

ONTARIO

SUPERIOR COURT OF JUSTICE

BETWEEN:

MICHAEL CANNON

Plaintiff

and

FUNDS FOR CANADA FOUNDATION, MATT GLEESON AND SARAH STANBRIDGE as trustees for the DONATIONS CANADA FINANCIAL TRUST, PARKLANE FINANCIAL GROUP LIMITED, TRAFALGAR ASSOCIATES LIMITED, TRAFALGAR TRADING LIMITED, APPLEBY SERVICES (BERMUDA) LTD. as trustee for the BERMUDA LONGTAIL TRUST, EDWIN C. HARRIS Q.C., PATTERSON PALMER also known as PATTERSON PALMER LAW, PATTERSON KITZ (Halifax), PATTERSON KITZ (Truro), MCINNES COOPER, SAM ALBANESE, KEN FORD, RIYAD MOHAMMED, DAVID RABY, GREG WADE, GLEESON MANAGEMENT ASSOCIATES INC., MARY-LOU GLEESON, MATT GLEESON and MARTIN P. GLEESON

Defendants

PROCEEDING UNDER THE *CLASS PROCEEDINGS ACT, 1992*

SETTLEMENT AGREEMENT

BETWEEN:

MICHAEL CANNON (the Representative Plaintiff)

and

FUNDS FOR CANADA FOUNDATION, MARY-LOU GLEESON, GLEESON MANAGEMENT ASSOCIATES INC., and MATT GLEESON (together, the FFCF/Gleeson Defendants)

Executed on June , 2013.

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SETTLEMENT AGREEMENT

This Agreement is made and entered into as of this day of June, 2013 (the "Execution Date"), by and between Michael Cannon, the Representative Plaintiff, on behalf of himself and the Class, and Funds for Canada Foundation, Mary-Lou Gleeson, Matt Gleeson and Gleeson Management Associates Inc.

RECITALS

A. **WHEREAS** the Plaintiff has brought a certified class action against, among others, the FFCF/Gleeson Defendants bearing Court File No.: CV-08-362807-00 CP in which he asserts multiple causes of action;

B. **AND WHEREAS** the deadline for Class Members to opt-out of the Action has passed, except for those Class Members who are also defendants to the Third Party Actions;

C. **AND WHEREAS** the FFCF/Gleeson Defendants have denied and continue to deny all the Plaintiff's claims in this Action, have vigorously denied any wrongdoing or liability of any kind whatsoever, and would have actively and diligently pursued affirmative defences and other defences had this Action not been settled;

D. **AND WHEREAS** the Plaintiff and the FFCF/Gleeson Defendants agree that neither this Agreement nor any statement made in the negotiation thereof shall be deemed or construed to be an admission by or evidence against the FFCF/Gleeson Defendants or evidence of the truth of any of the Plaintiff's allegations;

E. **AND WHEREAS** the Plaintiff has agreed to enter into this Agreement, in part, because of the limited amount of insurance and other assets available to the FFCF/Gleeson Defendants, the liabilities and potential liabilities of the FFCF/Gleeson

Defendants to other non-parties, the intrinsic value of the cooperation and documentary production the FFCE/Gleeson Defendants agree to render or make available to the Class pursuant to this Agreement, and based upon Class Counsel's analysis of the facts and law applicable to the Plaintiff's claims, and taking into account the extensive burdens, risks and expenses of continued litigation, including any potential appeals by or against the FFCE/Gleeson Defendants, and the fair, cost-effective and assured method of resolving the claims of the Class, the Plaintiff, with the benefit of advice from Class Counsel, has concluded that this Agreement is fair and reasonable and in the best interest of the Class;

F. **AND WHEREAS** this Agreement has been reached following extensive and hard-fought arm's-length settlement negotiations between counsel for the FFCE/Gleeson Defendants and Class Counsel;

G. **AND WHEREAS** the Plaintiff and the FFCE/Gleeson Defendants therefore wish to, and hereby do, subject to the Court's approval, and without any admission of liability by the FFCE/Gleeson Defendants, fully and finally resolve the Action as against the FFCE/Gleeson Defendants;

H. **NOW THEREFORE**, in consideration of the payment of the Settlement Amount, and the covenants, promises, mutual promises, agreements and releases set forth herein, the receipt and sufficiency of which are hereby acknowledged, and for other good and valuable consideration,

IT IS HEREBY AGREED by the Plaintiff and the FFCE/Gleeson Defendants that, subject to the approval of the Court, the Action shall be settled and dismissed without

costs as against the FFCF/Gleeson Defendants only, on the terms and conditions of this Agreement.

SECTION 1 - DEFINITIONS

For the purpose of this Agreement only, including the Recitals hereto:

- (a) **Action** means the class proceeding commenced by Michael Cannon against the FFCF/Gleeson Defendants, among others, bearing Court File No. CV-08-362807-00 CP.
- (b) **Administration Expenses** means all fees, disbursements, expenses, costs, taxes and any other amounts incurred or payable relating to notice, approval, implementation and administration of the Settlement including the fees, disbursements and taxes paid to the Claims Administrator, and any other expenses approved by the Court which shall all be paid from the Settlement Amount.
- (c) **Approval Motion** means the motion brought by Class Counsel to seek the Court's approval of the settlement provided for in this Agreement.
- (d) **Agreement** means this settlement agreement, including the recitals and any schedules thereto.
- (e) **Approval Motion** means a motion to be brought by the Plaintiff for the Approval Order.
- (f) **Approval Order** means the Court order:
 - (i) approving this Agreement;
 - (ii) appointing the Claims Administrator;

- (iii) approving the form of the Notice of Settlement Approval; and
- (iv) approving the plan for publication of the Notice of Settlement Approval,

substantially in the form attached as Schedule C hereto.

(g) **Claims** means any and all actions, suits, claims, rights, demands, assertions, allegations, causes of action, controversies, proceedings, losses, damages, injuries, legal and lawyers' fees, costs, expenses, penalties, debts, liabilities, judgments, or remedies, whether equitable or legal, and whether class, individual, or otherwise.

(h) **Claims Administrator** means the person proposed by Class Counsel and appointed by the Court to administer the Settlement Fund in accordance with the provisions of this Agreement, and any employees of such firm.

(i) **Class** means:

Any 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 (the "class period"), excluding Edward Furtak, Wayne Robertson, the Defendants, their subsidiaries, affiliates, officers, directors, senior employees, legal representatives, heirs, predecessors, successors and assigns, and any member of the families of the Individual Defendants, Wayne Robertson and Edward Furtak, and any entity in which any of the foregoing persons or entities has a legal or *de facto* controlling interest.

(j) **Class Counsel** means Landy Marr Kats LLP and Paliare Roland Rosenberg Rothstein LLP.

(k) **Court** means the Ontario Superior Court of Justice.

