



ESTATE NO. 11-1693965
COURT NO. B121430
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN BANKRUPTCY AND INSOLVENCY

**IN THE MATTER OF THE BANKRUPTCY OF
RASHIDA ABDULRASUL SAMJI**

TRUSTEE'S FIRST REPORT TO THE COURT

MARCH 13, 2015

Boale, Wood & Company Ltd.

Trustee of the Consolidated Estate of
Rashida Abdulrasul Samji, Rashida Samji Notary
Corporation and Samji & Assoc. Holdings Inc.

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Vancouver, BC V6C 2V6**

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I. APPOINTMENT

On December 5, 2012, Rashida Abdulrasul Samji ("**Samji**"), Rashida Samji Notary Corporation ("**Samji Notary Corporation**"), and Samji & Assoc. Holdings Inc. ("**Samji & Associates**"), and together with Samji and Samji Notary Corporation herein referred to as the "**Samji Group**") each filed an assignment in bankruptcy under the *Bankruptcy and Insolvency Act* (the "**BIA**"). Boale, Wood & Company Ltd. was appointed as Trustee of each of the estates of the Samji Group (the "**Trustee**").

On June 26, 2013, by the Order of the Supreme Court of British Columbia, the estates of the Samji Group were consolidated into one bankruptcy proceeding known as "In the Matter of the Bankruptcy of Rashida Abdulrasul Samji", bearing Supreme Court of British Columbia Vancouver Registry Proceeding No. B121430 (the "**Consolidated Samji Estate**").

II. PURPOSE AND LIMITATIONS OF TRUSTEE'S REPORT

The purpose of the Trustee's First Report to the Court (the "**Trustee's Report**") is to provide this Honourable Court with information with respect to the activities of the Trustee since its initial appointment on December 5, 2012. In accordance with the BIA, the Trustee has also filed reports to the creditors with details of the administration of the Consolidated Samji Estate.

This Trustee's Report has been prepared by the Trustee based on information obtained from the records of the Samji Group, documents received from various related parties and other professional advisors retained by the Trustee or others.

The financial information received by the Trustee has not been audited, reviewed or otherwise verified by the Trustee as to its accuracy or completeness. As a result, readers are cautioned that this Trustee's Report has been prepared solely for the purposes of administration of the Consolidated Samji Estate and may not be suitable for any other purposes. The Trustee does not express an opinion or other form of assurance on the financial information presented in the Trustee's Report.

In addition, the Trustee assumes no responsibility or liability for and disclaims any and all liability for any loss or damage incurred by any party as a result of the use of this report in any manner, or as a result of the circulation, publication or reproduction of it. Any use which any party makes of the Trustee's Report or any reliance on any decisions made based on it are the responsibility of that party.

III. BACKGROUND

From 2003 to January 2012, Samji operated an investment scheme or schemes (the “**Scheme**”) in the Greater Vancouver area. Samji was a practicing notary public in British Columbia until her suspension by the Society of Notaries Public of British Columbia in February 2012.

From approximately 2003 to 2010, Samji operated the Scheme through the Samji Notary Corporation. Samji was the sole director and officer of the Samji Notary Corporation. From approximately 2010 to 2012, Samji operated the Scheme through Samji & Associates. Samji was the sole director and officer of Samji & Associates.

On April 3, 2012, further to an Order granted by the Supreme Court of British Columbia pursuant to Section 152 of the *Securities Act*, RSBC 1996, c 418 (the “**Receivership Order**”), MNP Ltd. was appointed as Receiver of certain assets of Samji & Associates consisting of funds held in accounts at Toronto-Dominion Bank (“**TD Bank**”) and Vancouver City Savings Credit Union (“**Vancity**”).

According to the Receiver’s Second Report dated September 22, 2012 and to the British Columbia Securities Commission (“**BCSC**”) findings dated July 16, 2014 (2014 BCSECCOM 286), Samji solicited funds from investors (the “**Investors**”) for the Scheme and represented to the Investors that:

- (a) the funds invested by the Investors (the “**Investor Funds**”) would be held in her notary trust account;
- (b) that the Investor Funds placed in her trust account would be secured in that the trust account was monitored and audited by the Society of Notaries Public of British Columbia;
- (c) the funds were to be used as collateral for loans in foreign countries by wine businesses, such as the Mark Anthony Group and/or other wineries;

- (d) Investors were required to deposit funds for terms of at least six months and were informed that the funds would earn interest-like annual returns of 12% to 30% per year; and
- (e) the Scheme was a secure investment.

The Scheme was often referred to as the “Mark Anthony Investment”, but was not in any way related to the Mark Anthony Group Inc. and/or other wineries.

Between 2003 and 2012, Samji received over \$100 million from over 200 Investors. We understand that most of the funds received from Investors were deposited in a bank account in the name of Samji & Associates. Funds were then disbursed out to various places, including to Samji, other bank accounts and to the Investors. There is no indication in any of the documents reviewed by the Trustee that Investor Funds were used for the purposes of the Mark Anthony Investment. The Scheme was not a legitimate investment or business. Instead, Ms. Samji paid purported returns to existing Investors from funds contributed by new Investors. As a result of the Scheme:

- (a) certain Investors received payments from the Scheme which were less than the principal amount of the funds that they had placed in the Scheme (the “**Net Losers**”); and
- (b) certain Investors directly or indirectly received payments from the Scheme which exceeded the principal amount of the funds such Investors had placed in the Scheme (the “**Net Winners**”).

A number of law suits have been initiated against Samji and related parties in connection with the Scheme. Several of these law suits allege that the Scheme was a Ponzi scheme, which is an investment fraud that involves use of investor’s funds to pay other investors in order to keep the scheme going.

IV. TRUSTEE'S ACTIVITIES SINCE BEING APPOINTED

The activities of the Trustee since being appointed on December 5, 2012 include but is not limited to the following:

A. Communication with Creditors, Creditor Meetings and Trustee's Reports to Creditors

On December 10, 2012 the Trustee mailed out creditor packages to all known Investors and creditors of the Samji Group (the "**Creditors**") to advise them of the bankruptcy and the first meeting of Creditors that was held on January 4, 2013 (the "**First Meeting of Creditors**").

At the First Meeting of Creditors, the Creditors affirmed the appointment of Boale, Wood & Company Ltd. as Trustee and appointed three inspectors of the estates (the "**Inspectors**") pursuant to Section 116 of the BIA. The Trustee also distributed its Preliminary Report to Creditors, a copy of which is hereby attached as **Appendix A** to the Trustee's Report.

During the administration of the Consolidated Samji Estate, the Trustee has been in contact with many of the Investors and Creditors by way of telephone and email to discuss the administration of the estate, including, but not limited to, the sale of real properties, recoveries from Net Winners, the claims process, issues relating to claims filed, and legal proceedings against Samji.

The Trustee prepared a Second Report to Creditors dated August 29, 2013 providing an update to Creditors on the administration of the Consolidated Samji Estate, a copy of which is hereby attached as **Appendix B** to this report.

B. Inspectors Meetings

The Trustee has held 18 Inspectors meetings since December 2012 for purposes of updating the Inspectors on the administration of the Consolidated Samji Estate and seeking Inspector approval for various actions by the Trustee, including but not limited to

the sale of real properties, the commencement of litigation against certain Net Winners, settlements with Net Winners and the claims process.

C. Real Properties

The Trustee has completed sales of the following properties of the Samji Group:

- (a) 4A – 1596 West 14th Avenue, Vancouver, British Columbia (the “**West 14th Property**”) sold for \$2,050,000 generating net sale proceeds of \$462,253.40;
- (b) 1803 – 1295 Richards Street, Vancouver, British Columbia (the “**Richards Street Property**”) sold for \$360,000 generating net sale proceeds of \$201,433.88; and
- (c) 6490 Ember Place, Sunshine Coast, British Columbia (the “**Ember Place Property**”) sold for \$373,000 generating net sale proceeds of \$129,344.23.

The net proceeds from the sale of the West 14th Property and the Richards Street Property are currently being held by the Trustee. The sale proceeds from the Ember Place Property are being held in trust by counsel to the Trustee, Clark Wilson LLP, pending an Order by the British Columbia Securities Commission (“**BCSC**”) that the funds can be released for distribution to the Creditors, which the Trustee expects will be given shortly.

The Trustee has not been successful selling the following properties (the “**Remaining Real Properties**”):

- (a) 5391 Wakefield Beach Lane, Sechelt, foreclosed, no equity;
- (b) undivided ½ interest in Lot 22, Sunshine Coast Highway;
- (c) undivided ½ interest in Lot 43, Sunshine Coast Highway; and
- (d) 1/3 interest in townhouse on Westview Drive, North Vancouver.

Realization on the Remaining Real Properties will be difficult due to part ownership and unwillingness of other owners to sell.

D. Recovery from Net Winners and Third Parties

Since being appointed, the Trustee has pursued recovery of funds from Net Winners and certain third parties who received funds from Investors for their benefit. The Trustee has reviewed the available records and has engaged the assistance of MNP LLP to perform forensic accounting analysis on the profits gained by Net Winners and third parties. The Trustee has also examined Net Winners and third parties where appropriate and has made demand on them for repayment of the profits.

In negotiating settlements, Net Winners have typically requested third party releases from the Trustee and other Investors. On November 20, 2013, this Honourable Court sanctioned a release with respect to a Net Winner that was effective as against both the Trustee and all persons arising from the Scheme. A further court order release was obtained on January 3, 2013 with respect to the Trustee's claims against the Chaturis. The use of court sanctioned releases has assisted the Trustee in negotiating settlements with Net Winners.

To date, the Trustee has negotiated settlements totaling \$3,049,698.46. Currently, the Trustee is in settlement discussions with a number of Net Winners that are expected to result in a further recovery to the Consolidated Samji Estate of approximately \$900,000.

The Trustee has also commenced legal actions against those Net Winners that have failed to respond or reach a settlement with the Trustee for repayment of the profits. The Trustee currently has legal actions against Net Winners whose total net profits are estimated to be over \$9,000,000. The Trustee has recently received approval from the Inspectors to commence legal actions against further Net Winners whose total net profits are estimated to be over \$10,500,000.

The Trustee will continue to seek recovery from the remaining Net Winners who have not, to date, settled with the Trustee.

E. British Columbia Securities Commission

On January 2, 2012, the BCSC issued orders for the purposes of investigating the affairs of the Samji Group. By freeze orders issued in January and February 2012 (the “**Freeze Orders**”), the BCSC froze various bank accounts held in the names of the Samji Group. The BCSC also registered liens against Samji’s interest in certain properties (the “**BCSC Liens**”).

Since the Trustee’s appointment, it has worked cooperatively with the BCSC in relation to releasing the Freeze Orders and BCSC Liens. The proceeds of these assets will be distributed as a part of any interim distribution to Creditors.

On February 18, 2015, the Receiver appointed by the BCSC obtained a court order approving its activities and ordering that after payment of its accounts, all remaining funds in its possession shall be paid to the Trustee for the benefit of the Investors. The Trustee has received funds of approximately \$61,000 from the Receiver and the Receiver has been discharged from its duties.

F. Claims Process Order

On September 10, 2014, the Supreme Court of British Columbia granted an Order (the “**Claims Process Order**”) authorizing the Trustee to conduct a claims process for the determination of Investor’s claims against the Consolidated Samji Estate (the “**Claims Process**”), a copy of which is attached as **Appendix C** to the Trustee’s Report.

Pursuant to the Claims Process Order, the Trustee determined the claims of Investor’s known to the Trustee (the “**Known Creditors**”). Beginning in October 2014, the Trustee sent to each Known Creditor a document package setting out the Trustee’s determination of the claim of that Known Creditor (the “**Claims Package**”). All Known Creditors were instructed that they were only required to file materials by the Claims Bar Date (as defined below) if they disagreed with the Trustee’s determination of their respective claims.

On October 17, 2014, the Trustee placed a notice in The Province newspaper inviting Investors whose claims are unknown to the Trustee (the “**Unknown Creditors**”) to file a proof of claim by December 16, 2014 (the “**Claims Bar Date**”). On the same day, the Trustee posted materials related to the claims process on the Trustee’s website. All Unknown Creditors were required to submit proofs of claims to the Trustee by the Claims Bar Date or their claims will be forever extinguished and barred.

The Claims Process required the Trustee to extensively review the Samji Group’s records, supporting documentation provided by the forensic accounting expert MNP LLP, and any other relevant records. The Trustee was required to deliver the appropriate notices of allowances or disallowances, and where an Investor disagreed with the Trustee’s disallowance of its claim, the Trustee was required to review the Investor’s file and documentation. The Claims Process required discussions and meetings with Investors, and review of supporting documentation. Although the process was simplified pursuant to the Claims Process Order, the Trustee was required to resolve a significant number of Investor claims.

The Trustee has now completed the Claims Process in accordance with the Claims Process Order. The Trustee has approved claims for approximately 139 Investors that total approximately \$40,000,000. The Trustee is currently in the process of reviewing and finalizing approximately 12 claims that total approximately \$3,000,000.

V. LEGAL MATTERS

A. Class Action Lawsuit

On or about March 2, 2012, a class action was commenced in the case of *Jer et al v Samji et al*, Supreme Court of British Columbia, Vancouver Registry No. S-121627 under the *Class Proceedings Act* (the “**Class Action**”). The Class Action was brought against the Samji Group, Arvin Patel (“**Patel**”), Coast Capital Savings Credit Union (“**Coast Capital**”), Coast Capital Insurance Services Ltd. (“**Coast Capital Insurance**”), TD Bank, Royal Bank of Canada (“**RBC**”), Vancity, Worldsource Financial Management Inc. (“**Worldsource**”) and the Society of Notaries Public of British Columbia.

