

**BRIDGEMARK GROUP SECURITIES LITIGATION**  
**NOTICE OF BELEAVE INC. SETTLEMENT CLAIMS PROCESS**

READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS

**To be entitled to compensation under the settlement, you must file a claim at  
[www.beleavesecuritieslitigation.com](http://www.beleavesecuritieslitigation.com) before August 8, 2022.**

**Who this Notice is For**

This notice is directed to everyone who acquired securities of Beleave Inc. ("**Beleave**") [CSE: BE (delisted), OTCQX: BLEVF, CUSIP: 077561108, ISIN: CA 0775611084] **from and including April 24, 2018, to and including November 26, 2018** (the "**Beleave Class Members**"):

**What the Action is About**

On July 11, 2019, an action styled *TIETZ V BRIDGEMARK FINANCIAL CORP., ET AL.*, Action No. S- 197731, was commenced in the Supreme Court of British Columbia (Vancouver) ("**B.C. Court**" and "**Action**") against various defendants including Beleave, and its former CEO and CFO, Andrew Wnek and Bojan Krasic (collectively, "**Wnek and Krasic**").

The Action arises from private placements carried out between February and August 2018 in ten different public companies, including Beleave. The Action alleges that the private placements were carried out as part of a fraudulent investment scheme, in which the companies entered into consulting agreements with the subscribers to the private placements and their designated associates as a condition of the subscribers participating in the private placements.

It is alleged these agreements required the payments of lump sum consulting fees, which it is alleged were paid by the companies contemporaneously with the closing of the private placements and provided justification for the companies to issue free trading shares to the subscribers as consultants, under a prospectus exemption. It is alleged that the

subscribers quickly sold most of their shares into the market, at prices which were substantially below the price they had purportedly paid to acquire the private placement shares and below the prevailing market prices for the companies' shares at the time. It is alleged that the sales at these discounted prices still resulted in a substantial profit to the subscribers, taking account of the funds paid back to them and their associates as consulting fees as part of the private placement transactions.

The Action also alleges that, as part of this scheme, the companies involved made misrepresentations to the market in the disclosure documents they released concerning the private placements. It is alleged the companies carrying out the private placements represented the private placements were cash for securities prospectus exempt distributions under which the companies raised significant financing through the issuance of securities, when, in fact, the true substance of the private placements left each company with cash proceeds from its private placement that were substantially less than the amount the company represented to the public it had received.

Specifically, with respect to Beleave, Wnek and Krasic, it is alleged that, among other things, between April and June 2018, Beleave announced that it had raised a total of approximately \$10 million through two private placements, when, in fact, Beleave retained only approximately \$2.5 million of this amount, returning \$7.5 million through prepaid consulting fees to the private placement subscribers, a group of purported consultants who provided no consulting services.

It is alleged that, between April 24, 2018 and November 26, 2018 ("**Beleave Class Period**"),

Beleave released certain disclosure documents that were materially misleading as to the true substance and effects of the private placements. The Plaintiffs allege this resulted in damage to Beleave Class Members.

The Action alleges the scheme was exposed and the alleged misrepresentations were publicly corrected on November 26, 2018, when, among other things, the Executive Director of the B.C. Securities Commission published a news release announcing an ongoing investigation into the private placements.

The claims pursued against Beleave, Wnek and Krasic in the Action included claims for damages for losses allegedly attributable to their alleged acts and omissions in furtherance of the scheme, and due to Beleave's alleged misleading disclosures. The Plaintiffs claimed Beleave, Wnek and Krasic had liability for those losses.

### **Settlement with Beleave Inc., Wnek and Krasic**

On June 5, 2020, Beleave filed for protection under the *Companies' Creditors Arrangement Act*, in the Ontario Superior Court of Justice ("**CCAA Proceedings**" and "**Ontario Court**"), Action No. CV-20-00642097-00CL.

The Ontario Court granted a stay of proceedings against Beleave and its officers and directors, which included a stay of the Action. While Beleave was subject to creditor protection, the Plaintiffs and Beleave, Wnek and Krasic entered a settlement of the allegations made against them in the Action ("**Settlement**" and "**Settling Defendants**"). Full agreement on the terms of the Settlement was reached in October 2020. The Settlement resolves the Action entirely against the Settling Defendants.

**The Settlement provides for settlement funds of CDN \$2,400,000.00 ("**Settlement Fund**").** The Settlement also provides that the Settling Defendants will cooperate with the Plaintiffs in the prosecution of the Action against non-settling defendants, and the unnamed consultants referred to in the Action.

The Settlement is a compromise of disputed claims and is not an admission of liability, wrongdoing, or fault on the part of the Settling Defendants, each of whom have denied and continue to deny the allegations made against them in the Action.