- (l) **Defendants** means all defendants named in the Action and against whom this Action remains in force as of the Execution Date, particularly, Funds for Canada Foundation, ParkLane Financial Group Limited, Trafalgar Associates Limited, Trafalgar Trading Limited, Appleby Services (Bermuda) Ltd. as trustee of the Bermuda Longtail Trust, Edwin C. Harris Q.C., Patterson Palmer also known as Patterson Palmer Law, Patterson Kitz (Halifax), Patterson Kitz (Truro), McInnes Cooper, Mary-Lou Gleeson and Matt Gleeson.
- (m) **Distribution Protocol** means the plan for distributing the Settlement Fund to the Class, as approved by the Court.
- (n) **Documents** means all papers, computer or electronic records, electronically stored information, or other materials within the scope of Rule 1.03(1) and Rule 30.01(1) of the Ontario *Rules of Civil Procedure* and any copies, reproductions, or summaries of the foregoing.
- (o) **Effective Date** means (i) the date upon which the Approval Order is granted, if no appeal lies therefrom; (ii) the date upon which the ability to appeal from the Approval Order has expired without any appeal being taken, namely, thirty (30) days after the issuance of the Approval Order, only if an appeal lies from the Approval Order; or (iii) if any appeals have been taken from any Approval Order, the date upon which all such appeals are concluded by way of a Final Order or judgment; but an "appeal" shall not include any appeal that concerns only the issue of either Class Counsel's fees and disbursements, or the Distribution Protocol.

- (p) **FFCF** means Funds for Canada Foundation, and includes its current or former directors or trustees.
- (q) **FFCF/Gleeson Defendants** means collectively, Funds for Canada Foundation, Mary-Lou Gleeson, Matt Gleeson and Gleeson Management Associates Inc.
- (r) **Final** when used in relation to a court order or judgment, means all rights of appeal from such order or judgment have expired or have been exhausted and that the ultimate court of appeal (or court of last resort) to which an appeal (if any) was taken has upheld such order or judgment.
- (s) **Gift Program** means the ParkLane Donations for Canada Charitable Gift Program for the years 2005 through to and including 2009.
- (t) **Non-Settling Defendants** means all the Defendants against whom certification was granted by the Court, other than the FFCF/Gleeson Defendants.
- (u) **Notice of Approval Motion** means the form of notice, agreed to by the Plaintiff and the FFCF/Gleeson Defendants, substantially in the form attached as Schedule B to this Agreement, or such other form as may be approved by the Court that informs the Class of: (i) the date and location of the Approval Motion; and (ii) the core elements of this Agreement.
- (v) **Notice of Settlement Approval** means the form of notice, agreed to by the Plaintiff and the FFCF/Gleeson Defendants or such other form as may be approved by the Court that informs the Class of the settlement of the Claims against the FFCF/Gleeson Defendants, and of the Court's approval of this Agreement.

- (w) **Notice Protocol** means the protocol for publication and delivery of the Notices to the Class attached as Schedule A to this Agreement, or as otherwise directed by the Court.
- (x) **Notices** means the Notice of Approval Motion and the Notice of Settlement Approval.
- (y) **Parties** means the Plaintiff, Class Members, and the FFCF/Gleeson Defendants, and **Party** means any one thereof.
- (z) **Person** means an individual, corporation, partnership, limited partnership, limited liability company, association, joint stock company, estate, legal representative, trust, trustee, executor, beneficiary, unincorporated association, and any other business or legal entity and their heirs, predecessors, successors, representatives, or assignees.
- (aa) **Plaintiff** means Michael Cannon.
- (bb) **Released Claims** means any and all manner of claims, demands, actions, suits, causes of action, whether class, individual or otherwise in nature, damages whenever incurred, and liabilities of any nature whatsoever, including penalties, interest, costs, expenses, Administration Expenses, Class Counsel Fees, accountants' fees and lawyers' fees, known or unknown, suspected or unsuspected, in law, under statute or in equity, that the Releasing Parties, or any of them, whether directly, indirectly, or in any other capacity, ever had, now have, or hereafter can, shall, or may have as against the Released Parties or any one or more of them, relating in any way to the ParkLane Donations for Canada Charitable Gift Program as described in the Statement of Claim.

- (cc) **Released Parties** means, jointly and severally, individually and collectively, the FFCF/Gleeson Defendants and all of their predecessors, successors, heirs, executors, administrators, and any and all past, present officers, directors, trustees, agents and assigns. Notwithstanding the foregoing, "Released Parties" does not include the Non-Settling Defendants, Edward Furtak, the beneficiaries of the Bermuda Longtail Trust, Wayne Robertson, or any present or former officer, director, employee, agent, or trustee of any of the Non-Settling Defendants.
- (dd) **Releasing Parties** means, jointly and severally, individually and collectively, the Plaintiff and the Class Members, on behalf of themselves and any person or entity claiming by or through them as an heir, administrator, predecessor, successor, executor, parent, subsidiary or assignee.
- (ee) **Royalty Agreements** means, the agreements entered into between FFCF and Trafalgar Trading Limited at any time between 2005 and 2009 in connection with the Gift Program.
- (ff) **Royalty Payments** means any amounts payable to FFCF from Trafalgar Trading Limited under the terms of any Royalty Agreements made between FFCF and Trafalgar Trading Limited.
- (gg) **Settlement** means the settlement provided for in this Agreement.
- (hh) **Settlement Amount** means the sum of nine hundred and fifty thousand Canadian dollars (Cdn \$950,000.00), plus any accrued interest thereon.

- (ii) **Settlement Fund** means the net balance in the account established pursuant to Section 4.1 of this Agreement.

SECTION 2- SETTLEMENT APPROVAL

2.1 Best Efforts

- (a) The Parties shall use their best efforts to implement the terms of this Agreement, to obtain an Approval Order, and to secure the prompt, complete and final dismissal of the Action as against the FFCF/Gleeson Defendants, although this does not require any Party to agree to amend this Agreement.
- (b) The Plaintiff will prepare and file the motion for Settlement approval as soon as practicable following the Execution Date.
- (c) The Parties agree that any proposed order submitted to the Court in connection with this Agreement shall be in a form reasonably satisfactory to Class Counsel, and the Lawyers for the FFCF/Gleeson Defendants.

2.2 Motions for Notice Approval and for Settlement Approval

- (a) Promptly after the Execution Date, the Plaintiff and the FFCF/Gleeson Defendants shall use their best efforts to obtain an order from the Court approving the form and content of the Notice of Approval Motion and the Notice Protocol for the Notice of Approval Motion.
- (b) The Plaintiff and the FFCF/Gleeson Defendants shall thereafter use their best efforts to obtain an Approval Order.
- (c) If this Agreement is approved by the Court, the Plaintiff and the FFCF/Gleeson Defendants shall jointly seek entry of an order that, *inter alia*:

- (i) approves this Agreement and its terms as being fair, reasonable, and in the best interests of the Class Members and directing its consummation according to its terms; and
- (ii) directs that, as to the FFCF/Gleeson Defendants, the Action is dismissed with prejudice and without costs.

2.3 Determination that Settlement is Final

- (a) The Settlement shall be considered final on the Effective Date.