Two settlements have been reached in the Class Action proceedings. One was a settlement of the claims made against RBC and TD Bank concerning their administration of the accounts through which Samji operated the Scheme (the “**Bank Settlement**”). The other was a settlement of the claims made against Patel and Coast Capital, and related defendants, for negligence by Patel in introducing his investment clients at Coast Capital to the Scheme (the “**Coast Settlement**”).

The amount available for distribution under the Bank Settlement, after legal expenses, is \$5,601,936.42. These funds will be distributed to all class members in accordance with the Settlement Administration Plan approved by this Honourable Court on November 26, 2014.

The amount available for distribution under the Coast Settlement, after legal expenses, is \$1,200,839.65. These funds will be distributed to those class members who had claims against the Coast Capital defendants, in accordance with the Settlement Administration Plan approved by this Honourable Court on November 26, 2014.

Class counsel expects to issue letters to class members advising them of their entitlements under the Bank Settlement and Coast Settlement, as provided for by the Settlement Administration Plan, in the next two weeks, and that funds will be distributed to class members in approximately two months thereof.

B. Coast Capital Lawsuit

A separate lawsuit was commenced on behalf of approximately 90 Investors, many of whom were customers of Coast Capital. These Investors have reached settlements with RBC, TD Bank, Coast Capital, Coast Capital Insurance, Patel and Worldsource. The terms of these settlements are confidential and are subject to non-disclosure provisions.

Coast Capital has submitted a proof of claim to the Trustee in the amount of the settlement on the basis that Samji is liable for the entirety of the Investors' losses and is liable for the full amount paid by Coast Capital in the settlement. The Trustee is in the process of reviewing Coast Capital's claim. Pending resolution of the claim, for the purposes of calculating any proposed distribution amounts the Trustee has agreed to withhold sufficient funds that would be allocated to Coast Capital if its claim is accepted.

C. Trust Claim Issue

The Trustee is aware that there are some Investors who are asserting trust claims (the "**Trust Claims**") as against funds in the Consolidated Samji Estate, on the basis that their funds are traceable and that they have a claim to them in equity. The amounts claimed range between \$60,000 to \$500,000. The Investors asserting these claims believe that they have a claim in trust to funds in the various bank accounts held by the Samji Group at the time of the bankruptcy. These Investors are taking the position that the funds in the accounts should go back to them rather than receiving a pro-rata distribution from the estate like other Investors.

The Trustee will be finalizing its investigations and will apply to this Honourable Court for a determination of these Trust Claims.

VI. TRUSTEE'S INTERIM STATEMENT OF RECEIPTS & DISBURSEMENTS

The Trustee has attached as **Appendix D** to the Trustee's Report a copy of its Interim Statement of Receipts and Disbursements to March 10, 2015.

A. Receipts

The Receipts can be summarized as follows:

Cash	\$1,132,903
Realization on Assets	661,082
Recovery from Net Winners	3,049,698
Interest and other miscellaneous receipts	<u>10,228</u>
	<u>\$4,853,911</u>

As mentioned earlier in this report, a portion of the cash received may be subject to Trust Claims, and accordingly may not be available for distribution to Creditors until the entitlement of claimants is resolved.

B. Disbursements

The Disbursements can be summarized as follows:

Fees paid to the Official Receiver	450
Local Paper	2,919
Change Locks	90
Insurance	15,165
Postage	1,347
Legal Fees	900,393
Trustee's Fees	308,015
Provincial and Federal Sales Tax	118,463
Other	<u>21,323</u>
	<u>\$1,368,165</u>

The disbursements include all Trustee's fees and legal fees incurred up to the end of January 2015.

C. Net Receipts

Net Receipts of approximately \$3,485,746 are available for distribution to the Creditors subject to sufficient funds being withheld to deal with Trust Claims and to provide a sufficient reserve to cover the ongoing professional fees that will be incurred in pursuing recovery from Net Winners.

VII. CONCLUSIONS AND RECOMMENDATIONS

The Trustee has been successful to date in pursuing collection of profits from the Net Winners, which efforts have resulted in recoveries in excess of \$3,000,000 from Net Winners.

The Trustee has or is in the process of commencing litigation against Net Winners that are believed to have received profits of approximately \$20 million. Although collection of the profits will be difficult due to the locale of certain Net Winners, the lack of supporting documentation and the ability of the Net Winners to repay their profits, the Trustee strongly believes that its continued efforts are warranted and will result in additional monies being available to distribute to the Creditors.

The Trustee will also continue its efforts to realize on the Remaining Real Properties.

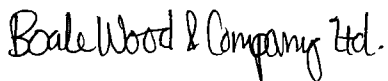
The Trustee recommends an interim distribution to the Creditors in the amount of \$1,000,000. It is anticipated that there be a further distribution of \$1,000,000 upon resolution of the Trust Claims. The Trustee will be seeking approval of this Honourable Court to disperse these further funds.

The remaining funds in the Consolidated Samji Estate should be retained by the Trustee to cover ongoing professional fees and costs to administer the Consolidated Samji Estate and pursue recovery from Net Winners.

DATED At the City of Vancouver, British Columbia, this 13th day of March, 2015

Boale, Wood & Company Ltd.

Trustee of the Consolidated Estate of
Rashida Abdulsaul Samji, Rashida Samji Notary Corporation
and Samji & Assoc. Holdings Inc.



Per: John D. McEown, CA, CIRP

APPENDIX A

PRELIMINARY REPORT TO CREDITORS



INSOLVENCY CONSULTANTS & TRUSTEE IN BANKRUPTCY

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**Estate No. 11-1693965
Court No. B-121430
Vancouver Registry**

**IN THE MATTER OF THE BANKRUPTCY OF
RASHIDA ABDULRASUL SAMJI**

TRUSTEE'S PRELIMINARY REPORT TO CREDITORS

RASHIDA ABDULRASUL SAMJI (“Samji” or the “Bankrupt”) made an Assignment in Bankruptcy on December 5th, 2012 and Boale, Wood and Company Ltd. was appointed as Trustee of the Estate. This report has been prepared by Boale, Wood & Company Ltd., in its capacity as Trustee of the Company to provide preliminary information available as at January 3rd, 2013 to the creditors.

BACKGROUND

Investment Scheme

In 2003 Ms. Samji began promoting an investment scheme and deposited and paid out funds through her notarial practice, Rashida Samji Notary Corporation (“Samji Notary Corporation”), bank account. In 2010 Ms. Samji ceased using the Samji Notary Corporation for her investment scheme and started using Samji & Assoc. Holdings Inc., a company that she had incorporated in 2010.

According to the Receiver’s Second Report Ms. Samji solicited funds from investors (the “Investors”) and represented to the Investors that the funds would be held in her notary trust account and used, without direct access, as collateral for loans in foreign countries where the Mark Anthony Group conducted their wine business (the “Investment Scheme”). Investors were required to deposit funds for terms of at least six months and were informed that the funds would earn interest-like annual returns of 12%. We understand that the Investment Scheme was referred to as the Mark Anthony Investment but was not in any way related to the Mark Anthony Group.

Between 2003 and 2012, Ms. Samji received in excess of \$90,000,000 from the Investors. We understand that the funds received from Investors were initially deposited to bank accounts in the name of Samji Notary Corporation. Funds were then disbursed out to various places including to Samji & Assoc., Ms. Samji and to the Investors. There is no

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Rashida Abdulrasul Samji

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indication in any of the documents reviewed by the Trustee that Investor funds were used for the purposes of the Mark Anthony Investment.

A number of law suits have been filed against Ms. Samji and others and several of these law suits claim that the Investment Scheme was a ponzi scheme which is an investment fraud that involves the payment of purported returns to existing investors from funds contributed by new investors.

A large number of Investors were clients of Mr. Arvindbhai Patel, a financial planner who worked for Coast Capital Credit Union ("Coast Capital") between 2006 and 2012.

British Columbia Securities Commission Orders

In January 2012 the British Columbia Securities Commission ("BCSC") became concerned about the Investment Scheme. Their concerns resulted in the BCSC issuing investigation orders for purposes of investigating the affairs of Ms. Samji, Samji & Assoc., Samji Notary Corporation and Mr. Patel in relation to breaches of the *Securities Act*, including illegal trading and distribution of securities, misrepresentation and fraud.

Immediately upon issuing the investigation orders the BCSC took steps to take possession of the books and records in relation to the Investment Scheme that were kept at the office of Samji Notary Corporation.

The BCSC also froze various bank accounts in the name of Ms. Samji, Samji & Assoc., Samji Notary Corporation and Mr. Patel and registered liens against eight properties that Ms. Samji either owned or had an interest in.

Society of Notaries Public of British Columbia Custodianship Order

The Society of Notaries Public of British Columbia ("Notaries Society") being concerned about the notary clients of Samji Notary Corporation, applied to the Supreme of British Columbia (the "Court") for an order appointing Mr. Ronald Usher, an employee of the Notaries Society, as custodian over the property of Samji Notary Corporation to manage the notarial practice of Ms. Samji. On February 8, 2012 the Court granted an order appointing Mr. Usher as Custodian (the "Custodian Order").

Receivership Order

Pursuant to an application made by the BCSC, the Court issued an Order on April 3, 2012 appointing MNP Ltd. as Receiver over certain property of Samji & Assoc. and Mr. Patel (the "Receivership Order").



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The specific property of Samji & Assoc. that MNP Ltd. has been appointed as Receiver over is the funds held in the Toronto Dominion Bank Account # 9697-52089-110 ("TD Account") and Vancouver City Savings Credit Union Account # 225540 ("Vancity Account") which accounts were in the name of Samji & Assoc.

These two bank accounts were included in the freeze order issued by the BCSC but as a result of the Receiver appointment the freeze on these two accounts was lifted by the BCSC. According to the Receiver's 2nd Report to the Court dated September 22, 2012 the funds in the TD account at the date of the Receivership Order were approximately \$784,000 and the funds in the Vancity account were approximately \$28,468.

Although the Receivership Order was initially made for purposes of preservation of the property of Samji & Assoc., the Receiver commenced an investigation into the Investment Scheme. The results of the Receiver's investigation to date are summarized in the Receiver's Second Report to the Court dated September 22, 2012. The Receiver's investigation includes a review of documents of Samji & Assoc, Samji Notary Corporation and Ms. Samji. These documents include certain banking records that were requested from the banks by the Receiver and information relating to properties owned by Ms. Samji.

On November 19, 2012 the Receiver applied to the Court for an order to expand the property covered by the Receivership Order to include the property of Samji Notary Corporation and Ms. Samji so that the Receiver's ongoing investigation of the Investment Scheme could be completed, and any recovered funds as a result of this investigation, distributed to the Investors subject to the further direction of the Court. The Receiver's application also provided for a stay of the bankruptcy proceedings on the basis that Trustee's duties would be duplicative and unnecessary.

At the Court hearing on December 6, 2012 to consider the Receiver's application, all respondents present opposed the application on the basis that a forensic review was already being conducted by certain of the respondents who had agreed to fund the exercise. Certain respondents also noted that the Trustee has the necessary powers and authority under the *Bankruptcy & Insolvency Act* (the "BIA") to pursue recovery of funds and distribution of the recovered funds to the Investors and creditors.

The Court rendered its decision regarding the application made by the Receiver to expand its powers and stay the bankruptcy proceedings on December 19, 2012. The application was dismissed.

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RCMP Investigation

The RCMP has also commenced an investigation into the Investment Scheme and in this regard has seized all the original books and records relating to the Investment Scheme including the books and records seized by the BCSC.

We understand that the records seized by the RCMP and BCSC have been copied and stored on compact discs and distributed to Ms. Samji, Ronald Usher and MNP Ltd.

Investor Lawsuits

Since the Investment Scheme has been uncovered, several lawsuits have been filed by the Investors. These lawsuits include individual Investors, a group of Investors that invested through Mr. Platel and a class action lawsuit that has been commenced on behalf of all the Investors that are not otherwise represented. These legal proceedings are against Ms. Samji, Samji & Assoc. and Samji Notary Corporation as well as other parties that allegedly were indirectly involved such as banks, the Notaries Society and accountants.

CONSERVATORY MEASURES

Upon being appointed the Trustee immediately advised the Royal Bank of Canada ("RBC"), the Bank of Montreal ("BMO") and Vancouver City Savings Credit Union ("Vancity") of the bankruptcy and requested that any bank accounts in the name of the Bankrupt be frozen immediately and any residual funds in these accounts be forwarded to the Trustee.

The Trustee is currently making arrangements to insure the properties (subject to any insure that may already be in place) through the Trustee's insurer Firstbrook and Cassie.

The Trustee has attended the residence of the bankrupt and has taken possession of jewelry that is not an exempt asset.

The Trustee has sent a letter to the British Columbia Securities Commission ("BCSC") informing the BCSC of the Assignment in Bankruptcy and requesting that the freeze orders against the certain bank accounts of Ms. Samji be lifted and that the liens registered against the real property owned by Ms. Samji be removed. A representative of the BCSC has since advised us that arrangements are being made to lift the freeze orders and remove the liens against real property.

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ASSETS

Cash

The Bankrupt had four bank accounts at the date of bankruptcy. Details of these accounts as noted on the Statement of Affairs follow:

• RBC Acct (Can\$)	\$15,447
• RBC Acct (US\$)	7,572
• BMO Acct:	3,000
• Vancity Acct:	Unknown

As mentioned earlier in this report, the Trustee has notified each bank of the bankruptcy and has requested that any accounts in the name of the Bankrupt be frozen immediately and any residual funds in these accounts be forwarded to the Trustee.

The Bank of Montreal has provided the Trustee with notification that the bank account in the name of the Bankrupt is overdrawn in the amount \$104.60.

To date the Trustee has not heard from RBC or Vancity. We understand the RBC and Vancity accounts are both covered by the freeze order issued by the BCSC. The BCSC has confirmed that they will arrange to release their freeze order so that any available funds in these accounts can be forwarded to the Trustee.

