

776-COURT FILE NUMBER 1101-09473

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF GERRY DUPAS

DEFENDANT PHILLIP PINCUS, in his capacity as Trustee of the PLATINUM INVESTMENT TRUST and PLATINUM EQUITIES INC.

DOCUMENT SIXTH REPORT TO THE COURT

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

ROSE LLP
Rose LLP
Suite 810 - 333 5th Avenue SW
Calgary, Alberta T2P 3B6
Ph. (403) 776 0525/ Fax. (403) 776 0501
Attn: Matthew Lindsay
Email: matt.lindsay@rosellp.com



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INTRODUCTION

1. On June 5, 2012, the Court of Queen's Bench of Alberta (the "Court") issued an order (the "Receivership Order") appointing Ernst & Young Inc. ("EY") as the Receiver and Manager (the "Receiver") of Platinum Investment Trust ("PIT").
2. On August 30, 2012, the Court confirmed by Order that the Property (as defined by the Receivership Order) includes, *inter alia*, a number of loans and mortgages (the "Loans") as set out in Schedule "A" to that Order (the "Property Order").

Purpose of this Report

3. The purpose of this report (the "Sixth Report") is to summarize the activities of the Receiver in respect of:
 - a) Recoveries of funds associated with a mortgage on 33 Val Gardenia Place, Calgary, Alberta (the "Property") and forming part of the Receivership estate; and
 - b) The use by Bennett Jones LLP of certain trust funds obtained through a foreclosure on the Property.

Terms of Reference

4. In developing this Report, the Receiver has relied upon unaudited financial information prepared by the Company's management, the Company's books and records and discussions with its management. The Receiver has not performed an audit or other verification of such information. An examination of the Company's financial forecasts as outlined in the Canadian Institute of Chartered Accountants Handbook has not been performed. Future-oriented financial information relied upon in this Report is based on management's assumptions regarding future events. Actual results achieved may vary from this information and these variations may be material, and as such the Receiver expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Report, or relied upon by the Receiver in preparing this Report.

Currency

5. All currency references in this Report are in Canadian dollars.

BACKGROUND

6. As set out in the First Report, the Receiver has investigated the affairs of PIT.
7. As detailed in the Second Report, the Receiver in the course of this investigation ascertained that PIT holds a loan portfolio (the "**Loan Portfolio**"). The Loan Portfolio consists of the Loans as noted in previous reports. In some cases, these loans are secured against real property in the form of Mortgages. The Receiver understands that investor funds were used to fund the Loan Portfolio.
8. Loan 4 was secured by way of a Mortgage registered against the Property, which Bennett Jones LLP was instructed to foreclose upon following default of payment on the underlying promissory note.
9. It came to our attention that Bennett Jones LLP had been retained on behalf of Platinum Equities Inc. to foreclose against the Property. As a result, the Receiver sent correspondence to Mr. Jakub Ksiazek of Bennett Jones dated July 30, 2012, advising Bennett Jones LLP of the existence of the Receivership, enclosing a copy of the Receivership Order and requesting that all funds held by Bennett Jones LLP in respect of the Property be paid to the Receiver. A copy of that correspondence is found at Exhibit "C" to the Receiver's First Report. Thereafter, the Receiver met with Mr. Ksiazek to better understand the current status of the foreclosure and the loans associated with it.
10. In its discussions with Mr. Ksiazek, the Receiver learned that funds arising from the foreclosure on the Property were held in trust by Bennett Jones LLP, subject to certain fees incurred in the foreclosure. Specifically, the Receiver further corresponded with Mr. Ksiazek as follows:
 - a) Email exchange dated September 28, 2012 (Exhibit "A" hereto); and
 - b) Email exchange dated October 12, 2012 (Exhibit "B" hereto).
11. On or about December 7, 2012, Ms. Kelsey Drozdowski of Bennett Jones LLP wrote to the Receiver asserting Bennett Jones' entitlement to the trust funds received in respect of the Property (the "**Proceeds**"). Her letter is Exhibit "C" hereto.
12. On or about January 11, 2013 Ms. Drozdowski sent three letters to the attention of the Receiver, as follows:
 - a) an "update" to her previous correspondence about the trust funds (Exhibit "D" hereto);