SECTION 3- NOTICE TO SETTLEMENT CLASS

3.1 Notices Required

- (a) The Class shall be given the following notices: (i) Notice of Approval Motion and (ii) Notice of Settlement Approval; or (iii) Notice of Termination of this Agreement if it is terminated, or as otherwise ordered by the Court. All notices shall be substantially in a form agreed upon by the Plaintiff and the FFCF/Gleeson Defendants and as approved by the Court.

3.2 Distribution of Notices

- (a) The manner of publication and distribution of the Notices will be as set out in the Notice Protocol, or as otherwise approved by the Court.
- (b) With the object of reducing the costs of Notices, Class Counsel shall use their reasonable best efforts to coordinate the provision of Notices pertaining to this Agreement with the provision of notice for any other settlements that may be reached in the Action. The costs of provision of Notices shall be allocated proportionally among all such settlements.

- (c) The FFCF/Gleeson Defendants and the Released Parties shall not be separately liable or responsible for any such costs.
- (d) Class Counsel and/or the Claims Administrator, as the case may be, shall pay the costs of the provision and distribution of the Notices to the Class Members referred to in Section 3 of this Agreement out of the Settlement Fund. Any such costs shall be paid from the Settlement Fund by Class Counsel or the Claims Administrator as they are incurred, and are not repayable in the event of termination of this Agreement.

SECTION 4 - SETTLEMENT BENEFITS

4.1 The Settlement Fund

- (a) The Settlement Fund shall be established as separate, interest-bearing trust account at a bank designated by Class Counsel, into which the Settlement Amount shall be paid in accordance with Section 4.2(c), below. All interest earned in the Settlement Fund shall become and remain part of the Settlement Fund. All transactional and administrative costs associated with maintaining and distributing the Settlement Fund shall be paid from the Settlement Fund.
- (b) The Settlement Fund shall be held in trust and administered by Class Counsel until the Effective Date, or such later date that Court that appoints a Claims Administrator, and Class Counsel will within 10 days thereafter, pay the net balance of the Settlement Fund to the Claims Administrator, who will then administer the Settlement Fund in accordance with the terms of this Agreement, the Approval Order and the Distribution Protocol (once approved by the Court), subject to the Court's continuing supervision and control.

- (c) The Settlement Fund shall be administered pursuant to this Agreement, the Approval Order and subject to the Court's continuing supervision and control. No monies shall be paid from the Settlement Fund except in accordance with this Agreement and the Approval Order.
- (d) The Court will appoint the Claims Administrator to serve until such time as the Settlement Fund is distributed in full in accordance with the Plan of Allocation, to implement this Agreement and the Plan of Allocation, on the terms and conditions and with the powers, rights, duties and responsibilities set out in this Agreement and in the Plan of Allocation.
- (e) The fees and expenses of the Claims Administrator shall be paid from the Settlement Fund, and the Claims Administrator shall report the amount of fees and expenses so incurred to Class Counsel and the Court.
- (f) Class Counsel shall account to the Court and the FFCF/Gleeson Defendants for all payments they make from the Settlement Fund prior to its transfer to the Claims Administrator. In the event this Agreement is terminated in accordance with Section 10.1(a), this accounting shall be delivered at the same time that the Settlement Fund is remitted to the FFCF/Gleeson Defendants.
- (g) If the Settlement Fund must be returned to the FFCF/Gleeson Defendants pursuant to Section 10.2(c)(ii) of this Agreement, then Class Counsel shall remit to the FFCF/Gleeson Defendants the net balance in the Settlement Fund inclusive of any accrued interest and less any amounts paid from the Settlement Fund as permitted by this Agreement.

4.2 Payment of the Settlement Benefits

- (a) The FFCF/Gleeson Defendants agree to pay the Settlement Amount in full satisfaction of all of the Claims within the scope of the Released Claims made against the Released Parties.
- (b) The FFCF/Gleeson Defendants shall have no obligation to pay any amount in addition to the Settlement Amount for any reason, pursuant to or in furtherance of this Agreement or in respect of any of the Released Claims, except as provided in Section 4.4(c) and 10.2(c)(iii), below.
- (c) The FFCF/Gleeson Defendants by or through their counsel or designee, shall deliver by wire transfer 100% of the Settlement Amount to Class Counsel, in trust by no later than sixty (60) business days of the written confirmation of this settlement with occurred on May 21, 2013. Class Counsel will provide to the FFCF/Gleeson Defendants the information necessary to complete the wire transfer.
- (d) The FFCF/Gleeson Defendants shall not have any responsibility, financial obligation, or liability whatsoever with respect to the investment, distribution, or administration of the Settlement Fund, including, but not limited to, the costs and expenses of such investment, distribution and administration, except as expressly otherwise provided in this Agreement.
- (e) Unless this Agreement is terminated as provided herein, the FFCF/Gleeson Defendants shall not, under any circumstances, be entitled to the repayment of any portion of the Settlement Amount, and then only to the extent of and in accordance with the terms provided herein.

4.3 Distribution to the Class Delayed

- (a) With the object of reducing the costs of administration of this Agreement and the costs of distribution of the Settlement Fund to the Class, the distribution of the Settlement Fund may be delayed to be included with the distribution of any other settlement that may be reached with any Non-settling Defendants in the Action, and the Claims Administrator may continue to hold the Settlement Fund less any payments permitted hereunder until additional amounts are available for distribution to the Class from other settlements or judgment(s) approved or granted by the Court.

- (b) As soon as practicable, the Plaintiff shall prepare and submit a proposed Distribution Protocol to the Court for its approval. The Distribution Protocol will include a term that none of the Settlement Fund will revert to the FFCF/Gleeson Defendants. The Distribution Protocol will include a term that the Settlement Amount will be distributed in connection with any other settlement that may be reached with any Non-Settling Defendant within a reasonable time of this Agreement, or in connection with the distribution of any proceeds of judgment.

4.4 Taxes

- (a) Except as provided in Section 4.4(c) and 10.2(c)(ii), all taxes payable on any interest which accrues in relation to the Settlement Amount, shall be the responsibility of the Class and shall be paid by Class Counsel or the Administrator, as appropriate, from the Settlement Fund, or as the Administrator considers appropriate.

- (b) Except as provided for in Sections 4.4(c) and 10.2(c)(ii), the FFCF/Gleeson Defendants shall have no responsibility to make any filings relating to the

Settlement Fund, will not be considered payees of any income earned on the Settlement Fund, and will have no responsibility to pay tax on any income earned by the Settlement Fund or pay taxes, if any, on the Settlement Fund.

- (c) If the Administrator or Class Counsel returns any portion of the Settlement Amount plus accrued interest to FFCF/Gleeson Defendants pursuant to the terms of this Agreement, the taxes payable on the interest portion of the returned amount shall be the responsibility of the FFCF/Gleeson Defendants.