On November 16, 2020, the Ontario Court granted an order authorizing Beleave to enter and execute the Settlement. The Ontario Court also made an order lifting the stay of proceedings so that approval of the

Settlement could be sought in the B.C. Court. On November 30, 2020, the Ontario Court made an order terminating the CCAA Proceedings, an order authorizing Beleave to file assignments into bankruptcy, and an order for Beleave's monitor to act as trustee in bankruptcy. On January 19, 2021, Beleave was assigned into bankruptcy under the *Bankruptcy and Insolvency Act*.

### **Class Certification to give effect to Settlement**

On December 14, 2020, the B.C. Court certified the Action as a class proceeding as against the Settling Defendants solely for settlement purposes. Certification against the Settling Defendants was obtained with their consent and is without prejudice to rights of non-settling defendants, including their rights to oppose certification of the action against them.

In granting certification against the Settling Defendants, the B.C. Court certified a class of everyone who purchased securities in Beleave during the Beleave Claim Period and in the following Issuers in the following periods (collectively, the "**Class**"):

- Kootenay Zinc Corp., between January 30, 2018 and November 26, 2018;
- Affinor Growers Inc., between March 5, 2018 and November 26, 2018;
- Green 2 Blue Energy Corp., between April 12, 2018 and November 26, 2018;
- Beleave Inc. between April 24, 2018 and November 26, 2018;
- Citation Growth Corp., between May 17, 2018 and November 26, 2018;
- Cryptobloc Technologies Corp., between May 18, 2018 and November 26, 2018;
- BLOK Technologies Inc., between June 1, 2018 and November 26, 2018;
- PreveCeutical Medical Inc., between April 9, 2018 and November 26, 2018;
- Abattis Bioceuticals Corp. between July 4, 2018 and November 26, 2018;
- Speakeasy Cannabis Club Ltd. between June 29, 2018 and November 26, 2018; and
- KOPR Point Ventures Inc. between July 25, 2018 and November 26, 2018.

The Class was certified for settlement purposes to include persons who purchased shares in the defendant issuers other than Beleave because those persons' claims in conspiracy against Beleave were settled by the Settlement. The Action has since been discontinued against Abattis Bioceuticals Corp. and the claims in the Action no longer involve the private placement carried out by that company.

### **Approval of the Settlement**

At the same time as the B.C Court certified the Action as against the Settling Defendants, the Settlement was approved as fair, reasonable and in the best interests of the Class. The Court's reasons approving the Settlement were released on January 8, 2021 and can be accessed [here](#).

Beleave Class Members continue to have claims against non-settling defendants. This includes defendants who participated in Beleave's private placements at issue in the Action, those involved in the subsequent sale of the private placement shares, and other defendants who entered or arranged the consulting agreements with Beleave as part of the private placement transactions.

### **Distribution Protocol**

The manner of administering the Settlement and distributing the Settlement Fund to Beleave Class Members was approved by the B.C. Court on April 8, 2022.

The Distribution Protocol only provides for cash compensation only to Beleave Class Members.

The Distribution Protocol provides that the Settlement Fund, net of costs of administration, Class Counsel's fees, disbursements, and a litigation holdback for the continuing claims of all Class members, will be distributed pro rata to Authorized Claimants based on their Notional Entitlements (the terms Authorized Claimant and Notional Entitlement are defined in the Distribution Protocol).

The Distribution Protocol provides that Notional Entitlements of Authorized Claimants will be the difference between their acquisition cost and either their actual disposition proceeds or a deemed disposition at a price established by reference to the trading price of Beleave common shares on the CSE during the 10 trading days following the end of the Class Period.

Beleave Class Members are encouraged to review the

Distribution Protocol at [www.bridgemarkclassaction.com](http://www.bridgemarkclassaction.com).

### **Copies of Important Documents**

Copies of the Notice of Civil Claim, the Court's Orders, the Settlement Agreement, the Distribution Protocol, and its accompanying guide may be found on the website [www.bridgemarkclassaction.com](http://www.bridgemarkclassaction.com).

### **How to Make a Claim**

To be entitled to compensation under the settlement, you must file a claim at [www.beleavecuritieslitigation.com](http://www.beleavecuritieslitigation.com) before August 8, 2022.

### **Excluding Yourself from the Settlement and the Action**

Under the Distribution Protocol, Beleave Class Members who do not wish to participate in this Settlement and the Action may exclude themselves from both by "opting-out" by August 8, 2022.

Under the Distribution Protocol, other Class members are not entitled to opt-out of the Action at this time and will be bound by the terms of the Settlement.

If you opt-out, you will no longer be part of the action against any of the Defendants and will not be entitled to participate in any future recovery.

*Publication of this notice was authorized by the Supreme Court of British Columbia*

**PLEASE DO NOT CONTACT THE COURT WITH INQUIRIES ABOUT THE ACTION OR THE SETTLEMENT.**

All inquiries should be directed to Class Counsel.