- b) a letter delivering certain unrelated trust funds (Exhibit "E"); and
 - c) a letter requesting a response to her letter of December 7, 2012 on or before January 18, 2013 (Exhibit "F").
13. The Receiver's counsel, Matthew Lindsay of Fraser Milner Casgrain LLP, delivered to Bennett Jones LLP a letter dated January 15, 2013 disputing Bennett Jones LLP's entitlement to the Loan 4 trust funds (Exhibit "G"). Ms. Drozdowski responded to Mr. Lindsay's correspondence on or about January 16, 2013 (Exhibit "H").
 14. Mr. Lindsay in turn responded on or about January 18, 2013 (Exhibit "I"), again requesting that funds continue to be held in trust.
 15. Notwithstanding the correspondence provided to Bennett Jones LLP in respect of this matter, I am informed that Bennett Jones LLP followed through with its threatened application of the funds against fees outstanding by Platinum Equities Inc.
 16. Since receiving that correspondence, I have from time to time spoken to Bennett Jones LLP with respect to their position, which has not changed. Accordingly, the Receiver now applies for a Court direction that Bennett Jones provides an accounting with respect to the Proceeds and payment of the net Proceeds to the Receiver.
 17. The Receiver understands the net Proceeds applied against the Bennett Jones LLP accounts to be approximately \$144,000.

All of which is respectfully submitted this 19th day of November, 2014.

ERNST & YOUNG INC.
IN ITS CAPACITY AS RECEIVER AND MANAGER OF PLATINUM INVESTMENT
TRUST. AND NOT IN ITS PERSONAL CAPACITY



Robert J. Taylor, CA•CIRP
Senior Vice-President

Appendix A

Matt Lindsay

From: Neil.Honess@ca.ey.com
Sent: September-28-12 8:28 AM
To: ksiazekj@bennettjones.com
Cc: Kennedy, Robert
Subject: Platinum Investment Trust - in receivership

Jakob

Thank you very much for your time yesterday, it was much appreciated. I have a nice stack of reading materials for the weekend! As we discussed, it may be that we will require the correspondence between yourselves and PIT and we believe the privilege issue is not applicable as, due to the receivership, the Receiver is effectively the client, PIT. I'll get back to you on that matter.

Finally, further to our discussion, I confirm my understanding that Bennett Jones LLP is not going to release any moneys held in trust in respect of this matter prior to confirmation from the receiver that the funds do not form part of the receivership estate.

Kind regards

Neil



Neil Honess | Senior Manager | Transaction Advisory Services

Ernst & Young Inc.
Ernst & Young Tower, 1000, 440 2nd Avenue S.W., Calgary, AB T2P 5E9 Canada
Phone: +1 403 206 5003 | Fax: +1 403 290 4265
EY/Comm: 1664663 | Neil.Honess@ca.ey.com
ey.com/ca

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Matt Lindsay

From: Jakub Ksiazek <KsiazekJ@bennettjones.com>
Sent: September-28-12 11:06 AM
To: Neil.Honess@ca.ey.com
Cc: Kennedy, Robert
Subject: RE: Platinum Investment Trust - in receivership

Dear Neil,

Thank you for meeting me yesterday. Yes, I will not release the funds held in trust (except to the extent we need to apply them to fees for this particular file only) until this issue is determined. As for the correspondence with PIT, I will wait to hear your direction on this. Happy reading.



Jakub D. Ksiazek
Barrister & Solicitor, Bennett Jones LLP

4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7
P. 403 298 3602 | F. 403 265 7219
E. ksiazekj@bennettjones.com



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From: Neil.Honess@ca.ey.com [<mailto:Neil.Honess@ca.ey.com>]
Sent: 28 September 2012 8:28 AM
To: Jakub Ksiazek
Cc: Robert Kennedy
Subject: Platinum Investment Trust - in receivership

Jakob

Thank you very much for your time yesterday, it was much appreciated. I have a nice stack of reading materials for the weekend! As we discussed, it may be that we will require the correspondence between yourselves and PIT and we believe the privilege issue is not applicable as, due to the receivership, the Receiver is effectively the client, PIT. I'll get back to you on that matter.

