

**Supplement to the Twelfth Report to
Court of RSM Richter Inc. as Court-
Appointed Receiver of the Estate of
Robert Mander, E.M.B. Asset Group Inc.
and the Related Entities**

RSM Richter Inc.
Toronto, September 2, 2011

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**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

B E T W E E N:

SA CAPITAL GROWTH CORP.

Applicant

- and -

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

Respondent

**IN THE MATTER OF 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**

**SUPPLEMENT TO THE TWELFTH REPORT
OF RSM RICHTER INC., AS RECEIVER**

September 2, 2011

1. INTRODUCTION

This report ("Supplemental Report") supplements the Receiver's twelfth report to the Court dated August 17, 2011 ("Twelfth Report").

1.1 Defined Terms

Unless otherwise defined in this Supplemental Report, defined terms have the meaning provided to them in the Twelfth Report.

1.2 Restrictions

This Supplemental Report is subject to the restrictions set out in Section 1.3 of the Twelfth Report.

1.3 Purpose of this Supplemental Report

The purpose of this Supplemental Report is to update this Honourable Court regarding the Barrie Property and the recent communication between Davies and Mr. Turk regarding same, and to advise this Honourable Court that the Receiver does not intend to pursue any claim the estate may have to the Barrie Property.

2. BARRIE PROPERTY

Subsequent to Davies' delivery of a letter to Mr. Turk dated June 23, 2011, Mr. Turk requested that the Receiver provide him with the information that the Receiver had in its possession regarding the Barrie Property. The requested information was provided to Mr. Turk on July 22, 2011. On August 22, 2011, Davies received a letter from Mr. Turk in response to its June 23rd letter, which set out Mr. Obradovich's position regarding the Barrie Property. Mr. Obradovich is of the view that the Barrie Property was at all times wholly owned by his company, 1198 Ontario, and that Mander's interest in the property was contingent upon Mander's repayment of the direct and indirect obligations owed to Mr. Obradovich. Subsequent to the receipt of the August 22nd letter from Mr. Turk, Davies and Mr. Turk engaged in further discussion regarding Mr. Obradovich's and the Receiver's positions on this matter.

After considering the options, cost and risk of commencing litigation with respect the Barrie Property, the Receiver is of the view that it should not pursue the matter. Although not without merit, the outcome of such litigation would be uncertain and the litigation would consume a significant amount of time and a portion (if not all) of the funds that remain in the estate, thereby eliminating any distribution to creditors if the Receiver was to be unsuccessful in its litigation efforts concerning the Barrie Property.

* * *

All of which is respectfully submitted,

Rsm Richter Inc.

**RSM RICHTER INC.
IN ITS CAPACITY AS COURT-APPOINTED
RECEIVER OF THE ESTATE OF ROBERT MANDER,
E.M.B. ASSET GROUP INC. AND THE RELATED ENTITIES
AND NOT IN ITS PERSONAL CAPACITY**