CASSELS BROCK
LAWYERS

July 25, 2019

Sent Via Email

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Dear Investor,

Re: First Leaside Wealth Management
Receivership Proceedings: Court File CV-12-9930-00CL
Final Distribution to Investors

We are writing in our capacity as representative counsel ("**Representative Counsel**") appointed by the Ontario Superior Court of Justice (Commercial List) (the "**Court**") to represent investors (the "**Investors**") with investments in First Leaside Wealth Management or certain of its affiliates (collectively, "**First Leaside**") in relation to the above noted receivership proceedings.

As you are aware, First Leaside applied to commence proceedings under the *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**") in February 2012. In December 2012, the Court terminated the CCAA proceeding and appointed Grant Thornton Limited (the "**Receiver**") as the receiver of First Leaside's assets in order to reduce administration costs and facilitate distributions to stakeholders under Court supervision. In July 2013, the Court approved an interim distribution of proceeds of the realization of certain of First Leaside's assets to creditors of First Leaside and the Investors.

Our last correspondence, dated July 5, 2019, advised that, in consultation with the Ontario Securities Commission and the Investment Industry Regulatory Organization of Canada, the Receiver had entered into a settlement agreement (the "**Settlement Agreement**"), settling on a final basis the Receiver's litigation against the First Leaside principal, David Phillips, and against Margaret Davis, which was the final remaining material asset of the First Leaside receivership estate. On July 10, 2019, the Court approved the Settlement Agreement.

Receiver's Upcoming Motion to Approve a Final Distribution to Investors

On July 31, 2019, the Receiver intends to seek an order from the Court, among other things, approving a final distribution (the "**Final Distribution**") of approximately $1,700.00 to each Investor. Investors will each receive an equal amount, without regard to the specific First Leaside entity or entities in which they invested, and without regard to the amount that they invested. However, Investors who have previously received 100% return of their principal investment in the CCAA proceeding or this receivership proceeding will not receive any further distribution. The Receiver has advised Representative Counsel that it believes that this distribution methodology is fair and reasonable in the circumstances, because the proceeds being distributed are predominantly recoveries from litigation on behalf of the First Leaside organization as a whole, as opposed to proceeds of assets of specific First Leaside companies. Representative Counsel agrees with the Receiver that the distribution methodology is fair and reasonable.

If approved by the Court, the Final Distribution will be made by cheque mailed to the last known address of eligible Investors known to the Receiver. The Receiver is in possession of a mailing address for each Investor from the commencement of this proceeding in December 2012.

If you have moved or if you would like to provide an updated address to the Receiver, please contact the Receiver as soon as possible (and before September 30, 2019) to provide your current address and a copy of photo identification (such as a driver's licence) confirming your identity and address. The Receiver can be reached by email at the dedicated email account for this proceeding, firstleaside@ca.gt.com, or by telephone at the telephone number listed on the Receiver's case website at: https://www.grantthornton.ca/en/service/advisory/creditor-updates/#First-Leaside-Group-of-Companies. Investors should also contact the Receiver as soon as possible (and before September 30, 2019) to advise of any change in their name or, in the case of an estate trustee of a deceased Investor, to advise as to the entitled recipient of the distribution. In such cases, the Receiver will require evidence to confirm your identity and entitlement to a distribution.

Representative Counsel has consulted with the Receiver regarding the Final Distribution and is supportive of the Receiver's motion.

Additionally, the Receiver intends to seek orders discharging the Receiver and Representative Counsel. The Receiver's discharge will not become effective until the Receiver completes certain remaining activities.

Further information regarding the Final Distribution and the Receiver's motion generally is available in the Receiver's Seventh Report, which is available to be reviewed by Investors by visiting the Receiver's case website at: https://docs.grantthornton.ca/document-folder/viewer/docuI8LWsxcWho7J/4832710346206117776?_ga=2.50710689.942551199.1562182864-233655115.1561128309.

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Should you have any questions regarding this letter or the First Leaside receivership generally, please contact Ben Goodis of our office, at bgoodis@casselsbrock.com or 416-869-5312.

Should you wish to contact the Receiver directly, you may contact the Receiver at firstleaside@ca.gt.com or by telephone at the telephone number listed on the Receiver's case website at: https://www.grantthornton.ca/en/service/advisory/creditor-updates/#First-Leaside-Group-of-Companies.

Yours truly,

Cassels Brock & Blackwell LLP

Jane Dietrich

JD/bg

cc: J. Krieger, *Grant Thornton* (email)
C. Burr, *Blake Cassels & Graydon LLP* (email)