Finally, further to our discussion, I confirm my understanding that Bennett Jones LLP is not going to release any moneys held in trust in respect of this matter prior to confirmation from the receiver that the funds do not form part of the receivership estate.

Kind regards

Neil



Neil Honess | Senior Manager | Transaction Advisory Services

Ernst & Young Inc.
Ernst & Young Tower, 1000, 440 2nd Avenue S.W., Calgary, AB T2P 5E9 Canada
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Appendix B



FW: Platinum
Jakub Ksiazek
to:
Neil.Honess@ca.ey.com
12/10/2012 09:01 AM
Hide Details
From: Jakub Ksiazek <KsiazekJ@bennettjones.com>
To: "Neil.Honess@ca.ey.com" <Neil.Honess@ca.ey.com>,

History: This message has been forwarded.

1 Attachment



8258511_1.pdf



Jakub D. Ksiazek
Barrister & Solicitor, Bennett Jones LLP

4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7
P. 403 298 3602 | F. 403 265 7219
E. ksiazekj@bennettjones.com



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From: Jakub Ksiazek
Sent: 12 October 2012 8:58 AM
To: 'Neil.Honess@ca.ey.com'
Cc: 'Chitra Chandran'; 'Shariff Chandran'
Subject: RE: Platinum

Neil,

Here is a clean version of our trust ledger. You will see that we, in essence, received four payments over two and a half years. The first one was \$20,000 (as a forbearance fee) which we remitted to PIT General Partner Corp. The second was the sum of \$160,000, of which we retained \$20,000 to pay oldest A/R (with agreement from client), and the balance remitted to PIT General Partner Corp. The third was \$168,880.42, of which we retained \$30,000 to pay oldest A/R (again with agreement of client), the balance was remitted to Platinum Investment Trust. Lastly, we received \$174,082.74, from which we have paid all A/R on the foreclosure file, but continue to hold the balance. This last payment is in regard to the Platinum Equities loan.



Jakub D. Ksiazek
Barrister & Solicitor, Bennett Jones LLP

4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7
P. 403 298 3602 | F. 403 265 7219
E. ksiazekj@bennettjones.com



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From: Neil.Honess@ca.ey.com [<mailto:Neil.Honess@ca.ey.com>]
Sent: 10 October 2012 1:11 PM
To: Jakub Ksiazek
Subject: Platinum

Jakub

Thanks for all the documentation provided to date.

As you know I want to get the overall picture in respect of the loan transaction between Platinum Equities Inc. and Kamal Dhillon, and the loan transaction between PIT General Partner Corp. and Kamal Dhillon (collectively, the "Loans"). The Receiver requires all documentation / records in respect of these Loans (pursuant to the subject Receivership Order) including any and all documentation / correspondence as it relates to the Loans that I have not already seen.

In addition, we require the following particulars in relation to the Loans which I do not recall seeing in your records:

1. when the Loans were repaid (including supporting documentation); and
2. statement(s) of receipts and disbursements (or similar documentation) as it relates to the distribution of Loans proceeds.

Kind regards

Neil



Neil Honess | Senior Manager | Transaction Advisory Services

Ernst & Young Inc.
Ernst & Young Tower, 1000, 440 2nd Avenue S.W., Calgary, AB T2P 5E9 Canada
Phone: +1 403 206 5003 | Fax: +1 403 290 4265
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ey.com/ca

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Appendix C

Matt Lindsay

From: Bob.Taylor@ca.ey.com
Sent: December-07-12 4:16 PM
To: DrozdowskiK@bennettjones.com
Cc: Jakub Ksiazek; neil.honess@ca.ey.com; Kennedy, Robert
Subject: Re: Receivership Proceedings - Platinum Investment Trust

Thanks Kelsey.