Household Furniture and Personal Effects

Samji has declared values for her furniture and personal effects on the Statement of Affairs as follows:

Furniture	\$3,000
Clothing	1,000
Jewelery	5,000

The Trustee has obtained photos of the furniture and fixtures but has not yet attained a formal appraisal. However, the Trustee expects that the value of the furniture and fixtures will fall within the exemption amounts provided for under the *British Columbia Court Order Enforcement Act*.

The Trustee has obtained an appraisal of the jewelry from Maynards that indicates a Fair Market Value of approximately \$2,000 to \$3,000.

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RRSP

The debtor has an RRSP with Olympia Trust in the amount of approximately \$34,000 that is considered exempt property with the exception of any contributions made in the prior twelve months.

The Trustee has requested details of this policy from the financial institution and has received confirmation that no contributions were made in the twelve months prior to the date of bankruptcy.

The Trustee will be investigating the source of funds used by Ms. Samji to invest in the RRSP. If it is determined that the funds used to invest in the RRSP were Investor funds, the Trustee will require Ms. Samji to return these funds to the estate.

Real Property

Samji has invested in a number of properties as summarized below:

Property Description	Ownership %	Assessed Value	Known Mortgages	Equity
Lot 51, Sunshine Coast Hwy, Sechelt, BC	50% (Note 1)	\$209,000		\$104,500
Lot 43, Sunshine Coast Hwy, Sechelt, BC	50% (Note 1)	219,000		109,500
Lot 22, Sunshine Coast Hwy, Sechelt, BC	50% (Note 1)	217,000		108,500
Lot 155, #1803 - 1295 Richards St, Vancouver, BC	100%	385,000	140,000	245,000
Strata Lot 6, #4A - 1596 14th Ave W., Vancouver, BC	100%	2,160,000	1,491,500	668,500
Strata Lot 1, 6490 Ember Place, Sechelt, BC	100%	554,000	190,000	364,000
Strata Lot 19, 5391 Wakefield Beach Lane, Sechelt, BC	100%	725,000	498,475	226,525
Amended Lot 2, 601/628/709/980/3645/2701/2765 Westview Drive, North Vancouver, BC	33.1/3% (Note 2)	346,497		115,499
		\$4,815,497	\$2,319,975	\$1,942,024

Note 1: Sheneez Makalai and the Estate of Karim Makalai own 50% of this property

Note 2: Abdulrasul G. Makalai, Sheneez Makalai and Karim Makalai's Estate own 66.2/3% of this property



In the Matter of the Bankruptcy of
Rashida Abdulrasul Samji

Trustee's Preliminary Report to Creditors

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As mentioned earlier in this report, the BCSC have registered liens against these properties that are anticipated to be removed shortly.

The Trustee has arranged for a realtor to provide valuations of each of these properties which should be available within the next week.

All the properties appear to have equity based on the assessed value as shown on the 2012 Property Tax Assessment Notice. Accordingly, the Trustee intends to transfer all the properties into its name and list the properties for sale.

Vehicle

Samji currently leases a 2010 Mercedes-Benz GLK350 through a lease agreement with Mercedes-Benz Financial Services. The lease has been registered in the Personal Property Registry. The Trustee has not yet been informed of the balance owing under the lease but the Black Book value of the vehicle is \$27,472. On confirmation of the balance owing under the lease the Trustee will determine whether there is any equity in the vehicle for the benefit of the estate.

PROVABLE CLAIMS

The Trustee has performed a preliminary review of the claims filed to date which are summarized below:

	As Per Statement of Affairs	Claims Filed to date
Secured Creditors	\$2,376,380	\$0
Unsecured Creditors	\$31,340,952	\$56,874,803
Totals	\$33,717,332	\$56,874,803

The claims filed to date include a claim in respect of the Class Action in the amount of \$31,300,000. This claim includes an estimate of the claim of all Investors include those Investors that have filed separately. This explains the significant difference in value between the claims filed to date and the amount as per the Statement of Affairs.

There also appear to be some discrepancies between the amounts listed on the statement of affairs and the claims filed by individual Investors to the date of this report. At the

In the Matter of the Bankruptcy of
Rashida Abdulrasul Samji

Trustee's Preliminary Report to Creditors

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date of this report, the Trustee has not completed its review of the claims to determine the reasons for the discrepancies.

SECURED CREDITORS

First National Financial LP – Mortgage

Lot 19, 5391 Wakefield Beach Lane, Sechelt, BC has a mortgage registered against it by First National Financial LP. Foreclosure proceedings are in process and the outstanding mortgage balance is around \$498,475.

TD Canada Trust - Mortgage

Strata Lot 6, #4A – 1596 14th Ave W., Vancouver BC has a mortgage registered against it by TD Canada Trust. Foreclosure proceedings are in process and the outstanding mortgage balance is around \$1,491,500.

Royal Bank of Canada - Mortgages

Strata Lot 1, 6490 Ember Place, Sechelt, BC has a mortgage registered against it by Royal Bank of Canada and the outstanding amount of the mortgage is around \$190,000.

Lot 155, #1803 – 1295 Richards St., Vancouver, BC has a mortgage registered against it by Royal Bank of Canada and the outstanding amount of the mortgage is around \$140,000.

Property Taxes

A number of the properties owned by Samji have outstanding Property Tax amounts. Property Taxes owing will be paid in priority from the proceeds of the sale of the associated properties.

Mercedes-Benz Financial Services

The Bankrupt leases a 2010 Mercedes-Benz GLK350 from Mercedes-Benz Financial Services. The lease has been properly registered in British Columbia where the vehicle is located. Mercedes-Benz Financial Services has not filed a claim. The Trustee will, on receipt of a secured claim, assess whether there is any equity in the vehicle for the benefit of the estate. If there is no equity available the Trustee will, with Inspector approval, release its interest in the vehicle to Mercedes-Benz Financial Services.



In the Matter of the Bankruptcy of
Rashida Abdulrasul Samji

Trustee's Preliminary Report to Creditors

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UNSECURED CREDITORS

The amount owed to unsecured creditors of the Bankrupt as shown on the Statement of Affairs can be summarized as follows:

• Amounts owed to Investors as per the records provided for Investors that have commenced litigation	\$8,601,950
• Amounts owed to Investors as per the records provided for Investors that have not commenced litigation	\$22,697,285
• Amount owed to HSBC for a personal visa card	\$9,303
• Amount owed to TD Canada Trust for a personal visa card	\$1,478
• Amounts owed to Vancity for personal visa cards	\$11,325
• Amounts owed to CIBC for personal visa cards	<u>\$19,605</u>
	<u>\$31,340,946</u>

Certain Investors are claiming that the property of the Bankrupt is property that belongs to the Investors and is being held in trust by Samji for the Investors. The Trustee is currently not in a position to comment on the validity of these trust claims. For purposes of the First Meeting of Creditors, the Trustee will allow these creditors' claims as unsecured creditors, therefore allowing the creditors to vote at the first meeting.

The amount owed to unsecured creditors of the Bankrupt as shown on the Statement of Affairs is \$31,340,952.

TRUSTEE'S FEE ARRANGEMENT

The Trustee has received a payment of \$3,000 from the Bankrupt prior to the date of bankruptcy.

In the Matter of the Bankruptcy of
Rashida Abdulrasul Samji

Trustee's Preliminary Report to Creditors

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SETTLEMENTS, PREFERENCES AND TRANSFERS UNDER VALUE

At the date of this report the Trustee has not taken possession of the books and records of the Company's which are currently in the possession of the RCMP nor has the Trustee received electronic copies the books and records that have been prepared by the RCMP and BCSC.

As mentioned earlier in this report, certain Respondents in the proceedings have commenced a forensic investigation to trace the funds invested in the Investment Scheme and funds disbursed out.

The Trustee intends to work in cooperation with the Respondents and the independently appointed forensic auditors that will likely be retained to complete this investigation.

The results of this investigation are expected to identify numerous parties that have benefitted from Investment Scheme that the Trustee will then pursue recovery from for the collective benefit of the Investors and Creditors.

FIRST MEETING OF CREDITORS

The First Meeting of Creditors will be held on January 4, 2013 at 2:00 PM. The purpose of this meeting is as follows:

- Consider the affairs of the bankrupt which will include a review of the Trustee's Preliminary Report and answering any questions asked by meeting attendees;
- Affirm the appointment of Boale, Wood & Company Ltd. as Trustee or substitute another in place thereof; and
- Appoint up to 5 Inspectors that will represent the creditors at large and will give directions to the Trustee as the creditors may see fit with reference to the administration of the estate.

The Trustee has been in contact with various lawyers that represent a significant number of the Investors and anticipates that these lawyers may want to be Inspectors of the Estate.

Following the First Meeting of Creditors the Trustee will promptly organize a meeting of Inspectors to discuss in detail how best to proceed with the administration of the estate.



In the Matter of the Bankruptcy of
Rashida Abdulrasul Samji

Trustee's Preliminary Report to Creditors

Page 11

This is a large and complex administration that will require cooperation of various parties involved to expedite and maximize the recovery to the Investors.

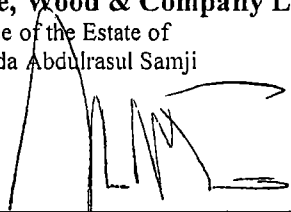
ESTIMATED REALIZATION

The Trustee at this preliminary time is not in a position to provide any meaningful estimate of the realization.

DATED at the City of Vancouver, British Columbia this 3rd day of January, 2013.

Boale, Wood & Company Ltd.

Trustee of the Estate of
Rashida Abdulrasul Samji



Per: John McEown, CA•CIRP



INSOLVENCY CONSULTANTS & TRUSTEE IN BANKRUPTCY

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Estate No. 11-1694079
Court No. B121431
Vancouver Registry

**IN THE MATTER OF THE BANKRUPTCY OF
RASHIDA SAMJI, NOTARY CORPORATION**

TRUSTEE'S PRELIMINARY REPORT TO CREDITORS

RASHIDA SAMJI, NOTARY CORPORATION (“Samji Notary Corporation” or the “Company”) made an Assignment in Bankruptcy on December 5th, 2012 and Boale, Wood and Company Ltd. was appointed as Trustee of the Estate. This report has been prepared by Boale, Wood & Company Ltd., in its capacity as Trustee of the Company to provide preliminary information available as at January 3rd, 2013 to the creditors.

BACKGROUND

Investment Scheme

Rashida Samji, Notary Corporation was incorporated in January 1995. Ms. Rashida Samji, the sole Director, Officer, initially operated the Company as a notarial practice but in 2003 she began the investment scheme and deposited and paid out funds through the Samji Notary Corporation’s bank account. In 2010 Ms. Samji ceased using the Samji Notary Corporation for her investment scheme and started using Samji & Assoc. Holdings Inc., a company that she had incorporated in 2010.

According to the Receiver’s Second Report Ms. Samji solicited funds from investors (the “Investors”) and represented to the Investors that the funds would be held in her notary trust account and used, without direct access, as collateral for loans in foreign countries where the Mark Anthony Group conducted their wine business (the “Investment Scheme”). Investors were required to deposit funds for terms of at least six months and were informed that the funds would earn interest-like annual returns of 12%. We understand that the Investment Scheme was referred to as the Mark Anthony Investment but was not in any way related to the Mark Anthony Group.

Between 2003 and 2012, Ms. Samji received in excess of \$90,000,000 from the Investors. We understand that the funds received from Investors were initially deposited to bank

In the Matter of the Bankruptcy of
Rashida Samji, Notary Corporation

Trustee's Preliminary Report to Creditors

Page 2

accounts in the name of Samji Notary Corporation. Funds were then disbursed out to various places including to Samji & Assoc., Ms. Samji and to the Investors. There is no indication in any of the documents reviewed by the Trustee that Investor funds were used for the purposes of the Mark Anthony Investment.

A number of law suits have been filed against Ms. Samji and others and several of these law suits claim that the Investment Scheme was a ponzi scheme which is an investment fraud that involves the payment of purported returns to existing investors from funds contributed by new investors.

A large number of Investors were clients of Mr. Arvindbhai Patel, a financial planner who worked for Coast Capital Credit Union ("Coast Capital") between 2006 and 2012.

British Columbia Securities Commission Orders

In January 2012 the British Columbia Securities Commission ("BCSC") became concerned about the Investment Scheme. Their concerns resulted in the BCSC issuing investigation orders for purposes of investigating the affairs of Ms. Samji, Samji & Assoc., Samji Notary Corporation and Mr. Patel in relation to breaches of the *Securities Act*, including illegal trading and distribution of securities, misrepresentation and fraud.

Immediately upon issuing the investigation orders the BCSC took steps to take possession of the books and records in relation to the Investment Scheme that were kept at the office of Samji Notary Corporation.

The BCSC also froze various bank accounts in the name of Ms. Samji, Samji & Assoc., Samji Notary Corporation and Mr. Patel and registered liens against eight properties that Ms. Samji either owned or had an interest in.

Society of Notaries Public of British Columbia Custodianship Order

The Society of Notaries Public of British Columbia ("Notaries Society") being concerned about the notary clients of Samji Notary Corporation, applied to the Supreme of British Columbia (the "Court") for an order appointing Mr. Ronald Usher, an employee of the Notaries Society, as custodian over the property of Samji Notary Corporation to manage the notarial practice of Ms. Samji. On February 8, 2012 the Court granted an order appointing Mr. Usher as Custodian (the "Custodian Order").

In the Matter of the Bankruptcy of
Rashida Samji, Notary Corporation

Trustee's Preliminary Report to Creditors

Page 3

Receivership Order

Pursuant to an application made by the BCSC, the Court issued an Order on April 3, 2012 appointing MNP Ltd. as Receiver over certain property of Samji & Assoc. and Mr. Patel (the "Receivership Order").

