value at the time an investor invested in the partnership did not reflect the actual underlying value of the units.

6. Comte then issued statements to investors on a monthly basis purporting to indicate the net asset value ("NAV") per unit. This value was completely fictional as were the numbers contained in the Statement of Income (Loss), which formed part of the monthly statement. A sample of a monthly account statement is attached as Exhibit "A" to the Receiver's First Report.

7. As an investor at the time I made my initial investment, I was fully aware that my investment was not a loan, but in the nature of an investment in equity. Accordingly, I was aware, assuming that the Titan Partnership was legitimate, that the NAV of my units could go up or down depending on Comte's success in trading the future's market.

8. There are three principal categories of investors. They are:

- (a) investors that received payments in excess of the amount they invested;
- (b) investors that received payments, but that received less than the amount they originally invested; and

- (c) investors that have received no payments whatsoever.

Exhibit "E" to Mr. Costello's Affidavit contains the particulars for each of the respective categories, including the investor's name and amount invested.

(b) Options Considered by Investors Committee

9. Given the sizable payments to investors just prior to Comte's suicide, the Investors Committee decided that it was not a reasonable option to do nothing since the large repayments by Comte to selected investors considerably benefited some investors to the significant detriment of other investors.

10. One of the proposals advanced by the Investors Committee for consideration was the possibility of seeking recovery against only those investors who received distributions in excess of the amount of their initial capital investment. Expediency (and to some extent cost) was the main consideration supporting this approach. The Investors Committee concluded that this approach did not adequately recognize:

- (a) the injustice of the arbitrary allocation by Comte of the amounts distributed and who received those distributions;
- (b) the fact that the initial investment was one in the nature of equity and not debt and, therefore, not a creditor/debtor relationship between the individual investor and the Titan Partnership; and
- (c) the likelihood that not all investors would agree to what amounted to fairly generous treatment of those who received all their capital investment back.

11. In considering the fairest and most effective manner in which to redress the effects of the fraud upon the investors, the Investors Committee concluded that it should attempt to arrive at the mathematical equivalent of each partner returning the full amount of the distributions he/she received to the fund and reallocating the fund to all of the partners on a pro rata basis (the "Partnership Redistribution"). While this proposal does not address

any "one-off" circumstances which may apply to any individual investor, to do otherwise would involve negotiations with virtually every one of the approximately 128 investors on an individual basis. If the Receiver incurred costs of \$5,000/investor in those negotiations, those costs would exceed \$600,000. This number would likely triple if litigation becomes necessary with each investor.

12. In order to achieve the Partnership Redistribution, the Investors Committee recognized that a different calculation would be required to treat the three categories of investors equally. The various formulae and a sample calculation are set out and are attached as Exhibit "C" to the Affidavit of Michael Costello.

13. For purposes of preparing a calculation of the amounts required to be paid by individual investors to the Receiver, the Investors Committee requested that the Receiver use a conservative basis for determining the amount expected to be recovered. This will mean that, to the extent that recoveries exceed this amount, funds will be distributed back to investors as opposed to having to collect future amounts from them. This avoids the Receiver having to apply to Court to collect further funds from the investors once all claims have been finalized, which may take some time.

(c) Interim Distribution

14. The Investors Committee requested that the Receiver make an interim distribution to the investors.

15. The Receiver and the Investors Committee have agreed to use the actual cash funds available in the Titan Partnership for purposes of calculating the amount to be distributed to the individual investors. The Receiver has used a realization figure of approximately \$1.8 million. This amount has been incorporated into the Re-distribution Schedule.

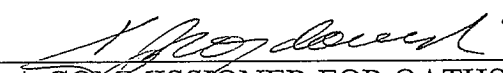
16. Further, the Investors Committee has received enquiries from a number of investors who have indicated a willingness to repay amounts they have received but, they

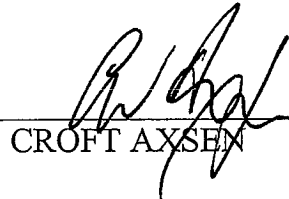
want to have some process in place which treats all investors equally. The Investors Committee wants to provide the investors with a Court-approved methodology to provide for payment by all investors on an equitable basis. Also, the Investors Committee is concerned that if funds are not collected from investors as soon as possible, the Receiver will not be able to collect these funds later once all assets have been recovered by the Receiver. People, in the interim, may spend the money or lose it on other investments.

17. The Investors Committee and Receiver are actively and aggressively pursuing the myriad of tax issues involved relating to the Titan Partnership, Evolution, Comte and Janet Comte.

18. I make this Affidavit in support of the relief sought in the joint Application.

SWORN BEFORE ME at the City of)
Calgary, in the Province of Alberta,)
this 18th day of March, 2005.)


A COMMISSIONER FOR OATHS)
in and for the Province of Alberta)


CROFT AXSEN)

Kelsey J. Drozdowski
Barrister and Solicitor

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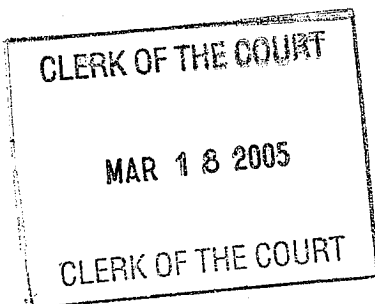
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