We will review your letter with our legal counsel and then advise.

It appears you hold approximately \$144K in funds pending hearing from us. Could you kindly provide the exact figure.

Thanks.



Bob Taylor

Ernst & Young Inc.
Ernst & Young Tower, 1000, 440 2nd Avenue S.W., Calgary, AB T2P 5E9 Canada
Phone: +1 403 233 7112 | Cell Phone: +1 403 835 1164 | Fax: +1 403 206 5075
EY/Comm: 1628301 | Bob.Taylor@ca.ey.com
Assistant: Kimberley Thurn | Phone: +1 403 206 5356 | Kimberley.Thurn@ca.ey.com

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From: Kelsey Drozdowski <DrozdowskiK@bennettjones.com>
To: "bob.taylor@ca.ey.com" <bob.taylor@ca.ey.com>
Cc: "neil.honess@ca.ey.com" <neil.honess@ca.ey.com>, "robert.kennedy@fmc-law.com" <robert.kennedy@fmc-law.com>, Jakub Ksiazek <KsiazekJ@bennettjones.com>
Date: 07/12/2012 04:07 PM
Subject: Receivership Proceedings - Platinum Investment Trust

Bob,

Please see the attached letter.

Regards,

Kelsey

Kelsey Drozdowski

Partner

Bennett Jones T 403 298 3323 / F 403 265 7219 / E drozdowskiK@bennettjones.com
4500 Bankers Hall East / 855 - 2nd Street S.W. / Calgary, Alberta T2P 4K7

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Kelsey Drozdowski
Partner
Direct Line: 403.298.3323
e-mail: drozdowskik@bennettjones.com
Our File No.: 54290-112

December 7, 2012

VIA EMAIL AND COURIER

Mr. Robert J. Taylor, CA, CIP
Ernst & Young Inc.
Ernst & Young Tower
1000, 440 - 2nd Avenue SW
Calgary AB T2P 5E9

Dear Mr. Taylor:

**Re: The Receivership Proceedings of Platinum Investment Trust ("PIT")
Court File No. 1101-09473**

Thank you for your letter of November 29, 2012. As you may already be aware:

1. Our office was retained on behalf of Platinum Equities Inc. ("Platinum") to enforce a loan secured by a promissory note and collateral mortgage granted to Platinum and registered against a property located at 33 Val Gardena Place, Calgary, Alberta (the "Property").
2. The Platinum promissory note and collateral mortgage were paid out in full as a result of the sale of the Property. Those funds, in the amount of approximately \$174,000 (the "Platinum Proceeds"), were paid directly to Bennett Jones LLP on August 3, 2012, and remain held in trust by our office, with the exception of approximately \$30,000 that was applied to the legal fees owed by Platinum in relation to the conduct of that foreclosure file.
3. At all materials times prior to and subsequent to Bennett Jones LLP receiving the Platinum Proceeds:
 - a. Platinum was aware, and consented to, the fact that the Platinum Proceeds would be held and are held by Bennett Jones LLP;
 - b. the Platinum Proceeds were received by Bennett Jones LLP in the ordinary course of the business transaction relating to the sale of the Property and were not held by Bennett Jones LLP for any specific purpose; and
 - c. Bennett Jones LLP was owed legal fees in excess of the amount of the Platinum Proceeds.

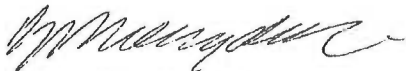
4. On or about September 5, 2012, our office received a copy of an *ex parte* Order obtained by the Receiver on August 31, 2012, directing that certain property, including the Platinum mortgage of the Property, is included in the property over which your office is appointed as Receiver.
5. Our client, Platinum, has instructed our office to deduct our legal fees and provide the remainder of the Platinum Proceeds to the Receiver.