The specific property of Samji & Assoc. that MNP Ltd. has been appointed as Receiver over is the funds held in the Toronto Dominion Bank Account # 9697-52089-110 ("TD Account") and Vancouver City Savings Credit Union Account # 225540 ("Vancity Account") which accounts were in the name of Samji & Assoc.

These two bank accounts were included in the freeze order issued by the BCSC but as a result of the Receiver appointment the freeze on these two accounts was lifted by the BCSC. According to the Receiver's 2nd Report to the Court dated September 22, 2012 the funds in the TD account at the date of the Receivership Order were approximately \$784,000 and the funds in the Vancity account were approximately \$28,468.

Although the Receivership Order was initially for the preservation of the property of Samji & Assoc., the Receiver commenced an investigation into the Investment Scheme. The results of the Receiver's investigation to date are summarized in the Receiver's Second Report to the Court dated September 22, 2012. The Receiver's investigation includes a review of documents of Samji & Assoc, Samji Notary Corporation and Ms. Samji. These documents include certain banking records that were requested from the banks by the Receiver and information relating to properties owned by Ms. Samji.

On November 19, 2012 the Receiver applied to the Court for an order to expand the property covered by the Receivership Order to include the property of Samji Notary Corporation and Ms. Samji so that the Receiver's ongoing investigation of the Investment Scheme could be completed, and any recovered funds as a result of this investigation, distributed to the Investors subject to the further direction of the Court. The Receiver's application also provided for a stay of the bankruptcy proceedings on the basis that Trustee's duties would be duplicative and unnecessary.

At the Court hearing on December 6, 2012 to consider the Receiver's application, all respondents present opposed the application on the basis that a forensic review was already being conducted by certain of the respondents who had agreed to fund the exercise. Certain respondents also noted that the Trustee has the necessary powers and authority under the *Bankruptcy & Insolvency Act* (the "BIA") to pursue recovery of funds and distribution of the

In the Matter of the Bankruptcy of
Rashida Samji, Notary Corporation

Trustee's Preliminary Report to Creditors

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recovered funds to the Investors and creditors.

The Court rendered its decision regarding the application made by the Receiver to expand its powers and stay the bankruptcy proceedings on December 19, 2012. The application was dismissed.

RCMP Investigation

The RCMP has also commenced an investigation into the Investment Scheme and in this regard has seized all the original books and records relating to the Investment Scheme including the books and records seized by the BCSC.

We understand that the records seized by the RCMP and BCSC have been copied and stored on compact discs and distributed to Ms. Samji, Ronald Usher and MNP Ltd.

Investor Lawsuits

Since the Investment Scheme has been uncovered, several lawsuits have been filed by the Investors. These lawsuits include individual Investors, a group of Investors that invested through Mr. Platel and a class action lawsuit that has been commenced on behalf of all the Investors that are not otherwise represented. These legal proceedings are against Ms. Samji, Samji & Assoc. and Samji Notary Corporation as well as other parties that allegedly were indirectly involved such as banks, the Notaries Society and accountants.

CONSERVATORY MEASURES

Upon being appointed the Trustee immediately wrote to Mr. Ronald Usher, the Court appointed custodian, to advise of the bankruptcy and to request particulars of the property that was under his custodianship.

On December 12, 2012 the Trustee attended the offices of Mr. Usher to get an overview of the documents in his possession and the bank account that he was custodian over. Mr. Usher confirmed that there was approximately \$480,000 in the Royal Bank that he was custodian over but that account was also frozen by the BCSC. Mr. Usher confirmed that no funds had been disbursed from this account since his appointment.

The Trustee attended the Court hearing on December 6th, 2012 to be available to answer any questions that might arise in relation to the bankruptcy.



In the Matter of the Bankruptcy of
Rashida Samji, Notary Corporation

Trustee's Preliminary Report to Creditors

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Following the Court decision of December 19, 2012 the Trustee wrote to Mr. Usher at the Notary Society requesting that all property of Samji Notary Corporation that he holds as custodian be released to the Trustee, including the funds in the Royal Bank of Canada ("RBC") account and any books and records in his possession. Mr. Usher has informed the Trustee that upon his return following the Christmas break he would attend to our request.

The Trustee wrote to RBC on December 20, 2012 and requested that all accounts in the name of Samji Notary Corporation be closed immediately and any residual funds in the accounts be forwarded to the Trustee. Recognizing that the bank accounts are also subject to a freeze Order of the BCSC, the Trustee has written to the BCSC requesting that the freeze be lifted in respect of any Samji Notary Corporation bank accounts.

ASSETS

Cash

The Trustee is only aware of one bank account in the name of Samji Notary Corporation, which account is subject to both the Custodianship Order and the BCSC freeze Order. The Trustee anticipates cooperation from Mr. Usher and the BCSC and hopes that the funds totaling approximately \$480,000 will be released by RBC to the Trustee.

Recovery from Profiteers

The Trustee has received certain information from Ms. Samji with respect to the Investment Scheme that identifies certain Investors that have been returned more funds than invested (the "Profiteers"). The Trustee has not verified the accuracy of this information which will occur through the forensic review that is currently underway.

Upon verification of returns received by the Profiteers, the Trustee will be pursuing recovery of returns received by the Profiteers.



In the Matter of the Bankruptcy of
Rashida Samji, Notary Corporation

Trustee's Preliminary Report to Creditors

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PROVABLE CLAIMS

The Trustee has performed a preliminary review of the claims filed to date which are summarized below:

	<u>As Per Statement of Affairs</u>	<u>Claims Filed to date</u>
Secured Creditors	\$2	\$0
Unsecured Creditors	\$31,303,235	\$56,868,127
Totals	<u>\$31,303,237</u>	<u>\$56,868,127</u>

The claims filed to date include a claim in respect of the Class Action in the amount of \$31,300,000. This claim includes an estimate of the claim of all Investors include those Investors that have filed separately. This explains the significant difference in value between the claims filed to date and the amount as per the Statement of Affairs.

There also appear to be some discrepancies between the amounts listed on the statement of affairs and the claims filed by individual Investors to the date of this report. At the date of this report, the Trustee has not completed its review of the claims to determine the reasons for the discrepancies.

SECURED CREDITORS

Royal Bank of Canada ("RBC")

RBC holds a General Security Agreement over the assets of the Company that was registered in the Personal Property Registry on January 18, 2001.

Ms. Rashida has advised the Trustee that Samji Notary Corporation has outstanding indebtedness to RBC.

In the Matter of the Bankruptcy of
Rashida Samji, Notary Corporation

Trustee's Preliminary Report to Creditors

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UNSECURED CREDITORS

The amount owed to unsecured creditors of the Company as shown on the Statement of Affairs can be summarized as follows:

• Amounts owed to Investors as per the company's records for Investors that have commenced litigation	\$8,601,950
• Amounts owed to Investors as per the company's records for Investors that have not commenced litigation	\$22,697,285
• Amounts owed to CIBC for a corporate visa card account	<u>\$4,000</u>
	<u>\$31,303,235</u>

Certain Investors are claiming that the property of Samji Notary Corporation is property that belongs to the Investors and is being held in trust by Samji Notary Corporation for the Investors. The Trustee is currently not in a position to comment on the validity of these trust claims. For purposes of the First Meeting of Creditors, the Trustee will allow these creditors' claims as unsecured creditors, therefore allowing the creditors to vote at the first meeting.

TRUSTEE'S FEE ARRANGEMENT

The Trustee has not received a retainer for its fees or third party guarantee.

SETTLEMENTS, PREFERENCES AND TRANSFERS UNDER VALUE

At the date of this report the Trustee has not taken possession of the books and records of the Company which are currently in the possession of the RCMP, nor has the Trustee received electronic copies the books and records that have been prepared by the RCMP and BCSC.

As mentioned earlier in this report, certain Respondents in the proceedings have commenced a forensic investigation to trace the funds invested in the Investment Scheme and funds disbursed out.

In the Matter of the Bankruptcy of
Rashida Samji, Notary Corporation

Trustee's Preliminary Report to Creditors

Page 8

The Trustee intends to work in cooperation with the Respondents and the independently appointed forensic auditors that will likely be retained to complete this investigation.

The results of this investigation are expected to identify numerous parties that have benefitted from the Investment Scheme that the Trustee will then pursue recovery from for the collective benefit of the Investors and Creditors.

FIRST MEETING OF CREDITORS

The First Meeting of Creditors will be held on January 4, 2013 at 2:00 PM. The purpose of this meeting is as follows:

- Consider the affairs of the bankrupt which will include a review of the Trustee's Preliminary Report and answering any questions asked by meeting attendees;
- Affirm the appointment of Boale, Wood & Company Ltd. as Trustee or substitute another in place thereof; and
- Appoint up to 5 Inspectors that will represent the creditors at large and will give directions to the Trustee as the creditors may see fit with reference to the administration of the estate.

The Trustee has been in contact with various lawyers that represent a significant number of the Investors and anticipates that these lawyers may want to be Inspectors of the this Estate.

Following the meeting First Meeting of Creditors the Trustee will promptly organize a meeting of Inspectors to discuss in detail how best to proceed with the administration of the estate. This is a large and complex administration that will require cooperation of various parties involved to expedite and maximize the recovery to the Investors.

ESTIMATED REALIZATION

The Trustee at this preliminary time is not in a position to provide any meaningful estimate of the realization.



In the Matter of the Bankruptcy of
Rashida Samji, Notary Corporation

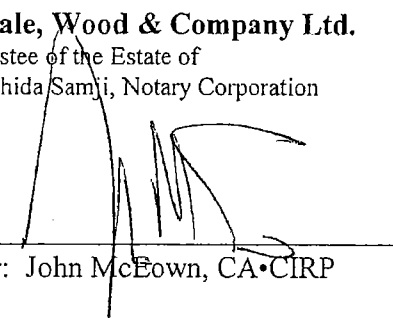
Trustee's Preliminary Report to Creditors

Page 9

DATED at the City of Vancouver, British Columbia this 3rd day of January, 2013.

Boale, Wood & Company Ltd.

Trustee of the Estate of
Rashida Samji, Notary Corporation



Per: John McEown, CA•CIRP



INSOLVENCY CONSULTANTS & TRUSTEE IN BANKRUPTCY

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Estate No. 11-1694077
Court No. B121434
Vancouver Registry

**IN THE MATTER OF THE BANKRUPTCY OF
SAMJI & ASSOC. HOLDINGS INC.**

TRUSTEE'S PRELIMINARY REPORT TO CREDITORS

SAMJI & ASSOC. HOLDINGS INC. ("Samji & Assoc." or the "Company") made an Assignment in Bankruptcy on December 5th, 2012 and Boale, Wood and Company Ltd. was appointed as Trustee of the Estate. This report has been prepared by Boale, Wood & Company Ltd., in its capacity as Trustee of the Company to provide preliminary information available as at January 3rd, 2013 to the creditors.

BACKGROUND

Investment Scheme

Ms. Rashida Samji is the sole Director, Officer and Shareholder of Samji & Assoc., a company that was incorporated in 2010 and used by Ms. Samji for an investment scheme that she was involved in. The investment scheme was commenced in 2003, prior to which Ms. Samji practiced as a notary public through her own company, Rashida Samji, Notary Corporation ("Samji Notary Corporation"). Prior to 2010 Ms. Samji used Samji Notary Corporation for her investment scheme.

According to the Receiver's Second Report Ms. Samji solicited funds from investors (the "Investors") and represented to the Investors that the funds would be held in her notary trust account and used, without direct access, as collateral for loans in foreign countries where the Mark Anthony Group conducted their wine business (the "Investment Scheme"). Investors were required to deposit funds for terms of at least six months and were informed that the funds would earn interest-like annual returns of 12%. We understand that the Investment Scheme was referred to as the Mark Anthony Investment but was not in any way related to the Mark Anthony Group.

Between 2003 and 2012, Ms. Samji received in excess of \$90,000,000 from the Investors.



In the Matter of the Bankruptcy of
Samji & Assoc. Holdings Inc.

Trustee's Preliminary Report to Creditors

Page 2

We understand that the funds received from Investors were initially deposited to bank accounts in the name of Samji Notary Corporation. Funds were then disbursed out to various places including to Samji & Assoc., Ms. Samji and to the Investors. There is no indication in any of the documents reviewed by the Trustee that Investor funds were used for the purposes of the Mark Anthony Investment.

A number of law suits have been filed against Ms. Samji and others and several of these law suits claim that the Investment Scheme was a ponzi scheme which is an investment fraud that involves the payment of purported returns to existing investors from funds contributed by new investors.

A large number of Investors were clients of Mr. Arvindbhai Patel, a financial planner who worked for Coast Capital Credit Union ("Coast Capital") between 2006 and 2012.

British Columbia Securities Commission Orders

In January 2012 the British Columbia Securities Commission ("BCSC") became concerned about the Investment Scheme. Their concerns resulted in the BCSC issuing investigation orders for purposes of investigating the affairs of Ms. Samji, Samji & Assoc., Samji Notary Corporation and Mr. Patel in relation to breaches of the *Securities Act*, including illegal trading and distribution of securities, misrepresentation and fraud.

Immediately upon issuing the investigation orders the BCSC took steps to take possession of the books and records in relation to the Investment Scheme that were kept at the office of Samji Notary Corporation.

The BCSC also froze various bank accounts in the name of Ms. Samji, Samji & Assoc., Samji Notary Corporation and Mr. Patel and registered liens against eight properties that Ms. Samji either owned or had an interest in.

Society of Notaries Public of British Columbia Custodianship Order

The Society of Notaries Public of British Columbia ("Notaries Society") being concerned about the notary clients of Samji Notary Corporation, applied to the Supreme of British Columbia (the "Court") for an order appointing Mr. Ronald Usher, an employee of the Notaries Society, as custodian over the property of Samji Notary Corporation to manage the notarial practice of Ms. Samji. On February 8, 2012 the Court granted an order appointing Mr. Usher as Custodian (the "Custodian Order").

