

Statement from Jason Sharkey

In 2005, I applied to an open position I found online with Klytie's Developments Inc. Following the initial face to face interview with Hidai Friedman, owner of the company, I was flown to their corporate offices in Calgary, Alberta Canada where I met with Friedman and his wife and co-owner Efrat Friedman. During that trip, the Friedmans showed me numerous properties that they had keys to access and claimed were owned by their company. The properties were at various stages of development and I was shown detailed plans for each property. Additionally, they showed me properties and projects they claimed they had completed and spoke to the financials of each of the completed deals. They talked through the history of the fund and its historical success to date.

I was offered the position of Regional Vice President with an annual salary of \$52,000 with a commission structure as well for capital raised. Based on the information that the Friedman's provided and what I saw with my own eyes in Calgary, I accepted the position with the belief that it was a solid investment fund and reputable company.

Based on this confidence, my wife and I invested in the fund as did other members of our family including both of our fathers. Over the course of the next two years we all made additional financial investments. In total, my wife and I invested \$134,000, and other family members invested a combined total of \$122,000 as well.

I never knowingly lied to anyone about the fund. I believed the fund to be a solid investment opportunity based on the information the Friedmans provided. Whenever questions came up regarding the status of the company or the fund, they always had answers. For example, when a question was raised regarding the legitimacy of TD Canada Trust, they gave me contacts to reach out to, whose email addresses had the same domain as the bank's website. Every question always came back with a solid, seemingly legitimate answer that assuaged any concerns and answered every question the investors or I had.

In late 2006, I was made aware that investigators were starting to look into the company's activities. As I began to learn more, the questions stopped getting answered by the Friedmans, and I resigned from the company in the first quarter of 2007.

In the Fall of 2007, charges were filed against me along with the Friedmans who owned the fund. I fully cooperated with the State of Colorado in this matter as I did not knowingly take investors' money for a fraudulent fund or intentionally try to steal money from the company or investors. Being an investor myself, I was just as surprised as anyone when the full extent of the Friedmans' fraud was revealed. The federal civil case was closed by the court after the Friedmans fled the country. All matters concerning my personal involvement in the state case were resolved with a deferred prosecution agreement and the charges have been vacated.

This unfortunate legal matter from more than 10 years ago has been resolved and will have no impact on the Riverlife project itself. All potential investors and lenders are aware of what occurred and the position I was placed in as an unwitting investor and employee of Klytie's. We are still in discussion with potential equity partners and lenders and plan to have permanent financing for Riverlife secured in the weeks ahead.

The experience has taught me valuable lessons about doing one's own due diligence in business, even when everything appears to be legitimate. I no longer go on what I am told, but I ensure it is verified as part of my fiduciary responsibility. While I cannot undo the past, the lessons learned from this incredibly difficult time in my professional career have allowed me to move on from this experience; stronger, wiser and able to succeed in business by being my own best advocate and protector of my company, my clients and my integrity.