It is our view that this matter is consistent with the finding in *Canadian Commercial Bank v. Parlee McLaws* (1989), 95 A.R. 321 (Q.B.), and specifically, the "Elpat Funds" considered in that decision. In short, as the Platinum Proceeds received by Bennett Jones LLP were received in the ordinary course of a business transaction, and not for any particular purpose, and are held by our office with the knowledge and consent of our client, our office is entitled to set-off our outstanding legal fees owed by Platinum from the Platinum Proceeds held in trust by our office. As the legal fees owed to our office by Platinum (and preceding the date of the *ex parte* Order) are well in excess of the Platinum Proceeds, no further funds remain to be remitted to the Receiver.

We note that Mr. Ksiazek of our office agreed with Mr. Honess of your office that he would not release any funds held in trust by our office prior to confirmation from the Receiver that the funds do not form part of the receivership estate. As such, we will continue to hold the Platinum Proceeds in trust, pending either confirmation from your office that we may release them and apply them to our accounts, or further direction from the Court in this regard. In the event that it is necessary to proceed with a Court application, we would appreciate hearing from your legal counsel to discuss an appropriate time to schedule that application.

Yours truly,

BENNETT JONES LLP



Kelsey Drozdowski

KD/wm

cc: Neil Honess, Ernst & Young Inc. (via email)
Robert Kennedy, Fraser Milner Casgrain LLP (via email)
Jakub Ksiazek, Bennett Jones LLP (via email)
Client (via email)



Appendix D

Kelsey Drozdowski
Partner
Direct Line: 403.298.3323
e-mail: drozdowskik@bennettjones.com
Our File No.: 54290-112

January 11, 2013

VIA EMAIL AND COURIER

Mr. Robert J. Taylor, CA, CIP
Ernst & Young Inc.
Ernst & Young Tower
1000, 440 - 2nd Avenue SW
Calgary AB T2P 5E9

Dear Mr. Taylor:

**Re: The Receivership Proceedings of Platinum Investment Trust ("PIT")
Court File No. 1101-09473**

Further to our letter to you of December 7, 2012, I wanted to update you as to an issue that has arisen with regard to the Platinum Proceeds, being the payment in full of the Platinum promissory note and collateral mortgage as a result of the sale of the property located at 33 Val Gardena Place, Calgary, Alberta (the "Property"), in the amount of approximately \$174,000. As indicated in our letter, approximately \$30,000 of that was applied to the legal fees owed by Platinum Equities Inc. ("Platinum") in relation to the conduct of the foreclosure proceedings on that promissory note and collateral mortgage. The mortgagor, Mr. Kam Dhillon, requested a review/assessment of the legal fees in relation to those foreclosure proceedings. As such, and as advised by Mr. Ksiazek of our office to Mr. Honess of your office, an Appointment for Review of Lawyer's Charges was scheduled and heard on December 17, 2012. The total account for the foreclosure matter amounted to \$45,914.50 (approximately \$30,000 of which was paid out of the proceeds of sale of the Property, the balance of which had been paid by Mr. Dhillon during the foreclosure process). The Review Officer reduced the accounts by \$14,610.22, which amount is accordingly to be refunded to Mr. Dhillon.

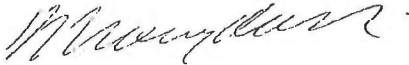
As Mr. Ksiazek previously advised Mr. Honess of your office, Bennett Jones LLP claimed a solicitor's lien with respect to the approximately \$30,000 from the Platinum Proceeds that was applied to the legal fees in relation to the foreclosure. As a result of the Review Officer's decision, we will accordingly be refunding \$14,610.22 to Mr. Dhillon. While it is our view that this should not have any bearing on the receivership of PIT (or the *ex parte* Order in relation to the assets of Platinum), we wanted to ensure that the Receiver had advance notice of our intention to refund these funds to Mr. Dhillon.

January 11, 2013
Page Two

As such, should the Receiver have any objection to the funds being refunded to Mr. Dhillon, we ask that you please advise our office by noon on January 18, 2013, at which time, if we have not heard further from you, we will proceed to issue the cheque to Mr. Dhillon.