In the Matter of the Bankruptcy of
Samji & Assoc. Holdings Inc.

Trustee's Preliminary Report to Creditors

Page 3

Receivership Order

Pursuant to an application made by the BCSC, the Court issued an Order on April 3, 2012 appointing MNP Ltd. as Receiver over certain property of Samji & Assoc. and Mr. Patel (the "Receivership Order").

The specific property of Samji & Assoc. that MNP Ltd. has been appointed as Receiver over is the funds held in the Toronto Dominion Bank Account # 9697-52089-110 ("TD Account") and Vancouver City Savings Credit Union Account # 225540 ("Vancity Account") which accounts were in the name of Samji & Assoc.

These two bank accounts were included in the freeze order issued by the BCSC but as a result of the Receiver appointment the freeze on these two accounts was lifted by the BCSC. According to the Receiver's 2nd Report to the Court dated September 22, 2012 the funds in the TD account at the date of the Receivership Order were approximately \$784,000 and the funds in the Vancity account were approximately \$28,468.

Although the Receivership Order was initially made for purposes of preservation of the property of Samji & Assoc., the Receiver commenced an investigation into the Investment Scheme. The results of the Receiver's investigation to date are summarized in the Receiver's Second Report to the Court dated September 22, 2012. The Receiver's investigation includes a review of documents of Samji & Assoc, Samji Notary Corporation and Ms. Samji. These documents include certain banking records that were requested from the banks by the Receiver and information relating to properties owned by Ms. Samji.

On November 19, 2012 the Receiver applied to the Court for an order to expand the property covered by the Receivership Order to include the property of Samji Notary Corporation and Ms. Samji so that the Receiver's ongoing investigation of the Investment Scheme could be completed, and any recovered funds as a result of this investigation, distributed to the Investors subject to the further direction of the Court. The Receiver's application also provided for a stay of the bankruptcy proceedings on the basis that Trustee's duties would be duplicative and unnecessary.

At the Court hearing on December 6, 2012 to consider the Receiver's application, all respondents present opposed the application on the basis that a forensic review was already being conducted by certain of the respondents who had agreed to fund the exercise. Certain respondents also noted that the Trustee has the necessary powers and authority under the *Bankruptcy & Insolvency Act* (the "BIA") to pursue recovery of funds and distribution of the

In the Matter of the Bankruptcy of
Samji & Assoc. Holdings Inc.

Trustee's Preliminary Report to Creditors

Page 4

recovered funds to the Investors and creditors.

The Court rendered its decision regarding the application made by the Receiver to expand its powers and stay the bankruptcy proceedings on December 19, 2012. The application was dismissed.

RCMP Investigation

The RCMP has also commenced an investigation into the Investment Scheme and in this regard has seized all the original books and records relating to the Investment Scheme including the books and records seized by the BCSC.

We understand that the records seized by the RCMP and BCSC have been copied and stored on compact discs and distributed to Ms. Samji, Ronald Usher and MNP Ltd.

Investor Lawsuits

Since the Investment Scheme has been uncovered, several lawsuits have been filed by the Investors. These lawsuits include individual Investors, a group of Investors that invested through Mr. Platel and a class action lawsuit that has been commenced on behalf of all the Investors that are not otherwise represented. These legal proceedings are against Ms. Samji, Samji & Assoc. and Samji Notary Corporation as well as other parties that allegedly were indirectly involved such as banks, the Notaries Society and accountants.

CONSERVATORY MEASURES

Upon being appointed the Trustee immediately wrote to MNP Ltd. to advise of the bankruptcy and to request that the Receiver's activities be minimized pending the decision of the Court with respect to the Receiver's application to expand its mandate. The Trustee also requested that the Receiver provide the names and addresses of the Investors and a Statement of Receipts & Disbursements with respect to funds received/disbursed as Receiver.

The Receiver has advised the Trustee that the BCSC do not want the Receiver to disclose their work product and therefore are not able to provide the requested list of Investor names and addresses.

The Trustee attended the Court hearing on December 6th, 2012 to be available to answer any questions that might arise in relation to the bankruptcy.

In the Matter of the Bankruptcy of
Samji & Assoc. Holdings Inc.

Trustee's Preliminary Report to Creditors

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Following the Court decision of December 19, 2012 the Trustee wrote to MNP Ltd. requesting that all property of Samji & Assoc. be released to the Trustee, including the funds received from the two bank accounts in the name of Samji a& Assoc. and any books and records.

At the date of this report, the Trustee has not received any of the property requested from the Receiver. The Trustee understands that the Receiver may seek direction from the Court before releasing this property to the Trustee.

The Trustee has tried to contact the RCMP to advise of the bankruptcy but at the date of this report has not yet heard back from the RCMP.

ASSETS

Cash

As mentioned early in this report, the Receiver took possession of the funds held in the TD Account and the Vancity Account totaling approximately \$800,000. The Trustee estimates that approximately \$500,000 of the funds are still being held by the Receiver after payment of professional fees incurred as Receiver, but to date has not received verification of the funds being held by the Receiver.

Recovery from Profiteers

The Trustee has received certain information from Ms. Samji with respect to the Investment Scheme that identifies certain Investors that have received back more funds than were initially invested (the "Profiteers"). The Trustee has not verified the accuracy of this information which will occur through the forensic review that is currently underway.

Upon verification of returns received by the Profiteers, the Trustee will be pursuing recovery of returns by the Profiteers.



In the Matter of the Bankruptcy of
Samji & Assoc. Holdings Inc.

Trustee's Preliminary Report to Creditors

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PROVABLE CLAIMS

The Trustee has performed a preliminary review of the claims filed to date which are summarized below:

	<u>As Per Statement of Affairs</u>	<u>Claims Filed to date</u>
Secured Creditors	\$1	\$0
Unsecured Creditors	\$31,307,259	\$56,868,127
Totals	<u>\$31,307,260</u>	<u>\$56,868,127</u>

The claims filed to date include a claim in respect of the Class Action in the amount of \$31,300,000. This claim includes an estimate of the claim of all Investors include those Investors that have filed separately. This explains the significant difference in value between the claims filed to date and the amount as per the Statement of Affairs.

There also appear to be some discrepancies between the amounts listed on the statement of affairs and the claims filed by individual Investors to the date of this report. At the date of this report, the Trustee has not completed its review of the claims to determine the reasons for the discrepancies.

SECURED CREDITORS

Pursuant to the Receivership Order, MNP Ltd. has a secured charge against the property of Samji and Assoc. for professional fees and expenses incurred as Receiver.

UNSECURED CREDITORS

The amount owed to unsecured creditors of the Company as shown on the Statement of Affairs can be summarized as follows:

- Amounts owed to Investors as per the company's records
for Investors that have commenced litigation \$8,601,950



In the Matter of the Bankruptcy of
Samji & Assoc. Holdings Inc.

Trustee's Preliminary Report to Creditors

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• Amounts owed to Investors as per the company's records for Investors that have not commenced litigation	\$22,697,285
• Amounts owed to Vancity for a corporate visa card account	<u>\$8,025</u>
	<u>\$31,307,260</u>

Certain Investors are claiming that the property of Samji & Assoc. is property that belongs to the Investors and is being held in trust by Samji & Assoc. for the Investors. The Trustee is currently not in a position to comment on the validity of these trust claims. For purposes of the First Meeting of Creditors, the Trustee will allow these creditors' claims as unsecured creditors, therefore allowing the creditors to vote at the first meeting.

TRUSTEE'S FEE ARRANGEMENT

The Trustee has not received a retainer for its fees or third party guarantee.

SETTLEMENTS, PREFERENCES AND TRANSFERS UNDER VALUE

At the date of this report the Trustee has not taken possession of the books and records of the Company which are currently in the possession of the RCMP nor has the Trustee received electronic copies of the books and records that have been prepared by the RCMP and BCSC.

As mentioned earlier in this report, certain Respondents in the proceedings have commenced a forensic investigation to trace the funds invested in the Investment Scheme and funds disbursed out.

The Trustee intends to work in cooperation with the Respondents and the independently appointed forensic auditors that will likely be retained to complete this investigation.

The results of this investigation are expected to identify numerous parties that have benefitted from the Investment Scheme that the Trustee will then pursue recovery from for the collective benefit of the Investors and Creditors.

In the Matter of the Bankruptcy of
Samji & Assoc. Holdings Inc.

Trustee's Preliminary Report to Creditors

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FIRST MEETING OF CREDITORS

The First Meeting of Creditors will be held on January 4, 2013 at 2:00 PM. The purpose of this meeting is as follows:

- Consider the affairs of the bankrupt which will include a review of the Trustee's Preliminary Report and answering any questions asked by meeting attendees;
- Affirm the appointment of Boale, Wood & Company Ltd. as Trustee or substitute another in place thereof; and
- Appoint up to 5 Inspectors that will represent the creditors at large and will give directions to the Trustee as the creditors may see fit with reference to the administration of the estate.

The Trustee has been in contact with various lawyers that represent a significant number of the Investors and anticipates that these lawyers may want to be Inspectors of the Estate.

Following the First Meeting of Creditors the Trustee will promptly organize a meeting of Inspectors to discuss in detail how best to proceed with the administration of the estate. This is a large and complex administration that will require cooperation of various parties involved to expedite and maximize the recovery to the Investors.

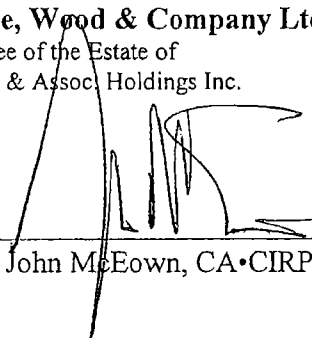
ESTIMATED REALIZATION

The Trustee at this preliminary time is not in a position to provide any meaningful estimate of the realization.

DATED at the City of Vancouver, British Columbia this 3rd day of January, 2013.

Boale, Wood & Company Ltd.

Trustee of the Estate of
Samji & Assoc. Holdings Inc.


Per: John McEown, CA•CIRP

APPENDIX B

SECOND REPORT TO CREDITORS



INSOLVENCY CONSULTANTS & TRUSTEE IN BANKRUPTCY

1140 - 800 W Pender Street
Vancouver, BC V6C 2V6
Tel 604 605 3335
Fax 604 605 3359
www.boalewood.ca

Estate Nos. 11-1693965
11-1694077
11-1694079
Court No. B121430
Vancouver Registry

IN THE MATTER OF THE BANKRUPTCIES OF
RASHIDA ABDULRASUL SAMJI
SAMJI & ASSOC. HOLDINGS INC. &
RASHIDA SAMJI, NOTARY CORPORATION

TRUSTEE'S SECOND REPORT TO CREDITORS

BACKGROUND

On December 5, 2012, Assignments in Bankruptcy were filed by the following:

- 1) Rashida Abdulrasul Samji (Estate No. 11-1693965);
- 2) Samji & Assoc. Holdings Inc. (Estate No. 11-1694077); and
- 3) Rashida Samji, Notary Corporation (Estate No. 11-1694079)

(collectively, the "**Samji Group**")

Boale, Wood & Company Ltd. was appointed as the Trustee in Bankruptcy of the Samji Group (the "**Trustee**").

On January 4, 2013, the Trustee concurrently held the First Meeting of Creditors for each Estate of the Samji Group. At the Meetings, among other things, the Trustee tabled its Preliminary Reports to Creditors for each member of the Samji Group, dated January 3, 2013 (the "**Preliminary Reports**"), which provided information on the background of the "Mark Anthony Scheme" (the "**Investment Scheme**"), litigation commenced by various investors in the Scheme, proceedings involving the British Columbia Securities Commission and the Society of Notaries Public of British Columbia and investigations commenced by the RCMP in relation to the Samji Group. The Preliminary Reports also provided information on the assets of the estates of the Samji Group and summarized the claims received to date by the



In the Matter of the Bankruptcies of
Rashida Abdulrasul Samji
Samji & Assoc. Holdings Inc. &
Rashida Samji, Notary Corporation

Trustee's Second Report to Creditors

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Trustee. The Preliminary Reports should be read in conjunction with this Second Report to Creditors in relation to the "Consolidated Samji Group Bankruptcy" (as defined below). The preliminary reports can be accessed on the Trustees website at <http://www.boalewood.ca/2012/12/05/samji-et-al/>.

At the meetings, Boale, Wood & Company Ltd. was affirmed as the Trustee of the Samji Group. Matthew Good, John Green and Ronald Usher were appointed as the Inspectors for each of the Samji Group Estates.

On June 26, 2013, by the Order of the Supreme Court of British Columbia, the bankruptcy Estates of the Samji Group were consolidated into one proceeding known as "In the Matter of the Bankruptcy of Rashida Abdulrasul Samji", bearing Supreme Court of British Columbia Vancouver Registry Proceeding No. B121430 (the "**Consolidated Estate**").

The purpose of this report is to update the creditors and other interested parties on our administration of the now consolidated bankruptcy.

BRITISH COLUMBIA SECURITIES COMMISSION ("BCSC")

The background of investigations commenced and investigative and freezing orders issued by the BCSC in relation to the Samji Group is summarized in the Preliminary Reports.

At the time of the Preliminary Reports, the Trustee had anticipated that the BCSC would accede to the Trustee's request that funds and other property of the Samji Group which were subject to various freeze orders issued by the BCSC be released to the Trustee as part of the estates of the Samji Group and that the freeze orders in respect of such funds and other property be lifted by the BCSC. However, the BCSC has declined the Trustee's request.

The Trustee will need to apply to Court to have BCSC release its' interest in the assets of the consolidated estate.



