

July 25, 2011

To: all lenders in South Thompson Guest Ranch (“STGR”) & Eron Financial Services (“EFS”)

We advise that Brian Slobogian’s bankruptcy trustee, Abakhan & Associates (“Abakhan”), declared and paid a dividend from his estate to creditors on July 18, 2011.

We advise that on your behalf, PricewaterhouseCoopers Inc. (in its capacity as Judicial Trustee of Eron Mortgage Corporation), previously filed claims against Slobogian for:

- STGR lenders (for the fraud perpetrated against STGR); and
- EFS lenders (for the personal guarantee Slobogian gave on the EFS promissory notes).

More detailed information is below:

South Thompson Guest Ranch investments

Some lenders may find it confusing trying to compare the balance of your investment in STGR (as noted in Eron’s computer system), to the balance of the claim that shows on Abakhan’s dividend sheet.

We advise that all lenders’ investment balances were increased, so that when totalled, the total amount of claims came to the amount of fraud Slobogian admitted to.

To clarify, Eron’s records show a total of \$6.2 million dollars worth of investments from lenders in STGR. Mr. Slobogian admitted to (and was convicted of) a fraud against STGR investors of \$7.0 million dollars.

In order to submit \$7.0 million dollars worth of claims, PricewaterhouseCoopers Inc. adjusted (on a pro rata basis) each investment’s balance. For example, a claim of \$5,150 was increased to \$5,740 for the dividend.

We advise that this payment is the only payment STGR lenders will receive on their investment.

EFS Promissory Notes

The balance of your investment (claim) that Abakhan used in calculating the dividend, was the current balance of your EFS investment, which is after the deduction of the first distribution payment made to lenders in May 2005.



For example, if your investment in EFS was \$10,000, and you received a payment of \$1,000 in May 2005, your claim against Slobogian's estate is \$9,000. The payment you are now receiving from Abakhan, is based on the claim balance of \$9,000.

We advise that a further final payment will be made to EFS lenders, once the Judicial Trusteeship is completed this summer.

Please direct any questions on your payment from Abakhan, to Mr. Graeme Dearnley at Abakhan and Associates, at (604) 484-7848.

PricewaterhouseCoopers Inc.
Judicial Trustee of Eron Mortgage Corporation