SECTION 5 – COOPERATION IN THE PROSECUTION OF THE ACTION

5.1 Documentary Production

- (a) Beginning within 10 calendar days of the Execution Date, and to be completed within 60 calendar days of the Effective Date, the FFCF/Gleeson Defendants shall, at their own expense, provide Class Counsel with the following documentary production, to the extent it: (1) exists, (2) is in the power, possession, or control of the FFCF/Gleeson Defendants, and (3) is reasonably accessible:
 - (i) copies of all non-privileged Documents relevant to any of the certified common issues and/or relevant to the issues raised by the Non-Settling Defendants in the Third Party Claims; and,
 - (ii) any non-privileged electronic Documents relevant to any issues between the Plaintiff and any Non-Settling Defendants, which shall be produced in native format.

The obligation to produce Documents pursuant to this Section shall be a continuing obligation to the extent that additional Documents are identified following the initial productions.

- (b) The Plaintiff and Class Counsel shall be bound by the terms and provisions of Rule 30.1 of the Ontario *Rules of Civil Procedure* in respect of all Documents produced by the FFCF/Gleeson Defendants to the Plaintiff and/or Class Counsel.
- (c) The Parties agree that all documents provided by the FFCF/Gleeson Defendants to the Plaintiffs and Class Counsel under this Agreement shall be used only in connection with the prosecution of the Claims in the Action against the Non-Settling Defendants, and shall not be used directly or indirectly for any other purpose. The Plaintiffs and Class Counsel agree they will not publicize the documents and information provided by the FFCF/Gleeson Defendants beyond what is reasonably necessary for the prosecution of the Action against the Non-Settling Defendants or as otherwise required by law.
- (d) Any questions that Class Counsel have in relation to the documentary production described in Section 5.1(a) shall be addressed in accordance with the following protocol:
 - (i) Class Counsel shall provide written questions pertaining to the documentary production to counsel for the FFCF/Gleeson Defendants;
 - (ii) Counsel for the FFCF/Gleeson Defendants shall make reasonable inquiries of the FFCF/Gleeson Defendants and provide written answers to Class Counsel within 30 days of receiving the written questions; and

- (iii) The inability of the FFCF/Gleeson Defendants to fully answer Class Counsel's questions shall not constitute a breach or violation of their obligations under this Agreement.
- (e) The FFCF/Gleeson Defendants will preserve the original documents until final disposition of the Action, including the final disposition of any individual issues.

5.2 Oral Interviews and Trial Attendance

- (a) Mary-Lou Gleeson and Matt Gleeson will, in the company of their respective lawyers, and at their own expense, meet with Class Counsel on no more than two occasions to answer questions concerning documents, witnesses, meetings, communications, and events not covered by privilege or other protections available under any applicable Canadian law.
 - (i) The first meeting shall take place within 2 months of the date when the documentary production under Section 5.1(a) is completed, or as otherwise agreed between Class Counsel and the lawyers for the FFCF/Gleeson Defendants; and
 - (ii) The second meeting shall take place after the Plaintiff has put Mary-Lou Gleeson or Matt Gleeson under subpoena for trial, to prepare their trial evidence.

Each such interview shall be limited to no more than 4 hours per person.

- (b) The obligations of the FFCF/Gleeson Defendants, and in particular the obligations of Mary-Lou Gleeson and Matt Gleeson, to cooperate shall not be affected by the releases set forth in Section 7 of this Agreement. Unless this Agreement is terminated or otherwise fails to take effect for any reason, the FFCF/Gleeson Defendants' obligations to cooperate under this Agreement shall

continue until the date that a Final judgment has been rendered in the Action against the Non-Settling Defendants, and shall terminate at that time.

SECTION 6 - ROYALTY PAYMENTS

6.1 Motion for Payment into Court

- (a) In the event that FFCF receives any Royalty Payments prior to the motion referenced in (b), below:
 - (i) FFCF shall immediately report receipt of the Royalty Payment(s) and the amount thereof to Class Counsel;
 - (ii) the Royalty Payment(s) shall be held by FFCF until the final disposition of the motion referenced in (b), below; and,
 - (iii) in the event that, prior to the motion referenced in (b), below, the Canada Revenue Agency takes the position that the Royalty Payment(s) belong to it, FFCF shall immediately advise Class Counsel;

- (b) If the Plaintiff brings a motion for an order directing FFCF to pay into court any Royalty Payments it receives from Trafalgar Trading Limited, then:
 - (i) the motion shall be brought no later than 60 days after the Effective Date;
 - (ii) the motion shall be brought on notice to Canada Revenue Agency and the Non-Settling Defendants; and,
 - (iii) the FFCF/Gleeson Defendants shall take no position on the motion.

6.2 Court Order re Royalty Payments

- (a) FFCF shall be bound by the Court order with respect to the Royal Payments or otherwise any Court order made either by way of settlement or the common issues trial of the Action as against Trafalgar.

SECTION 7- RELEASES AND DISMISSALS

7.1 Release of Released Parties

- (a) Upon the Effective Date the Releasing Parties shall be deemed to, and do hereby, release, acquit, and forever discharge the Released Parties of and from any and all Claims arising from or in any way related to the Released Claims.

7.2 Covenant Not To Sue

- (a) Notwithstanding Section 7.1, for any Class Members resident in any province or territory where the release of one tortfeasor is a release of all other tortfeasors, the Releasing Parties do not release the Released Parties but instead covenant and undertake not to sue, make any Claim in any way, or to threaten, commence, or continue any Claim in any jurisdiction against the Released Parties, arising from or in any way related to the Released Claims.

7.3 No Further Claims

- (a) The Releasing Parties shall not now nor hereafter commence, institute, continue, maintain or assert, either directly or indirectly, whether in Canada or elsewhere, on their own behalf or on behalf of any class or any other person, any Claim within the scope of the Released Claims against any of the Released Parties or any other person who may claim contribution or indemnity from any of the Released Parties in respect of any Released Claim or any matter related thereto, except for the continuation of the Action against the Non-Settling Defendants, and any objections or tax appeals in relation to the reassessment of the Class Members' income tax returns with respect to their claims for a charitable deduction in respect of the Class Members' participation in the Gift Program.

7.4 Dismissal of Actions against the FFCF/Gleeson Defendants

- (a) Except as provided herein, the Action shall be dismissed, without costs and with prejudice, as against the FFCF/Gleeson Defendants, and such dismissal shall be an express term of the Approval Order.

7.5 Claims Against Other Entities Reserved

- (a) Except as provided herein, this Agreement does not settle, compromise, release or limit in any way whatsoever any Claim by Class Members against any other Person, including Non-Settling Defendants, other than the Released Parties.

SECTION 8 - BAR ORDER

8.1 Bar Order

- (a) The Plaintiff shall, as part of the Approval Motion, seek a bar order from the Court providing for the following:
 - (i) all claims for contribution, indemnity or other claims over, whether asserted or unasserted or asserted in a representative capacity, inclusive of interest, taxes and costs, relating to the Released Claims, which were or could have been brought in the Action or otherwise, by any Non-Settling Defendant against a Released Party, or by a Released Party against a Non-Settling Defendant are barred, prohibited and enjoined in accordance with the terms of this Section.