In the Matter of the Bankruptcies of
Rashida Abdulrasul Samji
Samji & Assoc. Holdings Inc. &
Rashida Samji, Notary Corporation

Trustee's Second Report to Creditors

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ASSETS OF THE ESTATE

Since its appointment, the Trustee has identified certain assets (described below) which include but are not limited to the assets which are subject to the freeze orders issued by the BCSC. Based upon the information available to the Trustee at this time, the assets described below appear to be assets of the Consolidated Estate and would therefore vest in the Trustee:

- (a) approximately \$500,000 in Royal Bank of Canada ("RBC") in the name of Rashida Samji Notary Corporation;
- (b) approximately \$13,000 in RBC in the personal name of Ms. Samji;
- (c) approximately \$7,000 (U.S. Dollars) in RBC in the personal name of Ms. Samji;
- (d) approximately \$69,000 in Canadian Imperial Bank of Commerce in the name of Samji Notary Corp.;
- (e) approximately \$2,000 Vancity Savings and Credit Union ("Vancity") in the name of Samji Notary Corp.;
- (f) approximately \$484,000, being combined funds (net of Receiver fees) from Toronto-Dominion Bank account 9697-5209-110 and Vancity account 225540, branch 14, both of which were in the name of Samji & Assoc. Holdings Inc., which have been forwarded to the Trustee by the Receiver, MNP Ltd.;
- (g) investment in Balzac Commercial Campus Limited Partnership by Ms. Samji personally and/or other members of the Samji Group;
- (h) lands and premises located at 6490 Ember Place, Sechelt;
- (i) lands and premises located at 5391 Wakefield Beach Lane, Sechelt;



In the Matter of the Bankruptcies of
Rashida Abdulrasul Samji
Samji & Assoc. Holdings Inc. &
Rashida Samji, Notary Corporation

Trustee's Second Report to Creditors

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- (j) an undivided ½ interest in the lands and premises located at Sunshine Coast Highway, Sechelt;
- (k) an undivided ½ interest in the lands and premises located at Sunshine Coast Highway, Sechelt;
- (l) an undivided ½ interest in the lands and premises located at Sunshine Coast Highway, Sechelt;
- (m) an undivided 659/400,000 interest in the lands and premises located in North Vancouver;
- (n) lands and premises located at 4A – 1596 West 14th Avenue, Vancouver (PID: 024-786-896), which has been sold for the sale price of \$2,050,000 by the Trustee since the Preliminary Reports, generating net sale proceeds of approximately of \$455,000, held in trust by Dentons Canada LLP; and
- (o) lands and premises located at 1803 – 1295 Richards Street, Vancouver (PID: 025-529-790), which has been sold for the sale price of \$360,000 by the Trustee since the Preliminary Reports, generating net sale proceeds of approximately \$200,000, held in trust by Dentons Canada LLP.

PROPERTY PROOFS OF CLAIM

In order to resolve the issue of whether any person has any trust or proprietary interest in any of the Samji Group's assets, including but not limited to the assets which are subject to the freeze orders issued by the Securities Commission, on August 23, 2013, the Trustee issued notice in accordance with section 81 of the *Bankruptcy and Insolvency Act* (the "BIA") to all known creditors of the Samji Group, requiring any person having a trust claim or other proprietary interest in such assets to file property proofs of claim ("Property Proofs of Claims") within 15 days (the "Property Claims Process").



In the Matter of the Bankruptcies of
Rashida Abdulrasul Samji
Samji & Assoc. Holdings Inc. &
Rashida Samji, Notary Corporation

Trustee's Second Report to Creditors

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The time for filing of these Property Proofs of Claim will expire on September 9th, 2013. Once the time has elapsed, the Trustee will determine the validity of any claims filed. Subsequent to the determination of the validity of any claims, the Trustee may sell or dispose of the remaining assets free of any right, title or interest of others with leave of the Court.

In addition to the above, on August 29th, 2013 the Trustee also published notice of the Property Claims Process in the Vancouver Sun. The Trustee has also posted a complete sample copy of the Trustee's instruction letter, blank Property Proof of Claim and copy of section 81 of the BIA issued to creditors on its website at <http://www.boalewood.ca>

RECEIVERSHIP

On April 13, 2012, upon the application of the BCSC, MNP Ltd. was appointed as the Receiver of the Samji Group by Order of the Supreme Court of British Columbia.

On December 19, 2012, the Receiver's application to expand its powers and stay the bankruptcy proceedings of the Samji Group was dismissed. Following the Preliminary Reports, on February 13, 2013, by Order of the Supreme Court of British Columbia, the Receiver was ordered to deliver its work product and the books and records of the Samji Group pay the sum of \$484,399.25 to the Trustee which represented funds recovered from the Samji Group and then-held in trust by the Receiver.

The Trustee reports that it has received the materials and funds from the Receiver as required by the February 13, 2013 Order.

RCMP INVESTIGATION

The Trustee has not been provided with any update on the status of the RCMP's investigation. The books and records seized by the RCMP continue to be in their possession.



In the Matter of the Bankruptcies of
Rashida Abdulrasul Samji
Samji & Assoc. Holdings Inc. &
Rashida Samji, Notary Corporation

Trustee's Second Report to Creditors

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FORENSIC REPORT

As of the date of the Preliminary Reports, a forensic review of the Samji Group's bank accounts was underway (the "**Forensic Report**"). The Forensic Report has been completed and the Trustee is currently reviewing the same to verify and corroborate the amounts received by the Net Winners.

NET WINNERS

As noted in the Preliminary Reports, the Trustee is pursuing recovery from investors who received back more funds than they invested in the Investment Scheme (the "**Net Winners**"). The Trustee's efforts in pursuing recovery from Net Winners have been delayed as the Trustee was awaiting the Forensic Report to verify the amounts recoverable from the Net Winners.

As the Forensic Report is completed and has been provided to the Trustee, the Trustee is now in a position to pursue the Net Winners and has been authorized by the Inspectors to commence legal proceedings against uncooperative Net Winners.

EXAMINATION OF THE BANKRUPT

Since the date of the Preliminary Reports, counsel for the Trustee has conducted several days of examinations of Ms. Samji in relation to amounts received by a number of the largest Net Winners. The information obtained in these examinations will assist the Trustee in commencing actions against these Net Winners as directed by the Inspectors.



In the Matter of the Bankruptcies of
Rashida Abdulrasul Samji
Samji & Assoc. Holdings Inc. &
Rashida Samji, Notary Corporation

Trustee's Second Report to Creditors

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THE CHATUR ACTION

In accordance with the directions of the Inspectors, the Trustee commenced the first of several prospective actions against Net Winners against Mumtaz Zulfikar Chatur, the Estate of Zulfikar Nazarali Chatur, Deceased, and certain other persons who received funds from the Investment Scheme on the directions of Mumtaz and Zulfikar Chatur (the "Chatur"). In this regard, investor funds were traced to various properties owned by the Chatur. The Trustee filed Certificates of Pending Litigation ("CPL's") against those properties.

According to the Forensic Report, the Chatur are among the largest Net Winners in the Investment Scheme. Ms. Chatur and the Chatur Estate have scheduled a Court Application to be heard on August 30, 2013 seeking, among other things, orders for further and better particulars in relation to the Notice of Civil Claim, security for costs and the release of the CPL's against their properties or security for damages.

OTHER RELEVANT LITIGATION

Mohinder Singh Sandhu and certain other investors (the "Sandhu Group") scheduled a Court Application in relation to the Trustee's approach to litigation against investors in the Investment Scheme, adjudication of claims filed by creditors and future distribution of the Consolidated Estate.

In the Trustee's view, the relief sought by the Sandhu Group is unclear and the Trustee has expressed its concerns in that regard to the Sandhu Group. In particular, the Trustee notes that the steps taken to date in relation to litigation against investors were taken in accordance with the directions of the Inspectors and, the steps taken to date to recover profits from the Net Winners reflect the most practical and efficient approach to recovering these amounts.

The scheduled hearing was adjourned generally by counsel for the Sandhu Group.



In the Matter of the Bankruptcies of
Rashida Abdulrasul Samji
Samji & Assoc. Holdings Inc. &
Rashida Samji, Notary Corporation

Trustee's Second Report to Creditors

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CLAIMS STATUS UPDATE

To date the Trustee has received proofs of claim totalling \$69,090,379 from unsecured creditors (primarily investors) and proofs of claim from secured creditors totalling \$3,759,534. A copy of the Claims Register can be accessed on the Trustees website.

PROFESSIONAL FEES

The legal fees net of taxes and disbursements incurred by counsel for the Trustee to July 31, 2013 total approximately \$360,000 and the Trustee's fees net of taxes and disbursements to July 31, 2013 total approximately \$85,000.

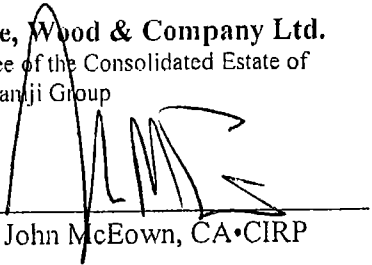
ESTIMATED REALIZATION

At this point in time, the Trustee is not in a position to provide a meaningful estimate of the realization for creditors of the Samji Group. Among other things, further proofs of claim may be filed by unsecured creditors, the Property Proofs of Claim process remains pending and actions to pursue recovery from Net Winners remain to be commenced and determined.

DATED at the City of Vancouver, British Columbia this 29th day of August, 2013.

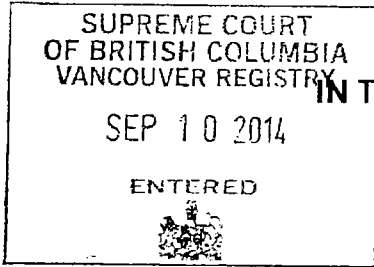
Boale, Wood & Company Ltd.

Trustee of the Consolidated Estate of
The Samji Group


Per: John McEown, CA•CIRP

APPENDIX C

CLAIMS PROCESS ORDER



**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

IN THE MATTER OF THE BANKRUPTCY OF RASHIDA ABDULRASUL SAMJI

CLAIMS PROCESS ORDER

BEFORE THE HONOURABLE) WEDNESDAY, THE 10TH DAY
)
MADAM JUSTICE GEROW) OF SEPTEMBER, 2014

ON THE APPLICATION of Boale, Wood & Company Ltd. (the "**Trustee**"), in its capacity as Trustee in Bankruptcy of Rashida Abdulrasul Samji, Rashida Samji Notary Corporation, and Samji & Assoc. Holdings Ltd. (collectively, the "**Samji Group**"), coming on for hearing at Vancouver, British Columbia on this day, and on hearing Christopher Ramsay and Katie Mak, counsel for the Trustee and those other counsel listed on **Schedule "A"** hereto;

THIS COURT ORDERS that:

DEFINITIONS

1. For the purposes of this Order, the following terms shall have the following meanings:

- (a) "**Amount Advanced**" means the aggregate of amounts advanced by a Creditor or on behalf of a Creditor to the Samji Group to invest in the Scheme;
- (b) "**Amount Received**" means the aggregate of amounts received by a Creditor or paid to any third party on behalf of or for the benefit of the Creditor from the Samji Group, without regard to whether any portion was characterized as interest, dividends, redemptions or profits;
- (c) "**BIA**" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3;

- (d) "**Claim**" means any right or claim of any Creditor against the Samji Group, or any of them, in connection with any indebtedness, liability or obligation of any kind of the Samji Group, or any of them, owed to the Creditor and would be a "claim provable in bankruptcy", "provable claim" or "claim provable" as defined by section 2 of the BIA;
- (e) "**Claims Package**" means a document package, including:
- (i.) an Instruction Letter to a Known Creditor;
 - (ii.) a Statement of Account;
 - (iii.) a copy of this Order, excluding Schedules;
 - (iv.) a Proof of Claim; and
 - (v.) such other documents determined to be necessary or desirable by the Trustee;
- (f) "**Claims Process**" means the procedures outlined in this Order;
- (g) "**Claims Bar Date**" means 5:00 p.m. (Vancouver Time) on the day which is sixty (60) days from the day of publication of the Notice to Unknown Creditors in the Province Newspaper;
- (h) "**Court**" means the Supreme Court of British Columbia;
- (i) "**Consolidated Samji Estate**" means the bankruptcy estates of the Samji Group, as consolidated by the Order granted by this Court on June 26, 2013;
- (j) "**Creditor**" means any Person or assignee who participated in the Scheme and who is entitled to make a Claim against the Samji Group or any of them, and who is either a Known Creditor or an Unknown Creditor;
- (k) "**Filed Claim**" means a proof of claim filed by a Creditor with the Trustee as of the date of pronouncement of this Order;
- (l) "**Instruction Letter to Known Creditor**" means the letter from the Trustee to a Known Creditor regarding the Trustee's determination of the Claim for that Known Creditor, completion of a Proof of Claim and the process for revision or disallowance of a Proof of Claim and process of appeal from such revision or disallowance, substantially in the form attached hereto as **Schedule "B"**;

- (m) **"Instructions to Unknown Creditors"** means the information provided by the Trustee to the Unknown Creditors to be posted on the Trustee's Website regarding completion of a Proof of Claim and the process for revision or disallowance of a Proof of Claim and process of appeal from such revision or disallowance, substantially in the form attached hereto as **Schedule "D"**;
- (n) **"Known Creditor"** means a Creditor whose Claim is known by the Trustee as of the Claims Bar Date and who receives a Claims Package from the Trustee;
- (o) **"Notice of Disallowance"** means the notice substantially in the form attached hereto as **Schedule "F"**;
- (p) **"Notice to Unknown Creditors"** means the notice to be substantially in the form attached hereto as **Schedule "C"**;
- (q) **"Person"** means any individual, partnership, firm, joint venture, trust, entity, corporation, unincorporated organization, trade union, employee or other association, governmental agency, or similar entity, howsoever designated or constituted;
- (r) **"Proof of Claim"** means the form to be completed and filed by a Known Creditor disputing the Trustee's calculation of its Claim or by an Unknown Creditor setting forth its claim, substantially in the form attached hereto as **Schedule "E"**;
- (s) **"Proven Claim"** means a Claim that has been allowed by the Trustee or has been deemed to have been allowed by the Trustee pursuant to the terms of this Order;
- (t) **"Samji Group"** means, collectively, Rashida Abdulrasul Samji, Rashida Samji Notary Corporation and Samji & Assoc. Holdings Inc.;
- (u) **"Scheme"** means the Ponzi or Ponzi-like scheme or schemes operated by the Samji Group from approximately 2001 to 2012;
- (v) **"Schedules"** means, collectively, Schedules "A" to "F" as attached to this Order;
- (w) **"Statement of Account"** means a document detailing the Amounts Advanced and any Amounts Received by a Creditor;
- (x) **"Trustee"** means Boale, Wood and Company Ltd., in its capacity as the Trustee in Bankruptcy of the Samji Group;

- (y) "Trustee's Website" means www.boalewood.ca/2012/12/05/samji-et-al;
- (z) "Unknown Creditor" means a Creditor whose Claim is unknown by the Trustee as of the date of pronouncement of this Order and who does not receive a Claims Package from the Trustee; and
- (aa) "Website Materials" means the information and documents, including:
 - (i.) the Instructions to Unknown Creditors;
 - (ii.) a copy of this Order;
 - (iii.) a Proof of Claim; and
 - (iv.) such other documents determined to be necessary or desirable by the Trustee.

