

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

SA CAPTIAL GROWTH CORP.

Applicant

and

**CHRISTINE BROOKS AS EXECUTOR OF THE ESTATE OF ROBERT MANDER, DECEASED AND E.M.B.
ASSET GROUP INC.**

Respondents

**APPLICATION UNDER Rule 14.05(3)(g) of the *Rules of Civil
Procedure* and Section 101 of the *Courts of Justice Act*, R.S.O.
1990. c. C. 43, as amended**

AFFIDAVIT OF PETER SBRAGLIA SWORN JULY 12, 2010

Date: July 12, 2010

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A Affidavit of Peter Sbraglia sworn July 12, 2010

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AFFIDAVIT OF PETER SBARAGLIA

Sworn July 12, 2010

(Filed in Response to the Motion Record of the Receiver, returnable July 14, 2010)

I, Peter Sbaraglia, of the Town of Oakville, in the Regional Municipality of Halton, MAKE

OATH AND SAY:

1. I am the sole director of C. O. Capital Growth Inc. ("CO"). As such I have knowledge of the matters set out below. This affidavit is made in response to the Fourth Report of the Receiver, RSM Richter Inc. dated July 2, 2010. ("the Receiver's Report")
2. As with the other investors referenced in the Receiver's Report, I, along with my family and friends were victims of the fraudulent scheme perpetrated by the late Robert Mander, ("Mander").

3. As a result of our involvement with Mander, CO, with monies advanced by me, my family and friends, have lost investments which we estimate at this point to be in or about \$9,000,000.

Background

4. Prior to meeting Mander in 2006 I was a successful dental anaesthesiologist. My wife, Mandy Sbaraglia ("Mandy") was a periodontist. Up until 2006 my wife and I made significant income in our respective professions.

5. In or about 2006 I started making investments with Mander. At that time Mander had an office located in the office building that we owned. Mander represented himself to have an investment management business.

6. Mander introduced Mandy and I to his investment business. Eventually Mandy and I decided to make a series of investments with Mander which at first were successful.

7. Shortly thereafter I decided to leave my dental practice and began making investing my business, similar to the business that Mander was operating. Mandy slowed down her dental practice.

8. We subsequently incorporated C. O. Capital Growth Corp.

9. Because of time constraints, I am not setting out the history of our relationship with Robert Mander, and his companies. This affidavit is confined only to certain issues raised by the Receiver's most recent report.

10. Ultimately my wife and I invested an amount which we estimate at approximately \$1,000,000 with Mander through CO Capital Inc. In addition our friends and family invested approximately \$8,000,000 with Mander.

11. In reviewing the Table contained in the Receiver's Report at page 11 it would appear from reading the report that CO Capital Inc. received some \$3,000,000 more from EMB/Mander than it paid. The report further states at Page 12 that some \$8,894,000 was received by CO in 2009.

12. The Receiver's Report does not disclose that of the monies received by CO, a significant portion was paid to what the Receiver refers to as "Spokes". Thus, the inference in the report, which is taken from the Receiver's report is incorrect.

13. Of the monies received from EMB/Mander by CO in 2009, approximately \$8.4 million can be accounted for as follows:

\$3.3 million was paid to SA Capital or Mr Amato¹;
 \$2.1 million was paid to Pero or Mr. O'Bradovich;
 \$1.8 million was paid as per the agreement that we made with the OSC;
 \$1.2 million was paid to another lender associated with Mr. O'Bradovich.²

14. Thus, rather than having benefitted from our relationship with Mander or EMB, my family and our investors have lost significant amounts of money.

Complete Disclosure Provided to RSM Richter Inc.

15. On March 25, 2010 the Receiver, RSM Richter Inc. attended at the offices of CO Capital . At that time my wife and I made full and complete disclosure to the Receiver.

16. It is my understanding that as a result of concerns over confidentiality and privacy expressed by counsel on our behalf, the Receiver was not at liberty to disclose the payments made by us to third parties.

17. Mandy and I have at all times co-operated and have given complete disclosure to the Receiver in terms of the books and records of CO Capital Inc. and the investment relationship with Mander. It is our intention to continue to do so until such time as the Receiver completes its investigation.

SWORN BEFORE ME at the City
 of Toronto, in the Province of
 Ontario, this 12 day of July
 2010

A commissioner, etc.

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PETER SBARAGLIA

¹ This amount is close to what Mr. Amato received in 2008.

² These figures are approximate.

C.O. CAPITAL GROWTH INC. et al and MICHAEL MILLER et al et al

Court File No. 10-8619-00CL

ONTARIO SUPERIOR COURT OF JUSTICE

Proceeding commenced in TORONTO
(Commercial List)

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