

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

CLAIRE R. MCDONALD

Plaintiff

- and -

HOME CAPITAL GROUP INC., GERALD M. SOLOWAY, ROBERT MORTON
and ROBERT J. BLOWES

Defendants

Proceeding under the *Class Proceedings Act*, 1992

**SUPPLEMENTAL MOTION RECORD
(SETTLEMENT APPROVAL)**

August 15, 2017

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Court File No. 349/17CP

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

CLAIRE R. MCDONALD

Plaintiff

- and -

HOME CAPITAL GROUP INC.,
GERALD M. SOLOWAY, ROBERT MORTON and ROBERT J. BLOWES

Defendants

Proceeding under the *Class Proceedings Act, 1992*, SO 1992, c 6

**AMENDED NOTICE OF MOTION - SETTLEMENT APPROVAL
(Returnable August 21, 2017)**

The Plaintiff will make a motion to the Honourable Justice R. M. Raikes on Monday, August 21, 2017, at 10:00 a.m., EDT, or as soon after that time as the motion can be heard at the courthouse, 80 Dundas Street, London, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard:

- in writing under subrule 37.12.1(1) because it is on consent or unopposed or made without notice;
- in writing as an opposed motion under subrule 37.12.1(4);
- orally.

THE MOTION IS FOR:

1. An Order, in substantially the form of the draft order attached hereto as **Schedule "A"**:

- (a) declaring that, except as otherwise stated, any resulting Order incorporates and adopts the definitions set out in the settlement agreement between the Plaintiff and the Defendants, dated June 22, 2017, ("**Settlement Agreement**") attached as Schedule "A" to the Order of the Ontario Superior Court of Justice made in this Action on June 28, 2017 (the "**Certification Order**");
- (b) declaring that the Settlement Agreement—, [as amended on August 3, 2017](#), is fair, reasonable and in the best interests of the Class, as that term is defined in the Certification Order;
- (c) approving the Settlement Agreement, [as amended](#), pursuant to section 29 of the *Class Proceedings Act 1992*, SO 1992, c 6 ("*CPA*");
- (d) that all provisions of the Settlement Agreement—, [as amended](#), (including the Recitals and Definitions) form part of the resulting Order and are binding upon the Defendants in accordance with the terms thereof, and upon the Plaintiff and all Class Members that did not opt-out of the Action in accordance with the Certification Order, including those persons that are minors or mentally incapable;
- (e) that in the event of a conflict between the resulting Order and the Settlement Agreement, [as amended](#), the resulting Order shall prevail;

- (f) that compliance with the requirements of Rules 7.04(1) and 7.08(4) of the *Rules of Civil Procedure*, RRO 1990, Reg. 194 is dispensed with (such rules relating to representation of persons under a disability and approval of a settlement of a claim made by a person under a disability);
- (g) that the Settlement Agreement-, [as amended](#), shall be implemented in accordance with its terms;
- (h) approving, as fair and appropriate, the Distribution Protocol attached hereto as **Schedule "B"**;
- (i) that the Escrow Settlement Funds shall be distributed in accordance with the terms of the Settlement Agreement, [as amended](#), following payment of Class Counsel Fees (to be approved) and Administration Expenses;
- (j) approving Part 2 of the Plan of Notice, attached hereto as **Schedule "C"**, for the purpose of the publication and dissemination of the Second Notice;
- (k) approving the form and content of the Short Form Notice of Settlement attached hereto as **Schedule "D"**;

- (l) approving the form and content of the Long Form Notice of Settlement attached hereto as **Schedule "E"**;
- (m) approving the form and content of the Claim Form ~~(to be provided)~~ [attached hereto as Schedule "F"](#);
- (n) that the Short and Long Form Notices of Settlement and the Claim Form shall be disseminated in accordance with Part 2 of the Plan of Notice;
- (o) that the Plaintiff and Defendants may, on notice to the Court but without the need for further order of the Court, agree to reasonable extensions of time to carry out any provisions of the Settlement Agreement, [as amended](#);
- (p) that, other than that which has been provided in section 4.1 of the Settlement Agreement, [as amended](#), the Releasees have no responsibility for and no liability whatsoever with respect to the administration of the Settlement;
- (q) that, upon the Effective Date, the Releasors under the Settlement Agreement shall release and discharge, and shall be conclusively deemed to have fully, finally and forever released and discharged the Releasees from the Released Claims in the Settlement Agreement, [as amended](#);

- (r) that, upon the Effective Date, the Releasers and Class Counsel shall not then or thereafter institute, continue, maintain or assert, either directly or indirectly, whether in Ontario or elsewhere, on their own behalf or on behalf of any class or any other person, any action, suit, cause of action, claim or demand against any of the Releasees or any other person who may claim contribution or indemnity from any of the Releasees in respect of any Released Claim;
- (s) that the approval of the Settlement Agreement-, [as amended](#), shall not be effective unless and until the OSC Settlement Agreement is approved by the OSC;
- (t) that in the event that the Settlement Agreement-, [as amended](#), is terminated in accordance with its terms, the resulting Order shall be declared null and void;[and](#)
- (u) that, upon the Effective Date, the Action shall be dismissed against all Defendants with prejudice and without costs; [and](#)
- [\(v\) that RicePoint Administration Inc. be appointed the Administrator for the purposes of all provisions in the Settlement Agreement relating to Second Notice and the administration of the Settlement;](#)
2. Such further and other relief as counsel may advise and this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

1. The within class action was commenced on February 13, 2017 ("**Action**");
2. After adversarial, arms-length negotiations during several days of formal mediation presided over by former Chief Justice of Ontario, Warren K. Winkler, QC (ret.), the Parties reached a settlement of the Action (the "**Settlement**") memorialized in the form of the Settlement Agreement;
3. The Settlement of the Action is part of a global resolution of the Action and coincident enforcement proceedings by Staff of the Ontario Securities Commission ("**OSC**") against the Defendant Home Capital Group Inc. and others, commenced on April 19, 2017 ("**OSC Proceeding**");
4. It is a condition of the Settlement that the Court approve the Settlement and that the OSC approve the settlement of the OSC Proceeding;
5. The Defendants consented to certification of the Action as a class proceeding for the purposes of approval of the Settlement, on the terms set out in the Settlement Agreement; and, on June 28, 2017, this Honourable Court issued the Certification Order;
6. The Plaintiff, through Class Counsel and the Administrator appointed for the purposes of First Notice, has fulfilled Part 1 of the Plan of Notice and her obligations under the Certification Order as they relate to the provision of First Notice;

7. On August 3, 2017, the Parties amended sections 4.1(1)(b) and 4.2(1) of the Settlement Agreement to clarify a logistical matter relating to the payment of a portion of the Settlement Funds; the amendment requires approval of the Court under section 15.6(1) of the Settlement Agreement;
8. ~~7.~~The Settlement Agreement-, as amended, is fair, reasonable, and in the best interests of the Class;
9. ~~8.~~The Defendants consent to the Court's approval of the Settlement Agreement and the form of revised draft order attached hereto as Schedule "A";
10. ~~9.~~The Plaintiff presents a fair and reasonable method for:
- (a) Class Members to make claims for compensation from the Settlement Funds; and
 - (b) effecting the distribution of the Escrow Settlement Funds to Class Members, in the form of the Distribution Protocol;
11. ~~10.~~The Plaintiff and the Defendants have agreed upon the form and content of the Second Notice, which advises Class Members who have not opted out of their rights to participate in the Settlement and the distribution of the Settlement Funds;

12. ~~11.~~The Plaintiff and the Defendants have agreed upon a fair and reasonable method of effecting the distribution of the Second Notice in the form of Part 2 of the Plan of Notice;
13. ~~12.~~RicePoint Administration Inc. has consented to being appointed the Administrator for the purposes of all provisions in the Settlement Agreement relating to Second Notice and the administration of the Settlement;
14. ~~13.~~*Class Proceedings Act, 1992, SO 1992, c 6, as amended, and in particular, ss. 9, 12, 19, 20, 21, 22, 26, 29, 31, 34 and 35;*
15. ~~14.~~*Courts of Justice Act, RSO 1990, c C.43, and in particular, ss. 97 and 131(1);*
16. ~~15.~~*Securities Act, RSO 1990, c S.5, as amended, and in particular, s. 138.5;*
17. ~~16.~~*Rules of Civil Procedure, O Reg 194, as amended, and in particular rules 1.04, 7.04, 7.08 and 12; and*
18. ~~17.~~Such further and other grounds as counsel may advise.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. the Affidavit of Nicole Young, sworn July 25, 2017;
2. the Affidavit of David Weir, sworn July 25, 2017;
3. [the Supplemental Affidavit of David Weir, sworn August 14, 2017;](#)

4. ~~3.~~the Affidavit of Nicholas Baker, sworn July 26, 2017;
5. [the Supplemental Affidavit of Nicholas Baker, sworn August 14, 2017;](#)
6. ~~4.~~the Affidavit of Claire R. McDonald, sworn July 18, 2017;
7. ~~5.~~the Affidavit of Trevor W. Textor, sworn July 18, 2017; and

8. ~~6.~~ such further and other material as counsel may advise and this Honourable Court may permit.

~~July 26,~~ August 14, 2017

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SCHEDULE "A"
TO AMENDED NOTICE OF MOTION

DRAFT ORDER

Court File No. 349/17CP

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE) _____, THE ___ DAY OF
JUSTICE R. M. RAIKES) _____, 2017

B E T W E E N :

CLAIRE R. MCDONALD

Plaintiff

- and -

HOME CAPITAL GROUP INC., GERALD M. SOLOWAY,
ROBERT MORTON, and ROBERT J. BLOWES

Defendants

Proceeding under the *Class Proceedings Act, 1992*, SO 1992, c 6

**ORDER
(SETTLEMENT APPROVAL)**

THIS MOTION, made by the Plaintiff for an Order approving: (i) the settlement agreement reached between the Plaintiff and the Defendants on June 22, 2017, as amended on August 3, 2017 ("**Settlement Agreement**"); (ii) the proposed Distribution Protocol; and, (iii) the form, method of publication and dissemination of the Second Notice, was heard this day at 80 Dundas Street, London, ON, N6A 6A3.

ON READING the materials filed, including the Settlement Agreement, and on hearing the submissions of Class Counsel and Counsel for the Defendants;

ON BEING ADVISED that the Defendants consent to this Order;

AND ON BEING ADVISED that RicePoint Administration Inc., has consented to being appointed the Administrator for the purposes of all provisions in the Settlement Agreement relating to Second Notice and the administration of the Settlement;

1. **THIS COURT DECLARES** that except as otherwise stated, this Order incorporates and adopts the definitions set out in the Settlement Agreement.
2. **THIS COURT ORDERS** that the Settlement Agreement is fair, reasonable and in the best interests of the Class.
3. **THIS COURT ORDERS** that the Settlement Agreement is approved pursuant to section 29 of the *Class Proceedings Act, 1992*, SO 1992, c. 6.
4. **THIS COURT ORDERS** that all provisions of the Settlement Agreement (including the Recitals and Definitions) form part of this Order and are binding upon the Defendants in accordance with the terms thereof, and upon the Plaintiff and all Class Members that did not opt-out of the Action in accordance with the Order of the Ontario Superior Court of Justice dated June 28, 2017, including those persons that are minors or mentally incapable.
5. **THIS COURT ORDERS** that in the event of a conflict between this Order and the Settlement Agreement, this Order shall prevail.
6. **THIS COURT ORDERS** that compliance with requirements of Rules 7.04(1) and 7.08(4) of the *Rules of Civil Procedure, RRO 1990, Reg. 194* is hereby dismissed.

7. **THIS COURT ORDERS** that the Settlement Agreement shall be implemented in accordance with its terms.
8. **THIS COURT ORDERS** that the Distribution Protocol, attached hereto as **Schedule "A"** is fair and appropriate.
9. **THIS COURT ORDERS** that the Distribution Protocol is approved and that the Escrow Settlement Funds shall be distributed in accordance with the terms of the Settlement Agreement, following payment of Class Counsel Fees (to be approved) and Administration Expenses.
10. **THIS COURT ORDERS** that Part 2 of the Plan of Notice, attached hereto as **Schedule "B"**, is hereby approved for the purpose of the publication and dissemination of the Second Notice.
11. **THIS COURT ORDERS** that the form and content of the Short Form Notice of Settlement attached hereto as **Schedule "C"** is hereby approved.
12. **THIS COURT ORDERS** that the form and content of the Long Form Notice of Settlement attached hereto as **Schedule "D"** is hereby approved.
13. **THIS COURT ORDERS** that the form and content of the Claim Form, attached hereto as **Schedule "E"** is hereby approved.
14. **THIS COURT ORDERS** that the Plaintiff and Defendants may, on notice to the Court but without the need for further order of the Court, agree to reasonable extensions of time to carry out any provisions of the Settlement Agreement.

15. **THIS COURT ORDERS** that, other than that which has been provided in section 4.1 of the Settlement Agreement, the Releasees have no responsibility for and no liability whatsoever with respect to the administration of the Settlement.
16. **THIS COURT ORDERS** that, upon the Effective Date, the Releasers under the Settlement Agreement shall release and discharge, and shall be conclusively deemed to have fully, finally and forever released and discharged the Releasees from the Released Claims in the Settlement Agreement.
17. **THIS COURT ORDERS** that, upon the Effective Date, the Releasers and Class Counsel shall not now or hereafter institute, continue, maintain or assert, either directly or indirectly, whether in Ontario or elsewhere, on their own behalf or on behalf of any class or any other person, any action, suit, cause of action, claim or demand against any of the Releasees or any other person who may claim contribution or indemnity from any of the Releasees in respect of any Released Claim.
18. **THIS COURT ORDERS** that the approval of the Settlement Agreement shall not be effective unless and until the OSC Settlement Agreement is approved by the OSC.
19. **THIS COURT ORDERS** that in the event that the Settlement Agreement is terminated in accordance with its terms, this Order shall be declared null and void.

20. **THIS COURT ORDERS** that, upon the Effective Date, the Action shall be dismissed against all Defendants with prejudice and without costs.

21. **THIS COURT ORDERS** that RicePoint Administration Inc. is hereby appointed the Administrator for the purposes of all provisions in the Settlement Agreement relating to Second Notice and the administration of the Settlement.

THE HONOURABLE JUSTICE R. M. RAIKES

SCHEDULE "A"
DISTRIBUTION PROTOCOL

Court File No. 349/17CP

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N :

CLAIRE R. MCDONALD

Plaintiff

- and -

HOME CAPITAL GROUP INC., GERALD M. SOLOWAY, ROBERT MORTON, and

ROBERT J. BLOWES

Defendants

Proceeding under the Class Proceedings Act, 1992

DISTRIBUTION PROTOCOL

(Supplement to the Settlement Agreement, dated June 22, 2017)

This Distribution Protocol should be read in conjunction with the Settlement Agreement dated June 22, 2017 (“Settlement Agreement”).

DEFINED TERMS

1. The terms “**Administration Expenses**”, “**Administrator**”, “**Authorized Claimant**”, “**Claim Form**”, “**Claims Bar Deadline**”, “**Class Counsel Fees**”, “**Class Members**”, “**Class Period**”, “**Distribution Protocol**”, “**Eligible Shares**”, “**Escrow Account**”, “**Escrow Settlement Funds**” and “**HCG**”, as used herein, are defined in Section 2 of the Settlement Agreement, which definitions apply to and are incorporated herein. In addition, the following definitions apply to this Distribution Protocol:

- (a) “**Acquisition Expense**” means the total monies paid by a Claimant (including brokerage commissions) to acquire Eligible Shares;
- (b) “**Claimant**” means a Class Member who submits a properly completed Claim Form and all required supporting documentation to the Administrator, on or before the Claims Bar Deadline;
- (c) “**Disposition Proceeds**” means the total proceeds paid to a Claimant, without deducting any commissions paid in respect of the dispositions, in consideration of the sale of all Eligible Shares; provided, however, that with respect to any Eligible Shares that a Claimant continues to hold, they shall be deemed to have been disposed of for CAD \$32.26 per Eligible Share, being the volume weighted average price of HCG common shares traded on the Toronto Stock Exchange for the 10 trading days following July 10, 2015;

- (d) “**FIFO**” means the principle of first-in, first-out, wherein securities are deemed to be sold in the same order that they were purchased (e.g. the first Eligible Shares purchased are deemed to be the first Eligible Shares sold); and, which requires, in the case of a Claimant who acquired HCG common shares before the Class Period and held those shares at the commencement of the Class Period, that those shares be deemed to have been sold completely before Eligible Shares are sold or deemed sold;
- (e) “**Net Loss**” means that the Claimant’s Disposition Proceeds are less than the Claimant’s Acquisition Expense;
- (f) “**Net Settlement Funds**” means the Escrow Settlement Funds after payment of Administration Expenses and Class Counsel Fees. For greater certainty, Net Settlement Funds includes the after tax amount of any accrued interest income earned on the Escrow Settlement Funds; and
- (g) “**Notional Entitlement**” means an Authorized Claimant’s notional damages as calculated pursuant to the formulae set forth herein, and which forms the basis upon which each Authorized Claimant’s *pro rata* share of the Net Settlement Funds is determined.

OBJECTIVE

2. The objective of this Distribution Protocol is to equitably distribute the Net Settlement Funds among Authorized Claimants.

PROCESSING CLAIM FORMS

3. The Administrator shall review each Claim Form and verify that the Claimant is eligible for compensation from the Net Settlement Funds, as follows:
 - (a) For a Claimant claiming as a Class Member, the Administrator shall be satisfied that the Claimant is a Class Member;
 - (b) For a Claimant claiming on behalf of a Class Member or a Class Member's estate, the Administrator shall be satisfied that:
 - (i) the Claimant has authority to act on behalf of the Class Member or the Class Member's estate in respect of financial affairs;
 - (ii) the person or estate on whose behalf the claim was submitted was a Class Member; and
 - (iii) The Claimant has provided all supporting documentation required by the Claim Form or alternative documentation acceptable to the Administrator.
4. The Administrator shall ensure that claims for compensation in the Claim Form are made only in respect of Eligible Shares.

CALCULATION OF NET LOSS AND NOTIONAL ENTITLEMENT

5. The Net Settlement Funds will be distributed in accordance with this Distribution Protocol.

6. A Claimant must have sustained a Net Loss in order to be eligible to receive a payment from the Net Settlement Funds. A Claimant that has not suffered a Net Loss as calculated under this Distribution Protocol will not be entitled to receive any portion of the Net Settlement Funds.
7. The Administrator shall first determine whether a Claimant has sustained a Net Loss. If the Claimant has sustained a Net Loss, they become an Authorized Claimant, and the Administrator will go on to calculate the Authorized Claimant's Notional Entitlement.
8. The Administrator will apply FIFO to distinguish the sale of HCG common shares held at the beginning of the Class Period from the sale of Eligible Shares and will continue to apply FIFO to determine the purchase transactions which correspond to the sale of Eligible Shares.
9. The date of a purchase, sale or deemed disposition shall be the trade date, as opposed to the settlement date of the transaction or the payment date.
10. The Administrator shall account for any splits or consolidations that occurred during and may occur after the Class Period, such that Claimants' holdings for the purposes of the calculations are completed in units equivalent to those traded during the Class Period.
11. The Administrator will use the data, derived from applying FIFO, in the calculation of an Authorized Claimant's Notional Entitlement according to the formulae below.

12. An Authorized Claimant's Notional Entitlement will be calculated as follows:
- I. **For Eligible Shares disposed of during the 10 trading days following the alleged corrective disclosure, that is, disposed of on or between July 13, 2015 and July 24, 2015, the Notional Entitlement shall be:**
 - A. for Eligible Shares acquired before May 6, 2015, an amount equal to the number of Eligible Shares thus disposed of, multiplied by the difference between the Acquisition Expense and the Disposition Proceeds, multiplied by 0.66;
 - B. for Eligible Shares acquired after May 6, 2015, an amount equal to the number of Eligible Shares thus disposed of, multiplied by the difference between the Acquisition Expense and the Disposition Proceeds, multiplied by 1.
 - II. **For Eligible Shares disposed of after the 10th trading day following July 10, 2015, that is, disposed of after the close of trading on the Toronto Stock Exchange on July 24, 2015, or still held by the Claimant, the Notional Entitlement shall be the lesser of A and B, multiplied by C, as defined below:**
 - A. an amount equal to the number of Eligible Shares thus disposed of, multiplied by the difference between the Acquisition Expense and the Disposition Proceeds;

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- B. **an amount equal to the number of Eligible Shares thus disposed of or still held, multiplied by the difference between the Acquisition Expense and \$32.26; and**
 - C. for Eligible Shares acquired before May 6, 2015, a number equal to 0.66; and, for Eligible Shares acquired after May 6, 2015, a number equal to 1.
13. In determining whether a Claimant has sustained a Net Loss and calculating an Authorized Claimant's Notional Entitlement, transactions in Eligible Shares in any foreign currency shall be converted to Canadian currency, based on the Bank of Canada noon exchange rate between the Canadian dollar and the foreign currency on the date on which the Administrator calculates the Notional Entitlements of Authorized Claimants. All Notional Entitlements shall be recorded in Canadian currency.

COMPLETION OF CLAIM FORM

14. If, for any reason, a Claimant is unable to complete the Claim Form then it may be completed by the Claimant's personal representative or a member of the Claimant's family.

IRREGULAR CLAIMS

15. The claims process is intended to be expeditious, cost effective and "user friendly" to minimize the burden on Claimants. The Administrator shall, in the

absence of reasonable grounds to the contrary, assume Claimants to be acting honestly and in good faith.

16. Where a Claim Form contains minor omissions or errors, the Administrator shall correct such omissions or errors if the information necessary to correct the error or omission is readily available to the Administrator.
17. The claims process is also intended to prevent fraud and abuse. If, after reviewing any Claim Form, the Administrator believe that the claim contains unintentional errors which would materially exaggerate the Notional Entitlement awarded to the Claimant, then the Administrator may disallow the claim in its entirety or make such adjustments so that an appropriate Notional Entitlement is awarded to the Claimant. If the Administrator believes that the claim is fraudulent or contains intentional errors which would materially exaggerate the Notional Entitlement to be awarded to the Claimant, then the Administrator shall disallow the claim in its entirety.
18. Where the Administrator disallows a claim in its entirety, the Administrator shall send to the Claimant, at the email or postal address provided by the Claimant or the Claimant's last known email or postal address, a notice advising the Claimant that he or she may request the Administrator to reconsider its decision. For greater certainty, a Claimant is not entitled to a notice or a review where a claim is allowed but the Claimant disputes the determination of Notional Entitlement or his, her or its individual compensation.

19. Any request for reconsideration must be received by the Administrator within 21 days of the date of the notice advising of the disallowance. If no request is received within this time period, the Claimant shall be deemed to have accepted the Administrator's determination and the determination shall be final and not subject to further review by any court or other tribunal.
20. Where a Claimant files a request for reconsideration with the Administrator, the Administrator shall advise Class Counsel of the request and conduct an administrative review of the Claimant's complaint.
21. Following its determination in an administrative review, the Administrator shall advise the Claimant of its determination. In the event the Administrator reverses a disallowance, the Administrator shall send the Claimant, at the email or postal address provided by the Claimant or the Claimant's last known email or postal address, a notice specifying the revision to the Administrator's disallowance.
22. The determination of the Administrator in an administrative review is final and is not subject to further review by any court or other tribunal.
23. Any matter not referred to above shall be determined by analogy by the Administrator in consultation with Class Counsel.

ADDITIONAL RULES

24. The Administrator shall not make payments to Authorized Claimants whose *pro rata* entitlement under this Plan of Allocation is less than CAD\$10.00. Such amounts shall instead be allocated *pro rata* to other Authorized Claimants in accordance with the "Final Distribution" section of this Plan of Allocation.

25. Eligible Shares transferred between accounts belonging to the same Claimant(s) during the Class Period shall not be deemed to be Eligible Shares for the purpose of calculating Net Loss unless those shares were initially purchased by the Claimant(s) during the Class Period. The Acquisition Expense shall be calculated based on the price initially paid for the Eligible Shares.
26. The Administrator shall make payment to an Authorized Claimant by either bank transfer or by cheque to the Claimant at the address provided by the Authorized Claimant or the last known postal address for the Authorized Claimant. If, for any reason, an Authorized Claimant does not cash a cheque within six months after the date on which the cheque was sent to the Authorized Claimant, the Authorized Claimant shall forfeit the right to compensation and the funds shall be distributed in accordance with the "Final Distribution" section of this Plan of Allocation.

FINAL DISTRIBUTION

27. Each Authorized Claimant's actual compensation shall be the portion of the Net Settlement Funds equivalent to the ratio of his, her or its Notional Entitlement to the total Notional Entitlements of all Authorized Claimants multiplied by the Net Settlement Funds, as calculated by the Administrator.
28. Compensation shall be paid to Authorized Claimants in Canadian currency.
29. If, one hundred eighty (180) days from the date on which the Administrator distributes the Net Settlement Funds to Authorized Claimants, the Escrow

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Account remains in a positive balance (whether due to tax refunds, uncashed cheques, or otherwise), the Administrator shall, if feasible, reallocate such balance among the Authorized Claimants in an equitable and economic fashion. In the event any such remaining balance is less than CAD \$25,000.00 or less than \$10.00 per Authorized Claimant, such balance shall be allocated to the OSC for use in accordance with the purposes set out in para 3.4(2)(b) of the Ontario *Securities Act*.

30. By agreement between the Administrator and Class Counsel, the Claims Bar Deadline may be extended. Class Counsel and the Administrator shall agree to extend the Claims Bar Deadline if, in their opinions, doing so will not adversely affect the efficient administration of the Settlement and it is in the best interests of the Class to do so.

-END-

SCHEDULE "B"
PLAN OF NOTICE

PLAN OF NOTICE

Capitalized terms used in this Plan of Notice have the meanings given to them in the Settlement Agreement dated June 22, 2017.

PART 1 - FIRST NOTICE

Subject to such alternative or additional direction by the Court, the manner of providing the First Notice will consist of a combination of direct individual notice to Class Members and an indirect digital publication campaign consisting of digital publication and a press release.

As described in this Part 1, and Part 2, below, direct individual notice is the preferred method by which the Plaintiff proposes to provide notice. Direct notice will be given to Class Members: (a) identified by the Administrator through the broker outreach described below, (b) identified by HCG's transfer agent pursuant to s. 13.2(1) of the Settlement Agreement, and (c) known to Class Counsel.