CLAIMS PROCESS

2. This Claims Process shall begin within ninety (90) days from the date of pronouncement of this Order, or at such later date as this Court may otherwise order.
3. Notwithstanding any Filed Claims submitted as of the date of pronouncement of this Order and the provisions of the BIA that deals with proofs of claims, the Trustee shall determine the Claim of a Known Creditor by deducting the Amount Received from the Amount Advanced, based on the records available to the Trustee and any other information considered to be relevant to the Trustee.
4. The Trustee is authorized to determine the Claims of Known Creditors on behalf of the Known Creditors, without requiring each Known Creditor to file a Proof of Claim with the Trustee in this Claims Process, unless required to do so by further Order of the Court.
5. The Trustee shall send a Claims Package to each Known Creditor by ordinary mail or by email to the address indicated in the records of the Trustee and/or the Samji Group.
6. If the Known Creditor disagrees with the Trustee's determination of its Claim as set out in the Claims Package, then that Known Creditor may submit a proof of claim with the Trustee, which must be received by the Trustee by no later than the Claims Bar Date.
7. Any Known Creditor who fails or neglects to properly submit a completed Proof of Claim with the Trustee by the Claims Bar Date, or at such later date as the Trustee may agree in writing or this Court may otherwise order, shall have the Claim of that Known Creditor as set

out in the Claims Package deemed to be correct and shall be a Proven Claim, and shall be forever barred from making or enforcing any other Claim against the Consolidated Samji Estate.

8. In circumstances where a Creditor has a Filed Claim, the Trustee will review the Filed Claim, and shall give notice in writing, by ordinary mail, registered mail, personal delivery, courier, email message or facsimile transmission, to the address provided in the Creditor's Filed Claim, of the Trustee's decision to:

- (a) accept the Claim of the Creditor as set out in the Filed Claim, in which case the amounts set out in the Filed Claim shall be deemed to be the Proven Claim for that Creditor; or
- (b) disallow the Filed Claim, in whole or in part, by delivering to the Creditor a Notice of Disallowance, in which case the amount, if any, of the Claim (as allowed by the Trustee) shall be deemed to be the Proven Claim for that Creditor.

9. The Trustee shall be and is hereby authorized and directed to place a notice substantially in the form of the Notice to Unknown Creditors in one weekday edition of the Province newspaper, inviting Unknown Creditors to file a Proof of Claim with the Trustee by the Claims Bar Date.

10. The Trustee shall post the Website Materials on the Trustee's Website.

11. The sending of the Claims Package to the Known Creditors, the publication of the Notice to Unknown Creditors and the posting of the Website Materials, in accordance with the foregoing terms of this Order, shall constitute good and sufficient service of such materials to any Creditor of the Samji Group and to any other person who may be entitled to receive notice and no other notice or service need be given or made and no other document or material need be served.

12. Any Unknown Creditor who fails or neglects to properly file a completed Proof of Claim with the Trustee by the Claims Bar Date, or at such later date as the Trustee may agree in writing or this Court may otherwise order, shall be forever barred from making or enforcing any other Claim against the Consolidated Samji Estate.

13. A Proof of Claim must be delivered by ordinary mail, registered mail, courier, facsimile or personal delivery and be received by the Trustee at Boale, Wood & Company Ltd., 1140 – 800 West Pender Street, Vancouver, B.C. V6C 2V6, Attention: Regina Pinto.

14. The Trustee is hereby authorized to use reasonable discretion as to the adequacy of the compliance as to the manner in which any Proof of Claim is delivered, completed and

executed and may, where it is satisfied a Claim has been adequately proven, waive strict compliance with the requirements of this Order as to completion and execution of such a form.

15. The Trustee shall, within 30 days of receipt of a completed Proof of Claim form, give notice in writing, by ordinary mail, registered mail, personal delivery, courier, email message or facsimile transmission, to the address provided in the Creditor's Proof of Claim, of the Trustee's decision to:

- (a) allow the Proof of Claim as filed, in which case the amounts set out in that Proof of Claim shall be deemed to be the Proven Claim for that Creditor; or
- (b) disallow the Proof of Claim as filed, in whole or in part, by delivering to the Creditor a Notice of Disallowance, in which case the amount, if any, of the Claim (as allowed by the Trustee) shall be deemed to be the Proven Claim for that Creditor.

16. If a Creditor receiving a Notice of Disallowance wishes to object to the Notice of Disallowance, the Creditor must, within 30 days of the date of delivery of the Notice of Disallowance, file at the Courthouse, 800 Smithe Street, Vancouver, British Columbia and serve on the Trustee and counsel for the Trustee, a Notice of Application or Notice of Motion seeking to set aside the Trustee's Notice of Disallowance and an affidavit containing all evidence intended to be relied upon by the Creditor in support thereof.

17. A hearing to determine an appeal of the Notice of Disallowance shall be conducted as a true appeal, and not as a hearing *de novo*.

18. The process to disallow the Proofs of Claims as filed and to appeal a Notice of Disallowance shall be limited to the process as set out in this Order.

DISTRIBUTION

19. For the purposes of calculating entitlement in respect of any distribution of property of the Samji Group, the Trustee will reduce the amount of a Proven Claim to reflect any amounts received or to be received by a Creditor, including amounts received from third-party settlements.

20. Subject to further Order of this Court, the Trustee shall distribute all property of the Samji Group to the Creditors in accordance with the provisions of the BIA.

GENERAL PROVISIONS

21. Any document or notice sent by the Trustee by ordinary mail shall be deemed to be received on the tenth (10th) day following the date of mailing.

22. Any Creditor who provides an email address, facsimile number or alternate address for delivery to the Trustee shall be deemed to consent to receiving materials at that email address, facsimile number or alternate address for delivery.

~~23. The Claims Process and the forms in the attached Schedules are hereby approved. Notwithstanding the foregoing, the Trustee may, from time to time, make minor changes to the forms as the Trustee may consider necessary or desirable.~~

24. In the event that this Order is later amended by further Order of the Court, the Trustee may post such further Order on the Trustee's Website and such posting shall constitute adequate notice to Creditors of such amended Claims Process.

25. The Trustee may apply to this Court for advice and directions in relation to this Order or with respect to any matter relating to the Claims Process.

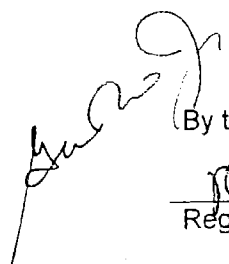
26. References in this Order to the singular shall include the plural and references to the plural shall include the singular and to any gender shall include the other gender.

27. Approval of this Order as to form by counsel appearing on this application, other than counsel for the Trustee, is hereby dispensed with.

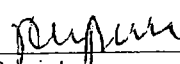
THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



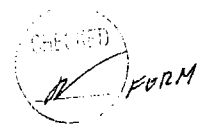
Signature of Katie G. Mak,
Lawyer for Boale, Wood & Company Ltd.,
in its capacity as Trustee in Bankruptcy of
Rashida Abdulrasul Samji, Rashida Samji Notary Corporation
and Samji & Assoc. Holdings Inc.



By the Court.



Registrar



SCHEDULE "A"

Name of Counsel:	Counsel for:
Christopher Ramsay Katie Mak	Boale, Wood & Company Ltd., Trustee in Bankruptcy of Rashida Abdulrasul Samji.

SCHEDULE "B" – INSTRUCTION LETTER TO KNOWN CREDITOR



TRUSTEE IN BANKRUPTCY
#1140 – 800 West Pender Street
Vancouver, BC V6C 2V6

Tel: (604) 605-3335
Fax: (604) 605-3359
www.boalewood.ca

[DATE]

Dear Sirs/Mesdames :

**INSTRUCTION LETTER
IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE BANKRUPTCY OF RASHIDA ABDULRASUL SAMJI

**Re: In the Matter of the Bankruptcy of Rashida Abdulrasul Samji
Supreme Court of British Columbia Vancouver Registry No. B121430,
Consolidated Estate No. 11-1693965 (the "Bankruptcy Proceeding")**

On December 5, 2012, Rashida Abdulrasul Samji, Rashida Samji Notary Corporation and Samji & Assoc. Holdings Inc. (collectively, the "**Samji Group**") filed bankruptcy assignments pursuant to the *Bankruptcy and Insolvency Act* and Boale, Wood & Company Ltd. (the "**Trustee**") was appointed as the Trustee in Bankruptcy of the Samji Group.

Pursuant to an Order of the Supreme Court of British Columbia made on _____, 2014 in the Bankruptcy Proceeding (the "**Claims Process Order**"), the Trustee has been authorized to conduct a Claims Process for the determination of Claims of Creditors against the Samji Group. Capitalized terms not defined within this letter shall have the meaning ascribed thereto in the Claims Process Order. A copy of the Claims Process Order, excluding Schedules, is included in this Claims Package. The Claims Process Order and other pertinent information regarding the Bankruptcy Proceeding may be obtained from the website of the Trustee at www.boalewood.ca/2012/12/05/samji-et-al.

PLEASE TAKE NOTICE that the Trustee has determined that you have a Claim as a Creditor of the Samji Group in the amount of \$_____. This amount may be used to determine your rights to receive any distribution from the Samji Group.

The following documents are included in this Claims Package which you should carefully review as they affect your legal rights:

1. This Instruction Letter;
2. A Statement of Account detailing the total Amounts Advanced by you to the Samji Group to invest in the Scheme, and the total of any Amounts Received by you or paid to any third party on behalf of or for the benefit of you from the Samji Group;
3. The Claims Process Order, excluding Schedules;
4. A Proof of Claim and instructions; and
5. Such other material as the Trustee considers necessary or appropriate.

If you agree that this letter accurately states your Claim, then you are **NOT** required to respond to this letter.

However, if you disagree with the Trustee's determination of your Claim as set out in this letter, then you must deliver to the Trustee a properly completed Proof of Claim with supporting documentation, in the form attached, by ordinary mail, registered mail, courier, facsimile or personal delivery and be received by the Trustee by the "Claims Bar Date" of 5:00 p.m. (Local Vancouver Time) on or before _____, 2014, at:

**Boale, Wood & Company Ltd.
1140 – 800 West Pender Street
Vancouver, British Columbia V6C 2V6**

**Attn: Regina Pinto
Tel: (604) 605-3335
Fax No. (604) 605-3359**

If a Proof of Claim is not received by the Claims Bar Date, the Trustee will deem the Trustee's determination of your Claim as set out in this letter to be correct, and you shall be barred from making or enforcing another Claim against the Samji Group or any of them.

The process for the revision or disallowance of a Claim and the process for appealing such revision or disallowance is set out in the attached Claims Process Order. If the Trustee revises or disallows your Claim in whole or in part and if you fail to appeal such disallowance within 30 days of the date of delivery of any Notice of Disallowance, your Claim will be deemed to be revised or disallowed as set out in the Notice of Disallowance and such Notice of Disallowance will be final and binding upon you for all purposes.

Yours Truly,

Boale, Wood & Company Ltd., in its capacity as
Trustee in Bankruptcy of Rashida Abdulrasul Samji,
Rashida Samji Notary Corporation and
Samji & Assoc. Holdings Inc.

SCHEDULE "C" - NOTICE TO UNKNOWN CREDITORS

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN THE MATTER OF THE BANKRUPTCY OF RASHIDA ABDULRASUL SAMJI

TAKE NOTICE that Rashida Abdulrasul Samji, Rashida Samji Notary Corporation and Samji & Assoc. Holdings Inc. (collectively, the "**Samji Group**") filed assignments for bankruptcy on December 5, 2012, and Boale, Wood & Company Ltd. (the "**Trustee**"), was appointed as the Trustee of the estates of the Samji Group.

TAKE NOTICE that pursuant to an Order of the Supreme Court of British Columbia made on _____, 2014 (the "**Claims Process Order**"), the Trustee has been authorized to conduct a Claims Process for the determination of Claims of Creditors against the Samji Group. Capitalized terms not defined within this notice shall have the meaning ascribed thereto in the Claims Process Order.

