

NOTICE OF POTENTIAL CLAIM

This Notice may affect your rights. Please read it carefully and thoroughly.

PURPOSE OF THIS NOTICE

Over the last several years, we have been attempting to have HMS investor money that was seized in the First National Bank of San Diego (“**San Diego Funds**”) transferred to the Clerk of the Court for this Class Action, and to have any **traceable claims** to those San Diego Funds paid out immediately.

Traceable claims means claims by anyone who can **show proof that the cheque / bank draft they used to make their investment was deposited into the First National Bank of San Diego either directly, or through Garth Bailey, or through an HMS Customer Care Specialist.**

The Court-appointed Receiver in San Diego has already identified and issued payment to most of the traceable claimants to the San Diego Funds. After that process, we reviewed our records and identified a number of additional traceable claims (list attached as Schedule “A”) who will be paid out, by Court Order, as soon as the funds are made available to our office to do so. We also identified a number of what we believe to be potential further traceable claims (list attached as Schedule “B”), however we require further information in order to be able to determine if these potential claimants have directly traceable claims.

NOVEMBER 15, 2010 COURT DIRECTIONS

On November 15, 2010, the Court ordered that any class member who is on the attached list of potential traceable claims (Schedule “B”), **OR** any class member who is not on that list but who believes that they have a traceable claim, as described above, must provide the banking records or other documents proving this claim to us by E-mail or Fax by **close of business on December 8, 2010.**

If we advise that your claim is not traceable, and you wish to object to our decision, you will have to:

1. Provide your objection in the form of a filed Affidavit, showing why your claim is traceable, to us by **close of business on December 10, 2010, AND**

2. You will have to appear, in person or through a lawyer you retain, at a hearing at **10:00 am on December 14, 2010** before the Honourable Associate Chief Justice J.D. Rooke at the **Calgary Courts Centre, 601 - 5 Street SW, Calgary, Alberta** to argue that your claim is in fact traceable.

As the timelines between providing us with the information, and filing your affidavit if your claim is not accepted, are very short, we urge anyone who believes they have a traceable claim to the San Diego funds to provide us with their proof as soon as possible.

After payment of the traceable claims, the balance of the San Diego Funds (presently estimated at approximately \$3.5 million), together with other current and anticipated recoveries, will be distributed to HMS investor class members as directed by further Court Order at the conclusion of the litigation.

Please note that our office is only able to accept communications in relation to this matter in writing, to the contact information below.

Lynn Sedgwick
Litigation Paralegal
McLennan Ross LLP
600 12220 Stony Plain Road
Edmonton, Alberta T5N 3Y4
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Email: lsedgwick@mross.com

Schedule "A"

Class Member	Draft No.	Traceable Amount
Allen, Betty & Geoffrey	286867081	\$105,000.00
Cardwell, Maria	22009104	\$15,000.00
Friesen, Katherine	7000005179	\$15,000.00
Harvest Music Promotions	18	\$10,000.00
Harvest Music Promotions	17	\$10,000.00
Kerr, Donald & Patricia	8323864	\$20,000.00
Klapstein, David	8424983	\$5,000.00
Kroening, Dale & Denise	90185068-149	\$7,000.00
Loewen, David	206433054	\$5,000.00
Loewen, David	206433063	\$5,000.00
Mazzone, Michael	34869613	\$5,000.00
Pizzuti, John A.	579466264	\$60,000.00
Read, Dave & Terry Dawn	70367942-147	\$5,000.00
Kurtz, Allen & Louise	1938217	\$30,000.00
Minnick, Daniel P.	940851	\$10,000.00
Piska, Donald & Doris	7000051255	\$7,500.00

Schedule "B"

Class Member	Draft No.	Potentially Traceable Amount
Boettger, Bruce	205638453	\$5,000.00
Dart, Elizabeth	277573111	\$10,000.00
Fraser	90068504-149	\$5,000.00
Glanville	1829751	\$7,500.00
Howard, A. John	250155	\$745.00
Johnston, Vivian	250201	\$1,000.00
Klapstein	206908488	\$10,000.00
Pappas, Ellis	582701578	\$20,000.00
Perry, Randall & Stephanie	36440938-054	\$8,000.00
Rains	90150492-149	\$100,000.00
Reimer	672722120	\$5,000.00
Rimmer	90150495-149	\$5,000.00
Rimmer	1659545	\$5,000.00
Thomspen, J	301235735	\$25,000.00