Long-Form Notice

Individual Long-Form Notice from Class Counsel

The long-form Notice of Certification and Notice of Court Hearing for Settlement Approval ("**First Long-Form**") will be mailed, electronically or physically, as may be required, to those persons and entities who have previously contacted Class Counsel for the purposes of receiving notice of developments in the Action.

Individual Long-Form Notice from Administrator

The Administrator will mail the First Long-Form to individuals and entities identified as a result of HCG directing its transfer agent, under s. 13.2(1) of the Settlement Agreement, to deliver to the Administrator an electronic list of the names and addresses of persons and entities who hold or held Eligible Shares.

The Administrator will also undertake an email outreach to brokerages and brokers in its proprietary database, requesting distribution of the First Long-Form to those of their clients who may be Class Members. Brokerages and brokers may prefer to provide a list of potentially affected clients to the Administrator, in which case the Administrator will send the First Long-Form to all persons and entities identified by the brokerages and/or brokers. It is expected that approximately 20% will be French speaking and this will be accounted for appropriately.

Digital Publication of the Long-Form Notice

Electronic publication of the First Long-Form will occur in both the English and French languages, posted on Class Counsel's website: <http://www.siskinds.com/home-capital-group-inc/> and on a dedicated website developed by the Administrator from

which the public can also obtain copies of the Settlement Agreement and proposed Distribution Protocol.

From its website, Class Counsel shall make a toll free number and email address available to the public that will enable Class Members to contact Class Counsel in order that they may, amongst other things:

- (a) obtain more information about opt-out rights and procedures, the Settlement and how to object to it, the proposed Distribution Protocol and/or Class Counsel Fees; and/or
- (b) request that a copy of the Settlement Agreement be electronically or physically mailed to them.

In addition, from Class Counsel's website, the public may view or obtain copies of the Settlement Agreement, proposed Distribution Protocol and, materials Class Counsel will file with the Court for the purposes of seeking approval of the Settlement.

Short-Form Notice

Digital Publication and Dissemination of the Short-Form Notice

Electronic publication of the short-form Notice of Certification and Notice of Court Hearing for Settlement Approval ("**First Short-Form**") will occur in both the English and French languages (with necessary formatting modifications) across Canada Newswire (a major business newswire in Canada, "**CNW**"). It is expected that, through CNW, the First Short-Form will be disseminated to all major digital, print and broadcast news outlets across Canada, plus all local newspapers in smaller urban and rural markets and to specialized business media subscribers.

PART 2 - SECOND NOTICE

Subject to such alternative or additional direction by the Court, the method of providing the Second Notice will consist of a combination of direct individual notice to Class Members and an indirect digital publication campaign consisting of digital publication and a press release.

As with the First Notice, the method of providing the Second Notice will consist of a combination of a broker outreach, individual notice to all Class Members known to Class Counsel and identified by the Administrator through the broker outreach, Class Members identified by HCG's transfer agent under s. 13.2(1) of the Settlement Agreement, and an indirect digital publication campaign consisting of digital media and a press release.

Long-Form Notice

Individual Long-Form Notice from the Administrator

Within thirty (30) days of the date of the Approval Order, the Administrator will send the Long Form Notice of Settlement ("**Second Long-Form**") and the Claim Form to all putative Class Members as follows:

1. The Administrator will mail the Second Long-Form and Claim Form to individuals and entities identified as a result of HCG directing its transfer agent, under s. 13.2(1) of the Settlement Agreement, to deliver to the Administrator an electronic list of the names and addresses of persons and entities who hold or held Eligible Shares; and
2. The Administrator will send the Second Long-Form and Claim Form to the brokerages and brokers in the Administrator's proprietary database, requesting that they either send a copy of the Second Long Form and Claim Form to all individuals and entities identified by them as being Class Members, or to send the names and addresses of all known Class Members to the Administrator who will mail the Second Long Form and Claim Form to the individuals and entities so identified.

Class Counsel shall mail or email the Second Long Form and Claim Form to those persons and entities who have previously contacted Class Counsel for the purposes of receiving notice of developments in the Action.

Class Counsel shall again make a toll-free number and email address available to the public that will enable Class Members to obtain more information about the settlement, the claims process, and to request that a copy of the Settlement Agreement, Distribution Protocol and/or Second Long-Form and Claim Form be sent electronically or physically to them. Additionally, the public may view or obtain those documents from the website of Siskinds LLP: <http://www.siskinds.com/home-capital-group-inc/>

Digital Publication of the Long-Form Notice

The Second Long-Form will be posted, in both the English and French languages, on:

- (a) <http://www.siskinds.com/home-capital-group-inc/> ; and
- (b) the dedicated website of the Administrator.

Short-Form Notice

Electronic publication of the short-form Notice of Settlement ("**Second Short-Form**") will occur in both the English and French languages (with necessary formatting modifications) across CNW.

SCHEDULE "C"
SHORT-FORM NOTICE

****FOR IMMEDIATE RELEASE****

**NOTICE OF SETTLEMENT APPROVAL
HOME CAPITAL GROUP INC., SECURITIES CLASS ACTION**

**IF YOU ACQUIRED COMMON SHARES OF HOME CAPITAL GROUP
INC. BETWEEN NOVEMBER 5, 2014 AND JULY 10, 2015,**

Read this notice carefully as it may affect your legal rights

London, Ontario, August ●, 2017

On February 13, 2017, an action styled *McDonald v Home Capital Group Inc., et al.* was commenced in the Ontario Superior Court of Justice (“**Court**”) on behalf of persons who acquired Home Capital Group Inc.’s (“HCG”, TSX: HCG, CUSIP: 436913107, ISIN: CA4369131079) shares between November 5, 2014 to July 10, 2015 (“**Class Period**”). The action related to Home Capital Group’s allegedly misleading disclosure in relation to mortgage origination practices and changes in mortgage origination during the Class Period.

A settlement of the action in the amount of \$29,500,000, paid for the benefit of affected class members has been approved by the Court. The settlement is a compromise of disputed claims and is not an admission of liability or wrongdoing by HCG or any other defendant named in the action.

If you acquired Home Capital Group Inc. shares during the Class Period, you may be eligible for compensation. In order to recover any such compensation, you must submit a completed Claim Form to RicePoint Administration Inc. **no later than ●, 2017.** If you do not timely submit a Claim Form, you will not be entitled to any compensation, and unless you have previously opted out, you will not be entitled to pursue any other action in respect of those claims.

For more information about the Settlement, your rights and how to exercise them, contact the Claims Administrator at:

●

Or Class Counsel (Siskinds LLP) at:

Michael G. Robb
680 Waterloo Street
London, ON N6A 3V8
Tel: 1-877-672-2121 x 2380

Fax: 519-672-6065

Email: michael.robb@siskinds.com

www.siskinds.com and www.classaction.ca

SCHEDULE "D"
LONG-FORM NOTICE

**NOTICE OF SETTLEMENT APPROVAL
IN THE
HOME CAPITAL GROUP INC., SECURITIES CLASS ACTION**

This notice is directed to everyone who acquired shares of Home Capital Group Inc., (“HCG”, TSX: HCG, CUSIP: 436913107, ISIN: CA4369131079) from November 5, 2014 through to and including the close of trading on the Toronto Stock Exchange on July 10, 2015 (“Class Period”).

**READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS.
YOU MAY NEED TO TAKE PROMPT ACTION.**

Important Deadline

Claims Bar Deadline (to file a claim for ●, 2017 compensation):

You may file your claim electronically or by mail. Claims will not be accepted after the Claims Bar Deadline. As a result, it is necessary that you act without delay.

Court Approval of the Class Action Settlement

On February 13, 2017, Claire R. McDonald (“**Plaintiff**”) commenced an action in the Ontario Superior Court of Justice (Southwest Region – London, Ontario) against HCG, Gerald M. Soloway, Robert Morton and Robert J. Blowes (“**Defendants**”).

The Plaintiff alleged that certain of HCG’s public disclosures released during the Class Period were materially misleading in relation to mortgage origination practices and changes in mortgage origination during the Class Period (“**Action**”). The claims being pursued in the Action were claims for damages for losses allegedly suffered as a result of HCG’s alleged misleading disclosures. The Plaintiff claimed the Defendants had liability for those losses.

On June 22, 2017, the Plaintiff and the Defendants entered into a settlement (“**Settlement**”) of the Action. The Settlement is part of a global settlement to resolve the Action and related enforcement proceeding by Staff of the Ontario Securities Commission (“**OSC**”) against HCG and others, commenced on April 19, 2017 (“**OSC Proceeding**”).

The Settlement provides that \$29,500,000.00 (“**Settlement Funds**”), will be paid for the benefit of the Class Members before deductions for legal fees and expenses to administer the Settlement. The Settlement was a compromise of disputed claims and not an admission of liability, wrongdoing or fault on the part of any of the Defendants, all of whom have denied and continue to deny the allegations made against them in the Action.

On June ●, 2017, the Ontario Superior Court of Justice (“**Court**”) certified the Action as a class proceeding, with the consent of the Defendants. By consenting, the Defendants did not admit any wrongdoing or liability; and, certification by the Court was not a decision on the merits of the Action.

On August ●, 2017, the Court approved the Settlement and ordered that it be implemented in accordance with its terms.

The Court also awarded Siskinds LLP (“**Class Counsel**”) legal fees, expenses and applicable taxes in the amount of \$● (“**Class Counsel Fees**”). As is customary in such cases, Class Counsel conducted the Action on a contingent fee basis. Class Counsel was not paid as the matter proceeded and funded the expenses of conducting the litigation. The amount awarded for Class Counsel Fees includes \$● for the reimbursement of amounts spent by Class Counsel in the conduct of the Action. The remainder, net of applicable taxes, will be Class Counsel’s only compensation for conducting the Action. Class Counsel Fees will be deducted from the Settlement Funds before it is 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 they are distributed to eligible Class Members.

Administrator

The Courts have appointed RicePoint Administration Inc., as the Administrator of the Settlement. The Administrator will, among other things: (i) receive and process the Claim Forms; (ii) make determinations of each Class Member’s eligibility for compensation pursuant to the Distribution Protocol; (iii) communicate with Class Members regarding their eligibility for compensation; and (iv) manage and distribute the Settlement Funds. The Administrator can be contacted at:

Telephone: ●

Mailing Address: Home Capital Group Inc., Securities Litigation
●

Website: ●

Copies of the Claim Form may also be obtained from the Claims Administrator.

Class Members' Entitlement to Compensation

Class Members may be eligible for compensation pursuant to the Settlement if they timely submit a completed Claim Form, including any supporting documentation, with the Administrator.

To be eligible for compensation under the settlement, Class Members must submit their Claim Form electronically or postmarked **no later than ●, 2017** (the "**Claims Bar Deadline**").

Only Class Members are permitted to participate in the Settlement. In particular, the following persons are not permitted to participate in the Settlement: (i) "**Excluded Persons**", which are defined in the Settlement Agreement as "Each of the Defendants; the past or present subsidiaries or affiliates of HCG; officers, directors partners, legal representatives, consultants, agents, successors and assigns of HCG; any member of each of the individual Defendants' families; and, the heirs, successors and assigns of the Defendants"; and (ii) persons who have previously opted out of the Action pursuant to the order of the Court dated June ●, 2017.

The remainder of the Settlement Funds, after deduction of Class Counsel Fees and Administration Expenses ("**Net Settlement Funds**"), will be distributed to Class Members in accordance with the Distribution Protocol.

Under the Distribution Protocol, Class Members who acquired HCG common shares during the Class Period and still held them at the close of trading on the Toronto Stock Exchange on July 10, 2015; and, who file a timely valid claim form, will receive a portion of the Net Settlement Funds as set out in the Distribution Protocol.

If there is a positive balance after one hundred and eighty (180) days from the date of distribution of the Net Settlement Funds to Class Members with valid claims, the Administrator shall, if feasible, allocate such balance among Class Members with valid claims in an equitable and economic fashion. Any balance below \$25,000.00 which still remains thereafter shall be donated to a recipient to be approved by the Court.

Copies of the Settlement Documents

Copies of the Settlement Agreement, the Claim Form, the Distribution Protocol, and the order of the Court approving the Settlement may be found on the websites of Class Counsel at <http://www.siskinds.com/home-capital-group-inc/> or by contacting Class Counsel at the contact information provided below.

Class Counsel

The law firm of Siskinds LLP is Class Counsel. Inquiries may be directed to:

Siskinds LLP
Michael G. Robb
680 Waterloo Street
London, ON N6A 3V8
Tel: 1-877-672-2121 x 2380
Fax: 519-672-6065
Email: michael.robb@siskinds.com

www.siskinds.com and
www.classaction.ca

Interpretation

If there is a conflict between: (a) the content of this notice and the Settlement Agreement; or, (b) the content of this notice and the Distribution Protocol; the terms of the Settlement Agreement or Distribution Protocol, whichever is applicable, will prevail.

PLEASE DO NOT CONTACT THE COURTS WITH INQUIRIES ABOUT THE CLASS ACTION OR THE SETTLEMENT. All inquiries should be directed to the Administrator or Class Counsel.

DISTRIBUTION OF THIS NOTICE HAS BEEN AUTHORIZED
BY THE ONTARIO SUPERIOR COURT OF JUSTICE

SCHEDULE "E"
CLAIM FORM

HOME CAPITAL GROUP INC. SECURITIES LITIGATION

Ontario Superior Court of Justice (Southwest Region, London, Ontario), Court File No. 349/17CP

CLAIM FORM

I. GENERAL INSTRUCTIONS

1. The Claim Form is directed to the following Class or Class Members: all persons and entities wherever they may reside or be domiciled, other than Excluded Persons and Opt-Out Parties (as defined below), who acquired HCG common shares during the period from and including November 5, 2014 to and including the close of trading on the Toronto Stock Exchange on July 10, 2015 (the "Class Period").
2. To make a claim for compensation from the settlement in the above noted action, you must complete and, on page 6, sign the Claim Form. If you fail to file a properly addressed Claim Form, your claim may be rejected and you may be precluded from any recovery from the Net Settlement Funds created in connection with the settlement.
3. A separate Claim Form must be filed for each account in which common shares of Home Capital Group Inc. ("HCG") were held.
4. Only your HCG common shares acquired during the Class Period are eligible to potentially recover under the settlement. However, because your sales or unsold shares held up to the time of your claim will be used for purposes of calculating your Net Loss under the Distribution Protocol, information about acquisitions of HCG common shares after the Class Period, if any, is required for claim balancing. While such post Class Period acquisitions will not be used for purposes of calculating your Net Loss pursuant to the Distribution Protocol, the information is necessary in order to properly process your claim.
5. Submission of a Claim Form does not assure that you will share in the Net Settlement Funds.
6. MAIL YOUR COMPLETED AND SIGNED CLAIM FORM POSTMARKED ON OR BEFORE **[DATE]** ADDRESSED TO THE ADMINISTRATOR:

**Home Capital Securities Litigation
c/o RicePoint Administration Inc.
P.O. Box 4454, Toronto Station A,
25 The Esplanade Toronto, ON M5W 4B1
1-866-808-1266**

If you are NOT a member of the Class, as defined below, PLEASE DO NOT submit a Claim Form.

II. KEY DEFINITIONS

1. "Action" means the action styled *McDonald v. Home Capital Group Inc., et al.*, filed in the Ontario Superior Court of Justice (Southwest Region, London, Ontario) and bearing Court File No. 349/17CP.
2. "Defendants" means Home Capital Group Inc., Gerald M. Soloway, Robert Morton and Robert J. Blowes.
3. "Eligible Shares" means the HCG common shares acquired by a Class Member or Opt-Out Party during the Class Period and still held at the close of trading on the Toronto Stock Exchange on July 10, 2015.
4. "Excluded Persons" means:
 - (a) each Defendant;
 - (b) the past or present subsidiaries or affiliates of HCG;
 - (c) officers, directors, partners, legal representatives, consultants, agents, successors and assigns of HCG;
 - (d) any member of each of the individual Defendants' families; and
 - (e) the heirs, successors and assigns of the Defendants.
5. "Opt-Out Party" means any person who would otherwise be a Class Member and who submits a valid Opt-Out Request by the Opt-Out Deadline (the Opt-Out Deadline was close of business on August 8, 2017).

III. CLAIMANT IDENTIFICATION

1. If you acquired Eligible Shares and held the certificate(s) in your name, you are the beneficial purchaser as well as the record purchaser. If, however, the certificate(s) were registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial purchaser and the third party is the record purchaser.
2. Use Part I of this form entitled "Claimant Identification" to identify each purchaser. In addition, if you are NOT the beneficial owner and are filing a claim on behalf of the beneficial owner, please complete the "filer name" field in Part I of the "Claimant Identification" section on the first page of the Claim Form. A CLAIM FORM MUST BE FILED BY THE ACTUAL BENEFICIAL PURCHASER OR PURCHASERS, OR THE LEGAL REPRESENTATIVE OF SUCH PURCHASER OR PURCHASERS OF ELIGIBLE SHARES UPON WHICH THIS CLAIM IS BASED.
3. All joint purchasers must sign a Claim Form. Executors, administrators, guardians, conservators and trustees must complete and sign a Claim Form on behalf of persons represented by them and their authority must accompany this claim and their titles or capacities must be stated. The Social Insurance number, Business number or other unique tax identifier and telephone number of the beneficial purchaser may be used in verifying the claim. Failure to provide the foregoing information could delay verification of a claim or result in its rejection from eligibility for compensation.

IV. CLAIM FORM

1. Claim Forms must be submitted to the Administrator (see contact details on the first page of these instructions).
2. A separate Claim Form must be filed for each account in which Eligible Shares were held.
3. A claimant must provide all of the requested information with respect to **all** of his, her or its:
 - (a) HCG shares held at the close of trading on November 4, 2014;
 - (b) purchase(s) and acquisition(s) of HCG shares at any time during the Class Period;
 - (c) total number of HCG shares purchased from July 11, 2015 to the time the Claim Form is filed;
 - (d) sale(s) of HCG shares between November 5, 2014 and the time the Claim Form is filed; and
 - (e) HCG shares held at the time the Claim Form is filed.

Failure to report all required details may result in the rejection of a claimant's claim.
4. Please list each transaction in the Class Period separately and in chronological order, by trade date (not settlement date), beginning with the earliest. Claimants must accurately provide the month, day and year of each transaction listed.
5. Trade confirmations, broker statements or suitable alternative documentation evidencing a claimant's transactions in HCG shares must be submitted with the Claim Form. Failure to submit supporting documentation acceptable to the Administrator may result in the rejection of your claim.
6. The information required by the Administrator is the minimum amount of information necessary to process the claims. The Administrator may request additional information as required to efficiently and reliably calculate claimants' losses. In some cases, where the Administrator cannot perform compensation calculations accurately or at a reasonable cost to the Class with the information provided by a claimant, the Administrator may conditionally accept the claim pending receipt of additional information.
7. NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in an electronic aggregate file. If you wish to file an electronic file batch claim, you must contact the Administrator at 1-866-808-1266 or homecapital@ricepoint.com.

Official
Office
Use
Only

Home Capital Group Inc. Securities Litigation

Ontario Superior Court of Justice
Southwest Region, London, Ontario
Court File No. 349-17CP

Must Be Postmarked
or Received No Later
Than **Month DD, 2017**

HCQ

CLAIM FORM

Please Type or Print in the Boxes Below
Do NOT use Red Ink, Pencil, or Staples



PART I: CLAIMANT IDENTIFICATION

Last Name	M.I.	First Name
<input type="text"/>	<input type="text"/>	<input type="text"/>

Last Name (Co-Beneficial Owner)	M.I.	First Name (Co-Beneficial Owner)
<input type="text"/>	<input type="text"/>	<input type="text"/>

RRSP
 RRIF
 RESP
 Trust
 Pension
 IRA
 Other _____ (specify)

Company Name (Beneficial Owner - If Claimant is not an Individual) or Custodian Name if an IRA

Filer Name, If Different from Beneficial Owner Listed Above

Capacity of the Filer, if Not Beneficial Owner

Account#/Fund# (Not Necessary for Individual Filers)

Social Insurance Number/ Social Security Number/Unique Tax Identifier

Telephone Number (Primary)	Telephone Number (Alternate)
<input type="text"/> - <input type="text"/> - <input type="text"/>	<input type="text"/> - <input type="text"/> - <input type="text"/>

Email Address

MAILING INFORMATION

Address

Address

City	Province/State	Postal/Zip Code
<input type="text"/>	<input type="text"/>	<input type="text"/>

Country

FOR CLAIMS PROCESSING ONLY	OB <input type="text"/>	CB <input type="text"/>	<input type="radio"/> ATP <input type="radio"/> KE <input type="radio"/> ICI	<input type="radio"/> BE <input type="radio"/> DR <input type="radio"/> EM	<input type="radio"/> FL <input type="radio"/> ME <input type="radio"/> ND	<input type="radio"/> OP <input type="radio"/> RE <input type="radio"/> SH	MM / DD / YYYY	FOR CLAIMS PROCESSING ONLY
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Traded in Canadian Dollars (CAD)

This claim form is directed to the following Class or Class Members: All persons and entities wherever they may reside or be domiciled, who acquired HCG common shares during the period from and including November 5, 2014 to and including the close of trading on the Toronto Stock Exchange on July 10, 2015 ("Class Period").

Only HCG common shares acquired during the Class Period are eligible to potentially recover under the settlement.

A. Number of Shares held at the close of trading on November 4, 2014: Proof Enclosed? Y N

B. Shares in Canadian Dollars purchased or acquired between November 5, 2014 - July 10, 2015, inclusive:

PURCHASES			Total Purchase Price (Canadian \$) Including Commissions <i>Please round off to the nearest whole dollar</i>	Proof of Purchase Enclosed?
Trade Date(s) of Shares (List Chronologically)	Number of Shares Purchased			
M M / D D / Y Y				
1. <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	C\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="radio"/> Y <input type="radio"/> N	
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C. Total number of shares purchased from July 11, 2015 to the time the Claim Form is filed. Proof Enclosed? Y N

D. Shares in Canadian Dollars sold between November 5, 2014 to the time the Claim Form is filed:

SALES			Total Sales Price (Canadian \$) Including Commissions <i>Please round off to the nearest whole dollar</i>	Proof of Sales Enclosed?
Trade Date(s) of Shares (List Chronologically)	Number of Shares Sold			
M M / D D / Y Y				
1. <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	C\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="radio"/> Y <input type="radio"/> N	
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E. Number of Shares held at the time the Claim Form is filed: Proof Enclosed? Y N

If you require additional space, attach extra schedules in the same format as above. Sign and print your name on each additional page.
YOU MUST READ AND SIGN THE DECLARATION ON PAGE 6. FAILURE TO SIGN THE DECLARATION
MAY RESULT IN A DELAY IN PROCESSING OR THE REJECTION OF YOUR CLAIM.



Traded in US Dollars (USD)

This claim form is directed to the following Class or Class Members: All persons and entities wherever they may reside or be domiciled, who acquired HCG common shares during the period from and including November 5, 2014 to and including the close of trading on the Toronto Stock Exchange on July 10, 2015 ("Class Period").

Only HCG common shares acquired during the Class Period are eligible to potentially recover under the settlement.

A. Number of Shares held at the close of trading on November 4, 2014: Proof Enclosed?

Y
 N

B. Shares in USD purchased or acquired between November 5, 2014 - July 10, 2015, inclusive:

PURCHASES			Total Purchase Price (USD \$)	Proof of Purchase Enclosed?
Trade Date(s) of Shares (List Chronologically)	Number of Shares Purchased		Including Commissions <i>Please round off to the nearest whole dollar</i>	
M M / D D / Y Y				
1. [][] / [][] / [][]	[][][][][][][][][][][][][][]	\$	[][][][][][][][][][][][][] . 00	<input type="checkbox"/> Y <input type="checkbox"/> N
2. [][] / [][] / [][]	[][][][][][][][][][][][][][]	\$	[][][][][][][][][][][][][] . 00	<input type="checkbox"/> Y <input type="checkbox"/> N
3. [][] / [][] / [][]	[][][][][][][][][][][][][][]	\$	[][][][][][][][][][][][][] . 00	<input type="checkbox"/> Y <input type="checkbox"/> N
4. [][] / [][] / [][]	[][][][][][][][][][][][][][]	\$	[][][][][][][][][][][][][] . 00	<input type="checkbox"/> Y <input type="checkbox"/> N

C. Total number of shares purchased from July 11, 2015 to the time the Claim Form is filed. Proof Enclosed?

Y
 N

D. Shares in USD sold between November 5, 2014 to the time the Claim Form is filed:

SALES			Total Sales Price (USD \$)	Proof of Sales Enclosed?
Trade Date(s) of Shares (List Chronologically)	Number of Shares Sold		Including Commissions <i>Please round off to the nearest whole dollar</i>	
M M / D D / Y Y				
1. [][] / [][] / [][]	[][][][][][][][][][][][][][]	\$	[][][][][][][][][][][][][] . 00	<input type="checkbox"/> Y <input type="checkbox"/> N
2. [][] / [][] / [][]	[][][][][][][][][][][][][][]	\$	[][][][][][][][][][][][][] . 00	<input type="checkbox"/> Y <input type="checkbox"/> N
3. [][] / [][] / [][]	[][][][][][][][][][][][][][]	\$	[][][][][][][][][][][][][] . 00	<input type="checkbox"/> Y <input type="checkbox"/> N
4. [][] / [][] / [][]	[][][][][][][][][][][][][][]	\$	[][][][][][][][][][][][][] . 00	<input type="checkbox"/> Y <input type="checkbox"/> N

E. Number of Shares held at the time the Claim Form is filed: Proof Enclosed?

Y
 N

If you require additional space, attach extra schedules in the same format as above. Sign and print your name on each additional page.
 YOU MUST READ AND SIGN THE DECLARATION ON PAGE 6. FAILURE TO SIGN THE DECLARATION
 MAY RESULT IN A DELAY IN PROCESSING OR THE REJECTION OF YOUR CLAIM.



How did you find out about this class action?

- Newspaper Notice
- Online (i.e. Facebook, Twitter, etc)
- Notice Mailing
- Other _____
(specify)
- Information provided by Broker/Custodian

Through what institution did you hold shares of Home Capital?

- TD
- RBC
- SCOTIA
- CIBC
- BMO
- Other(s) _____
(specify)

I (we) declare that the information on this Claim Form is true, correct and complete to the best of my knowledge, information and belief.

I (we) declare that I (we) have disclosed all of my (our) holdings and purchase and sales transactions in Shares for the time periods required by this Claim Form.

I (we) also declare that I (we) am (are) not an Excluded Person(s) or Opt-Out Party as these terms are defined in the General Instructions.

