

NOTICE OF SETTLEMENT APPROVAL
CANNON v. PARKLANE FINANCIAL GROUP LTD. CLASS ACTION

To the ParkLane Class Action Class Members

This notice is for every person who participated in the ParkLane Donations for Canada Charitable Gift Program while resident in Canada during the period between January 1, 2005 and December 31, 2009, and who did not opt out of the Class Action, or who is not an “Excluded Person”.

READ THIS NOTICE CAREFULLY. IT MAY AFFECT YOUR RIGHTS.

Please note that this is a summary of the Court approval of a settlement reached with some of the Defendants in this Class Action. The full terms of the settlement are posted on Class Counsels’ websites referenced below.

A Settlement with Some of the Defendants Has Been Approved by the Court

On March 7, 2017, the Plaintiff entered into a Settlement Agreement with the remaining Defendants in this Class Action, who are:

ParkLane Financial Group Limited, Trafalgar Associates Limited, Trafalgar Trading Limited, and Appleby Services Bermuda Ltd. as trustee for the Bermuda Longtail Trust, now known as Estera Services (Bermuda) Limited.

In this Class Action, the Plaintiff alleged, among other things, that the Defendants were negligent in creating and operating the Gift Program, and that the promotional materials about the Gift Program contained misrepresentations, and breached provincial Consumer Protection Legislation. The Class Action sought, among other things, an order requiring the Defendants to repay to the Class Members the total amount that each Class Member paid out of pocket to participate in the Gift Program, as well as any interest or penalties charged by the Canada Revenue Agency at the time the Class Members’ tax returns were reassessed.

Starting in 2014, the Canada Revenue Agency began making offers to settle the outstanding objections filed by approximately 65% of the Class. The CRA is making offers to allow the total amount that each Class Member paid out of pocket to participate in the Gift Program as a tax credit, and to provide some interest relief. These offers reduced the total alleged damages sustained by the Class.

All of the Defendants have, and continue to deny any liability to the Class. The Class Action has been vigorously contested.

TERMS OF THE SETTLEMENT

On April 28, 2017, the Court approved the Settlement and declared that it is fair, reasonable, and in the best interest of the Class.

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

Under the terms of the Settlement the Settling Defendants have paid to the Class a total of \$17,500,000, plus interest in the amount of \$164,931.50..

In return for this payment, the Settling Defendants have received releases, and the Class Action has been dismissed. All counterclaims and Third Party Claims have also been dismissed.

Class Counsel conducted the Class Action on a contingent fee basis. The Court has awarded Class Counsel legal fees, expenses, and applicable taxes in the total amount of \$5,829,427.20, based upon 33% of the total settlement fund, plus taxes (“Class Counsel Fees”). Class Counsel Fees will be deducted from the Settlement Funds before they are distributed to Class Members. Expenses incurred or payable relating to approval, notification, implementation, and administration of the Settlement (“Administration Expenses”) will also be paid from the Settlement Funds before the net balance is distributed to Class Members.

The Class Proceedings Fund, which has provided some funding for the Class Action, as well as indemnification in the event of any adverse cost award, will also be paid a total of 10% of the net Settlement Fund, after deduction of the total Class Counsel Fees.

HOW TO MAKE A CLAIM TO RECEIVE PART OF THE SETTLEMENT FUNDS

The Court has appointed RicePoint Administration Inc. as the Administrator of the Settlements. The Administrator will oversee the claims (described below) and will distribute the Net Settlement Fund to all Class Members who submit a valid Claim Form.

Claim Forms will be mailed or emailed to all Class Members for whom Class Counsel have current contact information. Claim Forms will also be available by contacting the Administrator or visiting either the Administrator's website or Class Counsels' websites. The Administrator's contact information is:

ParkLane Funds Administrator
P.O. Box 3355
London, ON N6A 4K3

www.parklanesettlement.ca

Toll Free: 1-888-663-7194

parklane@nptricepoint.com

Class Members who wish to receive compensation from the Settlement Amount must mail a signed and completed Claim Form to the Administrator no later than July 31, 2017 (the "Claim Deadline").

Class Members who send a valid Claim Form to the Administrator, postmarked prior to the Claim Deadline will be paid a *pro rata* share of the Net Settlement Fund, based upon the amount of their cash donations.

The Settlement Agreement, the Settlement Approval Order, the Distribution Protocol and Claim Forms, as well as other information regarding the Class Action are available on Class Counsels' websites at:

http://www.thetorontolawyers.ca/class_actions.htm or

<http://www.parklaneaction.com>

or may be obtained by calling: 1-888-684-5545

For questions relating to the Class Action, or for further information about the Settlements, please contact Class Counsel

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The Ontario Superior Court of Justice offices cannot answer any questions about the matters in this notice, please do not contact the Court regarding this notice.