

Contact: Veronique Isabal
Tel: 514-777-6647

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New York Court Orders to Proceed with Norshield Victims Lawsuit Against Royal Bank of Canada

April 13th, 2010 – Montreal - The lawsuit against Royal Bank of Canada and affiliate companies initiated by a group of investors and filed March 27, 2009 will proceed through the trial stages as ordered by a decision of the Supreme Court of the State of New York on February 17, 2010.

The plaintiffs, a group of investors in the Olympus United Funds offered by defunct Norshield Financial Group, argue that Royal Bank of Canada is responsible, in whole or in part, for the marketing and distribution, under false pretenses from 1999 through 2005, and subsequent collapse of the funds in June 2005. As a result, plaintiffs allege, they lost approximately \$90 million. They are seeking damages on five counts, namely **breach of fiduciary duty, aiding and abetting breach of fiduciary duty, fraud, unjust enrichment and restitution, and breach of contract as third party beneficiaries of the contracts between RBC and Norshield**. All five counts have been retained by the Court as valid claims for which plaintiffs may seek discovery materials from Royal Bank and affiliates named in this suit.

Plaintiffs allege that while Olympus United Funds was fronted by Norshield, they were secretly managed by Royal Bank of Canada through, inter alia, its New York subsidiary. Defendants allegedly allowed the funds assets to be overstated, approved certain transactions designed to mask the Fund's financial problems, breached their fiduciary duties to investors and culpably participated in a massive fraud. In the course of the years preceding the collapse of the funds, RBC, who has allegedly acted as the de facto manager of the funds, has allegedly earned in excess of \$60 million in fees. In addition, RBC has allegedly allowed favoured investors to redeem fund shares at inflated values to the detriment of other investors and improperly retained the proceeds of the underlying securities after they terminated the option in June of 2005.

The defendants, Royal Bank of Canada and RBC securities units, have been denied motions of dismissal of the case for the second time. A previous set of motions were denied by the Court on November 18, 2009.

Investors affected by the Norshield collapse are invited to communicate with other Norshield Victims by email at brfinfo@gmail.com to learn more about actions undertaken by different groups working to seek justice and retribution on their behalf.