I (we) acknowledge and agree that the Claims Administrator may disclose all information relating to my (our) claim to the Courts and counsel to the parties in the Actions, as may be necessary.

Executed this _____ day of _____ in _____
(Month/Year) (City/State/Province/Country)

(Sign your name here)

(Sign your name here)

(Type or print your name here)

(Type or print your name here)

(Capacity of person(s) signing, e.g., Beneficial Purchaser, Executor or Administrator)

(Capacity of person(s) signing, e.g., Beneficial Purchaser, Executor or Administrator)

Proof of Authority to File Enclosed? Yes No

Proof of Authority to File Enclosed? Yes No

**ACCURATE CLAIMS PROCESSING TAKES A SIGNIFICANT AMOUNT OF TIME.
THANK YOU FOR YOUR PATIENCE.**

Reminder Checklist:

1. Please sign the above declaration.
2. Remember to attach supporting documentation, if available.
3. Do not send original share certificates; we may not be able to send them back.
4. Keep a copy of your Claim Form and all supporting documentation for your records.
5. The Claims Administrator will acknowledge receipt of your Claim Form by mail or email within 60 days. Your Claim Form is not deemed fully filed until you receive an acknowledgment postcard. If you do not receive an acknowledgment postcard within 60 days, please call the Claims Administrator toll free at 1-866-808-1266.
6. If you move, you are required to send the Claims Administrator your new address. Failure to notify the Claims Administrator of a new address may result in your settlement benefits not being received by you.

Privacy Statement

All information provided by the Claimant is collected, used, and retained by the Claims Administrator and Class Counsel pursuant to the Personal Information Protection and Electronic Documents Act (PIPEDA) for the purposes of administering the Settlements, including evaluating the Claimant's eligibility status under the Settlement Agreement. The information provided by the Claimant is strictly private and confidential and will not be disclosed without the express written consent of the Claimant and an order of the Court.

"Class Counsel" is defined as Siskinds LLP of London, Ontario. The "Claims Administrator" is defined as RicePoint Administration Inc. of London, Ontario.



McDonald v Home Capital Group Inc. et al.

Court File No. 349/17CP

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at London

Proceeding under the *Class Proceedings Act*,
1992, SO 1992, c 6

**ORDER
(SETTLEMENT APPROVAL)**

Siskinds LLP

Barristers & Solicitors

680 Waterloo Street

P.O. Box 2520

London, ON N6A 3V8

Michael G. Robb (LSUC#: 45787G)

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Tel: (416) 594-4379

Fax: (416) 594-4380

Lawyers for the Plaintiff

SCHEDULE "B"
TO AMENDED NOTICE OF MOTION

DISTRIBUTION PROTOCOL

Court File No. 349/17CP

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N :

CLAIRE R. MCDONALD

Plaintiff

- and -

HOME CAPITAL GROUP INC., GERALD M. SOLOWAY, ROBERT MORTON, and

ROBERT J. BLOWES

Defendants

Proceeding under the Class Proceedings Act, 1992

DISTRIBUTION PROTOCOL

(Supplement to the Settlement Agreement, dated June 22, 2017)

This Distribution Protocol should be read in conjunction with the Settlement Agreement dated June 22, 2017 (“Settlement Agreement”).

DEFINED TERMS

1. The terms “**Administration Expenses**”, “**Administrator**”, “**Authorized Claimant**”, “**Claim Form**”, “**Claims Bar Deadline**”, “**Class Counsel Fees**”, “**Class Members**”, “**Class Period**”, “**Distribution Protocol**”, “**Eligible Shares**”, “**Escrow Account**”, “**Escrow Settlement Funds**” and “**HCG**”, as used herein, are defined in Section 2 of the Settlement Agreement, which definitions apply to and are incorporated herein. In addition, the following definitions apply to this Distribution Protocol:

- (a) “**Acquisition Expense**” means the total monies paid by a Claimant (including brokerage commissions) to acquire Eligible Shares;
- (b) “**Claimant**” means a Class Member who submits a properly completed Claim Form and all required supporting documentation to the Administrator, on or before the Claims Bar Deadline;
- (c) “**Disposition Proceeds**” means the total proceeds paid to a Claimant, without deducting any commissions paid in respect of the dispositions, in consideration of the sale of all Eligible Shares; provided, however, that with respect to any Eligible Shares that a Claimant continues to hold, they shall be deemed to have been disposed of for CAD \$32.26 per Eligible Share, being the volume weighted average price of HCG common shares traded on the Toronto Stock Exchange for the 10 trading days following July 10, 2015;

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- (d) “**FIFO**” means the principle of first-in, first-out, wherein securities are deemed to be sold in the same order that they were purchased (e.g. the first Eligible Shares purchased are deemed to be the first Eligible Shares sold); and, which requires, in the case of a Claimant who acquired HCG common shares before the Class Period and held those shares at the commencement of the Class Period, that those shares be deemed to have been sold completely before Eligible Shares are sold or deemed sold;
- (e) “**Net Loss**” means that the Claimant’s Disposition Proceeds are less than the Claimant’s Acquisition Expense;
- (f) “**Net Settlement Funds**” means the Escrow Settlement Funds after payment of Administration Expenses and Class Counsel Fees. For greater certainty, Net Settlement Funds includes the after tax amount of any accrued interest income earned on the Escrow Settlement Funds; and
- (g) “**Notional Entitlement**” means an Authorized Claimant’s notional damages as calculated pursuant to the formulae set forth herein, and which forms the basis upon which each Authorized Claimant’s *pro rata* share of the Net Settlement Funds is determined.

OBJECTIVE

2. The objective of this Distribution Protocol is to equitably distribute the Net Settlement Funds among Authorized Claimants.

PROCESSING CLAIM FORMS

3. The Administrator shall review each Claim Form and verify that the Claimant is eligible for compensation from the Net Settlement Funds, as follows:
 - (a) For a Claimant claiming as a Class Member, the Administrator shall be satisfied that the Claimant is a Class Member;
 - (b) For a Claimant claiming on behalf of a Class Member or a Class Member's estate, the Administrator shall be satisfied that:
 - (i) the Claimant has authority to act on behalf of the Class Member or the Class Member's estate in respect of financial affairs;
 - (ii) the person or estate on whose behalf the claim was submitted was a Class Member; and
 - (iii) The Claimant has provided all supporting documentation required by the Claim Form or alternative documentation acceptable to the Administrator.
4. The Administrator shall ensure that claims for compensation in the Claim Form are made only in respect of Eligible Shares.

CALCULATION OF NET LOSS AND NOTIONAL ENTITLEMENT

5. The Net Settlement Funds will be distributed in accordance with this Distribution Protocol.

6. A Claimant must have sustained a Net Loss in order to be eligible to receive a payment from the Net Settlement Funds. A Claimant that has not suffered a Net Loss as calculated under this Distribution Protocol will not be entitled to receive any portion of the Net Settlement Funds.
7. The Administrator shall first determine whether a Claimant has sustained a Net Loss. If the Claimant has sustained a Net Loss, they become an Authorized Claimant, and the Administrator will go on to calculate the Authorized Claimant's Notional Entitlement.
8. The Administrator will apply FIFO to distinguish the sale of HCG common shares held at the beginning of the Class Period from the sale of Eligible Shares and will continue to apply FIFO to determine the purchase transactions which correspond to the sale of Eligible Shares.
9. The date of a purchase, sale or deemed disposition shall be the trade date, as opposed to the settlement date of the transaction or the payment date.
10. The Administrator shall account for any splits or consolidations that occurred during and may occur after the Class Period, such that Claimants' holdings for the purposes of the calculations are completed in units equivalent to those traded during the Class Period.
11. The Administrator will use the data, derived from applying FIFO, in the calculation of an Authorized Claimant's Notional Entitlement according to the formulae below.

12. An Authorized Claimant's Notional Entitlement will be calculated as follows:
- I. **For Eligible Shares disposed of during the 10 trading days following the alleged corrective disclosure, that is, disposed of on or between July 13, 2015 and July 24, 2015, the Notional Entitlement shall be:**
 - A. for Eligible Shares acquired before May 6, 2015, an amount equal to the number of Eligible Shares thus disposed of, multiplied by the difference between the Acquisition Expense and the Disposition Proceeds, multiplied by 0.66;
 - B. for Eligible Shares acquired after May 6, 2015, an amount equal to the number of Eligible Shares thus disposed of, multiplied by the difference between the Acquisition Expense and the Disposition Proceeds, multiplied by 1.
 - II. **For Eligible Shares disposed of after the 10th trading day following July 10, 2015, that is, disposed of after the close of trading on the Toronto Stock Exchange on July 24, 2015, or still held by the Claimant, the Notional Entitlement shall be the lesser of A and B, multiplied by C, as defined below:**
 - A. an amount equal to the number of Eligible Shares thus disposed of, multiplied by the difference between the Acquisition Expense and the Disposition Proceeds;

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- B. **an amount equal to the number of Eligible Shares thus disposed of or still held, multiplied by the difference between the Acquisition Expense and \$32.26; and**
 - C. for Eligible Shares acquired before May 6, 2015, a number equal to 0.66; and, for Eligible Shares acquired after May 6, 2015, a number equal to 1.
13. In determining whether a Claimant has sustained a Net Loss and calculating an Authorized Claimant's Notional Entitlement, transactions in Eligible Shares in any foreign currency shall be converted to Canadian currency, based on the Bank of Canada noon exchange rate between the Canadian dollar and the foreign currency on the date on which the Administrator calculates the Notional Entitlements of Authorized Claimants. All Notional Entitlements shall be recorded in Canadian currency.

COMPLETION OF CLAIM FORM

14. If, for any reason, a Claimant is unable to complete the Claim Form then it may be completed by the Claimant's personal representative or a member of the Claimant's family.

IRREGULAR CLAIMS

15. The claims process is intended to be expeditious, cost effective and "user friendly" to minimize the burden on Claimants. The Administrator shall, in the

absence of reasonable grounds to the contrary, assume Claimants to be acting honestly and in good faith.

16. Where a Claim Form contains minor omissions or errors, the Administrator shall correct such omissions or errors if the information necessary to correct the error or omission is readily available to the Administrator.
17. The claims process is also intended to prevent fraud and abuse. If, after reviewing any Claim Form, the Administrator believe that the claim contains unintentional errors which would materially exaggerate the Notional Entitlement awarded to the Claimant, then the Administrator may disallow the claim in its entirety or make such adjustments so that an appropriate Notional Entitlement is awarded to the Claimant. If the Administrator believes that the claim is fraudulent or contains intentional errors which would materially exaggerate the Notional Entitlement to be awarded to the Claimant, then the Administrator shall disallow the claim in its entirety.
18. Where the Administrator disallows a claim in its entirety, the Administrator shall send to the Claimant, at the email or postal address provided by the Claimant or the Claimant's last known email or postal address, a notice advising the Claimant that he or she may request the Administrator to reconsider its decision. For greater certainty, a Claimant is not entitled to a notice or a review where a claim is allowed but the Claimant disputes the determination of Notional Entitlement or his, her or its individual compensation.

19. Any request for reconsideration must be received by the Administrator within 21 days of the date of the notice advising of the disallowance. If no request is received within this time period, the Claimant shall be deemed to have accepted the Administrator's determination and the determination shall be final and not subject to further review by any court or other tribunal.
20. Where a Claimant files a request for reconsideration with the Administrator, the Administrator shall advise Class Counsel of the request and conduct an administrative review of the Claimant's complaint.
21. Following its determination in an administrative review, the Administrator shall advise the Claimant of its determination. In the event the Administrator reverses a disallowance, the Administrator shall send the Claimant, at the email or postal address provided by the Claimant or the Claimant's last known email or postal address, a notice specifying the revision to the Administrator's disallowance.
22. The determination of the Administrator in an administrative review is final and is not subject to further review by any court or other tribunal.
23. Any matter not referred to above shall be determined by analogy by the Administrator in consultation with Class Counsel.

ADDITIONAL RULES

24. The Administrator shall not make payments to Authorized Claimants whose *pro rata* entitlement under this Plan of Allocation is less than CAD\$10.00. Such amounts shall instead be allocated *pro rata* to other Authorized Claimants in accordance with the "Final Distribution" section of this Plan of Allocation.

25. Eligible Shares transferred between accounts belonging to the same Claimant(s) during the Class Period shall not be deemed to be Eligible Shares for the purpose of calculating Net Loss unless those shares were initially purchased by the Claimant(s) during the Class Period. The Acquisition Expense shall be calculated based on the price initially paid for the Eligible Shares.
26. The Administrator shall make payment to an Authorized Claimant by either bank transfer or by cheque to the Claimant at the address provided by the Authorized Claimant or the last known postal address for the Authorized Claimant. If, for any reason, an Authorized Claimant does not cash a cheque within six months after the date on which the cheque was sent to the Authorized Claimant, the Authorized Claimant shall forfeit the right to compensation and the funds shall be distributed in accordance with the "Final Distribution" section of this Plan of Allocation.

FINAL DISTRIBUTION

27. Each Authorized Claimant's actual compensation shall be the portion of the Net Settlement Funds equivalent to the ratio of his, her or its Notional Entitlement to the total Notional Entitlements of all Authorized Claimants multiplied by the Net Settlement Funds, as calculated by the Administrator.
28. Compensation shall be paid to Authorized Claimants in Canadian currency.
29. If, one hundred eighty (180) days from the date on which the Administrator distributes the Net Settlement Funds to Authorized Claimants, the Escrow

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Account remains in a positive balance (whether due to tax refunds, uncashed cheques, or otherwise), the Administrator shall, if feasible, reallocate such balance among the Authorized Claimants in an equitable and economic fashion. In the event any such remaining balance is less than CAD \$25,000.00 or less than \$10.00 per Authorized Claimant, such balance shall be allocated to the OSC for use in accordance with the purposes set out in para 3.4(2)(b) of the Ontario *Securities Act*.

30. By agreement between the Administrator and Class Counsel, the Claims Bar Deadline may be extended. Class Counsel and the Administrator shall agree to extend the Claims Bar Deadline if, in their opinions, doing so will not adversely affect the efficient administration of the Settlement and it is in the best interests of the Class to do so.

-END-

SCHEDULE "C"
TO AMENDED NOTICE OF MOTION

PLAN OF NOTICE

PLAN OF NOTICE

Capitalized terms used in this Plan of Notice have the meanings given to them in the Settlement Agreement dated June 22, 2017.

PART 1 - FIRST NOTICE

Subject to such alternative or additional direction by the Court, the manner of providing the First Notice will consist of a combination of direct individual notice to Class Members and an indirect digital publication campaign consisting of digital publication and a press release.

As described in this Part 1, and Part 2, below, direct individual notice is the preferred method by which the Plaintiff proposes to provide notice. Direct notice will be given to Class Members: (a) identified by the Administrator through the broker outreach described below, (b) identified by HCG's transfer agent pursuant to s. 13.2(1) of the Settlement Agreement, and (c) known to Class Counsel.

Long-Form Notice

Individual Long-Form Notice from Class Counsel

The long-form Notice of Certification and Notice of Court Hearing for Settlement Approval ("**First Long-Form**") will be mailed, electronically or physically, as may be required, to those persons and entities who have previously contacted Class Counsel for the purposes of receiving notice of developments in the Action.

Individual Long-Form Notice from Administrator

The Administrator will mail the First Long-Form to individuals and entities identified as a result of HCG directing its transfer agent, under s. 13.2(1) of the Settlement Agreement, to deliver to the Administrator an electronic list of the names and addresses of persons and entities who hold or held Eligible Shares.

The Administrator will also undertake an email outreach to brokerages and brokers in its proprietary database, requesting distribution of the First Long-Form to those of their clients who may be Class Members. Brokerages and brokers may prefer to provide a list of potentially affected clients to the Administrator, in which case the Administrator will send the First Long-Form to all persons and entities identified by the brokerages and/or brokers. It is expected that approximately 20% will be French speaking and this will be accounted for appropriately.

Digital Publication of the Long-Form Notice

Electronic publication of the First Long-Form will occur in both the English and French languages, posted on Class Counsel's website: <http://www.siskinds.com/home-capital-group-inc/> and on a dedicated website developed by the Administrator from

which the public can also obtain copies of the Settlement Agreement and proposed Distribution Protocol.

From its website, Class Counsel shall make a toll free number and email address available to the public that will enable Class Members to contact Class Counsel in order that they may, amongst other things:

- (a) obtain more information about opt-out rights and procedures, the Settlement and how to object to it, the proposed Distribution Protocol and/or Class Counsel Fees; and/or
- (b) request that a copy of the Settlement Agreement be electronically or physically mailed to them.

In addition, from Class Counsel's website, the public may view or obtain copies of the Settlement Agreement, proposed Distribution Protocol and, materials Class Counsel will file with the Court for the purposes of seeking approval of the Settlement.

Short-Form Notice

Digital Publication and Dissemination of the Short-Form Notice

Electronic publication of the short-form Notice of Certification and Notice of Court Hearing for Settlement Approval ("**First Short-Form**") will occur in both the English and French languages (with necessary formatting modifications) across Canada Newswire (a major business newswire in Canada, "**CNW**"). It is expected that, through CNW, the First Short-Form will be disseminated to all major digital, print and broadcast news outlets across Canada, plus all local newspapers in smaller urban and rural markets and to specialized business media subscribers.

PART 2 - SECOND NOTICE

Subject to such alternative or additional direction by the Court, the method of providing the Second Notice will consist of a combination of direct individual notice to Class Members and an indirect digital publication campaign consisting of digital publication and a press release.

As with the First Notice, the method of providing the Second Notice will consist of a combination of a broker outreach, individual notice to all Class Members known to Class Counsel and identified by the Administrator through the broker outreach, Class Members identified by HCG's transfer agent under s. 13.2(1) of the Settlement Agreement, and an indirect digital publication campaign consisting of digital media and a press release.

Long-Form Notice

Individual Long-Form Notice from the Administrator

Within thirty (30) days of the date of the Approval Order, the Administrator will send the Long Form Notice of Settlement ("**Second Long-Form**") and the Claim Form to all putative Class Members as follows:

1. The Administrator will mail the Second Long-Form and Claim Form to individuals and entities identified as a result of HCG directing its transfer agent, under s. 13.2(1) of the Settlement Agreement, to deliver to the Administrator an electronic list of the names and addresses of persons and entities who hold or held Eligible Shares; and
2. The Administrator will send the Second Long-Form and Claim Form to the brokerages and brokers in the Administrator's proprietary database, requesting that they either send a copy of the Second Long Form and Claim Form to all individuals and entities identified by them as being Class Members, or to send the names and addresses of all known Class Members to the Administrator who will mail the Second Long Form and Claim Form to the individuals and entities so identified.

Class Counsel shall mail or email the Second Long Form and Claim Form to those persons and entities who have previously contacted Class Counsel for the purposes of receiving notice of developments in the Action.

Class Counsel shall again make a toll-free number and email address available to the public that will enable Class Members to obtain more information about the settlement, the claims process, and to request that a copy of the Settlement Agreement, Distribution Protocol and/or Second Long-Form and Claim Form be sent electronically or physically to them. Additionally, the public may view or obtain those documents from the website of Siskinds LLP: <http://www.siskinds.com/home-capital-group-inc/>

Digital Publication of the Long-Form Notice

The Second Long-Form will be posted, in both the English and French languages, on:

- (a) <http://www.siskinds.com/home-capital-group-inc/> ; and
- (b) the dedicated website of the Administrator.

Short-Form Notice

Electronic publication of the short-form Notice of Settlement ("**Second Short-Form**") will occur in both the English and French languages (with necessary formatting modifications) across CNW.

SCHEDULE "D"
TO AMENDED NOTICE OF MOTION

SHORT-FORM NOTICE

****FOR IMMEDIATE RELEASE****

**NOTICE OF SETTLEMENT APPROVAL
HOME CAPITAL GROUP INC., SECURITIES CLASS ACTION**

**IF YOU ACQUIRED COMMON SHARES OF HOME CAPITAL GROUP
INC. BETWEEN NOVEMBER 5, 2014 AND JULY 10, 2015,**

Read this notice carefully as it may affect your legal rights

London, Ontario, August ●, 2017

On February 13, 2017, an action styled *McDonald v Home Capital Group Inc., et al.* was commenced in the Ontario Superior Court of Justice (“**Court**”) on behalf of persons who acquired Home Capital Group Inc.’s (“HCG”, TSX: HCG, CUSIP: 436913107, ISIN: CA4369131079) shares between November 5, 2014 to July 10, 2015 (“**Class Period**”). The action related to Home Capital Group’s allegedly misleading disclosure in relation to mortgage origination practices and changes in mortgage origination during the Class Period.

A settlement of the action in the amount of \$29,500,000, paid for the benefit of affected class members has been approved by the Court. The settlement is a compromise of disputed claims and is not an admission of liability or wrongdoing by HCG or any other defendant named in the action.

If you acquired Home Capital Group Inc. shares during the Class Period, you may be eligible for compensation. In order to recover any such compensation, you must submit a completed Claim Form to RicePoint Administration Inc. **no later than ●, 2017.** If you do not timely submit a Claim Form, you will not be entitled to any compensation, and unless you have previously opted out, you will not be entitled to pursue any other action in respect of those claims.

For more information about the Settlement, your rights and how to exercise them, contact the Claims Administrator at:

●

Or Class Counsel (Siskinds LLP) at:

Michael G. Robb
680 Waterloo Street
London, ON N6A 3V8
Tel: 1-877-672-2121 x 2380

Fax: 519-672-6065

Email: michael.robb@siskinds.com

www.siskinds.com and www.classaction.ca

SCHEDULE "E"
TO AMENDED NOTICE OF MOTION

LONG-FORM NOTICE

**NOTICE OF SETTLEMENT APPROVAL
IN THE
HOME CAPITAL GROUP INC., SECURITIES CLASS ACTION**

This notice is directed to everyone who acquired shares of Home Capital Group Inc., (“HCG”, TSX: HCG, CUSIP: 436913107, ISIN: CA4369131079) from November 5, 2014 through to and including the close of trading on the Toronto Stock Exchange on July 10, 2015 (“Class Period”).

**READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS.
YOU MAY NEED TO TAKE PROMPT ACTION.**

Important Deadline

Claims Bar Deadline (to file a claim for ●, 2017 compensation):

You may file your claim electronically or by mail. Claims will not be accepted after the Claims Bar Deadline. As a result, it is necessary that you act without delay.

Court Approval of the Class Action Settlement

On February 13, 2017, Claire R. McDonald (“**Plaintiff**”) commenced an action in the Ontario Superior Court of Justice (Southwest Region – London, Ontario) against HCG, Gerald M. Soloway, Robert Morton and Robert J. Blowes (“**Defendants**”).

The Plaintiff alleged that certain of HCG’s public disclosures released during the Class Period were materially misleading in relation to mortgage origination practices and changes in mortgage origination during the Class Period (“**Action**”). The claims being pursued in the Action were claims for damages for losses allegedly suffered as a result of HCG’s alleged misleading disclosures. The Plaintiff claimed the Defendants had liability for those losses.

On June 22, 2017, the Plaintiff and the Defendants entered into a settlement (“**Settlement**”) of the Action. The Settlement is part of a global settlement to resolve the Action and related enforcement proceeding by Staff of the Ontario Securities Commission (“**OSC**”) against HCG and others, commenced on April 19, 2017 (“**OSC Proceeding**”).

The Settlement provides that \$29,500,000.00 (“**Settlement Funds**”), will be paid for the benefit of the Class Members before deductions for legal fees and expenses to administer the Settlement. The Settlement was a compromise of disputed claims and not an admission of liability, wrongdoing or fault on the part of any of the Defendants, all of whom have denied and continue to deny the allegations made against them in the Action.

On June ●, 2017, the Ontario Superior Court of Justice (“**Court**”) certified the Action as a class proceeding, with the consent of the Defendants. By consenting, the Defendants did not admit any wrongdoing or liability; and, certification by the Court was not a decision on the merits of the Action.

On August ●, 2017, the Court approved the Settlement and ordered that it be implemented in accordance with its terms.

The Court also awarded Siskinds LLP (“**Class Counsel**”) legal fees, expenses and applicable taxes in the amount of \$● (“**Class Counsel Fees**”). As is customary in such cases, Class Counsel conducted the Action on a contingent fee basis. Class Counsel was not paid as the matter proceeded and funded the expenses of conducting the litigation. The amount awarded for Class Counsel Fees includes \$● for the reimbursement of amounts spent by Class Counsel in the conduct of the Action. The remainder, net of applicable taxes, will be Class Counsel’s only compensation for conducting the Action. Class Counsel Fees will be deducted from the Settlement Funds before it is 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 they are distributed to eligible Class Members.

Administrator

The Courts have appointed RicePoint Administration Inc., as the Administrator of the Settlement. The Administrator will, among other things: (i) receive and process the Claim Forms; (ii) make determinations of each Class Member’s eligibility for compensation pursuant to the Distribution Protocol; (iii) communicate with Class Members regarding their eligibility for compensation; and (iv) manage and distribute the Settlement Funds. The Administrator can be contacted at:

Telephone: ●

Mailing Address: Home Capital Group Inc., Securities Litigation
●

Website: ●

Copies of the Claim Form may also be obtained from the Claims Administrator.

Class Members' Entitlement to Compensation

Class Members may be eligible for compensation pursuant to the Settlement if they timely submit a completed Claim Form, including any supporting documentation, with the Administrator.

To be eligible for compensation under the settlement, Class Members must submit their Claim Form electronically or postmarked **no later than ●, 2017** (the "**Claims Bar Deadline**").

Only Class Members are permitted to participate in the Settlement. In particular, the following persons are not permitted to participate in the Settlement: (i) "**Excluded Persons**", which are defined in the Settlement Agreement as "Each of the Defendants; the past or present subsidiaries or affiliates of HCG; officers, directors partners, legal representatives, consultants, agents, successors and assigns of HCG; any member of each of the individual Defendants' families; and, the heirs, successors and assigns of the Defendants"; and (ii) persons who have previously opted out of the Action pursuant to the order of the Court dated June ●, 2017.

The remainder of the Settlement Funds, after deduction of Class Counsel Fees and Administration Expenses ("**Net Settlement Funds**"), will be distributed to Class Members in accordance with the Distribution Protocol.

Under the Distribution Protocol, Class Members who acquired HCG common shares during the Class Period and still held them at the close of trading on the Toronto Stock Exchange on July 10, 2015; and, who file a timely valid claim form, will receive a portion of the Net Settlement Funds as set out in the Distribution Protocol.