8.2 Material Term

- (a) The form and content of the bar order contemplated in this Section is a material term of this Agreement and the failure of the Court to approve the bar order contemplated herein shall give rise to a right of termination pursuant to Section 10 of this Agreement.

SECTION 9 - EFFECT OF SETTLEMENT

9.1 No Admission of Liability

- (a) Neither this Agreement nor anything contained herein shall be interpreted as a concession or admission of wrongdoing or liability by the FFCF/Gleeson Defendants, or as a concession or admission by the FFCF/Gleeson Defendants of the truthfulness of any claim or allegation asserted in this Action. Neither this Agreement nor anything contained herein shall be used or construed as an admission by the FFCF/Gleeson Defendants of any fault, omission, liability or wrongdoing in connection with any opinion, statement, written document, offering document, promotional document, visual presentation, charitable tax receipt, or otherwise, and in fact the Settling Defendants continue to vigorously dispute and contest the allegations made in this Action.

9.2 Agreement Not Evidence

- (a) The Plaintiff and the FFCF/Gleeson Defendants agree that, whether or not this Agreement is finally approved, the existence of a settlement agreement and anything contained herein, and any and all negotiations, documents, discussions and proceedings associated with this Agreement, and any action taken to carry out this Agreement, are highly confidential and shall not be referred to, offered as evidence or received in evidence in any pending or future civil, criminal, tax appeal, or administrative action or proceeding, except in a proceeding to enforce this Agreement, or to defend against the assertion of Released Claims, or as otherwise required by law.
- (b) Notwithstanding Section 10.2(a), this Agreement may be referred to or offered as evidence in order to obtain the orders or directions from the Court contemplated

by this Agreement, or in a proceeding to approve or enforce this Agreement, or to defend against the assertion of Released Claims, or as otherwise required by law.

SECTION 10 - TERMINATION OF SETTLEMENT AGREEMENT

10.1 Right of Termination

- (a) This Agreement shall be terminated at the option of either the Plaintiff or the FFCF/Gleeson Defendants if:
 - (i) An order substantially in the form of the Approval Order attached as Schedule C hereto is not granted by the Court; or
 - (ii) the Approval Order is reversed on appeal and the reversal becomes a Final Order.

- (b) Any order, ruling or determination made by the Court with respect to Class Counsel's fees and disbursements or with respect to the Distribution Protocol shall not be deemed to be a material modification of this Agreement and shall not provide any basis for the termination of this Agreement.

- (c) If any non-material provision of this Agreement is found by the Court to be illegal, invalid or unenforceable for any reason, the remainder of this Agreement will not be affected, and, in lieu of each provision that is found illegal, invalid or unenforceable, a provision will be added as a part of this Agreement that is as similar to the illegal, invalid or unenforceable provision as may be legal, valid and enforceable.

10.2 Effect of Termination Generally

- (a) Except as provided in Section 10.3(a), if this Agreement is terminated or otherwise fails to take effect for any reason, it shall have no further force and effect, shall not be binding on the Parties, and shall not be used as evidence or otherwise in any litigation.
- (b) If this Agreement is terminated or otherwise fails to take effect for any reason the Parties will be restored to their respective positions prior to the Execution Date.
- (c) If this Agreement is terminated or otherwise fails to take effect for any reason:
 - (i) Class Counsel shall forthwith deliver a consent in writing authorizing the FFCF/Gleeson Defendants to bring a motion, to the extent necessary, for an order:
 - (A) declaring this Agreement to be null and void and of no force or effect (except for the provisions set out in Section 10.3(a)); and
 - (B) directing that the balance in the Settlement Fund less any deductions provided for in this Agreement be paid to the FFCF/Gleeson Defendants; and
 - (ii) Class Counsel shall thereupon remit to the FFCF/Gleeson Defendants the balance in the Settlement Fund, including accrued interest, less the costs of the Notice of Termination to be expended in accordance with Section 3.1(a) of this Agreement.
 - (iii) Despite Section 4.4(a) and (b), if the Agreement is terminated, to the extent the balance in the Settlement Fund is paid to the FFCF/Gleeson Defendants, they shall be responsible for the payment of any taxes that

may be due with respect to the interest earned on the balance of the Settlement Fund.

- (d) In the event that the Agreement is terminated or otherwise fails to take effect for any reason, the Plaintiff shall return to the FFCF/Gleeson Defendants all Documents and all copies of such Documents provided by the FFCF/Gleeson Defendants under this Agreement. In the event any Documents are incapable of being physically returned to the FFCF/Gleeson Defendants, Plaintiff shall destroy all such Documents and provide the FFCF/Gleeson Defendants with a written certification by Class Counsel of such destruction. The requirements of this Section shall also apply to all Documents shared by Class Counsel with the Plaintiff's experts.

10.3 Survival of Provisions After Termination

- (a) If this Agreement is terminated or otherwise fails to take effect for any reason, the provisions of Sections 3.1(a)(iii), 3.1(d), 4.1(e), 4.1(f), 4.1(g), 4.2(e), 4.4(c), 5.1(b), 6.2(a), 9.1(a), 9.2(a), 10.2 and the definitions in Section 1 applicable thereto shall survive the termination and continue in full force and effect.

SECTION 11- CLASS COUNSEL FEES & ADMINISTRATION EXPENSES

11.1 Administration Expenses

- (a) With the object of reducing the costs of claims administration, Class Counsel shall use their reasonable best efforts to coordinate the claims administration process pertaining to this Agreement with the claims administration process pertaining to any other settlements that may be reached in the Action. The costs

of the claims administration process shall be allocated proportionally among settlements.

11.2 Class Counsel Fee Approval

- (a) Class Counsel will seek the Court's approval of their contingency fee retainer agreement with the Plaintiff, and will make an application to the Court for payment of their fees, including disbursements, and taxes from the Settlement Fund. This motion may be brought concurrently with the motion for settlement approval; in which case Class Counsel will undertake to the Court not to seek payment of any approved fees, disbursements and/or taxes from the Settlement Fund until after the Effective Date.
- (b) Class Counsel shall be reimbursed and paid out of the Settlement Fund for their fees, disbursements, and taxes after the Effective Date, solely as approved by the Court. No Class Counsel fees, disbursements, or taxes, shall be paid from the Settlement Fund prior to the Effective Date, except as otherwise provided in this Agreement.
- (c) Except as otherwise provided herein, the FFCF/Gleeson Defendants and the Released Parties shall not be liable for any fees, disbursements, costs, expenses, or taxes of Class Counsel, whether such fees, disbursements, costs, and expenses are approved or not by the Court.
- (d) Forthwith after the Court has approved Class Counsel's fees and disbursements and the Effective Date has passed, the Administrator shall pay to Class Counsel the Class Counsel Fees as approved by the Court, from the Settlement Fund.

SECTION 12- MISCELLANEOUS

12.1 Governing Law

- (a) This Agreement shall be governed by and construed and interpreted in accordance with the laws of the Province of Ontario, without regard to its choice of law or conflict of laws principles.

