

*Name of Deponent: Croft Axsen  
Affidavit Sworn: August 8, 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. I have sustained significant losses as an investor in the business known as Titan Investments Limited Partnership (the "Titan Partnership"). I have also been appointed and have acted as a member of the Investors Committee appointed pursuant to the Order of the Honourable Mr. Justice LoVecchio dated January 21, 2005, and as such, I have a personal knowledge of the matters hereinafter deposed to except where stated to be based on information and belief, in which case I verily believe the same to be true. 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 and Second Report. All funds, unless specifically denoted to be otherwise, are in U.S. dollars.
3. In January, 2005, prior to the formation of the Investors Committee, I phoned Tad Sudol, an individual who had made investments in the Titan Partnership through his

company. I asked Mr. Sudol if he was interested in becoming a member of a committee that would meet with and make recommendations to the Receiver in relation to the Titan Partnership. Mr. Sudol told me that he could not be a member of such a committee, due to the fact that he lived in Edmonton, and would not be able to attend regularly-scheduled meetings in Calgary between the Receiver and the committee. That committee later became known as the Investors Committee, appointed pursuant to the Order of the Honourable Mr. Justice LoVecchio granted January 21, 2005.

4. There is no merit for Tad Sudol's concern that the Investors Committee might seek to recover funds at his expense, or that the Investors committee is not governed by altruism and is subject to self-interest. The Investors Committee and the Receiver have jointly brought the application for the relief sought in the Amended Notice of Motion filed in this Action on May 31, 2005 in an effort to seek the fairest and most effective manner in which to redress the effects of the fraud upon all of the investors in the Titan Partnership. The Investors Committee considered several different approaches to redress the effects of the fraud, and, as is set out in my Affidavit sworn March 18, 2005, has openly and candidly communicated the reasons for the Re-Distribution Formula it has jointly proposed with the Receiver to all parties involved.

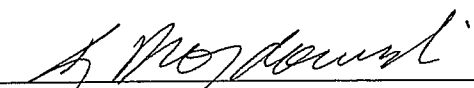
5. The Investors Committee was formed with the intention of coordinating the large number of investors in the Titan Partnership and to provide a rational process to allow the Receiver to cost-effectively manage the estate of the Titan Partnership, as is set out in my Affidavit sworn January 17, 2005. The Investors Committee has brought its application on behalf of all of the Unpaid Investors in the Titan Partnership, not just on behalf of its members. It has communicated openly with all Unpaid Investors, and has sought feedback from all Unpaid Investors on various issues, as set out in my Affidavits sworn in this Action on June 1, 2005. Members of the Investors Committee have provided information to, and answered questions of, many Unpaid Investors in the Titan Partnership on numerous occasions since the Investors Committee was formed.

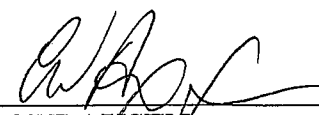
6. Furthermore, the Investors Committee has considered and has openly and candidly communicated with Mr. Sudol regarding his position on the Re-Distribution Formula.
7. I am advised by Michael Costello of the Receiver, Alger & Associates Inc., and do verily believe that I am the largest investor in the Titan Partnership, in gross investment terms.
8. My net investment in the Titan Partnership is approximately one-half of my gross investment amount. This is due to the fact that I withdrew funds from my investment account with the Titan Partnership from time to time over the course of my investment in the Titan Partnership, and later reinvested those withdrawn amounts into my own account or into the account of my spouse. These withdrawals were made in order to test whether the Titan Partnership would redeem the amounts withdrawn.
9. I disagree with Mr. Sudol's assertion that his position is unique in the Titan Partnership. Similarly to Mr. Sudol, I will suffer a reduced distribution pursuant to the Re-Distribution Formula proposed by the Receiver and the Investors Committee, as a result of the withdrawals I have made from my investment account over the course of my involvement in the Titan Partnership. I am advised by the Receiver, and do verily believe, that the reduced distribution I will suffer as a result is the most significant reduction of any of the investors in the Titan Partnership, by a substantial margin.
10. Despite the significant reduction that I will suffer, I support the formula proposed by the Investors Committee and the Receiver. It is my view, and the view of the Investors Committee, that the Re-Distribution Formula is the most fair, equitable, timely and cost-effective way of redressing the fraud of the Titan Partnership for all of the Unpaid Investors.
11. However, in the event that this Honourable Court determines that the investments made by Technology & Research Inc., Technology & Research Co. Inc. and MS Computing Ltd. should be treated on a gross investment basis, rather than a net investment basis, it is my view that all investors with similar circumstances must be

treated in the same manner. I accordingly hereby reserve my right to have my investments in the Titan Partnership assessed in accordance with the gross investment re-distribution formula proposed by Mr. Sudol, in the event that Mr. Sudol's application is successful.

12. I make this Affidavit in support of an Order approving the Re-Distribution Formula proposed by the Receiver and the Investors Committee.

SWORN BEFORE ME at the City of )  
Calgary, in the Province of Alberta, )  
this 8<sup>th</sup> day of August, 2005. )  
)  
)

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

  
\_\_\_\_\_  
CROFT AXSEN )  
)

Kelsey J. Drozdowski  
Barrister and Solicitor

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

---

AFFIDAVIT

---

BENNETT JONES LLP  
Barristers and Solicitors  
4500, 855 2<sup>nd</sup> Street S.W  
Calgary, Alberta T2P 4K7

Frank R. Dearlove  
Telephone No.: 298-3202  
Fax No.: 265-7219  
Our File No.: 54784-1