If there is a positive balance after one hundred and eighty (180) days from the date of distribution of the Net Settlement Funds to Class Members with valid claims, the Administrator shall, if feasible, allocate such balance among Class Members with valid claims in an equitable and economic fashion. Any balance below \$25,000.00 which still remains thereafter shall be donated to a recipient to be approved by the Court.

Copies of the Settlement Documents

Copies of the Settlement Agreement, the Claim Form, the Distribution Protocol, and the order of the Court approving the Settlement may be found on the websites of Class Counsel at <http://www.siskinds.com/home-capital-group-inc/> or by contacting Class Counsel at the contact information provided below.

Class Counsel

The law firm of Siskinds LLP is Class Counsel. Inquiries may be directed to:

Siskinds LLP
Michael G. Robb
680 Waterloo Street
London, ON N6A 3V8
Tel: 1-877-672-2121 x 2380
Fax: 519-672-6065
Email: michael.robb@siskinds.com

www.siskinds.com and
www.classaction.ca

Interpretation

If there is a conflict between: (a) the content of this notice and the Settlement Agreement; or, (b) the content of this notice and the Distribution Protocol; the terms of the Settlement Agreement or Distribution Protocol, whichever is applicable, will prevail.

PLEASE DO NOT CONTACT THE COURTS WITH INQUIRIES ABOUT THE CLASS ACTION OR THE SETTLEMENT. All inquiries should be directed to the Administrator or Class Counsel.

DISTRIBUTION OF THIS NOTICE HAS BEEN AUTHORIZED
BY THE ONTARIO SUPERIOR COURT OF JUSTICE

SCHEDULE "F"
TO THE AMENDED NOTICE OF MOTION

CLAIM FORM

HOME CAPITAL GROUP INC. SECURITIES LITIGATION

Ontario Superior Court of Justice (Southwest Region, London, Ontario), Court File No. 349/17CP

CLAIM FORM

I. GENERAL INSTRUCTIONS

1. The Claim Form is directed to the following Class or Class Members: all persons and entities wherever they may reside or be domiciled, other than Excluded Persons and Opt-Out Parties (as defined below), who acquired HCG common shares during the period from and including November 5, 2014 to and including the close of trading on the Toronto Stock Exchange on July 10, 2015 (the "Class Period").
2. To make a claim for compensation from the settlement in the above noted action, you must complete and, on page 6, sign the Claim Form. If you fail to file a properly addressed Claim Form, your claim may be rejected and you may be precluded from any recovery from the Net Settlement Funds created in connection with the settlement.
3. A separate Claim Form must be filed for each account in which common shares of Home Capital Group Inc. ("HCG") were held.
4. Only your HCG common shares acquired during the Class Period are eligible to potentially recover under the settlement. However, because your sales or unsold shares held up to the time of your claim will be used for purposes of calculating your Net Loss under the Distribution Protocol, information about acquisitions of HCG common shares after the Class Period, if any, is required for claim balancing. While such post Class Period acquisitions will not be used for purposes of calculating your Net Loss pursuant to the Distribution Protocol, the information is necessary in order to properly process your claim.
5. Submission of a Claim Form does not assure that you will share in the Net Settlement Funds.
6. MAIL YOUR COMPLETED AND SIGNED CLAIM FORM POSTMARKED ON OR BEFORE **[DATE]** ADDRESSED TO THE ADMINISTRATOR:

**Home Capital Securities Litigation
c/o RicePoint Administration Inc.
P.O. Box 4454, Toronto Station A,
25 The Esplanade Toronto, ON M5W 4B1
1-866-808-1266**

If you are NOT a member of the Class, as defined below, PLEASE DO NOT submit a Claim Form.

II. KEY DEFINITIONS

1. "Action" means the action styled *McDonald v. Home Capital Group Inc., et al.*, filed in the Ontario Superior Court of Justice (Southwest Region, London, Ontario) and bearing Court File No. 349/17CP.
2. "Defendants" means Home Capital Group Inc., Gerald M. Soloway, Robert Morton and Robert J. Blowes.
3. "Eligible Shares" means the HCG common shares acquired by a Class Member or Opt-Out Party during the Class Period and still held at the close of trading on the Toronto Stock Exchange on July 10, 2015.
4. "Excluded Persons" means:
 - (a) each Defendant;
 - (b) the past or present subsidiaries or affiliates of HCG;
 - (c) officers, directors, partners, legal representatives, consultants, agents, successors and assigns of HCG;
 - (d) any member of each of the individual Defendants' families; and
 - (e) the heirs, successors and assigns of the Defendants.
5. "Opt-Out Party" means any person who would otherwise be a Class Member and who submits a valid Opt-Out Request by the Opt-Out Deadline (the Opt-Out Deadline was close of business on August 8, 2017).

III. CLAIMANT IDENTIFICATION

1. If you acquired Eligible Shares and held the certificate(s) in your name, you are the beneficial purchaser as well as the record purchaser. If, however, the certificate(s) were registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial purchaser and the third party is the record purchaser.
2. Use Part I of this form entitled "Claimant Identification" to identify each purchaser. In addition, if you are NOT the beneficial owner and are filing a claim on behalf of the beneficial owner, please complete the "filer name" field in Part I of the "Claimant Identification" section on the first page of the Claim Form. A CLAIM FORM MUST BE FILED BY THE ACTUAL BENEFICIAL PURCHASER OR PURCHASERS, OR THE LEGAL REPRESENTATIVE OF SUCH PURCHASER OR PURCHASERS OF ELIGIBLE SHARES UPON WHICH THIS CLAIM IS BASED.
3. All joint purchasers must sign a Claim Form. Executors, administrators, guardians, conservators and trustees must complete and sign a Claim Form on behalf of persons represented by them and their authority must accompany this claim and their titles or capacities must be stated. The Social Insurance number, Business number or other unique tax identifier and telephone number of the beneficial purchaser may be used in verifying the claim. Failure to provide the foregoing information could delay verification of a claim or result in its rejection from eligibility for compensation.

IV. CLAIM FORM

1. Claim Forms must be submitted to the Administrator (see contact details on the first page of these instructions).
2. A separate Claim Form must be filed for each account in which Eligible Shares were held.
3. A claimant must provide all of the requested information with respect to **all** of his, her or its:
 - (a) HCG shares held at the close of trading on November 4, 2014;
 - (b) purchase(s) and acquisition(s) of HCG shares at any time during the Class Period;
 - (c) total number of HCG shares purchased from July 11, 2015 to the time the Claim Form is filed;
 - (d) sale(s) of HCG shares between November 5, 2014 and the time the Claim Form is filed; and
 - (e) HCG shares held at the time the Claim Form is filed.

Failure to report all required details may result in the rejection of a claimant's claim.
4. Please list each transaction in the Class Period separately and in chronological order, by trade date (not settlement date), beginning with the earliest. Claimants must accurately provide the month, day and year of each transaction listed.
5. Trade confirmations, broker statements or suitable alternative documentation evidencing a claimant's transactions in HCG shares must be submitted with the Claim Form. Failure to submit supporting documentation acceptable to the Administrator may result in the rejection of your claim.
6. The information required by the Administrator is the minimum amount of information necessary to process the claims. The Administrator may request additional information as required to efficiently and reliably calculate claimants' losses. In some cases, where the Administrator cannot perform compensation calculations accurately or at a reasonable cost to the Class with the information provided by a claimant, the Administrator may conditionally accept the claim pending receipt of additional information.
7. NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in an electronic aggregate file. If you wish to file an electronic file batch claim, you must contact the Administrator at 1-866-808-1266 or homecapital@ricepoint.com.

Official
Office
Use
Only

Home Capital Group Inc. Securities Litigation

Ontario Superior Court of Justice
Southwest Region, London, Ontario
Court File No. 349-17CP

Must Be Postmarked
or Received No Later
Than **Month DD, 2017**

HCQ

CLAIM FORM

Please Type or Print in the Boxes Below
Do NOT use Red Ink, Pencil, or Staples



PART I: CLAIMANT IDENTIFICATION

Last Name	M.I.	First Name
<input type="text"/>	<input type="text"/>	<input type="text"/>

Last Name (Co-Beneficial Owner)	M.I.	First Name (Co-Beneficial Owner)
<input type="text"/>	<input type="text"/>	<input type="text"/>

RRSP
 RRIF
 RESP
 Trust
 Pension
 IRA
 Other _____ (specify)

Company Name (Beneficial Owner - If Claimant is not an Individual) or Custodian Name if an IRA

Filer Name, If Different from Beneficial Owner Listed Above

Capacity of the Filer, if Not Beneficial Owner

Account#/Fund# (Not Necessary for Individual Filers)

Social Insurance Number/ Social Security Number/Unique Tax Identifier

Telephone Number (Primary)	Telephone Number (Alternate)
<input type="text"/> — <input type="text"/> — <input type="text"/>	<input type="text"/> — <input type="text"/> — <input type="text"/>

Email Address

MAILING INFORMATION

Address

Address

City	Province/State	Postal/Zip Code
<input type="text"/>	<input type="text"/>	<input type="text"/>

Country

FOR CLAIMS PROCESSING ONLY	OB <input type="text"/>	CB <input type="text"/>	<input type="radio"/> ATP <input type="radio"/> KE <input type="radio"/> ICI	<input type="radio"/> BE <input type="radio"/> DR <input type="radio"/> EM	<input type="radio"/> FL <input type="radio"/> ME <input type="radio"/> ND	<input type="radio"/> OP <input type="radio"/> RE <input type="radio"/> SH	MM / DD / YYYY	FOR CLAIMS PROCESSING ONLY
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Traded in Canadian Dollars (CAD)

This claim form is directed to the following Class or Class Members: All persons and entities wherever they may reside or be domiciled, who acquired HCG common shares during the period from and including November 5, 2014 to and including the close of trading on the Toronto Stock Exchange on July 10, 2015 ("Class Period").

Only HCG common shares acquired during the Class Period are eligible to potentially recover under the settlement.

A. Number of Shares held at the close of trading on November 4, 2014: Proof Enclosed?

 Y
 N

B. Shares in Canadian Dollars purchased or acquired between November 5, 2014 - July 10, 2015, inclusive:

PURCHASES		Total Purchase Price (Canadian \$) Including Commissions <i>Please round off to the nearest whole dollar</i>	
Trade Date(s) of Shares (List Chronologically)	Number of Shares Purchased	C\$	Proof of Purchase Enclosed?
M M / D D / Y Y 1. <input type="text" value=""/> <input type="text" value=""/> / <input type="text" value=""/> <input type="text" value=""/> / <input type="text" value=""/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> . 00	<input type="radio"/> Y <input type="radio"/> N
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C. Total number of shares purchased from July 11, 2015 to the time the Claim Form is filed. Proof Enclosed?

 Y
 N

D. Shares in Canadian Dollars sold between November 5, 2014 to the time the Claim Form is filed:

SALES		Total Sales Price (Canadian \$) Including Commissions <i>Please round off to the nearest whole dollar</i>	
Trade Date(s) of Shares (List Chronologically)	Number of Shares Sold	C\$	Proof of Sales Enclosed?
M M / D D / Y Y 1. <input type="text" value=""/> <input type="text" value=""/> / <input type="text" value=""/> <input type="text" value=""/> / <input type="text" value=""/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> . 00	<input type="radio"/> Y <input type="radio"/> N
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E. Number of Shares held at the time the Claim Form is filed: Proof Enclosed?

 Y
 N

If you require additional space, attach extra schedules in the same format as above. Sign and print your name on each additional page.
 YOU MUST READ AND SIGN THE DECLARATION ON PAGE 6. FAILURE TO SIGN THE DECLARATION MAY RESULT IN A DELAY IN PROCESSING OR THE REJECTION OF YOUR CLAIM.



Traded in US Dollars (USD)

This claim form is directed to the following Class or Class Members: All persons and entities wherever they may reside or be domiciled, who acquired HCG common shares during the period from and including November 5, 2014 to and including the close of trading on the Toronto Stock Exchange on July 10, 2015 ("Class Period").

Only HCG common shares acquired during the Class Period are eligible to potentially recover under the settlement.

A. Number of Shares held at the close of trading on November 4, 2014: Proof Enclosed?

 Y
 N

B. Shares in USD purchased or acquired between November 5, 2014 - July 10, 2015, inclusive:

<u>PURCHASES</u>			Total Purchase Price (USD \$) Including Commissions <i>Please round off to the nearest whole dollar</i>	Proof of Purchase Enclosed?
Trade Date(s) of Shares (List Chronologically)	Number of Shares Purchased			
M M / D D / Y Y				
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C. Total number of shares purchased from July 11, 2015 to the time the Claim Form is filed. Proof Enclosed?

 Y
 N

D. Shares in USD sold between November 5, 2014 to the time the Claim Form is filed:

<u>SALES</u>			Total Sales Price (USD \$) Including Commissions <i>Please round off to the nearest whole dollar</i>	Proof of Sales Enclosed?
Trade Date(s) of Shares (List Chronologically)	Number of Shares Sold			
M M / D D / Y Y				
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E. Number of Shares held at the time the Claim Form is filed: Proof Enclosed?

 Y
 N

If you require additional space, attach extra schedules in the same format as above. Sign and print your name on each additional page.
 YOU MUST READ AND SIGN THE DECLARATION ON PAGE 6. FAILURE TO SIGN THE DECLARATION
 MAY RESULT IN A DELAY IN PROCESSING OR THE REJECTION OF YOUR CLAIM.



How did you find out about this class action?

- Newspaper Notice
- Online (i.e. Facebook, Twitter, etc)
- Notice Mailing
- Other _____
(specify)
- Information provided by Broker/Custodian

Through what institution did you hold shares of Home Capital?

- TD
- RBC
- SCOTIA
- CIBC
- BMO
- Other(s) _____
(specify)

I (we) declare that the information on this Claim Form is true, correct and complete to the best of my knowledge, information and belief.

I (we) declare that I (we) have disclosed all of my (our) holdings and purchase and sales transactions in Shares for the time periods required by this Claim Form.

I (we) also declare that I (we) am (are) not an Excluded Person(s) or Opt-Out Party as these terms are defined in the General Instructions.

I (we) acknowledge and agree that the Claims Administrator may disclose all information relating to my (our) claim to the Courts and counsel to the parties in the Actions, as may be necessary.

Executed this _____ day of _____ in _____
(Month/Year) (City/State/Province/Country)

(Sign your name here)

(Sign your name here)

(Type or print your name here)

(Type or print your name here)

(Capacity of person(s) signing, e.g.,
Beneficial Purchaser, Executor or Administrator)
Proof of Authority to File Enclosed? Yes No

(Capacity of person(s) signing, e.g.,
Beneficial Purchaser, Executor or Administrator)
Proof of Authority to File Enclosed? Yes No

**ACCURATE CLAIMS PROCESSING TAKES A SIGNIFICANT AMOUNT OF TIME.
THANK YOU FOR YOUR PATIENCE.**

Reminder Checklist:

- 1. Please sign the above declaration.
- 2. Remember to attach supporting documentation, if available.
- 3. Do not send original share certificates; we may not be able to send them back.
- 4. Keep a copy of your Claim Form and all supporting documentation for your records.
- 5. The Claims Administrator will acknowledge receipt of your Claim Form by mail or email within 60 days. Your Claim Form is not deemed fully filed until you receive an acknowledgment postcard. If you do not receive an acknowledgment postcard within 60 days, please call the Claims Administrator toll free at 1-866-808-1266.
- 6. If you move, you are required to send the Claims Administrator your new address. Failure to notify the Claims Administrator of a new address may result in your settlement benefits not being received by you.

Privacy Statement

All information provided by the Claimant is collected, used, and retained by the Claims Administrator and Class Counsel pursuant to the Personal Information Protection and Electronic Documents Act (PIPEDA) for the purposes of administering the Settlements, including evaluating the Claimant's eligibility status under the Settlement Agreement. The information provided by the Claimant is strictly private and confidential and will not be disclosed without the express written consent of the Claimant and an order of the Court.

"Class Counsel" is defined as Siskinds LLP of London, Ontario. The "Claims Administrator" is defined as RicePoint Administration Inc. of London, Ontario.



MCDONALD v. HOME CAPITAL GROUP INC., et al.
Plaintiffs Defendants

Court File No.: 349/17CP

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at London
Proceeding under the *Class Proceedings Act, 1992*

**NOTICE OF MOTION - SETTLEMENT
APPROVAL**

Siskinds LLP

Barristers & Solicitors
680 Waterloo Street
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London, ON N6A 3V8

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Fax: 519-660-7845

302-100 Lombard Street
Toronto, ON M5C 1M3

Douglas Worndl (LSUC#: 30170P)

Tel: (416) 594-4379

Fax: (416) 594-4380

Lawyers for the Plaintiff

Court File No. 349/17CP

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

CLAIRE R. MCDONALD

Plaintiff

- and -

HOME CAPITAL GROUP INC., GERALD M. SOLOWAY, ROBERT MORTON, and
ROBERT J. BLOWES

Defendants

Proceeding under the *Class Proceedings Act, 1992*

SUPPLEMENTAL AFFIDAVIT OF NICHOLAS BAKER

(Settlement Approval – Sworn August 14, 2017)

I, Nicholas Baker, of the City of London, in the County of Middlesex, MAKE
OATH AND SAY:

1. I am an Associate in the securities class actions practice group of Siskinds LLP (“**Siskinds**”), counsel for the Plaintiff in the above-captioned proceeding (“**Action**”).

2. On July 26, 2017, I swore an affidavit in support of the Plaintiff's motion for an Order approving a settlement in this matter pursuant to subsection 29(2) of the *Class Proceedings Act, 1992*, SO 1992, c 6 ("**Previous Affidavit**").
3. This affidavit supplements my Previous Affidavit. To the extent that my knowledge is based on information and belief, I have so indicated, identified the source and I believe that information to be true.
4. Unless otherwise noted, capitalized terms that I have used in this, my supplemental affidavit, which are not specifically defined herein, have the meanings attributed to them in the settlement agreement between the parties dated June 22, 2017 ("**Settlement Agreement**").

Amendment to the Settlement Agreement

5. On August 3, 2017 the Parties agreed to amend sections 4.1(1)(b) and 4.2(1) of the Settlement Agreement to clarify a logistical matter.
6. Section 4.1(1)(b) provided that, out of the Settlement Funds, \$11 million is paid pursuant to an undertaking given to the OSC in accordance with the OSC Settlement Agreement.
7. The amendment clarifies that:
 - (a) under the OSC Settlement Agreement, the undertaking is for HCG to pay \$10 million to Stikeman Elliott in trust;
 - (b) in addition, there is a \$1 million payment to the OSC prior to the OSC Settlement Approval hearing, which is to be designated by the OSC for

allocation under subsection 3.4(2)(b)(i) of the *Securities Act* for the benefit of HCG investors who comprise the Class; and

- (c) upon the approval of the OSC Settlement Agreement (which has now occurred) and the approval of the allocation under subsection 3.4(2)(b)(i) of the *Securities Act* by the OSC, the OSC would wire \$1 million back to Stikeman Elliott in trust.

8. The amendments to the Settlement Agreement take the following form:

Section 4.1(1)(b)

(b) the amount of \$11,000,000.00, within 30 days of execution of the Minutes of Settlement, to Stikeman in trust, pursuant to ~~an undertaking given to the OSC in accordance with~~ the OSC Settlement Agreement, for the benefit of the Class Members, without any deduction for Class Counsel Fees and Administration Expenses. Of this amount, Stikeman is required to wire \$1,000,000.00 to the OSC prior to the hearing to approve the OSC Settlement Agreement, which amount upon the issuance of the OSC approval order and upon the decision by the OSC to allocate \$1,000,000 for the benefit of the Class, will be paid back to Stikeman in trust to be held in the Escrow Account.

Section 4.2

(1) Prior to the Approval Order, Stikeman shall maintain the Escrow Account and hold the Settlement Funds in trust as provided for in this Agreement, with the exception of \$1,000,000.00 which Stikeman is required to wire to the OSC as set out in Section 4.1(1)(b). After the date that is thirty-one (31) days after the issuance of the Approval Order, the Administrator shall maintain the Escrow

Account in an account at a Canadian Schedule 1 bank in Ontario under the control of the Administrator and hold the Settlement Funds in trust as provided for in this Agreement. No amount shall be paid out from the Escrow Account by either Stikeman or the Administrator, except in accordance with this Settlement Agreement, or in accordance with an order of the Court obtained on notice to the Parties.

9. Under section 15.6(1) of the Settlement Agreement, the amendment requires approval of the Court.
10. Attached hereto and marked as **Exhibit "A"** is a true copy of the Parties consent to the amendment and the amendment itself.

The Opt-Out Threshold was not exceeded

11. Pursuant to paragraph 6 of the Order of this Honourable Court dated June 28, 2017 (the "**Certification Order**"), the Opt-Out Deadline was August 8, 2017 at 5 pm EDT.
12. On August 8, 2017, at approximately 5:25 pm EDT, RicePoint Administration Inc. ("**RicePoint**") reported to the Parties' counsel on Opt-Out Elections submitted to RicePoint up to and including the Opt-Out Deadline, as required under paragraph 9(b) of the Certification Order.
13. RicePoint reported that there were a total of a five (5) Opt-Out Elections submitted. Based on my review of the Opt-Out Elections submitted to RicePoint and which it sent to counsel for the Parties, I can confirm that the Opt-Out

Threshold was not exceeded; and, as such, HCG's right to elect to terminate the Settlement Agreement was not triggered, is inoperative and is of no force and effect, per Section 10.2(2) of the Settlement Agreement.

The OSC has approved the OSC Settlement Agreement

14. Attached hereto and marked as **Exhibit "B"** is a true copy of the OSC Settlement Agreement, which I have retrieved from the OSC's website.
15. The OSC issued written reasons approving the OSC Settlement Agreement, on August 9, 2017. Attached hereto and marked as **Exhibit "C"** is a true copy of the Reasons and Decision of the OSC, dated August 9, 2017, approving the OSC Settlement Agreement, which I have retrieved from the OSC's website.
16. The OSC issued an Order on August 9, 2017, approving the OSC Settlement. Attached hereto and marked as **Exhibit "D"** is a true copy of the Order of the OSC, dated August 9, 2017, approving the OSC Settlement Agreement, which I have retrieved from the OSC's website.

Objections

17. The long-form notice of certification and settlement approval hearing ("**First Long-Form**") required that objections be in writing and contain the supporting information described in the First Long-Form.
18. As at the date of this, my supplemental affidavit, Siskinds has received:
 - (a) no objections, written or verbal, to the Settlement;

- (b) no objections in writing to the Distribution Protocol, but one verbal indication by a Class Member that he wished to and proposed to object in writing to the 1/3 discount to Notional Entitlements for pre-May 6, 2015 acquisitions of HCG common shares; and
 - (c) no objections, written or verbal, to the Class Counsel Fees sought.
19. Attached hereto and marked as **Exhibit "E"** is a true copy of an email that I sent to and received from the person, referred to above, who indicated to me verbally that he wished to object to the Distribution Protocol. Personal details, such as his last name, phone numbers and email address have been redacted.
20. As the date of this, my supplemental affidavit, I have not received any further correspondence from the person who indicated that he wished to object to the Distribution Protocol.

Approach to the Distribution Protocol


21. In my role at Siskinds, I have been involved in the drafting and court approval of several distribution protocols (sometimes also called a "plan of allocation") in other Canadian securities class action settlements.
22. As stated in my Previous Affidavit, the Distribution Protocol proposed by the Plaintiff employs a damage calculation formula analogous to the formulae set out in section 138.5 of the OSA. I believe this is common and consistent with the approach taken in other distribution protocols that have been approved by the Court.


- 23. The proposed Distribution Protocol was crafted with a view to what is fair to all Class Members.

- 24. I note that our approach to applying a risk value discount to certain claims has been approved by this Court before, including in the following matters:
 - (a) *AFA Livförsäkringsaktiebolag v Agnico-Eagle Mines Ltd*, 2016 ONSC 532 (SCJ);
 - (b) *Ironworkers Ontario Pension Fund v Manulife Financial*, 2017 ONSC 2669 (SCJ); and
 - (c) *Zaniewicz v Zungui Haixi Corporation*, 2013 ONSC 5490 (SCJ).

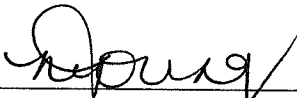
- 25. Attached hereto and marked respectively as Exhibits "F" "G" and "H" are those distribution protocols, as approved by the Court.

SWORN OR AFFIRMED before)
 me at the City of London)
 in the County of Middlesex, this)
 14th day of August 2017.)


 _____)
 A Commissioner, etc.)


 _____)
 Nicholas Baker)

This is Exhibit "A" mentioned and referred to in the Affidavit of Nicholas Baker, sworn before me at the City of London, in the County of Middlesex, this 14th day of August, 2017.



A Commissioner, etc.

NICOLE DANIELLE YOUNG, a Commissioner, etc.,
Province of Ontario, for Siskinds ^{LLP}
Barristers and Solicitors. Expires: November 23, 2017

STIKEMAN ELLIOTT

Stikeman Elliott LLP Barristers & Solicitors

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BY E-MAIL

August 3, 2017
File No.: 1388741001

Michael Robb
Siskinds LLP
680 Waterloo Street
PO Box 2520
London ON N6A 3V8

Mr. Terrence O'Sullivan
Lax O'Sullivan Lissus Gottlieb LLP
145 King Street West
Suite 2750
Toronto ON M5H 1J8

James Douglas
Borden Ladner Gervais LLP
Bay Adelaide Centre, East Tower
22 Adelaide Street West
Suite 3400
Toronto ON M5H 4E3

Dear Counsel:

Re: Settlement Agreement dated June 22, 2017 in Court File No.
349/17CP (the "Settlement Agreement")

As you know, we are currently holding the Settlement Funds (as defined in the Settlement Agreement)¹ in trust pursuant to section 4.1 of the Settlement Agreement.

Section 4.1(1)(b) provides that out of the Settlement Funds, \$11 million is paid pursuant to an undertaking given to the OSC in accordance with the OSC Settlement Agreement. By way of clarification, under the OSC Settlement Agreement, the undertaking is for HCG to pay \$10 million to Stikeman in trust. In addition, HCG is required to pay \$1 million to the OSC prior to the OSC Settlement Approval hearing, which is to be designated by the OSC for allocation under subsection 3.4(2)(b)(i) of the *Securities Act* for the benefit of HCG investors who comprise the Class. Upon the approval of the OSC Settlement Agreement and the approval of the allocation under subsection 3.4(2)(b)(i) of the *Securities Act* by the OSC, the OSC would wire \$1

TORONTO
MONTREAL
OTTAWA
CALGARY
VANCOUVER
NEW YORK
LONDON
SYDNEY

¹ Unless defined, all capitalized terms herein have the definitions ascribed to them in the Settlement Agreement.

