Grant Thornton

January 27, 2020

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TO: THE INVESTORS IN THE CRYSTAL WEALTH FUNDS

- and to –

CRYSTAL WEALTH DISCRETIONARY ACCOUNT HOLDERS

The purpose of this notice is to provide an update on the administration of the receivership proceedings with respect to the Crystal Wealth Funds.

Receiver's Action against BDO Canada LLP

As previously communicated, the Receiver commenced an action (the "**Receiver's Action**") in the Ontario Superior Court of Justice (Commercial List) (the "**Court**") against BDO Canada LLP ("**BDO**"). As noted in the Fourth Report, the Receiver's Action pertains to the audit services provided by BDO prior to the receivership proceedings and was brought on behalf of the Company and the Crystal Wealth Funds.

On a separate matter, Staff of the Enforcement Branch of the Ontario Securities Commission ("**Staff**") had previously commenced proceedings against BDO regarding BDO's conduct of the audits of the Crystal Wealth Media Strategy and the Crystal Wealth Mortgage Strategy (the "**Two Crystal Wealth Funds**").

On January 24, 2020, a panel of the Ontario Securities Commission (the "**OSC**") approved a settlement agreement reached between Staff and BDO (the "**OSC Settlement Agreement**") in which BDO admitted that it failed to comply with generally accepted auditing standards in the audits of the 2014 and 2015 financial statements of the Two Crystal Wealth Funds. Details regarding the OSC hearing and the OSC Settlement Agreement were announced by the OSC and can be found at:

https://www.osc.gov.on.ca/en/NewsEvents_nr_20200124_bdo-canada-failing-to-comply-auditing-standards.htm

Concurrent with the OSC Settlement Agreement, the Receiver and BDO entered into a separate settlement agreement (the "**Receiver's Settlement Agreement**"). The terms of the Receiver's Settlement Agreement are currently required to be kept confidential and are subject to approval by the Court. Based on current Court availability, the Receiver expects to make application to Court for approval of the Receiver's Settlement Agreement in approximately two months (the "**Approval Motion**"). After the Approval Motion has been scheduled with the Court, the Receiver will release a further notice providing an update concerning the Receiver's Settlement Agreement and the Approval Motion.

The OSC Settlement Agreement and the Receiver's Settlement Agreement were made independent of the proposed class action against BDO. The Receiver refers investors to the Adair

Goldblatt Bieber LLP Case Website for details specific to the proposed class action proceedings: www.agbllp.com/class-actions.html..

Please contact the Receiver at any time should you have any questions.

Toll Free Number: +1 (866) 448-5867
Email: CrystalWealth@GrantThornton.ca
Receiver's Case Website: www.GrantThornton.ca/CrystalWealth

DATED at Toronto, Ontario, this 27th day of January, 2020.

Grant Thornton Limited,
in its capacity as the Court-appointed Receiver and Manager of
the Crystal Wealth Group, and not in its corporate or personal capacity

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