

Date: October 24, 2005

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 – Processing of 2002-04 T-5013 Information Slips by CRA

As a follow-up to our memo of August 22, 2005 and in an effort to minimize the volume of calls being fielded by both the Receiver and Canada Revenue Agency ("CRA") on these matters, the following is a general update on the status of CRA's processing of the amended T-5013 slips for 2002 and 2003 and original T-5013 slips for 2004. The Receiver cannot provide the specific status of an individual partner's taxation matters as these are private matters between the partner and CRA.

CRA have informed us that:

1. They have input all of the amended 2002-2003 and original 2004 T-5013 information slip for Titan/CGP into their system for all partners.
2. Where Titan/CGP partners:
 - a. have not filed income tax returns for the years in question; or
 - b. have not reported or properly reported the partnership income from Titan/CGP on their income tax returns; and/or
 - c. have other complicating issues associated with their income tax returns.the processing of assessments and/or re-assessments for these partners will be delayed beyond the time frame indicated in our memo of August 22, 2005 and in many cases will require field or desk audits by CRA, who will be in contact with the applicable parties for this purpose. Additional information on this matter is beyond the scope of the Receiver to provide to partners.
3. Partners who have e-filed, where the originally reported partnership income is not readily identifiable, will be contacted by CRA in order to obtain additional information, a process which we are told is currently underway and as such the processing of issuing assessments and re-assessments by CRA for these partners will be delayed beyond the time frame indicated in our memo of August 22, 2005.
4. Partners who have filed notices of objections will have their files assigned for review within CRA, a process which we are told is currently underway, and as such the processing of issuing assessments and re-assessments by CRA for these partners will be delayed beyond the time frame indicated in our memo of August 22, 2005.

5. The processing of assessments or re-assessments for corporate partners will be delayed beyond the time frame indicated in our memo of August 22, 2005 due to the complexity of corporate income tax returns relative to personal income tax returns. Where corporate partners reside in a tax jurisdiction other than southern Alberta, it may be necessary to forward their files on to their home tax jurisdiction. CRA will be in contact with partners for this purpose.
6. For those partners who do not fit into any of the complicating categories above and who still possess a partnership interest (i.e. Unpaid Partners), CRA's processing of re-assessments for 2002 and 2003 will be accomplished shortly with the applicable income tax refund cheque to follow within the time frames generally indicated by CRA for these taxpayers (i.e. 3 weeks-3 months).
7. For those partners who do not fit into any of the complicating categories above, but who no longer possess a partnership interest (i.e. Overpaid Partners), to the extent that they have not reported a capital gain on the negative adjusted cost base (ACB) arising from the Titan overpayment in 2004, the issuance of the income tax refunds otherwise owing for 2002 and 2003 will not be processed until there has been a proper consideration of the income taxes owing to CRA on this 2004 capital gain. As a result, the processing of assessment and/or re-assessments will be delayed beyond the time frame indicated in our memo of August 22, 2005.
8. For those partners who have repaid all or a portion of their payment obligation to the Receiver pursuant to either the Court Order of September 7, 2005 or the settlement agreements preceding this Order, which will then result in a 2005 capital loss potentially available to carry-back and set-off against this 2004 capital gain (depending on other issues on this area the taxpayer may have) CRA has requested and the Receiver is providing this repayment information to CRA on an ongoing basis.

Partners should be aware 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 either as part of or in addition to the T-5013 reporting of partnership income, 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.

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

If you have any inquiries for the Receiver related to this matter, please contact Michael Costello at 403-296-3087 or at mcostello@alger.ca. If you have any inquiries for CRA related to this matter, please contact Rick Green at 403-233-4312 or at Rick.Green@ccra-adrc.gc.ca.