STIKEMAN ELLIOTT

million back to Stikeman Elliott in Trust. We are advised by Staff that this process is likely to take 3-5 business days.

Accordingly, we are writing to propose amending sections 4.1(1)(b) and 4.2(1) of the Settlement Agreement to address the fact that of the Settlement Funds currently held in trust by Stikeman, \$1 million will have to be wired to the OSC prior to August 9, 2017. We would propose amending the Settlement Agreement by replacing these two sections with the following (a blackline is attached for convenience):

Section 4.1(1)(b):

the amount of \$11,000,000.00 within 30 days of execution of the Minutes of Settlement, to Stikeman in trust, pursuant to the OSC Settlement Agreement, for the benefit of the Class Members, without any deduction for Class Counsel Fees and Administration Expenses. Of this amount, Stikeman is required to wire \$1,000,000.00 to the OSC prior to the hearing to approve the OSC Settlement Agreement, which amount upon the issuance of the OSC approval order and upon the decision by the OSC to allocate \$1,000,000 for the benefit of the Class, shall be paid back to Stikeman in trust to be held in accordance with this agreement.

Section 4.2(1):

(1) Prior to the Approval Order, Stikeman shall maintain the Escrow Account and hold the Settlement Funds in trust as provided for in this Agreement, with the exception of \$1,000,000.00 which Stikeman is required to wire to the OSC as set out in Section 4.1(1)(b). After the date that is thirty-one (31) days after the issuance of the Approval Order, the Administrator shall maintain the Escrow Account in an account at a Canadian Schedule 1 bank in Ontario under the control of the Administrator and hold the Settlement Funds in trust as provided for in this Agreement. No amount shall be paid out from the Escrow Account by either Stikeman or the Administrator, except in accordance with this Settlement Agreement, or in accordance with an order of the Court obtained on notice to the Parties.

To indicate your agreement to the foregoing amendments, please sign below and return a copy of this letter to us.

Yours truly,



Samaneh Hosseini

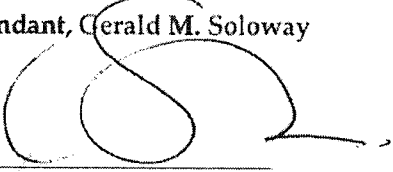
SH/dp

STIKEMAN ELLIOTT

For the Plaintiff and Class Members

Per: _____
Michael G. Robb
Partner, Siskinds LLP

For the Defendant, Gerald M. Soloway

Per: 

Terrence O'Sullivan
Partner, Lax O'Sullivan Lisus Gottlieb LLP

For the Defendants, Robert Morton and Robert J. Blowes

Per: _____
James D.G. Douglas
Partner, Borden Ladner Gervais LLP

STIKEMAN ELLIOTT

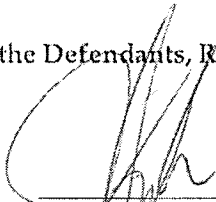
For the Plaintiff and Class Members

Per: _____
Michael G. Robb
Partner, Siskinds LLP

For the Defendant, Gerald M. Soloway

Per: _____
Terrence O'Sullivan
Partner, Lax O'Sullivan Lissus Gottlieb LLP

For the Defendants, Robert Morton and Robert J. Blowes

Per:  _____
James D.G. Douglas *
~~Partner~~, Borden Ladner Gervais LLP
* Incorporated Partner

STIKEMAN ELLIOTT

For the Plaintiff and Class Members

Per: _____


Michael G. Robb
Partner, Siskinds LLP

For the Defendant, Gerald M. Soloway

Per: _____

Terrence O'Sullivan
Partner, Lax O'Sullivan Lissus Gottlieb LLP

For the Defendants, Robert Morton and Robert J. Blowes

Per: _____

James D.G. Douglas
Partner, Borden Ladner Gervais LLP

Blackline of Amendments

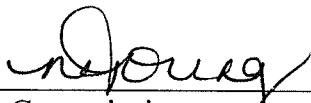
Section 4.1(1)(b)

(b) the amount of \$11,000,000.00, within 30 days of execution of the Minutes of Settlement, to Stikeman in trust, pursuant to ~~an undertaking given by the OSC in connection with the OSC Settlement Agreement, for the benefit of the Class Members, without any deduction for Class Counsel Fees and Administration Expenses. Of this amount, Stikeman is required to wire \$1,000,000.00 to the OSC prior to the hearing to approve the OSC Settlement Agreement, which amount upon the issuance of the OSC approval order and upon the decision by the OSC to allocate \$1,000,000 for the benefit of the Class, will be paid back to Stikeman in trust to be held in the Escrow Account.~~

Section 4.2

(1) Prior to the Approval Order, Stikeman shall maintain the Escrow Account and hold the Settlement Funds in trust as provided for in this Agreement, ~~with the exception of \$1,000,000.00 which Stikeman is required to wire to the OSC as set out in Section 4.1(1)(b).~~ After the date that is thirty-one (31) days after the issuance of the Approval Order, the Administrator shall maintain the Escrow Account in an account at a Canadian Schedule 1 bank in Ontario under the control of the Administrator and hold the Settlement Funds in trust as provided for in this Agreement. No amount shall be paid out from the Escrow Account by either Stikeman or the Administrator, except in accordance with this Settlement Agreement, or in accordance with an order of the Court obtained on notice to the Parties.

This is Exhibit "B" mentioned and referred to in the Affidavit of Nicholas Baker, sworn before me at the City of London, in the County of Middlesex, this 14th day of August, 2017.


A Commissioner, etc.

NICOLE DANIELLE YOUNG, a Commissioner, etc.,
Province of Ontario, for Siskinds ^{LLP}
Barristers and Solicitors. Expires: November 23, 2017



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22e étage
20, rue queen ouest
Toronto ON M5H 3S8

**IN THE MATTER OF
HOME CAPITAL GROUP INC., GERALD SOLOWAY,
ROBERT MORTON and MARTIN REID**

SETTLEMENT AGREEMENT

PART I - INTRODUCTION

1. Disclosure is a cornerstone principle of securities regulation. Everyone investing in securities should have equal access to information that may affect their investment decisions. From May 2015 until July 2015 (the “Material Time”), the Respondents engaged in the conduct described below, including failing to provide information to investors.

2. The Ontario Securities Commission (the “Commission”) will issue a Notice of Hearing (the “Notice of Hearing”) to announce that it will hold a hearing (“Settlement Hearing”) to consider whether, pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), it is in the public interest for the Commission to make certain orders against Home Capital Group Inc. (“HCG”), Gerald Soloway (“Soloway”), Robert Morton (“Morton”) and Martin Reid (“Reid”) (collectively, the “Respondents”) in respect of the conduct described herein.

PART II - JOINT SETTLEMENT RECOMMENDATION

3. Staff of the Commission (“Staff”) recommend settlement of the proceeding (the “Proceeding”) against the Respondents commenced by the Notice of Hearing dated April 19, 2017, in accordance with the terms and conditions set out in Part V of this Settlement Agreement. The Respondents consent to the making of an order (the “Order”) in the form attached as Schedule “A” to this Settlement Agreement based on the facts set out herein.

4. For the purposes of the Proceeding, and any other regulatory proceeding commenced by a securities regulatory authority, the Respondents agree with the facts set out in Part III of this Settlement Agreement and the conclusion in Part IV of this Settlement Agreement.

PART III - AGREED FACTS

A. OVERVIEW

5. On July 10, 2015, HCG announced that an ongoing review of its business partners had led it to terminate certain brokerages and brokers, causing an immediate drop in the number of new mortgages originated (“Originations”). The next trading day, HCG’s stock price fell 18.9%.

6. Prior to this announcement, from May 2015 until July 2015, HCG misled its shareholders as to the immediate and ongoing causes of the decline in Originations. Internally, HCG knew it had terminated three underwriters, two brokerages and thirty brokers because it had discovered falsified loan applications in its broker channels. The terminated brokerages and brokers had a cumulative total of \$881.4 million in Originations in 2014, representing approximately 10% of HCG’s total 2014 Originations. The termination of brokerages and brokers caused an immediate drop in Originations because certain of these brokers had historically referred significant volumes of business to HCG.

7. HCG also knew that additional changes to its internal control structure would be required largely because falsified loan applications had been discovered. By December 2014, HCG knew that the resulting changes that were being implemented led to some brokers moving their business to other lenders because of increased processing times at HCG. As of May 2015, Reid and Morton both stated in internal documents that the brokerage and broker terminations and remedial process changes had a negative effect on Q1 2015 Originations. Instead of including this material information in its Q1 2015 interim management discussion and analysis (“MD&A”) (together with the Q1 2015 interim financial statements, the “Q1 2015 Interim Filing”), HCG made materially misleading statements by attributing the decline in Originations to other factors such as seasonality, harsh winter, macroeconomic conditions and an “on-going review of its business partners ensuring that quality is within the Company’s risk appetite.”

8. HCG also made materially misleading statements concerning the causes of the drop in Originations on its May 7, 2015 earnings call, again attributing the drop to other factors that affected Originations such as cold weather, macroeconomic conditions and a cautious approach to lending.

9. In July 2015, HCG disclosed additional reasons for the drop in Originations, by way of a news release issued on July 10, 2015 (the “July 10th NR”) and material change report filed on July 17, 2015 (the “July 17th MCR”). Many of the facts disclosed in the July 10th NR were known to HCG by May 6, 2015. HCG had also been aware by May 6, 2015 that significant changes to its internal control structure were required and were being implemented. All of the foregoing constituted a material change in the business or operations of HCG. HCG failed to issue a news release forthwith and a material change report within 10 days of the material change, contrary to subsections 75(1) and (2) of the Act and Part 7 of National Instrument 51-102 - *Continuous Disclosure Obligations* (“NI 51-102”).

10. The disclosures made in the July 10th NR and July 17th MCR were not sufficient to enable a reader to fully appreciate the significance and impact of the material change and therefore did not comply with Form 51-102F3 *Material Change Report* (“51-102F3”) of NI 51-102.

B. BACKGROUND

The Respondents

11. HCG is a reporting issuer in the province of Ontario, as well as all of the other provinces in Canada. Its registered and principal office is located in Toronto, Ontario. The common shares of HCG are listed on the Toronto Stock Exchange. HCG is a holding company the principal business of which is conducted through its wholly owned subsidiary, Home Trust Company, a federally regulated financial institution.

12. Soloway is the founder of HCG and is 79 years old. During the Material Time, Soloway was the Chief Executive Officer (“CEO”) and a director of HCG. Morton was HCG’s Chief Financial Officer (“CFO”) during the Material Time and is 57 years old. Reid was HCG’s President during the Material Time and is 57 years old.

C. DETAILED FACTS

The Importance of Originations to the Business of HCG

13. HCG is in the residential and commercial lending business. HCG's residential mortgage portfolio constitutes approximately 90% of HCG's business. HCG's residential mortgage business consists predominantly of two portfolios: (a) lower margin, prime mortgages ("Accelerator"), which are mostly insured by Canada Mortgage and Housing Corporation; and (b) higher margin, non-prime mortgages ("Classic"), which are not insured. As a lending business whose primary product is non-prime residential mortgages, HCG's growth and performance are measured in part by the number of Originations in any given quarter.

14. HCG had traditionally positioned itself as a growth company and continued to do so through 2014 and into 2015. Analysts and investors considered the number of Originations to be a material metric of HCG's continued growth. HCG itself normally reported on Originations each quarter. In HCG's 2014 Annual Report, Originations are specifically highlighted under the heading "Growing Our Core Business", and again under "Building Our Asset Base" where HCG stated:

Over the course of 2014, we renewed focus on Accelerator, our insured residential mortgage product. As a result of our efforts, originations for this component of our portfolio increased by 76.4% in 2014. This business segment continues to be one of our key offerings and helps to fulfill our mandate to offer a full line of products that meets the needs of borrowers and brokers.

15. Analysts consistently asked questions about Originations and HCG's disclosure regarding Originations on earnings calls.

16. HCG sources borrowers for its lending products through its broker channels and referral channels. HCG's relationships with brokers are integral to Originations and to HCG's business.

Project Trillium and HCG's Internal Understanding of the Findings

17. In June 2014, HCG became aware of irregularities associated with Accelerator applications handled by one of its underwriters. As a result, in August 2014, HCG launched an internal investigation known as Project Trillium to determine the scope, extent and cause of the

issue. HCG discovered that members of its Accelerator underwriting team, including one of its highest volume underwriters, were falsely documenting that they had completed income verification steps when they had not actually done so (“Phantom Ticking”) for a large proportion of mortgages underwritten by those underwriters, and further that employment/income information used to support the mortgage applications had been falsified.

18. Project Trillium revealed that HCG’s lines of defence had failed to detect that its underwriting department was processing fraudulent documentation. It further revealed that HCG’s underwriting policy was being circumvented because of the practice of Phantom Ticking, which was a “learned” or systemic practice by certain members of HCG’s Accelerator underwriting group.

19. As a result of interim findings of Project Trillium, in mid-November 2014, HCG terminated three underwriters and another underwriter resigned.

20. HCG also terminated its relationship with certain brokers and brokerages, which occurred mainly from November 2014 through January 2015. By February 10, 2015, HCG had terminated brokers and brokerages that had generated a cumulative total of \$881.4 million in Originations in 2014, representing approximately 10% of HCG’s total 2014 Originations. The termination of brokerages and brokers caused an immediate drop in Originations because certain of those brokerages and brokers had historically referred significant volumes of business to HCG. Remediation of internal controls also had a negative effect on Originations as they caused HCG’s processing time for mortgage applications to increase, resulting in some brokers sending applications to other lenders. In January 2015, management reported to the Board of Directors (“Board”) that, effective January 1, 2015, insured Originations would undergo a reduction in volume targets of \$100 million per month during the period of remediation of lines of defence (a 50% reduction of original targets). Further, in a presentation by Reid entitled *Project Trillium: Management Remediation Planning*, management of HCG confirmed its understanding of the way ahead by writing, “slower business growth over the next quarter will give us the opportunity to develop and implement fundamental strategic changes to the business.”

21. By February 2015, the following investigative findings, remediation planning and action from Project Trillium were known by the Respondents:

- The Accelerator business was down by 32.5% compared to Q3 2014;
- Effective January 1, 2015, Accelerator volume targets had been temporarily reduced by 50% to \$100 million per month;
- HCG had terminated three underwriters, two brokerages (out of more than 100) and 30 brokers (out of more than 4,000);
- The terminated brokerages and brokers had a cumulative total of \$881.4 million in Originations in 2014, representing approximately 10% of HCG's total 2014 Originations;
- Significant process changes were required to increase the accountability of the front line business, including separating sales from underwriting and implementing an employment income verification team;
- While testing was complete on the Accelerator side of the business, there was a concern that if brokers had supplied falsified employment and income documentation on the insured side of the business, they might be doing the same thing for Classic mortgages. Work continued on the exposure assessment related to the Classic mortgage portfolio. The Corporate Compliance group was re-verifying employment and income information with employers for a sample of mortgages to salaried borrowers;
- Some brokers were moving their business to other lenders because of increased processing times at HCG; and
- Executive compensation was deferred in conjunction with Project Trillium findings, including the compensation of Soloway and Reid.

Particulars of HCG's Public Disclosure

(a) Misleading Disclosure in May 2015

(i) Q1 2015 Interim Filing

22. HCG filed its Q1 2015 Interim Filing on May 6, 2015. The Q1 2015 Interim Filing stated that "the first quarter was characterized by a traditionally slow real estate market, exacerbated by very harsh winter conditions. The Company has remained cautious in light of continued macroeconomic conditions and continues to perform ongoing reviews of its business partners ensuring that quality is within the Company's risk appetite."

23. One week before HCG filed its Q1 2015 Interim Filing, HCG had knowledge of the negative impact of the termination of brokerages and brokers and remedial actions on Originations. In his "1st Quarter 2015" Report ("President's Report") dated April 29, 2015, Reid

stated that the decrease in Originations for Q1 2015 was mainly due to Project Trillium remedial actions. The President's Report further stated that HCG's "share of the broker channel has deteriorated, mainly as a result of Trillium remediation."

24. HCG was also aware that the terminations and remedial process changes could have a negative effect on Originations beyond Q1 2015. In a memo dated May 4, 2015 (the "May 4 Memo") to the Audit Committee of the Board ("Audit Committee"), Morton advised that a decision had been made to add disclosure in HCG's filings in respect of "the recent impact the de-listing of brokers has had and may have on the results of the Company." Morton advised that the reduction in Originations for Q1 2015 could not be attributed to weather and seasonality alone and that the reduction had the potential to affect more than first quarter Originations numbers. Morton raised a concern about the need to publicly disclose the fact that brokerages and brokers had been terminated. Morton also advised that management had determined that, based on current forecasted information, HCG might not meet its annual financial targets in 2015.

25. HCG consulted its external professional advisors regarding and discussed with them the additional disclosures in the Q1 2015 Interim Filing.

26. In its Q1 2015 Interim Filing, HCG misled investors by attributing the first quarter Originations results to a traditionally slow real estate market, harsh winter, macroeconomics and an "on-going review of its business partners ensuring that quality is within the Company's risk appetite", without referring to the termination of brokers and brokerages. HCG also added a further two sentences to the Operational Risk section of the MD&A, which stated that HCG may encounter a financial loss as a result of an event with a third party service provider and that HCG may change relationships as appropriate. The disclosure was not sufficient to allow an investor to appreciate the reasons for the drop in Originations or the material risk to future growth of HCG that the termination of brokerages and brokers, process changes and remediation represented.

27. Soloway and Morton certified the Q1 2015 Interim Filing as CEO and CFO, respectively.

(ii) May 7, 2015 Earnings Call

28. Soloway, Morton and Reid participated in an earnings call with analysts held on May 7, 2015 following the filing of HCG's Q1 2015 Interim Filing.

29. Soloway was asked:

Q: The first question I have is going back to originations, I totally get how, given what was going on with macro, well, you guys would be more kind of cautious on originations in the traditional business. I'm just trying to understand, I guess, from the prime insured side, are you guys saying that you were also kind of a bit careful there too, this being an insured product? Is that part of the reason why the originations kind of were where they were?

30. Soloway, simply responded - "Yes." The analyst asked further, "Okay. So it was –okay, so it was a little bit of teething pains. But were you guys being a little more cautious on underwriting? I'm just trying to get a sense of, has it been because maybe brokers have been losing some market share, whether or not it's been small competition within the broker channel or to...". Soloway replied, "None of that has changed. I think it's very similar to what it was last year. There isn't a dramatic one quarter change. There's been no new competitor. There's been no new change in brokers. Brokers are exactly the same in my estimate."

31. Specifically, when asked about the decline in Originations for Q1 2015, Soloway attributed the continuing decline in Originations to a range of factors including cold weather, macroeconomic conditions and a cautious approach to lending. Given the information known to Soloway, including as contained in the President's Report and the May 4 Memo, his statements were misleading in a material respect by not identifying all factors contributing to the decline in Originations.

32. On May 7, 2015, HCG and Soloway made statements contrary to subsection 126.2(1) of the Act.

(b) Untimely Disclosure of the Material Change in July 2015

33. The termination of brokerages and brokers and the subsequent remediation arising out of the Project Trillium findings, including changes to HCG's underwriting controls and procedures, constituted a material change in HCG's business or operations. HCG was required to issue and

file a news release with respect to the material change by no later than May 6, 2015. HCG did not issue a news release in relation to this material change until July 10, 2015.

34. On July 13, 2015, the next trading day, HCG's stock price fell 18.9%.

35. On July 17, 2015, HCG filed the July 17 MCR.

36. HCG breached subsections 75(1) and (2) of the Act and Part 7 of NI 51-102 by failing to issue a news release forthwith, and by failing to file a material change report within 10 days.

37. In addition, the July 10th NR and July 17th MCR disclosures were not sufficient for a reader to understand the actual nature of the material change, nor the significance of its impact on immediate and future quarters, and, as such, did not comply with Part 7 of NI 51-102, Item 5 of 51-102F3 and subsection 122(1)(b) of the Act.

Soloway

38. As CEO of HCG, Soloway shared responsibility for HCG's public disclosure and ensuring that investors were provided with the important information about the causes of the decline in Originations they needed in order to make a decision to buy, sell or hold HCG's securities.

39. As the founder and CEO, Soloway had a significant role and influence in managing HCG. He also had experience, expertise and background in relation to the capital markets. Soloway had knowledge of the principal investigative findings, remediation planning and action from Project Trillium and the causes of the decline in Originations as set out in the May 4 Memo and the President's Report.

40. Soloway failed to ensure that HCG properly met its continuous disclosure obligations with respect to the Q1 2015 Interim Filing and instead authorized, permitted or acquiesced in the statements made by HCG in the Q1 2015 Interim Filing that were misleading in a material respect at the time and in light of the circumstances under which they were made.

41. Soloway also made statements on the May 7, 2015 earnings call that were misleading in a material respect by not identifying all factors contributing to the decline in Originations.

42. In addition, Soloway, as one of the certifying officers for HCG, failed to take reasonable steps in his review of the Q1 2015 Interim Filing before certifying that the Q1 2015 Interim Filing contained no misrepresentations.

43. Soloway also failed to ensure that HCG disclosed the material change to its business or operations arising from the findings of Project Trillium forthwith.

Morton

44. As the CFO, Morton was responsible for the oversight of all financial aspects of the affairs of HCG and had responsibility for drafting HCG's Q1 2015 Interim Filing. He was also Chair of HCG's Disclosure Committee.

45. Morton had knowledge of the principal investigative findings, remediation planning and action from Project Trillium. In the May 4 Memo, Morton advised the Audit Committee that a decision had been made to add disclosure in HCG's filings in respect of "the recent impact the de-listing of brokers has had and that have on the results of the Company." Among the reasons provided, Morton advised the Audit Committee that the reduction in Originations for Q1 2015 could not be attributed to weather and seasonality alone and that the reduction had the potential to extend beyond Q1 2015.

46. Morton failed to ensure statements that were made by HCG in its Q1 2015 Interim Filing were not misleading in a material respect at the time and in light of the circumstances under which they were made.

47. In addition, Morton, as one of the certifying officers for HCG, failed to take reasonable steps in his review of the Q1 2015 Interim Filing before certifying that the Q1 2015 Interim Filing contained no misrepresentations.

48. Morton also failed to ensure that HCG disclosed the material change to its business or operations arising from the findings of Project Trillium forthwith.

Reid

49. As President, Reid had a significant role in managing HCG. He was also a member of HCG's Disclosure Committee.

50. With respect to Project Trillium, Reid had knowledge of the principal investigative findings, remediation planning and action items. Further, by the end of April 2015, Reid also had knowledge of the impact of the termination of brokerages and brokers and remedial actions on Originations. The President's Report stated that HCG's "share of broker channel has deteriorated, mainly as a result of Trillium remediation."

51. In addition, Reid failed to ensure that statements made by HCG in its Q1 2015 Interim Filing were not misleading in a material respect at the time and in light of the circumstances under which they were made.

52. Reid also failed to ensure that HCG disclosed the material change to its business or operations arising from the findings of Project Trillium forthwith.

D. MITIGATING FACTORS

53. The Respondents request that the settlement hearing panel consider the following mitigating circumstances. Staff do not object to the mitigating circumstances set out by the Respondents below.

HCG Investigation and Remediation Efforts

54. When HCG and its directors and officers became aware of the irregularities associated with the Accelerator mortgage applications, they took steps to investigate the issue to ensure that the full extent of any wrongdoing was uncovered. HCG conducted an internal investigation, struck an independent committee of the Board, chaired by a former Chair of the Commission, to oversee the investigation and appointed a third party accounting firm to assist with the investigation. HCG consulted its external professional advisors throughout the investigation.

55. HCG also reported the identified irregularities to Canada Mortgage and Housing Corporation, Genworth Canada, as well as the Office of the Superintendent of Financial Institutions and its external auditor and continued to keep them apprised as the investigation continued in a timely manner.

56. As the results of the Project Trillium investigation became clear, HCG remediated the areas of concern identified by the investigation and otherwise. HCG improved its existing processes by reallocating internal resources to ensure that underwriters verified income. HCG completed the segregation of Originations and underwriting in May of 2015 as part of a pilot program which was rolled out throughout the residential lending business thereafter. The company also initiated a review of underwriter compensation to put more of an emphasis on risk mitigation, including an assessment of quality of the loans being originated.

Disclosure Decisions

57. In coming to decisions on disclosure and materiality, HCG's Board acted in good faith by relying on its external professional advisors. HCG's auditor was aware of the Project Trillium investigation, tested Originations and reviewed HCG's processes as part of their audit, and did not raise any concerns about the financial statement disclosure.

58. Throughout the Material Time, Soloway, Reid and Morton provided all relevant information bearing on Originations to HCG's Board as it became known.

59. HCG and its directors and officers believed that lost Originations could be replaced from other sources in time.

60. Following the May 7, 2015 earnings call, HCG sought advice from its external professional advisors to determine whether a clarifying public statement was required. In the result, no clarifying statement was issued.

Cooperation of HCG

61. Within days of June 1, 2015, HCG voluntarily reported to the Commission the receipt of a whistleblower memorandum from a Vice President at HCG dated June 1, 2015 entitled, *“Failure to Comply with Timely and Continuous Disclosure Obligations and Related Concerns -- Fraudulent Mortgages”*. HCG, Soloway, Reid and Morton subsequently cooperated with Staff’s information requests and investigation.

Significant Governance and Leadership Renewal at HCG

62. In recent months, HCG has taken significant steps to renew its leadership and governance.

63. On March 27, 2017, HCG announced that it had terminated the employment of Reid as President and CEO, effective immediately and removed him from the Board of HCG’s subsidiaries, including Home Trust Company.

64. On May 5, 2017, HCG announced that Alan Hibben (“Hibben”) had been appointed to the Board effective immediately, replacing Soloway, who had previously announced his pending retirement. Hibben is an experienced director and financial executive.

65. On May 5, 2017, HCG also announced that Robert Blowes would be assuming the role of interim CFO following HCG’s Q1 2017 interim filing, at which time Morton would assume responsibilities for special projects outside the financial reporting group.