TAKE NOTICE that any Person who (i) participated in the Ponzi or Ponzi-like scheme(s) operated by the Samji Group and believes that he, she or it is a Creditor and has a Claim against the Samji Group; and (ii) did not receive a Claims Package from the Trustee, **must deliver to the Trustee a properly completed Proof of Claim form on or before 5:00 p.m. (Local Vancouver Time) on _____, 2014 (the "Claims Bar Date")**.

IF ANY CREDITOR FAILS TO FILE A PROOF OF CLAIM WITH THE TRUSTEE BY THE CLAIMS BAR DATE, THEN SUCH CREDITOR WILL BE BARRED FROM MAKING OR ENFORCING A CLAIM AS A CREDITOR IN THE BANKRUPTCIES OF THE SAMJI GROUP AND WILL NOT BE ENTITLED TO RECEIVE ANY NOTICE OR DISTRIBUTION IN THESE BANKRUPTCIES AND SUCH CLAIM(S) THE CREDITOR MAY HAVE AGAINST THE SAMJI GROUP, OR ANY OF THEM, SHALL BE FOREVER EXTINGUISHED.

Further information regarding the Claims Process Order and instructions on how to file a Proof of Claim may be obtained from the Trustee's Website at www.boalewood.ca/2012/12/05/samji-et-al or by contacting the Trustee at the following:

Boale, Wood & Company Ltd.
1140 – 800 West Pender Street
Vancouver, British Columbia V6C 2V6

Attn: Regina Pinto
Tel: (604) 605-3335
Fax No. (604) 605-3359

SCHEDULE "D" – INSTRUCTIONS TO UNKNOWN CREDITORS

www.boalewood.ca/2012/12/05/samji-et-al

IN THE MATTER OF THE BANKRUPTCY OF RASHIDA ABDULRASUL SAMJI

On December 5, 2012, Rashida Abdulrasul Samji, Rashida Samji Notary Corporation and Samji & Assoc. Holdings Inc. (collectively, the "Samji Group") filed bankruptcy assignments pursuant to the *Bankruptcy and Insolvency Act* and Boale, Wood & Company Ltd. (the "Trustee") was appointed as the Trustee in Bankruptcy of the Samji Group.

Pursuant to an Order of the Supreme Court of British Columbia made on _____, 2014 (the "Claims Process Order"), the Trustee has been authorized to conduct a Claims Process for the determination of Claims of Creditors against the Samji Group. Capitalized terms not defined herein shall have the meaning ascribed thereto in the Claims Process Order.

If you are a Creditor with a Claim against the Samji Group, or any of them, and you did not previously file a proof of claim with the Trustee or did not receive a Claims Package from the Trustee, then you must file a Proof of Claim. Please carefully review the following documents as they affect your legal rights:

1. The Claims Process Order; and
2. A Proof of Claim and instructions.

If you would like to submit a Proof of Claim as a Creditor of the Samji Group, or any of them, then you must deliver to the Trustee a properly completed Proof of Claim with supporting documentation, in the form attached, by ordinary mail, registered mail, courier, facsimile or personal delivery and be received by the Trustee by the "Claims Bar Date" of 5:00 p.m. (Local Vancouver Time) on or before _____, 2014, at:

**Boale, Wood & Company Ltd.
1140 -- 800 West Pender Street
Vancouver, British Columbia V6C 2V6**

**Attn: Regina Pinto
Tel: (604) 605-3335
Fax No. (604) 605-3359**

If a Creditor Fails to file a Proof of Claim with the Trustee by the Claims Bar Date, then such Creditor will be barred from making or enforcing a Claim as a Creditor in the Bankruptcies of the Samji Group and will not be entitled to receive any notice of distribution, and such Claim the Creditor may have against the Samji Group or any of them shall be forever extinguished.

The process for the revision or disallowance of a Claim and the process for appealing such revision or disallowance is set out in the Claims Process Order. If the Trustee revises or disallows your claim in whole or in part and if you fail to appeal such disallowance within 30 days of the date of delivery of any Notice of Disallowance, your claim will be deemed to be revised or disallowed as set out in the Notice of Disallowance and such Notice of Disallowance will be final and binding upon you for all purposes.

Additional documents and pertinent information regarding the Bankruptcy Proceeding may be obtained from this website.

SCHEDULE "E" – PROOF OF CLAIM

PROOF OF CLAIM

(Pursuant to the *Bankruptcy and Insolvency Act*)

IN THE MATTER OF THE BANKRUPTCY OF RASHIDA ABDULRASUL SAMJI,
SAMJI NOTARY CORPORATION AND SAMJI & ASSOC. HOLDINGS INC.
(collectively, the "**Samji Group**")

Please read the "**Instructions for Completing Proof of Claim**" carefully prior to completing this Proof of Claim. Please print legibly.

- 1) The properly completed Proof of Claim must be delivered by ordinary mail, registered mail, courier, facsimile or personal delivery to Boale, Wood & Company Ltd. (the "**Trustee**") at:

Boale, Wood & Company Ltd.
#1140 – 800 West Pender Street
Vancouver, BC V6C 2V6
Fax No.: (604) 605-3359

Attention : Regina Pinto

- 2) Full Legal Name of Creditor: _____ (the "Creditor").

- 3) Full Mailing Address of the Creditor:
(All notices and correspondence regarding your Claim will be forwarded to this address or to the email address or facsimile address below if appropriate and applicable):

- 4) Telephone Number: _____

- 5) Email: _____

- 6) Fax Number: _____

7) Claim Details:

Check and complete the appropriate box:

I am a **Known Creditor** and **received** a Claims Package from the Trustee.

I disagree with the Trustee's determination of my Claim as contained in the Claims Package.

My Claim amount is \$ _____

I am an **Unknown Creditor** and **did not receive** a Claims Package from the Trustee.

I am a Creditor of the Samji Group.

My Claim amount is \$ _____

THE UNDERSIGNED HEREBY CERTIFIES AS FOLLOWS:

- 1) I am a Creditor of the Samji Group.
- 2) I have knowledge of all the circumstances concerning the Claim hereafter referred to.
- 3) Attached as Schedules to this Proof of Claim are:
 - A. A Statement of Account detailing:
 - i. the Amounts Advanced by you to the Samji Group to invest in the Scheme; and
 - ii. any Amounts Received by you or paid to any third party on behalf of or for the benefit of you from the Samji Group.
 - B. All documents supporting the amounts shown in the Statement of Account.
 - C. Any other documents relevant to the Scheme.

DATED at _____, this _____ day of _____, 2014.

Per: _____
[Name of Creditor – please print]

Signature of Creditor

Witness

NOTE: All relevant documentation on which you rely in making your Claim must be attached to this Proof of Claim, as the validity of your Claim will be determined solely on this Proof of Claim and attachments thereto. If the claim is disallowed for any reason, and you file an appeal of that disallowance, the appeal will be heard as a true appeal and your ability to introduce fresh or new evidence in support of your claim will be limited accordingly.

Attach Schedules to Proof of Claim

Schedules:
(to be attached to Proof of Claim)

Schedule "A"

A Statement of Account detailing the Amounts Advanced by you to the Samji Group to invest in the Scheme, and any Amounts Received by you or paid to any third party on behalf of or for the benefit of you from the Samji Group (attach a separate sheet if necessary):

Schedule "B"

The following documents are attached and support the amounts shown in the Statement of Account:

Schedule "C"

The following documents are attached and are relevant to the Scheme:

INSTRUCTIONS FOR COMPLETING PROOF OF CLAIM

This checklist is provided to assist you in preparing a Proof of Claim form in a complete and accurate manner.

- **Delivery:** The properly completed Proof of Claim, together with the Schedules and accompanying documents, must be delivered to the Trustee by ordinary mail, registered mail, courier, facsimile or personal delivery to Boale, Wood & Company Ltd. (the "Trustee") by the Claims Bar Date at:

Boale, Wood & Company Ltd.
#1140 – 800 West Pender Street
Vancouver, BC V6C 2V6
Fax No. (604) 605-3359

Attention : Regina Pinto

- **Name and Address:** Please ensure that you complete the full name and delivery address, including fax number and email address, if available, of the Creditor making the Claim, as all future notices and correspondence regarding your Claim will be forwarded to this address, or to the email address or facsimile address if appropriate.

If the Creditor operates under a different name or names, please indicate this as a Schedule to the Proof of Claim.

- **Claim Details:** You must be a Creditor of the Samji Group to complete this Proof of Claim.
 - You are a **Known Creditor** if you have received a Claims Package sent to you by Boale, Wood and Company Ltd. (the "Trustee") setting out the Trustee's determination of your claim.
 - You are an **Unknown Creditor** if you did not receive a Claims Package from the Trustee.
- **Attached Schedules:** The Proof of Claim is incomplete and may not be accepted unless:
 - a) You have included a Statement of Account detailing the Amounts Advanced by you to the Samji Group to invest in the Scheme, and any Amounts Received by you or paid to any third party on behalf of or for the benefit of you from the Samji Group; and
 - b) All documents supporting the amounts shown in the Statement of Account.

Please also attach:

- c) Any other documents relevant to the Scheme.
- **Signature:** The Proof of Claim must be signed and dated by you.
- **Disallowance:** The Trustee is entitled to disallow your Proof of Claim in whole or in part. If your Claim is disputed in whole or in part, the Trustee will send you a Notice of Disallowance along with particulars about how you may dispute the Notice of Disallowance.

SCHEDULE "F" – NOTICE OF DISALLOWANCE

Court No. B121430
Vancouver Registry

NOTICE OF DISALLOWANCE
IN THE MATTER OF THE BANKRUPTCY OF RASHIDA ABDULRASUL SAMJI RASHIDA
SAMJI NOTARY CORPORATION AND SAMJI & ASSOC. INC. (collectively, the "**Samji Group**")

TO: Name of Creditor: _____

Pursuant to the Claims Process, Boale, Wood & Company Ltd. (the "**Trustee**"), in its capacity as Trustee in Bankruptcy of the Samji Group, gives you notice that your Proof of Claim dated _____, 2014 has been reviewed and the Trustee has revised or disallowed your Proof of Claim for the following reasons:

Subject only to the appeal of this disallowance being successfully brought by you in full compliance with the provisions of the Claims Process Order, including the prescribed time for any appeal to be filed, your claim will be allowed as follows:

Name of Creditor	Amount Claims	Amount Allowed

Per: _____
Authorized Signatory
Boale, Wood & Company Ltd.

If you wish to object to this Notice of Disallowance, you must, within **30 days** of the date of delivery of this Notice of Disallowance, file and serve a Notice of Application or Notice of Motion, and supporting Affidavit, at the Supreme Court of British Columbia and to the address below to be heard by the Court on a date to be agreed to by counsel for the Trustee:

CLARK WILSON LLP
BARRISTERS & SOLICITORS
900-885 West Georgie Street
Vancouver, British Columbia V6C 3H1
Attention: Christopher Ramsay
Fax No. (604) 687-6314
CJR@cwilson.com

A copy of the Claims Process Order is available on the Trustee's website at www.boalewood.ca/2012/12/05/samji-et-al.

NO. B121430
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUPTCY OF RASHIDA ABDULRASUL SAMJI

ORDER

CLARK WILSON LLP
BARRISTERS & SOLICITORS
900-885 West Georgie Street
Vancouver, British Columbia V6C 3H1

Attention: Christopher Ramsay or Katie Mak

41777-0001

CW7245733.6

APPENDIX D

INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

Court No: B121430
Estate #: 11-1693965

Statement of Receipts and Disbursements
(Section 152 of the Act)
In the Matter of the Bankruptcy of Rashida Abdur Rasul SAMJI

TRUSTEE'S STATEMENT OF RECEIPTS AND DISBURSEMENTS AS AT MARCH 10, 2015

RECEIPTS		
Cash		
Cash in Bank	65.77	
Funds received from Rashida Samji	3,000.00	
Funds received from MNP	547,316.87	
Funds received from CIBC - Samji Notary Corp Acct	69,672.58	
Funds received from RBC - Samji Notary Corp Acct	512,847.82	1,132,903.04
Realization of Assets		
Cash Surrender Value of life insurance	9,394.71	
Sale proceeds - 1596 West 14th Ave, Vancouver (net of \$12,000 exemption)	450,253.43	
Sale proceeds - 1295 Richards St, Vancouver	201,433.88	661,082.02
Recovery from Net Winners		
		3,049,698.46
Miscellaneous Receipts		
GST/HST Credits - Personal	571.75	
BC Climate Action Tax Credit	202.11	
Interest	9,453.78	10,227.64
Total Receipts:		4,853,911.16

DISBURSEMENTS		
Fees Paid		
Fees paid to the Official Receiver		450.00
Notice of first meeting		
Local Paper		2,919.66
Stocktaking and Possession		
Change Locks		90.00
Premiums		
Bond Premium	12,715.00	
Insurance	2,450.00	15,165.00
Postage on general correspondence		
Postage		1,346.62
Legal fees and legal services costs		
Solicitor to estate		900,393.18
Miscellaneous		
Courier	393.34	
Consultant Fees - MNP LLP	5,000.00	
Bank Charges	20.00	
Telephone	117.67	
Utilities	430.72	
Meeting Facilities	325.00	
Appraisal Fees	550.00	
Travel	28.39	
Search Fees	70.00	
Photocopies	6,109.75	
Property Taxes	8,207.94	
Repairs & Maintenance	70.00	21,322.81
Trustee's Remuneration		
Trustee's fees		308,014.98

Taxes

Provincial Sales Tax - Disbursements and Extrajudicial Costs	50,821.26	
Goods and Services Tax - Disbursements and Extrajudicial Costs	46,074.75	
Goods and Services Tax - Trustee Remuneration	10,996.57	
Harmonized Sales Tax - Trustee Remuneration	<u>10,570.07</u>	118,462.65

TOTAL DISBURSEMENTS		1,368,164.90
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Surplus (Deficit) - Amount Retained in the Estate		3,485,746.26
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