

Cannon v. ParkLane Financial Group and others
Class Action Update – Privileged and Confidential

To All Class Members who participated in the ParkLane Donations for Canada charitable gift program which operated from mid-2005 to 2009:

This newsletter is being sent to you by the Claims Administrator on behalf of Class Counsel, Landy Marr Kats LLP and Paliare Roland LLP. It is a private communication and should not be shared with anyone who is not a Class Member.

Important Date Reminder:

Your completed and signed Claim Forms regarding the partial settlement of this class action must be sent to the Claims Administrator **by no later than Friday, February 28, 2014.**

You have previously been advised that there has been a partial settlement of this class action. The Claims Administrator mailed a personalized claim form to you, which was sent to the address(es) that you provided to ParkLane when you participated in this Gift Program. If you did not receive a claim form, or you have misplaced it, please contact the Claims Administrator asap to arrange to have one sent to you, or you can download a blank form from the Claims Administrator's website.

You can contact the Claims Administrator at:

PARKLANE FUNDS ADMINISTRATOR
P.O. Box 3355
London, ON N6A 4K3
www.parklanesettlement.ca
Toll Free: 1-866-432-5534
parklane@nptricepoint.com

Claim Form Instructions:

If you agree that the amount listed on your personalized claim form is the amount of your out of pocket donation made to ParkLane, then simply sign the claim form and send it to the Claims Administrator.

Only if you do not agree with the listed cash donation amount is it necessary to send in one of the listed documents to establish the correct amount of your cash donation.

The interest assessed by CRA is not relevant for the claim form. The amount of your cash donation is being used to determine how to divide up the settlement fund fairly among all the Class Members who submit a valid claim form. It does not mean that you will receive the full amount of your cash donation from the settlement proceeds.

CRA Tax Appeal Test Case Update

We have been advised by the lawyers for CRA that the *Marsh* test case settled in late November 2013. We have also been told that CRA will be sending out offers to settle to all the Gift Program participants who filed Notices of Objection with CRA. We have been told that the terms of the offers will be that CRA will allow the cash portion of the donation as a valid charitable deduction; but not the value of the trust units. CRA will, however, waive all the interest with respect to the disallowed portion of the claimed deduction. The offer will be conditional upon the tax payer agreeing to accept these terms, and promising not to object to the fresh re-assessment which CRA will deliver that reflects this settlement, if accepted.

We are not your tax lawyers and are not providing advice regarding the CRA offer. We do not know when CRA will be sending out the offers to individual taxpayers. We have also not been told how CRA will deal with the interest paid by those taxpayers who filed notices of objection, but paid the reassessed amounts.

We understand that CRA's offer is not being extended to individuals who paid the reassessments and did not file a notice of objection.

Class Counsel has no further information at this time regarding the CRA appeals.

If you have any further questions about claiming your proportionate share of the settlement proceeds, please contact the Claims Administrator. If you have any other questions regarding the ongoing class action, please contact Class Counsel.