66. On May 8, 2017, HCG announced that three leading Canadian businesspeople, Claude Lamoureux, Paul Haggis and Sharon Sallows, had agreed to join the Board immediately. HCG also announced the appointment of Brenda Eprile (“Eprile”), who joined the Board in 2016, to the role of the Chair of the Board and that William Falk would be stepping down from the Board. Eprile has extensive regulatory and compliance experience. The new directors are well known for their track records as executives and in the boardroom, and they bring a wide range of applicable knowledge and experience.

67. On May 18, 2017, HCG announced that James Lisson had been appointed to the Board, bringing extensive experience in financial services law, operational issues, governance, stakeholder relations, and risk and reputation management. HCG also announced that John Marsh was stepping down from the Board.

68. At its Annual Meeting of Shareholders, which will be held on June 29, 2017, shareholders will be asked to support the election of nine directors, six of whom joined the Board subsequent to the Material Time.

69. HCG is currently actively searching for a CEO and a CFO.

PART IV - NON-COMPLIANCE WITH ONTARIO SECURITIES LAW AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

70. During the Material Time:

(a) HCG acknowledges and admits that it:

(i) did not satisfy its continuous disclosure obligations by making statements in its Q1 2015 Interim Filing that in a material respect and at the time and in light of the circumstances under which they were made, were misleading or untrue or did not state a fact that was required to be stated or

that was necessary to make the statement not misleading, contrary to subsection 122(1)(b) of the Act and the requirements of NI 51-102;

- (ii) made statements on the May 7, 2015 earnings call that were misleading in a material respect by not identifying all factors contributing to the decline in Originations and by failing to state facts that were required to be stated or that were necessary to make the statements not misleading, contrary to subsection 126.2(1) of the Act. These statements would reasonably be expected to have a significant effect on the market price or value of HCG's securities;
 - (iii) did not satisfy its continuous disclosure obligations by failing to file a news release forthwith and to file a material change report within 10 days of a material change in the business or operations of HCG, contrary to subsections 75(1) and (2) of the Act and Part 7 of NI 51-102;
 - (iv) made statements in the July 10th NR and the July 17th MCR, which did not contain sufficient disclosure for a reader to appreciate the significance and impact of the material change and were misleading in a material respect, contrary to subsection 122(1)(b) of the Act and Item 5 of 51-102F3 of NI 51-102; and
 - (v) breached the Act and NI 51-102 and acted in a manner contrary to the public interest.
- (b) Soloway acknowledges and admits that he:
- (i) made statements on the May 7, 2015 earnings call that were misleading in a material respect by not identifying all factors contributing to the decline in Originations and by failing to state facts that were required to be stated or that were necessary to make the statements not misleading, contrary to subsection 126.2(1) of the Act. These statements would reasonably be expected to have a significant effect on the market price or value of HCG's securities;

- (ii) improperly certified the Q1 2015 Interim Filing by stating that the filing did not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that was necessary to make a statement not misleading in light of the circumstances under which it was made, contrary to subsection 122(1)(b) of the Act and National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109");
 - (iii) authorized, permitted or acquiesced in the above contraventions of the Act by HCG and is deemed to have not complied with Ontario securities law pursuant to section 129.2 of the Act; and
 - (iv) acted in a manner contrary to the public interest.
- (c) Morton acknowledges and admits that he:
- (i) improperly certified the Q1 2015 Interim Filing by stating that the filing did not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that was necessary to make a statement not misleading in light of the circumstances under which it was made, contrary to subsection 122(1)(b) of the Act and NI 52-109;
 - (ii) authorized, permitted or acquiesced in the above contraventions of the Act by HCG (except those referred to in paragraph 70(a)(ii)) and is deemed to have not complied with Ontario securities law pursuant to section 129.2 of the Act; and
 - (iii) acted in a manner contrary to the public interest.
- (d) Reid acknowledges and admits that he:
- (i) authorized, permitted or acquiesced in the above contraventions of the Act by HCG (except those referred to in paragraph 70(a)(ii)) and is deemed to have not complied with Ontario securities law pursuant to section 129.2 of the Act; and

- (ii) acted in a manner contrary to the public interest.

PART V - TERMS OF SETTLEMENT

71. The Respondents agree to the terms of settlement set forth below.

72. HCG has given an undertaking (the “Undertaking”) to the Commission in the form attached as Schedule “B” to this Settlement Agreement, which includes an undertaking to make a payment, before the commencement of the Settlement Hearing, of \$10,000,000 to Stikeman Elliott LLP in trust for the benefit of the proposed class, other than Excluded Persons¹ (the “Class”) in the putative class action commenced on February 13, 2017 as London, Ontario Court File No. 349/17CP (the “Class Action”).

73. The Respondents consent to the Order, pursuant to which it is ordered that:

- (a) this Settlement Agreement be approved;
- (b) HCG shall:
 - (i) within one year of the date of the Order, conduct a review of and deliver a report to the Board and Staff on its continuous disclosure practices and any changes proposed and/or implemented as a result of its review, pursuant to subsection 127(2) of the Act; and
 - (ii) pay costs in the amount of \$500,000 by wire transfer to the Commission before the commencement of the Settlement Hearing, pursuant to section 127.1 of the Act;
- (c) Soloway shall:
 - (i) be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;

¹ “Excluded Persons” means HCG, the individual defendants in the Class Action (“Individual Defendants”), and the past or present subsidiaries or affiliates, officers, directors, partners, legal representatives, consultants, agents, successors and assigns of HCG, and any member of each of the Individual Defendants’ families, their heirs, successors or assigns.

- (ii) immediately resign any position that he holds as a director or officer of a reporting issuer, pursuant to paragraph 7 of subsection 127(1) of the Act;
 - (iii) be prohibited from becoming or acting as a director or officer of any reporting issuer for a period of 4 years commencing on the date of the Order, pursuant to paragraph 8 of subsection 127(1) of the Act; and
 - (iv) pay an administrative penalty in the amount of \$1 million by wire transfer to the Commission before the commencement of the Settlement Hearing, pursuant to paragraph 9 of subsection 127(1) of the Act, which amount be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the Act;
- (d) Morton shall:
- (i) be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;
 - (ii) immediately resign any position that he holds as a director or officer of a reporting issuer, pursuant to paragraph 7 of subsection 127(1) of the Act;
 - (iii) be prohibited from becoming or acting as a director or officer of any reporting issuer for a period of 2 years commencing on the date of the Order, pursuant to paragraph 8 of subsection 127(1) of the Act; and
 - (iv) pay an administrative penalty in the amount of \$500,000 by wire transfer to the Commission before the commencement of the Settlement Hearing, pursuant to paragraph 9 of subsection 127(1) of the Act, which amount be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the Act; and
- (e) Reid shall:
- (i) be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;

- (ii) immediately resign any position that he holds as a director or officer of a reporting issuer, pursuant to paragraph 7 of subsection 127(1) of the Act;
- (iii) be prohibited from becoming or acting as a director or officer of any reporting issuer for a period of 2 years commencing on the date of the Order, pursuant to paragraph 8 of subsection 127(1) of the Act; and
- (iv) pay an administrative penalty in the amount of \$500,000 by wire transfer to the Commission before the commencement of the Settlement Hearing, pursuant to paragraph 9 of subsection 127(1) of the Act, which amount be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the Act.

74. The parties acknowledge that Staff will recommend to the Commission that the \$2,000,000 designated for allocation or use under subsection 3.4(2)(b)(i) or (ii) of the Act above be allocated or used as follows: (a) \$1,000,000 for the benefit of HCG investors who comprise the Class (in addition to the \$10 million that will be paid to the Class as a result of this Settlement Agreement as set out in paragraph 72 above) in accordance with subsection 3.4(2)(b)(i) of the Act; and (b) the remaining \$1,000,000 for use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the Act.

75. The Respondents consent to a regulatory order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the prohibitions set out in subparagraphs 73(c)(iii), (d)(iii), and (e)(iii). These prohibitions may be modified to reflect the provisions of the relevant provincial or territorial securities law.

76. The Respondents acknowledge that this Settlement Agreement and the Order may form the basis for orders of parallel effect in other jurisdictions in Canada. The securities laws of some other Canadian jurisdictions allow orders made in this matter to take effect in those other jurisdictions automatically, without further notice to the Respondents. The Respondents should contact the securities regulator of any other jurisdiction in which the Respondents intend to engage in any securities- or derivatives-related activities, prior to undertaking such activities.

PART VI - FURTHER PROCEEDINGS

77. If the Commission approves this Settlement Agreement and the Respondents fail to comply with any of the terms of the Settlement Agreement or the Undertaking, Staff may bring proceedings against the Respondents. These proceedings may be based on, but need not be limited to, the facts set out in Part III of this Settlement Agreement as well as the breach of the Settlement Agreement or the Undertaking.

PART VII - PROCEDURE FOR APPROVAL OF SETTLEMENT

78. The parties will seek approval of this Settlement Agreement at the Settlement Hearing before the Commission, which shall be held on a date determined by the Secretary to the Commission in accordance with this Settlement Agreement and the Commission's *Rules of Procedure* (2014), 37 O.S.C.B. 4168.

79. The Respondents will attend the Settlement Hearing in person.

80. The parties confirm that this Settlement Agreement sets forth all of the agreed facts that will be submitted at the Settlement Hearing, unless the parties agree that additional facts should be submitted at the Settlement Hearing.

81. If the Commission approves this Settlement Agreement:

- (a) the Respondents irrevocably waive all rights to a full hearing, judicial review or appeal of this matter under the Act; and
- (b) the parties will not make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the Settlement Hearing.

82. Whether or not the Commission approves this Settlement Agreement, the Respondents will not use, in any proceeding, this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, alleged unfairness or any other remedies or challenges that may be available.

83. As set out elsewhere herein a portion of the amounts to be paid herein are to go to the Class, without any deduction for legal fees or expenses, including any expenses related to the distribution of the amounts, which is also being settled, subject to court approval contemporaneously with the execution of this Settlement Agreement. The parties hereto are only prepared to enter into this Settlement Agreement on the basis that the Class Action is also settled at the same time and therefore the orders obtained in the Class Action and from the Commission will reciprocally provide that neither is finally fully effective and binding unless and until the approval from both is obtained and is final. The parties hereto will work together on the timing and sequence of the approvals to ensure that the final approvals are obtained at the earliest practicable time. The rights and evidentiary protections described in paragraphs 4, 84 and 85 herein shall also be made part of the contingent approval order in the approval jurisdiction that proceeds first in the likely event that they are not finally approved at exactly the same time.

PART VIII - DISCLOSURE OF SETTLEMENT AGREEMENT

84. If the Commission does not make the Order:

- (a) this Settlement Agreement and all discussions and negotiations between Staff and the Respondents before the Settlement Hearing will be without prejudice to Staff and the Respondents; and
- (b) Staff and the Respondents will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing on the merits of the allegations contained in the Statement of Allegations dated April 19, 2017 in respect of the Proceeding. Any such proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this Settlement Agreement.

85. The parties will keep the terms of this Settlement Agreement confidential until the Settlement Hearing, unless they agree in writing not to do so or unless otherwise required by law.

PART IX - EXECUTION OF SETTLEMENT AGREEMENT

86. This Settlement Agreement may be signed in one or more counterparts which together constitute a binding agreement.

87. A facsimile copy or other electronic copy of any signature will be as effective as an original signature.

DATED at Toronto, Ontario this day of June, 2017.

“Marion C. Soloway”

Witness: Marion C. Soloway

“Gerald Soloway”

GERALD SOLOWAY

“Margaret Kingerski”

Witness: Margaret Kingerski

“Robert Morton”

ROBERT MORTON

“David Hausman”

Witness: David Hausman

“Martin Reid”

MARTIN REID

HOME CAPITAL GROUP INC.

By: “Bonita Then”

Name: Bonita Then

Title: Interim President & CEO

DATED at Toronto, Ontario, this 14th day of June, 2017.

ONTARIO SECURITIES COMMISSION

By: “Jeff Kehoe”

Name: Jeff Kehoe

Title: Director, Enforcement Branch

SCHEDULE “A”

Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

P.O. Box 55, 22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

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20, rue queen ouest
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**IN THE MATTER OF
HOME CAPITAL GROUP INC., GERALD SOLOWAY,
ROBERT MORTON and MARTIN REID**

[INSERT COMMISSIONERS OF THE PANEL]

June ___, 2017

**ORDER
Sections 127 and 127.1 of the
Securities Act, RSO 1990, c S.5**

THIS APPLICATION, made jointly by Home Capital Group Inc. (“HCG”), Gerald Soloway (“Soloway”), Robert Morton (“Morton”) and Martin Reid (“Reid”) (collectively, the “Respondents”) and Staff of the Commission (“Staff”) for approval of a settlement agreement dated June ___, 2017 (the “Settlement Agreement”), was heard on June ___, 2017 at the offices of the Commission located at 20 Queen Street West, 17th Floor, Toronto, Ontario;

ON READING the Statement of Allegations dated April 19, 2017, and the Settlement Agreement and on hearing the submissions of representatives of each of the parties, and on considering the Undertaking of HCG dated June ___, 2017 to make a payment of \$10,000,000 to Stikeman Elliott LLP in trust for the benefit of the proposed class, other than Excluded Persons² (the “Class”) in the putative class action commenced on February 13, 2017 as London, Ontario Court File No. 349/17CP, and on considering the acknowledgement of the parties that Staff will recommend to the commission that the \$2,000,000 paid pursuant to this Settlement Agreement

² “Excluded Persons” means HCG, the individual defendants in the Class Action (“Individual Defendants”), and the past or present subsidiaries or affiliates, officers, directors, partners, legal representatives, consultants, agents, successors and assigns of HCG, and any member of each of the Individual Defendants’ families, their heirs, successors or assigns.

and designated for allocation or use under subsection 3.4(2)(b)(i) or (ii) of the Act be allocated or used as follows: (a) \$1,000,000 for the benefit of HCG investors who comprise the Class in accordance with subsection 3.4(2)(b)(i) of the Act; and (b) the remaining \$1,000,000 for use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the Act;

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;
2. HCG shall:
 - (i) within one year of the date of the Order, conduct a review of and deliver a report to the Board of Directors and Staff on its continuous disclosure practices and any changes proposed and/or implemented as a result of its review, pursuant to subsection 127(2) of the Act; and
 - (ii) pay costs in the amount of \$500,000 by wire transfer to the Commission, pursuant to section 127.1 of the Act; and
3. Soloway shall:
 - (i) be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;
 - (ii) immediately resign any position that he holds as a director or officer of a reporting issuer, pursuant to paragraph 7 of subsection 127(1) of the Act;
 - (iii) be prohibited from becoming or acting as a director or officer of any reporting issuer for a period of 4 years commencing on the date of the Order, pursuant to paragraph 8 of subsection 127(1) of the Act; and
 - (iv) pay an administrative penalty in the amount of \$1,000,000 by wire transfer to the Commission, pursuant to paragraph 9 of subsection 127(1) of the Act, which amount be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the Act; and

4. Morton shall:

- (i) be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;
- (ii) immediately resign any position that he holds as a director or officer of a reporting issuer, pursuant to paragraph 7 of subsection 127(1) of the Act;
- (iii) be prohibited from becoming or acting as a director or officer of any reporting issuer for a period of 2 years commencing on the date of the Order, pursuant to paragraph 8 of subsection 127(1) of the Act; and
- (iv) pay an administrative penalty in the amount of \$500,000 by wire transfer to the Commission, pursuant to paragraph 9 of subsection 127(1) of the Act, which amount be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the Act; and

5. Reid shall:

- (i) be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;
- (ii) immediately resign any position that he holds as a director or officer of a reporting issuer, pursuant to paragraph 7 of subsection 127(1) of the Act;
- (iii) be prohibited from becoming or acting as a director or officer of any reporting issuer for a period of 2 years commencing on the date of the Order, pursuant to paragraph 8 of subsection 127(1) of the Act; and
- (iv) pay an administrative penalty in the amount of \$500,000 by wire transfer to the Commission, pursuant to paragraph 9 of subsection 127(1) of the Act, which amount be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the Act.

Commissioner

Commissioner

Commissioner

SCHEDULE “B”

Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

P.O. Box 55, 22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

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20, rue queen ouest
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**IN THE MATTER OF
HOME CAPITAL GROUP INC., GERALD SOLOWAY,
ROBERT MORTON and MARTIN REID**

UNDERTAKING TO THE ONTARIO SECURITIES COMMISSION

1. This Undertaking is given in connection with the settlement agreement dated June ___, 2017 between Home Capital Group Inc. (“HCG”), Gerald Soloway, Robert Morton, Martin Reid and Staff of the Commission.

2. HCG undertakes to the Commission to make a payment of \$10,000,000 to Stikeman Elliott LLP in trust for the benefit of the proposed class, other than Excluded Persons³ in the putative class action commenced on February 13, 2017 as London, Ontario Court File No. 349/17CP.

DATED at Toronto, this ___ day of June, 2017.

HOME CAPITAL GROUP INC.

Name:
Title:

³ “Excluded Persons” means HCG, the individual defendants in the Class Action (“Individual Defendants”), and the past or present subsidiaries or affiliates, officers, directors, partners, legal representatives, consultants, agents, successors and assigns of HCG, and any member of each of the Individual Defendants’ families, their heirs, successors or assigns.



Ontario
Securities
Commission

Commission des
valeurs mobilières
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**IN THE MATTER OF
HOME CAPITAL GROUP INC., GERALD SOLOWAY,
ROBERT MORTON and MARTIN REID**

UNDERTAKING TO THE ONTARIO SECURITIES COMMISSION

3. This Undertaking is given in connection with the settlement agreement dated June 14, 2017 between Home Capital Group Inc. (“HCG”), Gerald Soloway, Robert Morton, Martin Reid and Staff of the Commission.

4. HCG undertakes to the Commission to make a payment of \$10,000,000 to Stikeman Elliott LLP in trust for the benefit of the proposed class, other than Excluded Persons⁴ in the putative class action commenced on February 13, 2017 as London, Ontario Court File No. 349/17CP.

DATED at Toronto, this 14th day of June, 2017.

HOME CAPITAL GROUP INC.

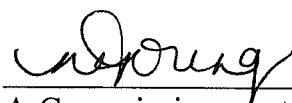
“Bonita Then”

Name: Bonita Then

Title: Interim President & CEO

¹ “Excluded Persons” means HCG, the individual defendants in the Class Action (“Individual Defendants”), and the past or present subsidiaries or affiliates, officers, directors, partners, legal representatives, consultants, agents, successors and assigns of HCG, and any member of each of the Individual Defendants' families, their heirs, successors or assigns.

This is Exhibit "C" mentioned and referred to in the Affidavit of Nicholas Baker, sworn before me at the City of London, in the County of Middlesex, this 14th day of August, 2017.



A Commissioner, etc.

NICOLE DANIELLE YOUNG, a Commissioner, etc.,
Province of Ontario, for Siskinds ^{LLP}
Barristers and Solicitors. Expires: November 23, 2017



Ontario
Securities
Commission

Commission des
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de l'Ontario

22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

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20, rue queen oust
Toronto ON M5H 3S8

Citation: Home Capital Group Inc. (Re), 2017 ONSEC 32
Date: 2017-08-09

**IN THE MATTER OF
HOME CAPITAL GROUP INC., GERALD SOLOWAY,
ROBERT MORTON and MARTIN REID**

**REASONS AND DECISION
(Sections 127 and 127.1 of the *Securities Act*, RSO 1990, c S.5)**

Hearing: August 9, 2017

Decision: August 9, 2017

Panel:	D. Grant Vingoe Timothy Moseley Garnet Fenn	Vice-Chair and Chair of the Panel Commissioner Commissioner
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Appearances:	Jennifer Lynch Cullen Price	For Staff of the Commission
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	Peter F.C. Howard Edward J. Waitzer Samaneh Hosseini	For Home Capital Group Inc.
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	Terrence O'Sullivan Niklas Holmberg	For Gerald Soloway
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	James Douglas Graeme Hamilton	For Robert Morton
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	David Hausman Jonathan Wansbrough	For Martin Reid
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REASONS AND DECISION

The following reasons have been prepared for publication in the Ontario Securities Commission Bulletin, based on the reasons delivered orally in the hearing as edited and approved by the panel, to provide a public record of the oral reasons.

- [1] This hearing concerns a settlement agreement (the "**Settlement Agreement**") among Commission Staff ("**Staff**"), Home Capital Group Inc. ("**HCG**"), Gerald Soloway, HCG's founder and CEO, Robert Morton, HCG's CFO, and Martin Reid, HCG's President (collectively, the "**Respondents**").
- [2] As stated in the Commission's recent decision in *Re Electrovaya Inc.*, 2017 ONSEC 25 at para 1:

Continuous disclosure by reporting issuers is a cornerstone of our securities regulatory regime. It is intended to provide, on an ongoing basis, the full and accurate information concerning all material facts and events relating to reporting issuers that is necessary for investors to have confidence in the fair and efficient operation of our securities markets. Accordingly, disclosures made by reporting issuers must be current, balanced and accurate.
- [3] In the absence of full disclosure of material information regarding the business and operations of an issuer, investors are trading based upon a deficient understanding of information known to the issuer affecting the value of the issuer's securities. Investors will be winners or losers based on this disclosure deficit, rather than an appropriate disclosure record. A failure of disclosure harms confidence in our capital markets. Disclosure of material changes by a reporting issuer is not a discretionary decision for management, but a regulatory requirement and public responsibility. A delay by management in the release of information regarding events that have occurred that have caused or can reasonably be expected to cause a deterioration in financial results poses a fundamental risk that management will postpone the release of information in the hope that it can manage itself out of a hole. This is not management's prerogative. One of the responsibilities of a public company is to forthwith disclose such information to the market.
- [4] As admitted by the Respondents in the Settlement Agreement, from May 2015 until July 2015, HCG misled its investors about the causes of a decline in HCG's mortgage originations, omitting to disclose until July 10, 2015 that it had terminated three underwriters, two brokerages and thirty brokers because it had discovered falsified loan applications in its broker channels. These terminations resulted from an internal investigation that commenced in August 2014, which was prompted by irregularities found in applications handled by a particular underwriter. The scope of the internal investigation expanded from there. The terminations occurred between mid-November 2014 and February 10, 2015. The terminated brokers and brokerages accounted for approximately 10% of HCG's 2014 originations.

- [5] On the first trading day following HCG's July 10th press release announcing the terminations, which had caused an immediate drop in mortgage originations, HCG's stock price fell 18.9%.
- [6] Mr. Reid had stated in his internal President's Report at the end of April 2015 that the deterioration in originations was mainly due to remedial actions taken as a result of the internal investigation. Mr. Morton stated in a memorandum to the Audit Committee of HCG's Board of Directors, dated May 4, 2015, that the deterioration could not be attributed to seasonality and weather alone, and he raised a concern about the need to publicly disclose the terminations.
- [7] Despite the views of Mr. Morton and Mr. Reid and the state of internal knowledge at HCG concerning the effect of the terminations and remedial efforts, HCG's public disclosures, including statements made in the first quarter 2015 Interim Filing, issued May 6, 2015, attributed the drop to factors such as seasonality, the harsh winter, macroeconomic factors and "on-going review of its business partners ensuring that quality is within the Company's risk appetite", without referring to the broker and brokerage terminations. The Operational Risk section of the interim management discussion and analysis also stated that HCG may encounter a financial loss as a result of an event with a third party service provider and HCG may change relationships as appropriate, but the disclosure did not mention the specific effects of the terminations that had been effected months before and remedial efforts that had been underway for many months. In an earnings call with analysts on May 7, 2015, in which all three individual respondents participated, when asked about factors affecting originations, Mr. Soloway did not explain the effect of the terminations and ongoing remediation efforts, instead reciting other factors contributing to the decline.
- [8] The Agreed Facts in the Settlement Agreement posit May 2015 as the beginning of the period in which disclosure was required. Given the timing of the internal statements made by Mr. Reid and Mr. Morton and that the Interim Filing, as certified by Mr. Soloway and Mr. Morton, was made on May 6, 2015, we understand how this time could reasonably be employed as the latest time by which disclosure was required by HCG. Actual disclosure was not made until over two months later.
- [9] Staff and the Respondents request approval of the settlement embodied in the Settlement Agreement. This is a highly negotiated settlement, carefully coordinated with class proceedings in Ontario, for which there is a separate application for settlement approval before the Superior Court of Justice being advanced in conjunction with the settlement agreement presented to this Panel. A settlement saves time and resources for the Staff of the Commission, and allows HCG to move forward in its business activities without the overhang of protracted proceedings that affect confidence in HCG as a publicly traded financial institution. This is a particularly relevant consideration in this matter since HCG has, as reflected in the Settlement Agreement, made substantial changes in its Board of Directors and management, including the withdrawal of the individual respondents from board and officer roles with HCG, and the addition of a new independent Chair and independent directors. These changes represent a significant mitigating factor in considering sanctions with respect to HCG. A settlement in this matter also curtails the uncertainty affecting the market for HCG's securities and the negative effect this uncertainty has on

investors. A financial institution should have a compelling interest in avoiding the loss of confidence resulting from regulatory violations and the proceedings that rightly follow.

- [10] In addition to the governance and leadership changes, other mitigating factors that this Panel considers relevant, as agreed by the Parties and set out in the Settlement Agreement, include:
- a. Upon learning of the irregularities involved in mortgage applications, HCG conducted an internal investigation, the Board of Directors established an independent committee to oversee the investigation and appointed an accounting firm to assist in the investigation. HCG consulted with its external professional advisers throughout the investigation, including following the earnings call with analysts.
 - b. HCG reported the identified irregularities to Canada Mortgage and Housing Corporation, the Office of the Superintendent of Financial Institutions, its insurer and auditors, and kept them apprised about developments.
 - c. HCG implemented significant remediation measures including separation of origination and underwriting functions, reallocating resources to enhance underwriter verification of applicant income, and initiated a review of underwriter compensation practices to emphasize risk mitigation.
 - d. HCG acted in good faith with regard to disclosure decisions in reliance on professional advisers.
 - e. HCG voluntarily delivered to Staff a whistleblower memorandum from a vice president of HCG, dated June 1, 2015, within days of the memorandum's date. This memorandum was entitled, "*Failure to Comply with Timely and Continuous Disclosure Obligations and related Concerns - Fraudulent Mortgages*". The individual respondents cooperated with Staff in its subsequent investigations after that receipt.
- [11] A settlement will ordinarily be approved if the sanctions agreed to by the parties are within a reasonable range of appropriateness in light of the facts admitted in the settlement agreement, taking into account the settlement process and its benefits as well as mitigating factors. Similarly, a panel, after a contested hearing, may or may not have found facts that are the same or different from those agreed to by the parties. In addition, even if substantially the same facts were found by the panel following a contested hearing, other sanctions than agreed might be imposed by such a panel.
- [12] A panel considering a proposed settlement must rely on Staff's negotiations in reaching the settlement. A panel cannot know of potential facts that are excluded in the settlement agreement or the range of sanctions that were considered. A panel can only rely upon the facts agreed to by Staff in the settlement agreement and the context and responses to questions from the panel provided by the parties in a confidential settlement conference convened pursuant to Rules 12.1 to 12.5 of the *Ontario Securities Commission Rules of Procedure* (2014), 37 OSCB 4168. Such a conference was held in this matter in June of this year.

