

**Date:** January 10, 2006

**To:** Limited Partners of Titan Investments Limited Partnership (“Titan”) and Comte Global Partners (“CGP”) Predecessor

**From:** Alger & Associates Inc. – Receiver and Manager (“Receiver”)

**Subject:** Status Update – 2005 Partnership Income Tax Reporting

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This memo is further to our memo of October 24, 2005 and relates to the 2005 Partnership Income Tax reporting, which has been the subject of numerous inquiries from partners. In response to these inquiries, we can state that there will be no T5013 information slips issued for Titan for 2005 as there is no partnership income or loss to be allocated to partners.

For Overpaid Partners who have repaid amounts to the Receiver in 2005, we have informed CRA of the amount of these repayments. As such, you may be able to claim a capital loss in the amount of your repayment to the extent that you have realized capital gains on your investment in Titan/CGP in prior years. Partners should be aware, however, that the calculation and reporting of a capital gain or loss on their investment in Titan/CGP is not a matter for the Receiver to provide to the partner as there are numerous factors outside the scope of the Receiver’s knowledge base to be considered in the calculation of a partner’s ACB and proceeds of sale on their investment. These factors include:

- applicable exchange rates on the purchase and sale of a partner’s investments;
- fees paid on the purchase, sale or administration of a partner’s investment;
- interest paid on loans obtained to purchase investments;
- revenue recognition policy for reporting of partnership income;
- transfer prices of investments transferred between entities, etc.

Similarly, for Unpaid Partners, we have informed CRA of the interim distributions made to such partners in 2005. We currently project an ultimate realization of a partner’s USD investment to be within the 68-81% range, depending on a variety of factors, primarily related to recoveries from Overpaid Partners and the subsequent redistribution to Unpaid Partners. However, due to numerous uncertainties associated with this matter, there is no guarantee of further distributions beyond those amounts already distributed to date.

If partners are uncertain as to the calculation of their capital gain or loss on their investment in Titan/CGP, or any other taxation matter as it pertains to their investment, they should seek appropriate professional tax advice.

If you have any inquiries for the Receiver related to this, please contact Michael Costello at 403-296-3087 ([mcostello@alger.ca](mailto:mcostello@alger.ca)) or Bruce Alger at 403-296-2970 ([balger@alger.ca](mailto:balger@alger.ca)).