

December 5, 2018

TO: THE INVESTORS IN THE CRYSTAL WEALTH FUNDS

- and to -

CRYSTAL WEALTH DISCRETIONARY ACCOUNT HOLDERS

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The purpose of the notice is to provide a brief update on the administration of the receivership proceedings with respect to the Crystal Wealth Funds since the issuance of the Receiver's Fourth Report to Court dated July 20, 2018 (the "**Fourth Report**"). A more fulsome update on the events since the Fourth Report and the Receiver's administration of the estate will be provided in subsequent reports to Court.

Second Interim Distribution

On September 27, 2018, pursuant to the Court Order issued on August 20, 2018 (the "**August 20, 2018 Order**"), the Receiver released the second interim distribution (the "**Second Interim Distribution**") to the relevant custodial entities, including National Bank Independent Network, GMP Securities LP, and others. For more information regarding the Second Interim Distribution, please refer to the [Notice to Investors dated September 28, 2018](#).

Proposed Class Action and Receiver's Action against BDO Canada LLP

As previously communicated, the August 20, 2018 Order approved the Receiver's engagement of Adair Goldblatt Bieber LLP ("**AGB**") as the Receiver's lawyer of record in an Ontario Superior Court of Justice action (the "**Receiver's Action**", and together with the Proposed Class Action, the "**BDO Actions**") against BDO Canada LLP ("**BDO**"). As noted in the Fourth Report, similar to the Proposed Class Action, the Receiver's Action pertains to the audit services provided by BDO prior to the receivership proceedings, but is brought on behalf of the Company and the Crystal Wealth Funds (as opposed to the investors directly).

As AGB acts as counsel to the plaintiffs in both the Receiver's Action and the Proposed Class Action, AGB has created a case website containing additional information regarding the Proposed Class Action and the Receiver's Action, which can be accessed at: www.agbllp.com/class-actions.html (the "**AGB Case Website**"); investors are encouraged to continue to monitor the AGB Case Website for further developments concerning the BDO Actions.

Should you have any questions regarding the Proposed Class Action and/or the Receiver's Action, please contact either Nathaniel Read-Ellis or Simon Bieber of AGB:

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Update on the Receiver's Enforcement Initiatives

The Receiver has continued to communicate with various parties who have failed to repay amounts owing to the Crystal Wealth Funds under certain Factoring Contracts, Gold Loans, and Commercial Loans, amongst other recorded investments which were entered into by the Crystal Wealth Funds prior to the receivership proceedings. In certain instances where parties have failed to repay such amounts, or appear to be insolvent, the Receiver has commenced litigation or bankruptcy proceedings.

Bankruptcy Proceedings

Since the Fourth Report, the Receiver has placed into bankruptcy by Court Order the following entities who owe approximately \$3,153,242 to the Factoring Fund and \$569,222 to the Hedge Fund:

- 647497 B.C. Ltd. [www.bowragroup.com/647497bcltd]
- 1566496 Alberta Ltd. [www.bowragroup.com/1566496-alberta-ltd]
- Restoration Energy Inc. [www.bowragroup.com/restoration-energy]

In the above noted cases, The Bowra Group Inc. was appointed as the Trustee in Bankruptcy. The case websites with respect to the above noted estates are included above. The results of these bankruptcies will be contained in the Receiver's future reports to Court.

Enforcement on Guarantees

The Receiver has also initiated an action in the Ontario Superior Court of Justice (Commercial List) to enforce on personal guarantees provided by individuals, including: (i) Robert Maljaars; (ii) Jeffrey Maljaars; (iii) Darcy Pahl; and (iv) Marion DenHollander.

Other Enforcement Initiatives

In addition to the above, the Receiver, with the assistance of counsel, is in the process of initiating various other enforcement initiatives, including but not limited to additional bankruptcy and litigation proceedings against entities or persons that are in default in repaying funds owing to the Crystal Wealth Funds.

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 5th day of December, 2018

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