- [13] In the case of a settlement, a Commission panel must be satisfied that the settlement is fair and reasonable and the approval of the settlement is in the public interest, based on the facts and sanctions agreed to by the parties, in light of applicable regulatory principles, prior Commission sanctions and the regulatory settlement process.
- [14] The purpose of the Commission's sanctioning authority is to protect investors and the fair operation of our securities markets and to deter, both specifically and generally, future conduct that is inconsistent with securities laws or the public interest. These goals are furthered by seeking to ensure that public companies respect their continuous disclosure obligations and advise the marketplace of material changes on a timely basis. Once an internal investigation or other processes have produced concrete information rising to the level of a material change, disclosure is required unless confidential treatment of such information is sought and afforded by the Commission in accordance with Ontario securities law.
- [15] In this case, we have concluded that approval of the Settlement Agreement with HCG, Gerald Soloway, Robert Morton and Martin Reid is in the public interest on the basis of the Agreed Facts and the agreed sanctions are within a reasonable range of appropriate sanctions.
- [16] HCG has made a payment held in trust by its attorneys in the amount of \$10 million for the benefit of the proposed class in the pending Ontario class action, excluding certain related parties of HCG defined as "Excluded Persons".
- [17] HCG shall conduct a review and deliver to Staff a report concerning its continuous disclosure practices and any changes proposed and/or implemented as a result of its review.
- [18] HCG has paid costs of the Commission related to this matter in the amount of \$500,000.
- [19] Each of the individual respondents shall be reprimanded.
- [20] Each of the individual respondents shall immediately resign any position that any of them hold as an officer or director of a reporting issuer.
- [21] Mr. Soloway is prohibited from becoming or acting as an officer or director of any reporting issuer for four years.
- [22] Mr. Morton and Mr. Reid are each prohibited from becoming or acting as an officer or director of any reporting issuer for two years.
- [23] Mr. Soloway has paid an administrative penalty in the amount of \$1 million to the Commission, which amount is designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the *Securities Act*, RSO 1990, c S.5 (the "**Act**").
- [24] Mr. Morton and Mr. Soloway have each paid an administrative penalty in the amount of \$500,000 to the Commission, which amounts are designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the Act.
- [25] The payments being held in trust for the benefit of the investors and the administrative penalties have been paid and the terms and conditions of the Settlement Agreement demonstrate the individual respondents' acceptance of

responsibility for HCG's admitted disclosure failings. This acceptance is highlighted by the individual respondents' agreement to attend at this hearing and be reprimanded. Mr. Soloway, Mr. Morton and Mr. Reid, you are each hereby reprimanded.

- [26] For all of these reasons, the panel has determined to approve the Settlement Agreement and will sign an order substantially in the form of the order in Schedule "A" to the Settlement Agreement. With that, the panel wishes to thank all counsel for their helpful submissions in the settlement conference that preceded this hearing and in this hearing. The hearing is now concluded.

Dated at Toronto this 9th day of August, 2017.

"D. Grant Vingoe"

D. Grant Vingoe

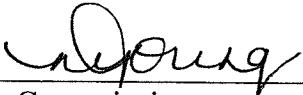
"Timothy Moseley"

Timothy Moseley

"Garnet Fenn"

Garnet Fenn

This is Exhibit "D" mentioned and referred to in the Affidavit of Nicholas Baker, sworn before me at the City of London, in the County of Middlesex, this 14th day of August, 2017.



A Commissioner, etc.

NICOLE DANIELLE YOUNG, a Commissioner, etc.,
Province of Ontario, for Siskinds ^{U.P.}
Barristers and Solicitors. Expires: November 23, 2017



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22e étage
20, rue queen ouest
Toronto ON M5H 3S8

**IN THE MATTER OF
HOME CAPITAL GROUP INC., GERALD SOLOWAY,
ROBERT MORTON and MARTIN REID**

D. Grant Vingoe, Vice-Chair and Chair of the Panel
Timothy Moseley, Commissioner
Garnet Fenn, Commissioner

August 9, 2017

ORDER

Sections 127 and 127.1 of the
Securities Act, RSO 1990, c S.5

WHEREAS on August 9, 2017 the Ontario Securities Commission held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario, to consider an application made jointly by Home Capital Group Inc. ("**HCG**"), Gerald Soloway ("**Soloway**"), Robert Morton ("**Morton**") and Martin Reid ("**Reid**") (collectively, the "**Respondents**") and Staff of the Commission ("**Staff**") for approval of a settlement agreement dated June 14, 2017 (the "**Settlement Agreement**");

ON READING the Statement of Allegations dated April 19, 2017, and the Settlement Agreement and on hearing the submissions of representatives of each of the parties, and on considering the Undertaking of HCG dated June 14, 2017 to make a payment of \$10,000,000 to Stikeman Elliott LLP in trust for the benefit of the proposed class, other than Excluded Persons¹ (the "**Class**") in the putative class action commenced on February 13, 2017 as London, Ontario Court File No. 349/17CP and certified as a class proceeding for settlement purposes only on June 28, 2017 (the "**Class Action**") and on considering the acknowledgement of the parties that Staff will recommend to the Commission that the \$2,000,000 paid pursuant to the Settlement Agreement and designated for allocation or use under subsection 3.4(2)(b)(i) or (ii) of the *Securities Act*, RSO 1990, c S.5 (the "**Act**") be allocated or used as follows: (a) \$1,000,000 for the benefit of HCG investors who comprise the Class in accordance with subsection 3.4(2)(b)(i) of the Act, which funds upon the issuance of this Order and upon the decision by the Commission to allocate \$1,000,000 for the benefit of HCG investors who comprise the Class, shall be paid to Stikeman Elliott LLP in trust to be held in accordance with the Settlement Agreement in the Class

¹ "Excluded Persons" means HCG, the individual defendants in the Class Action (the "**Individual Defendants**"), and the past or present subsidiaries or affiliates, officers, directors, partners, legal representatives, consultants, agents, successors and assigns of HCG, and any member of each of the Individual Defendants' families, their heirs, successors or assigns.

Action; and (b) the remaining \$1,000,000 for use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the Act;

IT IS ORDERED THAT:

1. The Settlement Agreement is approved.
2. HCG shall:
 - i. within one year of the effective date of this Order, conduct a review of and deliver a report to the Board of Directors and Staff on its continuous disclosure practices and any changes proposed and/or implemented as a result of its review, pursuant to subsection 127(2) of the Act; and
 - ii. pay costs in the amount of \$500,000 by wire transfer to the Commission, pursuant to section 127.1 of the Act.
3. Soloway shall:
 - i. be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;
 - ii. resign any position that he holds as a director or officer of a reporting issuer, pursuant to paragraph 7 of subsection 127(1) of the Act immediately upon this Order becoming effective;
 - iii. be prohibited from becoming or acting as a director or officer of any reporting issuer for a period of four years commencing on the effective date of this Order, pursuant to paragraph 8 of subsection 127(1) of the Act; and
 - iv. pay an administrative penalty in the amount of \$1,000,000 by wire transfer to the Commission, pursuant to paragraph 9 of subsection 127(1) of the Act, which amount is designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the Act.
4. Morton shall:
 - i. be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;
 - ii. resign any position that he holds as a director or officer of a reporting issuer, pursuant to paragraph 7 of subsection 127(1) of the Act immediately upon this Order becoming effective;
 - iii. be prohibited from becoming or acting as a director or officer of any reporting issuer for a period of two years commencing on the effective date of this Order, pursuant to paragraph 8 of subsection 127(1) of the Act; and
 - iv. pay an administrative penalty in the amount of \$500,000 by wire transfer to the Commission, pursuant to paragraph 9 of subsection 127(1) of the Act, which amount is designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the Act.
5. Reid shall:
 - i. be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;
 - ii. resign any position that he holds as a director or officer of a reporting issuer, pursuant to paragraph 7 of subsection 127(1) of the Act immediately upon this Order becoming effective;

- iii. be prohibited from becoming or acting as a director or officer of any reporting issuer for a period of two years commencing on the effective date of this Order, pursuant to paragraph 8 of subsection 127(1) of the Act; and
 - iv. pay an administrative penalty in the amount of \$500,000 by wire transfer to the Commission, pursuant to paragraph 9 of subsection 127(1) of the Act, which amount is designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b)(i) or (ii) of the Act.
6. This Order shall be effective and binding upon the issuance of a final order by the Superior Court of Justice approving the settlement in the Class Action. If the Superior Court of Justice does not make an order approving the settlement in the Class Action, this Order is null and void.

"D. Grant Vingoe"

D. Grant Vingoe

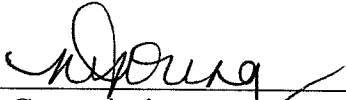
"Timothy Moseley"

Timothy Moseley

"Garnet Fenn"

Garnet Fenn

This is Exhibit "E" mentioned and referred to in the Affidavit of Nicholas Baker, sworn before me at the City of London, in the County of Middlesex, this 14th day of August, 2017.


A Commissioner, etc.

NICOLE DANIELLE YOUNG, a Commissioner, etc.,
Province of Ontario, for Siskinds ^{LLP}
Barristers and Solicitors. Expires: November 23, 2017

Nicholas Baker

From: David [REDACTED]
Sent: August 3, 2017 3:31 PM
To: Nicholas Baker
Subject: RE: Home Capital Class Action

Follow Up Flag: Follow up
Flag Status: Completed

Hi Nick,

Thank you for your help in this matter. We will fill out the forms in the next few days and I'll try to file my objections before August 16th.

Your instructions are clear and very much appreciated.

Have a nice day.

Best regards,

David [REDACTED]

Tel. [REDACTED]

NOTICE: This message (including all attached documents) is intended only for the use of the individual or entity to which it is addressed and it may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this e-mail in error, please delete it and notify the sender immediately.

From: Nicholas Baker [mailto:nicholas.baker@siskinds.com]
Sent: Thursday, August 3, 2017 3:24 PM
To: [REDACTED]
Cc: Nicole Young <nicole.young@siskinds.com>
Subject: Home Capital Class Action

Hi David,

Further to our call just now, this email will confirm that, at this stage, the settlement still has to be approved by the Court. If approved, a notice will be sent to class members letting them know what they need to do in order to make a claim for compensation and the deadline for doing so. That notice will either direct people to the particulars about the trading information to be provided, or the notice will itself contain the information about what you will need get together (broker statements etc.) to make a claim.

If you would us to notify you directly if and when the settlement is approved, please visit our website and fill out the information form (linked [here](#)). By filling out the form, you will be included in all future correspondence to class members regarding this settlement.

As also discussed, class members may object to the settlement and/or the proposed distribution protocol and/or the proposed class counsel fee request. To the extent you may wish to object to the proposed distribution protocol (as you have indicated to me that you might), objections must be in writing and delivered to me no later than close of business on August 16, 2017. There are requirements to be followed for making an objection and those requirements are set out on page 3 of the notice that is linked here. To inform your objection, if any, in relation to the distribution protocol, you may like to first review paras. 82 and 122(h) of my affidavit sworn July 26, 2017 (see pages and 92 and 102-103 of the settlement approval motion record).

Best regards,
Nick

Nicholas Baker

Siskinds LLP

680 Waterloo Street
London, ON N6A 3V8

Tel: (519) 660-7868

Fax: (519) 660-7869

Mail: nicholas.baker@siskinds.com

Web: www.siskinds.com

Follow us on www.twitter.com/siskindsllp

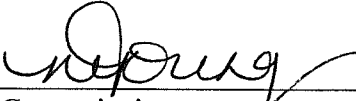
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This is Exhibit "F" mentioned and referred to in the Affidavit of Nicholas Baker, sworn before me at the City of London, in the County of Middlesex, this 14th day of August, 2017.



A Commissioner, etc.

NICOLE DANIELLE YOUNG, a Commissioner, etc.,
Province of Ontario, for Siskinds ^{LLP}
Barristers and Solicitors. Expires: November 23, 2017

Court File No.: CV-12-448410-00CP

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N :

AFA LIVFÖRSÄKRINGSAKTIEBOLAG, AFA SJUKFÖRSÄKRINGSAKTIEBOLAG, AFA
TRYGGHETSFÖRSÄKRINGSAKTIEBOLAG, KOLLEKTIVAVTALSSTIFTELSEN
TRYGGHETSFONDEN TSL and WILLIAM LESLIE

Plaintiffs

- and -

AGNICO-EAGLE MINES LIMITED,
SEAN BOYD, EBERHARD SCHERKUS and AMMAR AL-JOUNDI

Defendants

Proceeding under the *Class Proceedings Act, 1992*

PLAN OF ALLOCATION

(Supplement to the Settlement Agreement, dated November 2, 2015)

DEFINED TERMS

1. For the purposes of this Plan of Allocation, the definitions set out in the Settlement Agreement apply to and are incorporated into this Plan of Allocation and, in addition, the following definitions apply:
 - (a) “**Acquisition Expense**” means the total monies paid by the Claimant (including brokerage commissions) to acquire Eligible Shares, or the total value of the securities of Comaplex Minerals Corp. exchanged for Eligible Shares, as the case may be;
 - (b) “**Claimant**” means a Class Member who submits a properly completed Claim Form and all required supporting documentation to the Administrator, on or before the Claims Bar Deadline;
 - (c) “**Disposition Proceeds**” means the total proceeds paid to the Claimant (without deducting any commissions paid in respect of the dispositions) in consideration of the sale of all of his/her/its Eligible Shares; provided, however, that with respect to any Eligible Shares that the Claimant continues to hold, they shall be deemed to have been disposed of for an amount equal to the number of Eligible Shares still held, multiplied by \$45.08.
 - (d) “**Eligible Shares**” means the securities of Agnico-Eagle Mines Limited (“Agnico”) purchased or acquired during the Class Period.

- (e) “**FIFO**” means the principle of first-in, first-out, wherein securities are deemed to be sold in the same order that they were purchased (i.e. the first common shares purchased are deemed to be the first sold); and which requires, in the case of a Claimant who held securities of Agnico at the commencement of the Class Period, that those securities be deemed to have been sold completely before Eligible Shares are sold or deemed sold;
- (f) “**Net Loss**” means that the Claimant’s Disposition Proceeds are less than the Claimant’s Acquisition Expense;
- (g) “**Net Settlement Amount**” means the Escrow Settlement Amount remaining after payment of Administration Expenses and Class Counsel Fees; and
- (h) “**Nominal Entitlement**” means an Authorized Claimant’s nominal damages as calculated pursuant to the formula set forth herein, and which forms the basis upon which each Authorized Claimant’s *pro rata* share of the Net Settlement Amount.

CALCULATION OF NET LOSS

2. A Claimant must have sustained a Net Loss in order to be eligible to receive a payment from the Net Settlement Amount.
3. The Administrator shall first determine whether a Claimant sustained a Net Loss. If the Claimant has sustained a Net Loss, they become an Authorized Claimant, and the Administrator will go on to calculate his/her/its Nominal Entitlement.

CALCULATION OF COMPENSATION

4. The Administrator will apply FIFO to distinguish the sale of Agnico securities held at the beginning of the Class Period from the sale of Eligible Shares, and will continue to apply FIFO to determine the purchase transactions which correspond to the sale of Eligible Shares. The Administrator will use this data in the calculation of an Authorized Claimant’s Nominal Entitlement according to the formulas listed below.
5. The date of sale or deemed disposition shall be the trade date, as opposed to the settlement date, of the transaction.

6. For the purposes of any calculation under the Plan of Allocation, the Administrator will account for any stock splits or consolidations that occur after the Class Period, such that Authorized Claimants' holdings for the purposes of the calculations are completed in units equivalent to those traded during the Class Period.
7. An Authorized Claimant's Nominal Entitlement will be calculated as follows:
 - I. No Nominal Entitlement shall be available for any Eligible Shares *disposed of prior to July 28, 2011.***
 - II. For Eligible Shares purchased prior to July 28, 2011 and disposed of during the 10 trading day period following the first alleged corrective disclosure, that is, *on or between July 28, 2011 and August 10, 2011*, the Nominal Entitlement shall be:**
 - A. for Eligible Shares purchased prior to November 10, 2010, an amount equal to the number of Eligible Shares thus disposed of, multiplied by the difference between the volume weighted average price paid for those Eligible Shares (including any commissions paid in respect thereof) and the price per share received upon the disposition of those Eligible Shares (without deducting any commissions paid in respect of the disposition), multiplied by 0.5;
 - B. for Eligible Shares purchased on or after November 10, 2010, an amount equal to the number of Eligible Shares thus disposed of, multiplied by the difference between the volume weighted average price paid for those Eligible Shares (including any commissions paid in respect thereof) and the price per share received upon the disposition of those Eligible Shares (without deducting any commissions paid in respect of the disposition), multiplied by 0.66.
 - III. For Eligible Shares *disposed of after the 10 trading day period following the first alleged corrective disclosure, that is, after the close of trading on August 10, 2011, but before October 19, 2011*, the Nominal Entitlement shall be the lesser of A and B, multiplied by C, as defined below:**

- A. an amount equal to the number of Eligible Shares thus disposed of, multiplied by the difference between the volume weighted average price paid for those Eligible Shares (including any commissions paid in respect thereof) and the price per share received upon the disposition of those Eligible Shares (without deducting any commissions paid in respect of the disposition);
- B. an amount equal to the number of Eligible Shares thus disposed of, multiplied by the difference between the volume weighted average price paid for those Eligible Shares (including any commissions paid in respect thereof) and \$57.97 [being the 10 trading day volume weighted average trading price of Agnico common shares on the TSX from July 28, 2011 to August 10, 2011]; and
- C. for Eligible Shares purchased before November 10, 2010, a number equal to 0.5; for Eligible Shares purchased on or after November 10, 2010, but before August 10, 2011, a number equal to 0.66, for Eligible Shares purchased on or after August 10, 2011, a number equal to 1.

IV. No Nominal Entitlement shall be available for any Eligible Shares *purchased and disposed of* between July 28, 2011 and October 18, 2011.

V. For Eligible Shares *disposed of* during the 10 trading day period following the second alleged corrective disclosure, that is, *on or between October 19, 2011 and November 1, 2011*, the Nominal Entitlement shall be:

- A. for Eligible Shares purchased before November 10, 2010, an amount equal to the number of Eligible Shares thus disposed of, multiplied by the difference between the volume weighted average price paid for those Eligible Shares (including any commissions paid in respect thereof) and the price per share received upon the disposition of those Eligible Shares (without deducting any commissions paid in respect of the disposition), multiplied by 0.5.
- B. for Eligible Shares purchased on or after November 10, 2010, but before August 10, 2011, an amount equal to the number of Eligible Shares thus

disposed of, multiplied by the difference between the volume weighted average price paid for those Eligible Shares (including any commissions paid in respect thereof) and the price per share received upon the disposition of those Eligible Shares (without deducting any commissions paid in respect of the disposition), multiplied by 0.66.

- C. for Eligible Shares purchased on or after August 10, 2011, an amount equal to the number of Eligible Shares thus disposed of, multiplied by the difference between the volume weighted average price paid for those Eligible Shares (including any commissions paid in respect thereof) and the price per share received upon the disposition of those Eligible Shares (without deducting any commissions paid in respect of the disposition).

VI. For Eligible Shares *disposed of after the 10 trading day period following the second alleged corrective disclosure, that is, after the close of trading on November 1, 2011*, the Nominal Entitlement shall be the lesser of A and B, multiplied by C, as defined below:

- A. an amount equal to the number of Eligible Shares thus disposed of, multiplied by the difference between the volume weighted average price paid for those Eligible Shares (including any commissions paid in respect thereof) and the price per share received upon the disposition of those Eligible Shares (without deducting any commissions paid in respect of the disposition).
- B. an amount equal to the number of Eligible Shares thus disposed of, multiplied by the difference between the volume weighted average price paid for those Eligible Shares (including any commissions paid in respect thereof) and \$45.08 [being the 10 trading day volume weighted average trading price of Agnico common shares on the TSX from October 19, 2011 to November 1, 2011].
- C. for Eligible Shares purchased before November 10, 2010, a number equal to 0.5; for Eligible Shares purchased on or after November 10, 2010, but

before August 10, 2011, a number equal to 0.66, for Eligible Shares purchased on or after August 10, 2011, a number equal to 1.

VII. For Eligible Shares still held at the time the Claim Form is completed, the Nominal Entitlement shall be:

- A. for Eligible Shares purchased before November 10, 2010, an amount equal to the number of Eligible Shares still held, multiplied by the difference between the volume weighted average price paid for those Eligible Shares (including any commissions paid in respect thereof) and \$45.08 [being the 10 trading day volume weighted average trading price of Agnico common shares on the TSX from October 19, 2011 to November 1, 2011], multiplied by 0.5.
- B. for Eligible Shares purchased on or after November 10, 2010, but before August 10, 2011 an amount equal to the number of Eligible Shares still held, multiplied by the difference between the volume weighted average price paid for those Eligible Shares (including any commissions paid in respect thereof) and \$45.08 [being the 10 trading day volume weighted average trading price of Agnico common shares on the TSX from October 19, 2011 to November 1, 2011], multiplied by 0.66.
- C. for Eligible Shares purchased on or after August 10, 2011, an amount equal to the number of Eligible Shares still held, multiplied by the difference between the volume weighted average price paid for those Eligible Shares (including any commissions paid in respect thereof) and \$45.08 [being the 10 trading day volume weighted average trading price of Agnico common shares on the TSX from October 19, 2011 to November 1, 2011].

FINAL DISTRIBUTION

- 8. Each Authorized Claimant's actual compensation shall be the portion of the Net Settlement Amount equivalent to the ratio of his/her/its Nominal Entitlement to the total

Nominal Entitlements of all Authorized Claimants multiplied by the Net Settlement Amount, as calculated by the Administrator.

9. If the Escrow Account is in a positive balance (whether by reason of tax refunds, uncashed cheques or otherwise) after one hundred and eighty (180) days from the date of distribution to the Authorized Claimants, the Administrator shall, if feasible, allocate such balance among Authorized Claimants in an equitable and economic fashion. Any balance below \$25,000.00 which still remains thereafter shall be distributed *cy pres* to a recipient to be approved by the Courts.
10. By agreement between the Administrator and Class Counsel, the Claims Bar Deadline may be extended. Class Counsel and the Administrator shall agree to extend the Claims Bar Deadline if, in their opinions, doing so will not adversely affect the efficient administration of the Settlement and it is in the best interests of the Class to do so.
11. Compensation shall be paid to Authorized Claimants in Canadian currency.

This is Exhibit "G" mentioned and referred to in the Affidavit of Nicholas Baker, sworn before me at the City of London, in the County of Middlesex, this 14th day of August, 2017.


A Commissioner, etc.

NICOLE DANIELLE YOUNG, a Commissioner, etc.,
Province of Ontario, for Siskinds ^{LLP}
Barristers and Solicitors. Expires: November 23, 2017

Court File No.: CV-09-383998-00CP

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N :

IRONWORKERS ONTARIO PENSION FUND
and LEONARD SCHWARTZ

Plaintiffs

- and -

MANULIFE FINANCIAL CORPORATION, DOMINIC D'ALESSANDRO
and PETER RUBENOVITCH

Defendants

Proceeding under the *Class Proceedings Act, 1992*

PLAN OF ALLOCATION

(Supplement to the Settlement Agreement, dated January 30, 2017)

DEFINED TERMS

1. For the purposes of this Plan of Allocation, the definitions set out in the Settlement Agreement apply to and are incorporated into this Plan of Allocation and, in addition, the following definitions apply:
 - (a) “**Acquisition Expense**” means the total monies paid by the Claimant (including brokerage commissions) to acquire Eligible Shares.
 - (b) “**Claim Form**” means the form to be approved by the Courts which, when completed and submitted in a timely manner to the Administrator, constitutes a Class Member’s claim for compensation pursuant to the Settlement.
 - (c) “**Claimant**” means a Class Member who submits a properly completed Claim Form and all required supporting documentation to the Administrator.
 - (d) “**Claims Bar Deadline**” means October 9, 2017 .

- (e) “**Disposition Proceeds**” means the total proceeds paid to the Claimant (without deducting any commissions paid in respect of the dispositions) in consideration of the sale of all of his/her/its Eligible Shares; provided, however, that with respect to any Eligible Shares that the Claimant continues to hold, they shall be deemed to have been disposed of for an amount equal to the number of Eligible Shares still held, multiplied by \$14.55.
- (f) “**Eligible Shares**” means the common shares of MFC purchased or acquired during the Class Period and held through February 12, 2009.
- (g) “**FIFO**” means the principle of first-in, first-out, wherein securities are deemed to be sold in the same order that they were purchased (i.e. the first common shares purchased are deemed to be the first sold); and which requires, in the case of a Claimant who held securities of MFC at the commencement of the Class Period, that those securities be deemed to have been sold completely before Eligible Shares are sold or deemed sold.
- (h) “**Net Loss**” means that the Claimant’s Disposition Proceeds are less than the Claimant’s Acquisition Expense.
- (i) “**Net Settlement Amount**” means the Escrow Settlement Amount remaining after payment of Administration Expenses, Class Counsel Fees, and Claims Funding Expenses.
- (j) “**Nominal Entitlement**” means a Claimant’s nominal damages as calculated pursuant to the formula set forth herein, and which forms the basis upon which each Claimant’s *pro rata* share of the Net Settlement Amount.

OBJECTIVE

2. The objective of this Plan of Allocation is to equitably distribute the Net Settlement Amount among Class Members that submit valid and timely claims.

DEADLINE FOR CLAIMS

3. Any person who wishes to claim compensation shall deliver to or otherwise provide the Administrator a Claim Form by October 9, 2017 or such other date set by the Court. If the Administrator does not receive a Claim Form from a Claimant by the deadline, then the Claimant shall not be eligible for any compensation whatsoever from the Net Settlement Amount. Notwithstanding the foregoing, the Administrator may in its sole

discretion admit claims after the Claims Bar Deadline if doing so will not adversely affect the efficient administration of the Settlement and it is in the best interests of the Class Members to do so.