Yours truly,

BENNETT JONES LLP



Kelsey Drozdowski

KD/wm

cc: Neil Honess, Ernst & Young Inc. (via email)
Robert Kennedy, Fraser Milner Casgrain LLP (via email)
Rosalyn Klemptner, Jakub Ksiazek and Ken Lenz, Bennett Jones LLP (via email)
Kam Dhillon (via email)
Client (via email)



Appendix E

Matt Lindsay

From: Wendy Morrison <MorrisonW@bennettjones.com>
Sent: January-11-13 2:36 PM
To: Bob.Taylor@ca.ey.com
Cc: neil.honess@ca.ey.com; Kennedy, Robert; Kelsey Drozdowski
Subject: The Receivership Proceedings of Platinum Investment Trust
Attachments: My Scan.pdf; My Scan(1).pdf; My Scan(2).pdf

Mr. Taylor,

Please see the attached correspondence from Ms. Drozdowski regarding the above-noted matter.

Regards,



Wendy Morrison

Legal Assistant to Kelsey Drozdowski, Bennett Jones SLP

4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7

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Bennett Jones LLP
4500 Bankers Hall East, 855 - 2nd Street SW
Calgary, Alberta, Canada T2P 4K7
Tel: 403.298.3100 Fax: 403.265.7219

Kelsey Drozdowski
Partner
Direct Line: 403.298.3323
e-mail: drozdowskik@bennettjones.com
Our File No.: 54290-131 and 132

January 11, 2013

VIA EMAIL AND COURIER

Mr. Robert J. Taylor, CA, CIP
Ernst & Young Inc.
Ernst & Young Tower
1000, 440 - 2nd Avenue SW
Calgary AB T2P 5E9

Dear Mr. Taylor:

**Re: The Receivership Proceedings of Platinum Investment Trust
Court File No. 1101-09473**

Thank you for your letter of December 19, 2012 (received at our office on December 28, 2012). Please find enclosed our two cheques, totaling the amount of \$11,810.92, representing the balance of the retainer fees received by our office by way of bank draft #000000529686 for \$10,000 and bank draft #000000529687 for \$10,000, as set out in our letter of December 18, 2012.

Yours truly,

BENNETT JONES LLP

Kelsey Drozdowski

KD/wm
Encls.

cc: Neil Honess, Ernst & Young Inc. (via email)
Robert Kennedy, Fraser Milner Casgrain LLP (via email)
Jakub Ksiazek and Ken Lenz, Bennett Jones LLP (via email)
Client (via email)

www.bennettjones.com

Appendix F



Bennett Jones LLP
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Kelsey Drozdowski
Partner
Direct Line: 403.298.3323
e-mail: drozdowskik@bennettjones.com
Our File No.: 54290-131 and 132

January 11, 2013

VIA EMAIL AND COURIER

Mr. Robert J. Taylor, CA, CIP
Ernst & Young Inc.
Ernst & Young Tower
1000, 440 - 2nd Avenue SW
Calgary AB T2P 5E9

Dear Mr. Taylor:

**Re: The Receivership Proceedings of Platinum Investment Trust ("PIT")
Court File No. 1101-09473**

We write further to our letter to you of December 7, 2012 (a copy of that letter is enclosed for your reference). As set out in that letter, we are holding the "Platinum Proceeds" (the balance of the proceeds of sale of the property located at 33 Val Gardena Place, Calgary, Alberta (the "Property")) in trust, pending either confirmation from your office that we may release them and apply them to our accounts, or further direction from the Court in this regard, in which case we had asked that your legal counsel contact us to discuss an appropriate time to schedule such an application. In that regard, we would ask that you please respond by 9:00 a.m. on January 18, 2013 with either confirmation that we may apply the funds to our accounts or a reasonable explanation as to why the funds cannot be applied (in consideration of our letter of December 7, 2012). If we have not received confirmation or an explanation in that regard from you by 9:00 a.m. on January 18, we will apply the Platinum Proceeds to our outstanding accounts for legal fees at that time.