12.2 Ongoing Jurisdiction

- (a) The Court shall retain exclusive jurisdiction over the Action, the Parties and Class Members to interpret and enforce the terms, conditions and obligations under this Agreement and the Approval Order.
- (b) The Plaintiff or the FFCF/Gleeson Defendants may apply to the Court for directions in respect of the implementation, administration or enforcement of this Agreement.
- (c) All motions contemplated by this Agreement shall be on notice to the Plaintiff and the FFCF/Gleeson Defendants.

12.3 Interpretation

- (a) The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and shall in no way define, extend, or describe the scope of this Agreement or the intent of any provision thereof.
- (b) The terms "Agreement," "hereof," "hereunder," "herein," and similar expressions refer to this Agreement and not to any particular Section or other portion of this Agreement.

- (c) This Agreement shall be construed and interpreted to give effect to the intent of the Parties, which is to provide, through this Agreement, for a complete resolution of the Released Claims with respect to the Released Parties.
- (d) Nothing expressed or implied in this Agreement is intended to or shall be construed to confer upon or give any person or entity other than Class Members, Releasing Parties and Released Parties any right or remedy under or by reason of this Agreement.
- (e) In the computation of time in this Agreement, except where a contrary intention appears:
 - (i) where there is a reference to a number of days between two events, they shall be counted by excluding the day on which the first event happens and including the day on which the second event happens; and
 - (ii) only in the case where the time for doing an act expires on a holiday, the act may be done on the next day that is not a holiday.

12.4 Entire Agreement

- (a) This Agreement, including any schedules and the recitals herein, constitutes the entire agreement among the Plaintiff and the FFCF/Gleeson Defendants, and no representations, warranties, or inducements have been made to any Party concerning this Agreement, other than the representations, warranties, and covenants contained and memorialized this Agreement. This Agreement may not be modified or amended except in writing and signed by all Parties and subject to the Court's approval.

- (b) This Agreement supersedes any and all prior and contemporaneous agreements, understandings, undertakings, negotiations, representations, warranties, promises, and inducements concerning the Action between the Parties.
- (c) The Plaintiff and the FFCF/Gleeson Defendants further agree that the language contained in or not contained in previous drafts of this Agreement, or any agreement in principle, shall have no bearing upon the proper interpretation of this Agreement.
- (d) The recitals to this Agreement are material and integral parts hereof and are fully incorporated into, and form part of this Agreement.
- (e) Neither this Agreement, nor any negotiations or proceedings connected with it shall be deemed or construed to be an admission by any Party to this Agreement or by any Released Parties or evidence of any fact or matter in this Action or in any related actions or proceedings, and evidence thereof shall not be discoverable or used, directly or indirectly, in any way, except in a proceeding to interpret or enforce this Agreement.

12.5 Binding Effect

- (a) This Agreement shall be binding upon, and enure to the benefit of the Releasing Parties, the Released Parties and all of their successors and assigns. Without limiting the generality of the foregoing, each and every covenant and agreement made herein by the Plaintiff shall be binding upon all Releasing Parties and every covenant and agreement made herein by the FFCF/Gleeson Defendants shall be binding upon all of the Released Parties.

- (b) This Agreement has been the subject of negotiations and discussions among the undersigned, each of which has been represented and advised by competent counsel, so that any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter of this Agreement shall have no force and effect.

12.6 Notice

- (a) Any and all notices, requests, directives, or communications required by this Agreement shall be in writing and shall, unless otherwise expressly provided herein, be given personally, by express courier, by postage prepaid mail, by facsimile transmission, or by email .pdf files, and shall be addressed as follows:

IF TO THE PLAINTIFF and/or CLASS COUNSEL:

Landy Marr Kats LLP

Barristers & Solicitors
2 Sheppard Avenue East – Suite 900
Toronto, Ontario M2N EY7

Samuel S. Marr (LSUC #28544M)

Tel: 416.221.9343

Fax: 416.221.8928

Email: smarr@lmklawyers.com

Paliare Roland Rosenberg Rothstein LLP

155 Wellington Street West - 35th Floor
Toronto, Ontario M5V 3H1

Margaret L. Waddell (LSUC# 29860U)

Tel: 416.646.4329

Fax: 416.646.4301

Email: marg.waddell@paliareroland.com

Lawyers for the Plaintiff

IF TO THE FFCF/GLEESON DEFENDANTS:

Ricketts, Harris LLP

Barristers & Solicitors
181 University Avenue - Suite 816
Toronto, Ontario M5H 2X7

Gary H. Luftspring (LSUC #19972M)

Tel: 416.364.6211
Fax: 416.364-1697
Email: gluftspring@rickettsharris.com

Lawyers for Gleeson Management Associates Inc. and
Matt Gleeson

Stieber Berlach LLP
Barristers & Solicitors
130 Adelaide Street West – Suite 900
Toronto, Ontario M5H 3P5

Deborah Berlach (LSUC #239740)
Tel: 416.594-4671
Fax: 416.366-1466
Email: dberlach@sblegal.ca

Lawyers for Funds for Canada Foundation and Mary-Lou Gleeson

or to any such address or individual as may be designated by further notice in writing given by any Party to another.

12.7 Survival

- (a) The representations and warranties contained in this Agreement shall survive its execution and implementation.

12.8 Acknowledgements

- (a) Each of the Plaintiff and the FFCE/Gleeson Defendants hereby affirms and acknowledges that:
 - (i) he, she or a representative of the Party with the authority to bind the Party with respect to the matters set forth herein has read and understood this Agreement;
 - (ii) the terms of this Agreement and the effects thereof have been fully explained to him, her or the Party's representative by his, her or its lawyer;
 - (iii) he, she or the Party's representative fully understands each term of this Agreement and its effect; and

- (iv) no Party has relied upon any statement, representation or inducement (whether material, false, negligently made or otherwise) of any other Party, beyond the terms of this Agreement, with respect to the first Party's decision to execute this Agreement.

12.9 Authorized Signatures

- (a) Each of the undersigned represents that he or she is fully authorized to enter into the terms and conditions of, and to execute this Agreement.

12.10 Counterparts

- (a) This Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument.
- (b) For purposes of executing this Agreement a facsimile or .pdf signature shall be deemed an original signature.

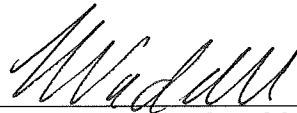
12.11 Date of Execution

- (a) The Plaintiff and the FFCF/Gleeson Defendants have executed this Agreement as of the date on the cover page.

IN WITNESS WHEREOF the Plaintiff and the FFCF/Gleeson Defendants have caused this Agreement to be executed, by their duly authorized counsel.


