

Bonnett Farms Bankruptcy - Comment on February 16, 2005 Court Order

This report is in response to the questions arising from the news report on the February 16, 2005 Court decision in the Bonnett Farms Bankruptcy.

As part of the receivership Deloitte & Touche Inc., as Interim Receiver, took control of the cattle in the possession of Bonnett Farms. As far as their information was concerned all of these cattle were owned by Bonnett Farms. Subsequently, Deloitte & Touche Inc. received a significant number of claims from other parties claiming ownership of the cattle in the possession of Bonnett Farms.

As a result of the ownership disputes Deloitte & Touche Inc. applied to the Court on February 16, 2005 for an order approving a claims process for the cattle in the possession of the Receiver. On February 16, 2005 Justice B.E.C. Romaine granted an Order approving a claims process whereby the cattle claimants would have one week within which to submit their claim, one week for the Receiver to approve or disallow the claims and a further week for the claimants to appeal any claim that was disallowed by the Receiver.

There is nothing in the Court record with respect to the type of information or supporting documentation to be considered by the Receiver or the Court with respect to the claimant's proof of ownership. Both the Receiver and the Court will be able to consider all relevant documentation and records. The claims process will be subject to the usual rules of evidence with respect to proof of ownership. There was no finding by the Court as to the use of brands to determine ownership.

The process that has been selected by the Receiver and ordered by the Court is an acceptable process given the competing claims as to ownership of the cattle involved in the Bonnett Farms bankruptcy.

Copies of the court documents can be found on Deloitte's website at www.deloitte.com or can be obtained from the Court of Queen's Bench.

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