



SPERGEL
Licensed Insolvency Trustees

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May 26, 2017

An open letter to Affiliates of Banners Broker International Limited ("BBIL")

The Receiver would like to share the following update with all affiliates of Banners Broker as it proceeds with its administration of the Banners Broker Receivership.

The criminal charges against both Christopher Smith and Rajiv Dixit have concluded. Both Smith and Dixit have entered into plea agreements. Pursuant to these agreements Smith was fined \$1,435,000 and Dixit was fined \$2,500,000. The first \$50,000 must be paid by each within two years. The remainder must be paid within five years. If they do not pay their respective fines within five years there is a "default hearing" and a presumptive 5 year prison sentence. The default hearing is a mechanism whereby Smith and Dixit are allowed to adduce evidence as to why they are unable to pay the balance of the fine.

The Receiver continues in its efforts to trace funds within the BBIL enterprise. These tracing efforts are worldwide and have garnered positive results to date. That having been said, our efforts have been impeded by the criminal proceedings which as noted above have now concluded. There is still much to be done and with the conclusion of the criminal charges our tracing efforts can be continued without any consideration being given to the criminal courts.

The ability to predict a date for conclusion is impaired by the depth and breadth of the BBIL enterprise. We will continue with our statutory mandate until such has been fully completed.

Yours very truly,

msi Spergel inc.
solely in its capacity as Court-Appointed
Receiver and Manager of Banners Broker
International Limited

Per:

Philip H. Gennis, J.D., CIRP, LIT
Senior Principal