THE PLAINTIFF BY HIS COUNSEL:

Per:



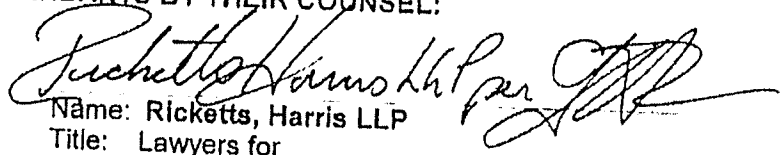
Name: **Paliare Roland LLP**
Title: Lawyers for the Plaintiff
(Margaret Waddell)

Per:



Name: **Landy Marr Kats LLP**
Title: **Lawyers for the Plaintiff**
(Samuel Marr)

THE FFCF/GLEESON DEFENDANTS BY THEIR COUNSEL:

Per:


Name: **Ricketts, Harris LLP**
Title: **Lawyers for**
Gleeson Management Associates Inc., and
Matt Gleeson
(Gary H. Luftspring)

Per:


Name: **Stieber Berlach LLP**
Title: **Lawyers for**
Funds for Canada Foundation and Mary-
Lou Gleeson
(Deborah Berlach)

Schedule A

Notice Protocol

Background

1. The ParkLane Defendants have provided to Class Counsel a Master Donor List listing the names and last known addresses and email addresses for the Class Members.
2. The Master Donor List has been edited by Class Counsel following the publication of the notice of certification to update the addresses and email addresses for Class Members, based on responses to the notice of certification. Returned mail from addresses that are no longer current were identified by the Notice Administrator, and total 482; however for some of those Class Members, Class Counsel do have email addresses.
3. Class Counsel have been directly contacted by approximately 1500 Class Members by email, mail and telephone, and their contact information has been added into a database it maintains.

Notice of Approval Motion

4. Class Counsel will send the Notice of Approval Motion by email where available, or alternatively by mail to all Class Members for whom there are current addresses in the Master Donor List and/or Class Counsel's database.
5. Given the broad reach of the email/ mailing (approximately 95%), there will be no news release or print media publication of the Notice of Approval Motion.
6. The Notice of Approval Motion, along with a summary of the core terms of the Settlement Agreement with the FFCF/Gleeson Defendants, and a link to the Agreement will be published on the web pages maintained by Class Counsel in respect of this proposed class proceeding.

Notice of Settlement Approval

7. The publication of the Notice of Settlement Approval may be delayed until such time as the Court has approved any other settlement with respect to all or part of this Action, or until such other time as approved by the Court.
8. Class Counsel will send the Notice of Settlement Approval by email where available, or alternatively by mail to all Class Members for whom there are current addresses in the Master Donor List.
9. Internet - The Notice of Settlement Approval, along with a summary of the core terms of the Settlement Agreement with the FFCF/Gleeson Defendants, and a link to the Approval Order will be published on the web pages maintained by Class Counsel in respect of this proposed class proceeding.
10. Print Media - The Notice of Settlement Approval will be published one time in the Saturday national editions of the National Post and Globe & Mail within 14 days of the Effective Date or the Court's approval of this Notice, whichever is later.
11. Press Release – Class Counsel will deliver a national press release including a summary of the core terms of the Settlement Agreement with a link to the Settlement Agreement and the Approval Order.

SCHEDULE B

NOTICE OF COURT HEARING FOR SETTLEMENT APPROVAL
IN
CANNON v. PARKLANE FINANCIAL GROUP LTD. CLASS ACTION
READ THIS NOTICE CAREFULLY. IT MAY AFFECT YOUR RIGHTS

Who this Notice is For:

This notice is directed to 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 has not opted out of the Class Action, or who is not an "Excluded Person".

What the Action is About

The Action alleges, 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. The claim alleges that the Gift Program was a fraud and/or that it was in breach of Consumer Protection Legislation, and that the Class Members are entitled to rescission of the agreements, and should be repaid the money they paid to participate in the Gift Program. The Action seeks, among other things, an order requiring the Defendants to repay to the Class Members the total amount that each Class Member paid to participate in the Gift Program, as well as the amount of any interest or penalties assessed by the Canada Revenue Agency.

Proposed Settlement with Funds for Canada Foundation, Mary-Lou Gleeson, Matt Gleeson and Gleeson Management Associates Inc.

On January 18, 2012, the Court certified the action *Cannon v. Funds for Canada Foundation et al.*, Court File No. CV-08-362807 CP (the "Action") as a class proceeding.

The Plaintiff has now entered into a settlement with some of the Defendants - Funds for Canada Foundation, Mary-Lou Gleeson, Matt Gleeson and Gleeson Management Associates Inc. (the "FFCF/Gleeson Defendants"). The settlement requires court approval before it will become effective.

The Action will continue to be prosecuted against all the other Defendants, including ParkLane Financial Group Limited, Trafalgar Associates Limited, Trafalgar Trading Limited, Appleby Services Bermuda Ltd. as trustee for the Bermuda Longtail Trust, Edwin C. Harris Q.C., Patterson Palmer also known as Patterson Palmer Law, Patterson Kitz (Halifax), Patterson Kitz (Truro), and McInnes Cooper (the "Non-settling Defendants"). The Non-settling Defendants continue to deny liability to the Class.

The Terms of the Proposed Settlements

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 FFCF/Gleeson Defendants, all of whom denied, and continue to deny all the allegations made against them.

Under the terms of the Settlement the FFCF/Gleeson Defendants will pay to the Class a total of \$950,000 before deduction of legal fees and expenses, including the expenses to administer the settlement. The net settlement funds will be held by Class Counsel and invested in an interest bearing account for the benefit of the Class. The settlement funds will not be disbursed to the class at this time, but will be held in trust until either additional settlements are made, or there is a final judgment in the Action.

The Plaintiff recommends the Settlement to the Class. Class Counsel recommends the Settlement as fair and reasonable. In reaching the Settlement, Class Counsel considered the estimated total damages suffered by the Class, the likely proportionate liability of the FFCF/Gleeson Defendants for the losses sustained by the Class, the defences that would be asserted by the FFCF/Gleeson Defendants, the value of obtaining co-operation from the FFCF/Gleeson Defendants in providing evidence to the Plaintiff for the

prosecution of the Claim against the Non-settling Defendants, and the limited assets available from the FFCF/Gleeson Defendants to satisfy any judgment made against them.

The Settlement Agreement and other information regarding the Action is available on Class Counsel's websites at:

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

<http://www.parklaneaction.com>

or may be obtained by calling: 1-855-666-1053 or 1-855-565-5529

Next Step - Settlement Approval Hearing will be held in Toronto, Ontario

The Settlement must be approved by the Court before it can come into effect.

Class Members may, but are not required to, attend the Settlement Approval Hearing that will be held on •, 2013 at 10 a.m., at the Court House, 361 University Avenue, Toronto, Ontario.

At the same time, Class Counsel will request that the Court approve their retainer agreement with the Plaintiff, and approve that their legal fees be paid out of the Settlement Amount. The legal fees will not exceed 30% of the Settlement, plus disbursements and applicable taxes ("Class Counsel Fees"). Class Counsel Fees and Administration Expenses will be deducted from the settlement amount payable under the Settlement, before the balance is distributed to Class Members. In addition, 10% of the balance of the Settlement Amount, after deduction of Class Counsel Fees will be paid to the Ontario Class Proceedings Fund.

