October 30, 2017

TO: THE INVESTORS IN THE CRYSTAL WEALTH FUNDS

- and to –

CRYSTAL WEALTH DISCRETIONARY ACCOUNT HOLDERS

Further to the Receiver's Notice to Investors dated October 13, 2017, the Receiver has received several communications from investors raising similar issues. In reviewing these investor communications, it is evident to the Receiver that third parties, which may include former representatives of Crystal Wealth, have continued to communicate with investors, and are purporting to provide investors with information concerning the Receiver's administration of the Crystal Wealth Group, and with respect to the Crystal Wealth Funds. The Receiver wishes to emphasize that such information is unreliable and often inaccurate, and that the Receiver remains the sole source of accurate and reliable information with respect to the nature and quality of the investments of the Crystal Wealth Funds, and with respect to the administration of the Crystal Wealth Group. As such, please continue to direct your inquiries to the Receiver, in addition to sharing your input and concerns, so that you ensure that you are being provided with accurate and reliable information.

The Receiver has taken into account each and every one of these communications, and has prepared the response below with the goal of providing additional information and clarity in response to the issues raised.

1. The Sales Process, the BDO Claim, and the Status of Interim Distributions

In the Receiver's most recent updates dated October 6 and 13, 2017 (available on the Case Website: www.grantthornton.ca/crystalwealth), the Receiver conveyed to investors the status of the Sales Process. The Receiver will be issuing a further Report to the Court in due course which thoroughly sets out the Receiver's most recent activities in administering the receivership of the Crystal Wealth Group, including its activities throughout the summer while the Sales Process was being conducted. The Receiver confirms that the Receiver's next report to Court (and motion record) will be posted on the Case Website at least two weeks prior to the Court attendance in which approval of the Report is sought.

The Receiver has also made available for investors' review the amended Proof of Claim which was submitted by BDO Canada LLP ("**BDO**") (found at the following link: BDO Claim - Amended and Submitted August 23, 2017). The BDO claim, as amended, remains under evaluation by the Receiver at this time. It has neither been accepted nor revised/disallowed by the Receiver. To this end, the Creditor Claims Procedure Order issued by the Court on June 30, 2017 provides for a procedure by which the Receiver may accept, revise, or disallow (in whole or in part) the amount and/or status of a creditor claim submitted. In the event that the Receiver was to revise or disallow the BDO claim at this stage, and BDO disputes the revision or disallowance, it would likely necessitate a determination by the Court as to the classification and/or amount of the claim. The Receiver believes that proceeding in this manner, and the time which would elapse in the claims adjudication process, would not be the best way to facilitate an interim distributions to investors, where possible, in the near future.

Accordingly, at this time, the Receiver has taken steps to seek BDO's endorsement of the Receiver's proposed interim distributions to investors, where available, while BDO's claim remains under evaluation. The Receiver will be keeping investors apprised of further developments concerning whether an agreement can be reached with BDO which will permit the Receiver to proceed in the near future to request Court approval of proposed interim distributions to investors, where possible.

2. Management Offers Received through the Sales Process

The Receiver wishes to provide additional clarity with respect to the Receiver's rationale in determining that the transfer of management of the Crystal Wealth Funds, based upon the management offers received, was not in the best interest of Crystal Wealth Fund investors. The management offers received via the Sales Process provided no certainty that the Crystal Wealth Funds would be managed back to fiscal health (especially in light of the concerns with many of the recorded investments, as described below). In addition, no offer was received that gave the Receiver any comfort that the investors would have a timely avenue through which to redeem their units and turn them into cash (let alone any certainty with respect to the price at which such redemption might happen). The proposed management transactions themselves would have taken several months to be completed, with no guarantees of completion. The Receiver wishes to be clear that the claim filed by BDO through the Creditor Claims Procedure was not the determining factor in the Receiver's decision not to pursue a management offer. As will be more fully particularized in the Receiver's next report to Court, the value ascribed to certain investments, including "Off-Book Assets" (i.e. Factoring Contracts, Commercial Loans, Media Loans), as reflected in Crystal Wealth Management System Limited's books and records is, in many instances, materially misrepresentative of the quality and/or nature of the investments and the likelihood that the principal of the investments will be able to be recovered, let alone with profit. The management offers received failed to propose a definitive solution to the above problems.

While the Receiver remains open to reconsidering management offers, should circumstances arise which would warrant such reconsideration, it is the Receiver's view that the time and expense of pursuing a management offer, with no guarantee of completion or of a greater recovery on the investments of the Crystal Wealth Funds if a transfer of management is effected, is not in the best interest of investors when contrasted with the steps being taken by the Receiver to attempt to realize on and monetize, where possible, the recorded investments.

3. Representation

As a final point, the Receiver wishes to clarify that its opposition to the representative counsel motion on June 30, 2017, which sought to appoint Crawley MacKewen Brush LLP as representative counsel, was not an attempt to deny investors their right to seek legal counsel, but rather, as a result of the Receiver's view that representative counsel would be duplicative of the Receiver's role and would result in unnecessary additional professional fees being incurred by the Crystal Wealth Group which would adversely affect all investors. Should investors wish to independently consult with a lawyer to obtain legal advice in respect of their investments, they of course remain entitled to do so.

The Receiver wishes to assure you that it is listening to investors' concerns, and is taking their input into consideration as it carries out its mandate, the primary objective of which is to serve the interests and needs of investors.

We encourage you to continue to provide your feedback and input to the Receiver, and hope that the above provides clarification to the issues which have been consistently raised in recent correspondence from investors.

Contact details for the Receiver:

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> Email: crystalwealth@grantthornton.ca

Receiver's Case Website: www.GrantThornton.ca/CrystalWealth

DATED at Toronto, Ontario, this 30th day of October, 2017

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