CASSELS BROCK
LAWYERS

July 8, 2014

By E-mail

PRIVILEGED AND CONFIDENTIAL

To all persons who are clients of First Leaside Securities
Inc. (collectively, the "**Investors**")

Dear Investors:

Re: TELEPHONE TOWN HALL MEETING JULY 14, 2014

Please review this letter carefully as it contains time sensitive information regarding the town hall meeting for the Investors of First Leaside Securities Inc. ("**First Leaside**") to be held on July 14, 2014.

Update on CIPF Claim Responses to Investors

As discussed in our last letter to Investors dated April 15, 2014 (the "**April 2014 Letter**"), it is our understanding that the Canadian Investor Protection Fund ("**CIPF**") has been continuing to issue initial decisions to the First Leaside Investors with respect to their claims. To date, Representative Counsel is only aware of instances where CIPF staff have denied First Leaside Investors' claims for compensation. We are unaware of any claims that have been accepted.

We remind all Investors that if your CIPF claim is/has been denied, and if you disagree with the decision of CIPF staff, you must respond to CIPF in order to maintain your appeal rights and have your claim reviewed by a panel of one or more CIPF Directors.

Should you wish to preserve your appeal rights after receiving a rejection notice, you must notify CIPF in accordance with the notice provisions in the rejection letter you receive from CIPF. In those rejection notices which we are currently aware of, CIPF has requested such notice to be provided by email at flsi@cipf.ca or in writing to: Canadian Investor Protection Fund, Re: First Leaside, First Canadian Place, 100 King Street West, Suite 2610, P.O. Box 481, Toronto, Ontario M5X 1E5.

If you have received a notice from CIPF staff denying compensation and wish to preserve your appeal rights, the following paragraph includes some suggested language that you may choose to send to CIPF:

> ____[date]___, 2014
>
> On _[insert date of CIPF decision letter]_ I __[name]_ received a letter from CIPF staff denying my claim for compensation with respect to the losses I have suffered as a result of the insolvency of First Leaside Securities Inc. Pursuant to CIPF's Claims Procedures, I am writing to inform you that I wish to appeal CIPF staff's decision to deny my claim

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> and to have the decision and my claim reviewed by a panel of CIPF Directors. Please confirm receipt of this notice by replying to me at [insert contact information].

Please note as well that, along with the appeal notification to CIPF, Investors are entitled to, and should include any further relevant information they may have related to their claim.

At this time, we are not aware of any appeals being scheduled by CIPF. If you have received a notification that your appeal has been scheduled please let us know as soon as possible. We are continuing to monitor the CIPF process and have been made aware of a reserve for $3.638 million dollars for claims and related expenses paid and/or provided net of recoveries in respect of the First Leaside matter (as posted on the CIPF website) and a reserve for $3.2 million dollars for administrative costs as per the December 31, 2013 financial statements of CIPF (as posted on the CIPF website). We have reached out to CIPF's counsel for clarification of the composition of these amounts but have not received a response in this regard.

Town hall Meeting

Representative Counsel has discussed with several Investors what the role of Representative Counsel will be through the CIPF appeal process. To further discuss this matter with all Investors Representative Counsel will be holding a telephone town hall meeting via conference call on July 14, 2014 at 12:30 E.T. to provide an update to Investors. Call-in information for this meeting is as follows (please have all information available when dialling in to the call):

Toll-free Dial-in number: 1-866-223-7781
Local Dial-in: 416-340-2216
Title of Call: First Leaside Investor Town Hall
Company: Cassels Brock & Blackwell LLP
Moderator: Shayne Kukulowicz

Any questions regarding the town hall meeting or other matters affecting Investors generally can be raised at anytime through the Investor hotline at 1-877-669-4414 or by e-mail at firstleaside@casselsbrock.com. Please continue to identify the name of the Investor in the subject line when communicating by email with us. If you are receiving this correspondence by regular mail, please send your email address and contact information to firstleaside@casselsbrock.com so that we can effectively communicate with all Investors.

Yours Truly,

Cassels Brock & Blackwell LLP

Shayne Kukulowicz

cc: Jane Dietrich