Class Members that approve of or do not oppose the Agreements do not need to appear at the Settlement Approval Hearing or take any other action at this time.

Class Members May Object to the Proposed Settlements

Class Members that wish to comment on or object to the proposed Settlement should do so in writing. **All comments or objections should be received by Class Counsel (at the address listed below) no later than •, 2013.** Class Counsel will file any and all such submissions with the Court. Class Members may attend the Approval Hearing whether or not an objection was delivered. The Court may permit Class Members to participate in the Approval Hearing whether or not an objection was made.

A written objection should include:

- (i) the Class Member's name, address, telephone number, fax number (where applicable) and email address;
- (ii) a brief statement outlining why they object to the proposed Settlement; and
- (iii) a statement as to whether the objector intends to appear at the Approval Hearing in person or through a lawyer, and, if through a lawyer, the name, address, telephone number, fax number, and email address of the lawyer.

In the Event of Approval, Notice of Approval will be given at a Later Date

If the Settlement is approved by the Court, notice will be given to the Class in accordance with a notice program to be approved by the Court. If, in the interim, Class Members wish to receive an email notifying them that the Settlement has been approved, if that happens, they may contact Class Counsel (at the address listed below) to request email notification.

The Ontario Superior Court of Justice offices cannot answer any questions about the matters in this notice.

For questions relating to the Action, further information, or to deliver an objection please contact Class Counsel:

ParkLane Class Action
Paliare Roland LLP
155 Wellington St. W., 35th Floor,
Toronto, ON
M5H 3E5
Fax: 416-646-4301
info@parklaneaction.com
(t): 1-855-666-1053

or

ParkLane Class Action
Landy Marr Kats LLP
Suite 900 – 2 Sheppard Avenue East.
Toronto, ON, M2N 5Y7

e-mail: parklaneaction@lmklawyers.com
(t): 1-855-565-5529

888155v1

SCHEDULE "C" – SETTLEMENT APPROVAL ORDER

Court File No. CV-08-362807-00 CP

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE) DAY, THE DAY
JUSTICE BELOBABA)
) OF , 2013

B E T W E E N :

MICHAEL CANNON

Plaintiff

- and -

FUNDS FOR CANADA FOUNDATION, MATT GLEESON and SARAH STANBRIDGE as trustees for the DONATIONS CANADA FINANCIAL TRUST, PARKLANE FINANCIAL GROUP LIMITED, TRAFALGAR ASSOCIATES LIMITED, TRAFALGAR TRADING LIMITED, APPLEBY SERVICES BERMUDA LTD. as trustee for the BERMUDA LONGTAIL TRUST, EDWIN C. HARRIS Q.C., PATTERSON PALMER also known as PATTERSON PALMER LAW, PATTERSON KITZ (Halifax), PATTERSON KITZ (Truro), McINNES COOPER, SAM ALBANESE, KEN FORD, RIYAD MOHAMMED, DAVID RABY, GREG WADE, GLEESON MANAGEMENT ASSOCIATES INC., MARY-LOU GLEESON, MATT GLEESON and MARTIN P. GLEESON

Defendants

Proceeding under the Class Proceedings Act, 1992

O R D E R

THIS MOTION, made by the Plaintiff for an Order approving a Settlement Agreement dated May ●, 2013 with the Defendants Funds for Canada Foundation, Mary-Lou Gleeson, Matt Gleeson and Gleeson Management Associates Inc. (collectively, the "Settling Defendants"), was heard this day at the Court House, 361 University Avenue, Toronto, Ontario.

SCHEDULE "C" – SETTLEMENT APPROVAL ORDER

ON READING the materials filed, including the Settlement Agreement, dated May ●, 2013, attached hereto as **Schedule "A"** (the "Agreement") and on hearing the submissions of Counsel for the Class and Counsel for the Settling Defendants;

AND ON BEING ADVISED that the Settling Defendants consent to this Order, and the Non-Settling Defendants do not oppose this Order;

1. **THIS COURT DECLARES** that except as otherwise stated, this Order incorporates and adopts the definitions set out in the Agreement.
2. **THIS COURT DECLARES** that the Agreement is fair, reasonable and in the best interests of the Class.
3. **THIS COURT ORDERS** that the Agreement is approved pursuant to section 29 of the *Class Proceedings Act, 1992*, S.O. 1992, c.6.
4. **THIS COURT ORDERS** that the Agreement shall be implemented in accordance with its terms.
5. **THIS COURT DECLARES** that the Agreement, in its entirety, forms part of this Order and is binding upon the Settling Defendants, the Plaintiffs, and all Class Members who have not validly excluded themselves from this action including those persons who are minors or mentally incapable, and that the requirements of Rules 7.04(1) and 7.08(4) of the *Rules of Civil Procedure* are hereby disposed of.
6. **THIS COURT DECLARES** that the Net Settlement Funds shall be held by Class Counsel in trust for the benefit of the Class, in an interest bearing account until further order of this Court.

SCHEDULE "C" – SETTLEMENT APPROVAL ORDER

7. **THIS COURT ORDERS** that on notice to the Court but without the need of a further order of the Court, the Plaintiffs and the Settling Defendants may agree to reasonable extensions of time to carry out any of the provisions of the Agreement.

8. **THIS COURT ORDERS AND DECLARES** that, other than as provided in section 10.2(c)(iii) of the Settlement Agreement, the Releasees have no responsibility for and no liability whatsoever with respect to the administration of the Agreement.

9. **THIS COURT ORDERS AND DECLARES** that, upon the Effective Date, the Releasors shall release and discharge, and shall be conclusively deemed to have fully, finally and forever released and discharged the Releasees from the Released Claims.

10. **THIS COURT ORDERS** that, upon the Effective Date, all claims for contribution, indemnity or other claims over, whether asserted or unasserted or asserted in a representative capacity, inclusive of interest, taxes and costs, relating to the Released Claims, which were or could have been brought in this Action or otherwise, by any Non-Settling Defendant against a Released Party, or by a Released Party against a Non-Settling Defendant are barred, prohibited and enjoined in accordance with the terms of the Settlement Agreement.

11. **THIS COURT ORDERS AND DECLARES THAT**, should it be necessary, it has full authority to determine the Proportionate Liability of the Releasees at the trial or other disposition of the Action, whether or not the Releasees appear at the trial or other disposition and the Proportionate Liability of the Releasees shall be determined as if the Releasees are parties to the Action and any determination by the Court in respect of the Proportionate Liability shall only apply in the Action and shall not be binding on the Releasees in any other proceedings.

SCHEDULE "C" – SETTLEMENT APPROVAL ORDER

12. **THIS COURT ORDERS** that, upon the Effective Date, the action shall be dismissed against the Settling Defendants, with prejudice and without costs.

THE HONOURABLE JUSTICE E. BELOBABA