Yours truly,

BENNETT JONES LLP

Kelsey Drozdowski

KD/wm
Encl.

cc: Neil Honess, Ernst & Young Inc. (via email)
Robert Kennedy, Fraser Milner Casgrain LLP (via email)
Jakub Ksiazek and Ken Lenz, Bennett Jones LLP (via email)
Client (via email)

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Appendix G



Fraser Milner Casgrain LLP
15TH Floor, Bankers Court
850 - 2ND Street SW
Calgary, AB, Canada T2P 0R8

MAIN 403 268 7000
FAX 403 268 3100

January 15, 2013

Matthew R. Lindsay
Direct Line : 403-268-3037
matt.lindsay@fmc-law.com
Our File: 545811-1

Attention: Kelsey Drozdowski

Bennett Jones
4500, 855 - 2nd Street S.W.
Calgary, Alberta T2P 4K7

Dear Madam:

RE: Receivership Proceedings of Platinum Investment Trust ("PIT")
Court File No: 1101-09473

We are counsel to the Receiver in the captioned matter and your letters of December 7, 2012 and January 11, 2013 have been referred to us for reply.

As you will have appreciated from Mr. Taylor's letter of November 29, 2012, the Receiver is dealing with the estate of the Platinum Investment Trust pursuant to the Receivership Order, which includes specific reference to the property located at 33 Val Gardena Place, Calgary, Alberta (the "Property"). The evidence provided to the Court in respect of the Receivership Order indicates that Platinum Equities Inc. held the mortgage on the Property as nominee for Platinum Investment Trust, which is the entity that advanced the mortgage financing with respect to the Property.

We understand from your letters that the promissory note and collateral mortgage were paid out in full as a result of the sale of the Property, realizing funds of approximately \$174,000.00 (the "Platinum Proceeds", as you have called them). We understand that that full amount is currently held in trust by your office, with the exception of approximately \$30,000.00. The latter amount was applied to legal fees incurred by Bennett Jones in relation to the conduct of the foreclosure file. As a result, as we understand it, approximately \$144,000.00 remains in trust with Bennett Jones for the benefit of Platinum Investment Trust. Platinum appears to have acknowledged that these funds are properly owing to the Receiver for Platinum Investment Trust pursuant to paragraph 5 of your December 7, 2012 letter.

You have asserted at paragraph 3(c) of your letter that Bennett Jones is owed legal fees in excess of the amount of the Platinum Proceeds. It is not clear to us from your letter what amount, if any, Bennett Jones alleges it is owed by Platinum Investment Trust and that Bennett Jones seeks to set off against the funds held in trust. So far as we are aware, no such amounts remain outstanding. Indeed, it seems to us from paragraph 2 of your letter that Bennett Jones has satisfied the full amount of its invoices rendered to collect the Platinum Proceeds.

To the extent Bennett Jones claims to be owed any additional amount by Platinum Investment Trust, we ask that you provide us with those details at your earliest opportunity.

In the meantime, it is the Receiver's position that Bennett Jones continues to hold funds properly owing to Platinum Investment Trust and that it has no right of set off with respect to those funds. Accordingly, the full net balance of the Platinum Proceeds should be paid immediately to the Receiver.

We note your two letters of January 11, 2013 with respect to this matter. With respect to the proposed refund to Kam Dhillon, we understand your letter to say that Bennett Jones will be refunding to Mr. Dhillon the sum of \$14,610.22. We also understand that those funds will not be coming from the Platinum Proceeds. On that understanding, we agree that the refund should not have any bearing on the receivership of Platinum Investment Trust or the Receivership Order and therefore the Receiver has no objection to Bennett Jones refunding that amount to Mr. Dhillon. If our understanding of Bennett Jones' proposed course of action is incorrect, please advise.

We also note your second letter of January 11, 2013 requesting a response to your correspondence of December 7, 2012. You now have the Receiver's response. We ask for your immediate confirmation that Bennett Jones will either pay the net Platinum Proceeds to the Receiver or at a minimum will continue to hold the Platinum Proceeds pending any agreement between the Receiver and Bennett Jones or further Court direction. In the event that we cannot find a resolution to these matters, we expect to apply for Court direction and will continue to hold Bennett Jones to its obligation to hold those funds in trust for the Receiver.

We look forward to your early reply.

Yours truly,

Fraser Milner Casgrain LLP



Matthew R. Lindsay

MRL:lm

Appendix H

Kelsey Drozdowski
Partner
Direct Line: 403.298.3323
e-mail: drozdowskik@bennettjones.com
Our File No.: 54290-112
Your File No.: 545811-1

January 16, 2013

VIA EMAIL

Mr. Matthew R. Lindsay
Fraser Milner Casgrain LLP
15th Floor, Bankers Court
850 - 2nd Street SW
Calgary AB T2P 0R8

Dear Mr. Lindsay:

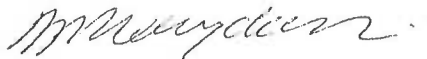
**Re: The Receivership Proceedings of Platinum Investment Trust
Court File No. 1101-09473**

Thank you for your letter of January 15, 2013. At the time of the Receivership of Platinum Investment Trust, Bennett Jones LLP held funds in trust for Platinum Equities Inc. ("PEI"), as explained in our letter of December 7, 2012. The indebtedness of PEI to Bennett Jones LLP at that time was more than the amount of the funds held in trust. Further, we had received authorization at that time to apply those trust funds to our accounts.

As set out in our letter of December 7, 2012, Bennett Jones LLP is entitled to set-off its accounts against the funds held in trust for PEI. You have not provided any explanation as to why set-off would not apply in these circumstances, as requested in our letter. Accordingly, and as set out in our letter of January 11, 2013, we are applying those funds to our outstanding accounts. While the Receiver may choose to bring an application to the Court for a determination of this matter, it is our view that this course of conduct is appropriate in these circumstances.

Yours truly,

BENNETT JONES LLP



Kelsey Drozdowski

KD/wm

cc: Robert J. Taylor and Neil Honess, Ernst & Young Inc. (via email)
Jakub Ksiazek and Ken Lenz, Bennett Jones LLP (via email)
Client (via email)

Appendix I



Fraser Milner Casgrain LLP
15TH Floor, Bankers Court
850 - 2ND Street SW
Calgary, AB, Canada T2P 0R8

PHONE 403 268 7000
FAX 403 268 3100

January 18, 2013

Via Email

Attention: Kelsey Drozdowski

Bennett Jones
4500, 855 - 2nd Street S.W.
Calgary, Alberta T2P 4K7

Dear Ms. Drozdowski:

RE: **Receivership Proceedings of Platinum Investment Trust ("PIT")**
Court File No: 1101-09473

Thank you for your letter of January 16, 2013.

I fear that we are approaching this matter at cross purposes. It appears from your letter that Bennett Jones is asserting a set-off of Bennett Jones accounts issued to Platinum Equities Inc. against trust funds you characterize as belonging to Platinum Equities Inc. As you are now aware, and as confirmed by Platinum Equities Inc., those funds are the property of Platinum Investment Trust and its beneficiaries, are owing to the Receiver and cannot be the subject of the asserted set-off.

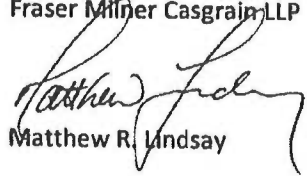
As I indicated in our letter, the Receiver's understanding is that Bennett Jones has already deducted the fees earned in preserving the trust funds. If Bennett Jones feels it is owed any other amounts by Platinum Investment Trust, we would be happy to receive the details of those amounts. At the moment, however, Bennett Jones is asserting a set-off of indeterminate amount against funds held for a different party. As a result, should Bennett Jones decide to apply the trust funds against its outstanding accounts, it does so at its peril.

It may be that we will need the Court's assistance in resolving the matter. Please confirm that Bennett Jones will hold the funds in trust pending that court process.

I would be happy to discuss these matters with you at your convenience.

Yours truly,

Fraser Milner Casgrain LLP

A handwritten signature in black ink, appearing to read "Matthew R. Lindsay", is written over the printed name.

Matthew R. Lindsay

MRL:lm