PROCESSING CLAIM FORMS

4. The Administrator shall review each Claim Form and verify that the Claimant is eligible for compensation from the Net Settlement Amount, as follows:
 - (a) For a Claimant claiming as a Class Member, the Administrator shall be satisfied that the Claimant is a Class Member.
 - (b) For a Claimant claiming on behalf of a Class Member or a Class Member's estate, the Administrator shall be satisfied that
 - (i) the Claimant has authority to act on behalf of the Class Member or the Class Member's estate in respect of financial affairs;
 - (ii) the person or estate on whose behalf the claim was submitted was a Class Member; and
 - (iii) The Claimant has provided all supporting documentation required by the Claim Form or alternative documentation acceptable to the Administrator.
5. The Administrator shall ensure that claims for compensation in the Claim Form are made only in respect of Eligible Shares.

CALCULATION OF NET LOSS

6. A Claimant must have sustained a Net Loss in order to be eligible to receive a payment from the Net Settlement Amount.
7. The Administrator shall first determine whether a Claimant sustained a Net Loss. If the Claimant has sustained a Net Loss, the Administrator will go on to calculate his/her/its Nominal Entitlement.

NOMINAL ENTITLEMENT

8. The Administrator will apply FIFO to distinguish the sale of MFC securities held at the beginning of the Class Period from the sale of Eligible Shares, and will continue to apply FIFO to determine the purchase transactions which correspond to the sale of Eligible Shares. The Administrator will use this data in the calculation of a Claimant's Nominal Entitlement according to the formulas listed below.

9. The date of sale or deemed disposition shall be the trade date, as opposed to the settlement date, of the transaction.
10. For the purposes of any calculation under the Plan of Allocation, the Administrator will account for the June 2006 stock split, and Claimants' holdings for the purposes of the calculations will be calculated on a split-adjusted basis.
11. No Nominal Entitlement shall be available for any Eligible Shares disposed of prior to February 12, 2009.
12. A Claimant's Nominal Entitlement will be calculated as follows, with reference to the Adjustment set out in **Figure 1** and **Figure 2**:
 - (a) For Eligible Shares disposed of during the 10 trading day period following the alleged corrective disclosure, that is, on or between February 12, 2009 and February 26, 2009, the Entitlement shall be an amount equal to the number of Eligible Shares thus disposed of, multiplied by the difference between the Acquisition Expense and the Disposition Proceeds.
 - (b) For Eligible Shares disposed of after the 10 trading day period following February 12, 2009, that is, after the close of trading on February 26, 2009, or still held by the Claimant, the Entitlement shall be the lesser of:
 - (i) an amount equal to the number of Eligible Shares thus disposed of, multiplied by the difference between the Acquisition Expense and the Disposition Proceeds.
 - (ii) an amount equal to the number of Eligible Shares thus disposed of or held, multiplied by the difference between the Acquisition Expense and \$14.55
 - (c) A Claimant's Nominal Entitlement for each purchase block, calculated pursuant to Sections 12(a) and/or 12(b), will be multiplied by the Adjustment figure corresponding with the Claimant's acquisition date, as set out in Figure 1. The resulting number is the Claimant's Nominal Entitlement.
 - (d) Purchases on or after October 14, 2008 will be multiplied by the Risk Value corresponding with the Claimant's acquisition date, as set out in **Figure 2**.

Figure 1

<i>Acquisition Date</i>	<i>Adjustment</i>
January 26, 2004 – February 4, 2004 ¹	0.40
February 5, 2004 – March 31, 2004 ²	0.43
April 1, 2004 – April 23, 2004	0.43
April 26, 2004 – August 5, 2004	0.47
August 6, 2004 – November 4, 2004	0.69
November 5, 2004 – February 9, 2005	0.67
February 10, 2005 – May 4, 2005	0.71
May 5, 2005 – August 3, 2005	0.73
August 4, 2005 – November 2, 2005	0.78
November 3, 2005 – February 8, 2006	0.80
February 9, 2006 – May 3, 2006	0.84
May 4, 2006 – August 2, 2006	0.91
August 3, 2006 – November 1, 2006	0.88
November 2, 2006 – February 12, 2007	0.93
February 13, 2007 – February 12, 2009	1.00

Figure 2

<i>Acquisition Date</i>	<i>Risk Value</i>
Prior to October 14, 2008	1
October 14, 2008 – November 5, 2008	.975
November 6, 2008 – December 1, 2008	.950
December 2, 2008 – February 12, 2009	.925

¹ Applicable only to Claims by or on behalf of Québec Class Members.

² *Ibid.*

COMPLETION OF CLAIM FORM

13. If, for any reason, a Claimant is unable to complete the Claim Form then it may be completed by the Claimant's personal representative or a member of the Claimant's family.

IRREGULAR CLAIMS

14. The claims process is intended to be expeditious, cost effective and "user friendly" and to minimize the burden on Claimants. The Administrator shall, in the absence of reasonable grounds to the contrary, assume the Claimants to be acting honestly and in good faith.
15. Where a Claim Form contains minor omissions or errors, the Administrator shall correct such omissions or errors if the information necessary to correct the error or omission is readily available to the Administrator.
16. The claims process is also intended to prevent fraud and abuse. If, after reviewing any Claim Form, the Administrator believe that the claim contains unintentional errors which would materially exaggerate the Nominal Entitlement awarded to the Claimant, then the Administrator may disallow the claim in its entirety or make such adjustments so that an appropriate Nominal Entitlement is awarded to the Claimant. If the Administrator believes that the claim is fraudulent or contains intentional errors which would materially exaggerate the Nominal Entitlement to be awarded to the Claimant, then the Administrator shall disallow the claim in its entirety.
17. Where the Administrator disallows a claim in its entirety, the Administrator shall send to the Claimant, at the email or postal address provided by the Claimant or the Claimant's last known email or postal address, a notice advising the Claimant that he or she may request the Administrator to reconsider its decision. For greater certainty, a Claimant is not entitled to a notice or a review where a claim is allowed but the Claimant disputes the determination of Nominal Entitlement or his or her individual compensation.
18. Any request for reconsideration must be received by the Administrator within 21 days of the date of the notice advising of the disallowance. If no request is received within this time period, the Claimant shall be deemed to have accepted the Administrator's determination and the determination shall be final and not subject to further review by any court or other tribunal.

19. Where a Claimant files a request for reconsideration with the Administrator, the Administrator shall advise Class Counsel of the request and conduct an administrative review of the Claimant's complaint.
20. Following its determination in an administrative review, the Administrator shall advise the Claimant of its determination. In the event the Administrator reverses a disallowance, the Administrator shall send the Claimant, at the email or postal address provided by the Claimant or the Claimant's last known email or postal address, a notice specifying the revision to the Administrator's disallowance.
21. The determination of the Administrator in an administrative review is final and is not subject to further review by any court or other tribunal.
22. Any matter not referred to above shall be determined by analogy by the Administrator in consultation with Class Counsel.

ADDITIONAL RULES

23. The Administrator shall not make payments to Claimants whose *pro rata* entitlement under this Plan of Allocation is less than CAD\$10.00. Such amounts shall instead be allocated *pro rata* to other eligible Claimants in accordance with the "Final Distribution" section of this Plan of Allocation.
24. The receipt or grant by gift, devise or inheritance of Eligible Shares during the Class Period shall not be deemed to be a purchase or acquisition of Eligible Shares for the calculation of a Claimant's Net Loss if the person from which the Shares or Notes were acquired did not themselves acquire the Shares or Notes during the Class Period, nor shall it be deemed an assignment of any claim relating to the purchase or acquisition of such Eligible Shares unless specifically provided in the instrument or gift or assignment.
25. Eligible Shares transferred between accounts belonging to the same Claimant during the Class Period shall not be deemed to be Eligible Shares for the purpose of calculating Net Loss unless those Shares were initially purchased by the Claimant during the Class Period. The Acquisition Expense for such securities shall be calculated based on the price initially paid for the Eligible Securities.
26. The Administrator shall make payment to an eligible Claimant by either bank transfer or by cheque to the Claimant at the address provided by the Claimant or the last known postal address for the Claimant. If, for any reason, a Claimant does not cash a cheque

within six months after the date on which the cheque was sent to the Claimant, the Claimant shall forfeit the right to compensation and the funds shall be distributed in accordance with the “Final Distribution” section of this Plan of Allocation.

FINAL DISTRIBUTION

27. Each Claimant’s actual compensation shall be equal to the ratio of his/her/its Nominal Entitlement to the total Nominal Entitlements of all Claimants multiplied by the Net Settlement Amount, as calculated by the Administrator.
28. If the Escrow Settlement Account is in a positive balance (whether by reason of tax refunds, un-cashed cheques or otherwise) after one hundred and eighty (180) days from the date of distribution of the Escrow Settlement Amount to Claimants, the Administrator shall, if feasible, allocate such balance among Claimants in an equitable and economic fashion. Thereafter, any remaining funds will be distributed as follows:
 - (a) Funds that are attributable to Ontario Class Members and cannot be economically distributed shall be distributed *cy-près* to a recipient to be approved by the Courts;
 - (b) *The Act Respecting the Fonds d'aide aux actions collectives*, CQLR c F-3.2.0.1.1 will apply to the portion of any remaining balance, if any, attributable to Quebec Class Members.
29. By agreement between the Administrator and Class Counsel, the Claims Bar Deadline may be extended. Class Counsel and the Administrator shall agree to extend the Claims Bar Deadline if, in their opinions, doing so will not adversely affect the efficient administration of the Settlement and it is in the best interests of the Class to do so.
30. All Funds will be paid in Canadian currency.

This is Exhibit "H" mentioned and referred to in the Affidavit of Nicholas Baker, sworn before me at the City of London, in the County of Middlesex, this 14th day of August, 2017.



A Commissioner, etc.

NICOLE DANIELLE YOUNG, a Commissioner, etc.,
Province of Ontario, for Siskinds ^{LLP}
Barristers and Solicitors. Expires: November 23, 2017

Court File No.: CV-11-436360-00CP

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

JERZY ROBERT ZANIEWICZ and EDWARD C. CLARKE

Plaintiffs

- and -

ZUNGUI HAIXI CORPORATION, ERNST & YOUNG LLP, FENGYI CAI, JIXU CAI,
YANDA CAI, MICHELLE GOBIN, MICHAEL W. MANLEY, PATRICK A. RYAN,
ELLIOTT WAHLE, MARGARET CORNISH, CIBC WORLD MARKETS INC.,
CANACCORD GENUITY CORP. (f.k.a. CANACCORD FINANCIAL LTD), GMP
SECURITIES LP and MACKIE RESEARCH CAPITAL CORPORATION
(f.k.a. RESEARCH CAPITAL CORPORATION)

Defendants

Proceeding under the *Class Proceedings Act, 1992*

PLAN OF ALLOCATION

(Supplement to the Settlement Agreements, dated February 13, 2013 and April 26, 2013)

DEFINED TERMS

1. The definitions set out in the Settlement Agreements, dated February 13, 2013 and April 26, 2013 apply to and are incorporated into this Plan of Allocation, in addition to the following definitions:
 - (a) **"Acquisition Expense"** means the total monies paid by the Claimant (including brokerage commissions) to acquire Eligible Shares;
 - (b) **"Allocation Pool"** means the sum of the Settlement Amounts paid under the Settlement Agreements dated February 13, 2013 and April 26, 2013 after payment of Administration Expenses and Class Counsel Fees. For greater certainty, Allocation Pool includes the after tax amount of any accrued interest income on the Settlement Amounts;
 - (c) **"Claimant"** means a Class Member who submits a properly completed Claim Form and all required supporting documentation to the Administrator, on or before the Claims Bar Deadline;

- (d) **“Discounted Nominal Entitlement”** means a Claimant’s Nominal Entitlement less the discount provided for herein, and which forms the second step upon which each Claimant’s *pro rata* share of the Allocation Pool is determined;
- (e) **“Disposition Proceeds”** means the total proceeds paid to the Claimant (without deducting any commissions paid in respect of the dispositions) in consideration for the sale of all of the Claimant’s Eligible Shares;
- (f) **“FIFO”** means the principle of first-in, first-out, wherein shares are deemed to be sold in the same order that they were purchased (i.e. the first shares purchased are deemed to be the first sold);
- (g) **“Net Loss”** means that the Claimant’s Disposition Proceeds are less than the Claimant’s Acquisition Expense;
- (h) **“Net Other Settlement Amount”** means the settlement amount of the approved settlement in the Action with the Defendants, CIBC World Markets Inc., Canaccord Genuity Corp., f.k.a. Canaccord Financial Ltd., GMP Securities LP, and Mackie Research Capital Corporation, f.k.a. Research Capital Corporation, after payment of Administration Expenses and Class Counsel Fees. For greater certainty, Net Other Settlement Amount includes the after tax amount of any accrued interest income on the settlement amount;
- (i) **“Nominal Entitlement”** means a Claimant’s nominal damages as calculated pursuant to the formula set forth herein, and which forms the first step upon which each Claimant’s *pro rata* share of the Allocation Pool is determined;
- (j) **“Primary Market Purchasers”** means Claimants who bought Eligible Shares on an “if, as and when issued” basis under Zungui’s initial public offering pursuant to the Zungui IPO Prospectus dated December 11, 2009;
- (k) **“Secondary Market Purchasers”** means Claimants who bought Eligible Shares on a stock exchange (e.g. the Toronto Stock Exchange) or alternative trading system (e.g. Pure Trading, Omegan and Alpha Venture);
- (l) **“Settlement Amounts”** means CAD \$8.1 million, and CAD \$2 million; and
- (m) **“Share Exchange Acquirors”** means Claimants who received Eligible Shares under the Share Exchange Agreement.

CALCULATION OF NET LOSS AND NOMINAL ENTITLEMENT

2. The Allocation Pool and any Net Other Settlement Amount will be distributed in accordance with the Plan of Allocation described herein.
3. A Claimant must have sustained a Net Loss on all Eligible Shares in order to be eligible to receive a payment from the Allocation Pool and, if applicable, any Net Other

Settlement Amount. A Claimant that has not suffered a Net Loss as calculated under the Plan of Allocation will not be entitled to receive any portion of the Allocation Pool or any portion of a Net Other Settlement Amount.

4. First, the Administrator will determine whether a Claimant has sustained a Net Loss on all Eligible Shares. If the Claimant has sustained a Net Loss, the Claimant becomes an “**Authorized Claimant**”, and the Administrator will proceed to calculate the Authorized Claimant’s Nominal Entitlement.
5. The date of an acquisition, sale or deemed disposition shall be the trade date of the transaction, as opposed to the settlement date, except for an acquisition of Eligible Shares under the Share Exchange Agreement in which case it shall be the date of acquisition recorded in Zungui’s securities register or branch register as may be the case.
6. For the purposes of any calculation relating to Eligible Shares acquired under the Share Exchange Agreement, the Administrator will account for such shares on a post-exchange cost of acquisition basis.
7. Second, the Administrator will calculate an Authorized Claimant’s Nominal Entitlement according to the formulae listed below. The formulae reflect the opinion of the Plaintiffs’ valuation expert as advanced in the Proceeding; namely, that the price of Zungui shares was corrected by statistically significant events on June 2, 2011, and August 22, 2011. Where applicable, certain formulae also reflect that Zungui shares last traded at CAD \$0.34, and have been unable to trade since August 23, 2011.
8. Third, the Administrator will calculate an Authorized Claimant’s Discounted Nominal Entitlement by applying the appropriate percentage discounts listed below. The discounts take into account the strengths and weaknesses of the claims made and proposed to be made in the Action by and on behalf of Primary Market Purchasers, Secondary Market Purchasers and Share Exchange Acquirors against the Settling Defendants.

Primary Market Purchasers

9. The Nominal Entitlement will be calculated as follows:

- I. No Nominal Entitlement shall be recognized for any Eligible Shares *disposed of before June 2, 2011.***
- II. For Eligible Shares *disposed of from June 2, 2011 to and including August 19, 2011,* the Nominal Entitlement shall be the lesser of:**
 - A. an amount equal to the number of Eligible Shares disposed of, multiplied by the difference between the price paid for those Eligible Shares (including any commissions paid in respect thereof) and the average price per share received upon the disposition of those Eligible Shares (without deducting any commissions paid in respect of the disposition); or
 - B. the sum of Eligible Shares disposed of multiplied by CAD \$0.26.
- III. For Eligible Shares *disposed of on or after August 22, 2011,* the Nominal Entitlement shall be the lesser of:**
 - A. an amount equal to the number of Eligible Shares disposed of, multiplied by the difference between the price paid for those Eligible Shares (including any commissions paid in respect thereof) and the average price per share received upon the disposition of those Eligible Shares (without deducting any commissions paid in respect of the disposition); or
 - B. the sum of Eligible Shares disposed of multiplied by CAD \$1.52.
- IV. For Eligible Shares *still held at the time the Claim Form is completed,* the Nominal Entitlement shall be the sum of Eligible Shares still held multiplied by CAD \$1.86 per share.**

Secondary Market Purchasers

10. The Nominal Entitlement will be calculated as follows:

- I. No Nominal Entitlement shall be recognized for any Eligible Shares *purchased and disposed of before June 2, 2011.***
- II. For Eligible Shares *purchased before June 2, 2011 and disposed of from June 2, 2011 to and including August 19, 2011,* the Nominal Entitlement shall be the lesser of:**
 - A. an amount equal to the number of Eligible Shares disposed of, multiplied by the difference between the volume weighted average price paid for those Eligible Shares (including any commissions paid in respect thereof) and the average price per share received upon the disposition of those Eligible Shares (without deducting any commissions paid in respect of the disposition); or
 - B. the sum of Eligible Shares disposed of multiplied by CAD \$0.26.

- III. For Eligible Shares *purchased from June 2, 2011 to and including August 19, 2011 and disposed of on or after August 22, 2011*, the Nominal Entitlement shall be the lesser of:**
- A. an amount equal to the number of Eligible Shares disposed of, multiplied by the difference between the volume weighted average price paid for those Eligible Shares (including any commissions paid in respect thereof) and the average price per share received upon the disposition of those Eligible Shares (without deducting any commissions paid in respect of the disposition); or
 - B. the sum of Eligible Shares disposed of multiplied by CAD \$1.26.
- IV. For Eligible Shares *purchased from June 2, 2011 to and including August 19, 2011 and still held at the time the Claim Form is completed*, the Nominal Entitlement shall be the lesser of:**
- A. an amount equal to the number of Eligible Shares still held multiplied by the volume weighted average price paid for those Eligible Shares (including any commissions paid in respect thereof); or
 - B. the sum of Eligible Shares still held multiplied by CAD \$1.60 per share.
- V. For Eligible Shares *purchased before June 2, 2011 and disposed of on or after August 22, 2011*, the Nominal Entitlement shall be the lesser of:**
- A. an amount equal to the number of Eligible Shares disposed of, multiplied by the difference between the volume weighted average price paid for those Eligible Shares (including any commissions paid in respect thereof) and the average price per share received upon the disposition of those Eligible Shares (without deducting any commissions paid in respect of the disposition); or
 - B. the sum of Eligible Shares disposed of multiplied by CAD \$1.52.
- VI. For Eligible Shares *purchased before June 2, 2011 and still held at the time the Claim Form is completed*, the Nominal Entitlement shall be the lesser of:**
- A. an amount equal to the number of Eligible Shares still held multiplied by the volume weighted average price paid for those Eligible Shares (including any commissions paid in respect thereof); or
 - B. the sum of Eligible Shares still held multiplied by CAD \$1.86 per share.
- VII. For Eligible Shares *purchased on August 22, 2011 and still held at the time the Claim Form is completed*, the Nominal Entitlement shall be the lesser of:**

- A. an amount equal to the number of Eligible Shares still held multiplied by the volume weighted average price paid for those Eligible Shares (including any commissions paid in respect thereof); or
- B. the sum of Eligible Shares still held multiplied by CAD \$0.34.

Share Exchange Acquirors

11. The Nominal Entitlement will be calculated as follows:

- I. No Nominal Entitlement shall be recognized for any Eligible Shares *disposed of before June 2, 2011.***
- II. For Eligible Shares *disposed of from June 2, 2011 to and including August 19, 2011,* the Nominal Entitlement shall be the lesser of:**
 - A. an amount equal to the number of Eligible Shares thus disposed of, multiplied by the difference between the price paid for those Eligible Shares (including any commissions paid in respect thereof) and the average price per share received upon the disposition of those Eligible Shares (without deducting any commissions paid in respect of the disposition); or
 - B. the sum of Eligible Shares disposed of multiplied by CAD \$0.26.
- III. For Eligible Shares *disposed of on or after August 22, 2011,* the Nominal Entitlement shall be the lesser of:**
 - A. an amount equal to the number of Eligible Shares thus disposed of, multiplied by the difference between the price paid for those Eligible Shares (including any commissions paid in respect thereof) and the average price per share received upon the disposition of those Eligible Shares (without deducting any commissions paid in respect of the disposition); or
 - B. the sum of Eligible Shares disposed of multiplied by CAD \$1.52.
- IV. For Eligible Shares *still held at the time the Claim Form is completed,* the Nominal Entitlement shall be the lesser of:**
 - A. an amount equal to the number of Eligible Shares still held multiplied by the price paid for those Eligible Shares (including any commissions paid in respect thereof); or
 - B. the sum of Eligible Shares still held multiplied by CAD \$1.86 per share.

FINAL DISTRIBUTION

12. A separate Nominal Entitlement will be calculated for each Authorized Claimant's Share Exchange acquisition, Primary Market and Secondary Market purchases, as may be the case. Whether particular dispositions are of Zungui shares acquired pursuant to the Share Exchange Agreement, purchased in the Primary Market or in the Secondary Market will be determined using FIFO.

13. The Discounted Nominal Entitlement will be calculated for Authorized Claimants' Share Exchange acquisition, Primary Market and Secondary Market purchases by subtracting the applicable percentage amount below from the Nominal Entitlement:
 - (a) For Share Exchange Acquirors, 40%;
 - (b) For Primary Market Purchasers, 0%; and
 - (c) For Secondary Market Purchasers
 - (i) that purchased in the period from and including December 21, 2009 to and including August 19, 2011, 8%; and
 - (ii) that purchased on August 22, 2011 and still held some of those Zungui shares at the time the Claim Form is completed, ~~98.5%~~ ^{80.0%} ✓ PMP.

14. Each Authorized Claimant's actual compensation shall be the portion of the Allocation Pool equivalent to the ratio of his/her/its Discounted Nominal Entitlement, to the total Discounted Nominal Entitlements of all Authorized Claimants multiplied by the Allocation Pool, as calculated by the Administrator.

15. In the event of an approved settlement in the Action with the Defendants, CIBC World Markets Inc., Canaccord Genuity Corp., f.k.a. Canaccord Financial Ltd., GMP Securities LP, and Mackie Research Capital Corporation, f.k.a. Research Capital Corporation:
 - (a) the Net Other Settlement Amount shall be solely for the benefit of and distribution to Authorized Claimants who are Primary Market Purchasers; and

- (b) the compensation to be paid to an Authorized Claimant who is a Primary Market Purchaser from any Net Other Settlement Amount shall be:
- (i) in addition to any compensation received from the Allocation Pool for Primary Market purchases; and
 - (ii) that portion of the Net Other Settlement Amount equivalent to the ratio of his/her/its Discounted Nominal Entitlement for Primary Market purchases, to the total Discounted Nominal Entitlements for all Primary Market purchases multiplied by the Net Other Settlement Amount.
16. The Administrator will not distribute entitlements of less than CAD\$5.00 to Class Members. Such amounts will instead be redistributed *pro rata* to the other Authorized Claimants.
17. The Administrator shall be authorized to distribute the Allocation Pool and any Net Other Settlement Amount in accordance with this Plan of Allocation upon having received and reviewed the Claim Forms submitted by the Claims Bar Deadline without further order of the Court.
18. If, one hundred eighty (180) days from the date on which the Administrator distributes the Allocation Pool and any Net Other Settlement Amount to Authorized Claimants, the Escrow Account remains in a positive balance (whether due to tax refunds, uncashed cheques, or otherwise), the Administrator shall, if feasible, reallocate such balance among the Authorized Claimants in an equitable and economic fashion. In the event any such remaining balance is less than CAD\$25,000.00 or less than \$5.00 per Claimant, the Administrator will donate such balance to the Small Investor Protection Association (Canada), *cy pres*.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at London

Proceeding under the *Class Proceedings Act, 1992*

**SUPPLEMENTAL AFFIDAVIT OF
NICHOLAS BAKER**

Siskinds LLP

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680 Waterloo Street
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Tel: (416) 594-4379
Fax: (416) 594-4380

Lawyers for the Plaintiff

Court File No. 349/17CP

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

CLAIRE R. MCDONALD

Plaintiff

- and -

HOME CAPITAL GROUP INC., GERALD M. SOLOWAY, ROBERT MORTON, and
ROBERT J. BLOWES

Defendants

Proceeding under the *Class Proceedings Act*, 1992

AFFIDAVIT OF DAVID WEIR
(SWORN AUGUST 14, 2017)

I, David Weir, of the City of London, in the Province of Ontario, MAKE OATH AND
SAY:

1. I am the Senior Vice President of Business Development of RicePoint Administration Inc. ("**RicePoint**"). RicePoint, a subsidiary of the Australian public company Computershare Limited, provides bilingual notice and class action administrative services in Canada.
2. Except as otherwise stated herein, I have personal knowledge of the matters to which I am deposing. Where my knowledge is based on information I have received from others, I have so indicated, and I believe such information to be true.

- 2 -

3. Terms that are capitalized but not defined in this, my affidavit, have the meanings attributed to them in the Settlement Agreement between the parties, dated June 22, 2017.
4. I swore an affidavit in this matter on July 25, 2017 (my "**Previous Affidavit**"). This affidavit supplements my Previous Affidavit.

Correction to my Previous Affidavit

5. I am advised by Class Counsel that the incorrect document appears as Exhibit A to my Previous Affidavit (page 738 of the Plaintiff's motion record); and, that this was an administrative error on the part of Siskinds LLP.
6. Now attached hereto and marked as **Exhibit "A"** is the correct document, the English language short-form Notice of Certification and Notice of Court Hearing for Settlement Approval that RicePoint published on Canada Newswire on June 30, 2017, as referred to in para. 19 of my Previous Affidavit.
7. I confirm that all statements made in my Previous Affidavit are true; and, I verily believe RicePoint has met its obligations in relation to First Notice in accordance with Part 1 of the Plan of Notice and the Order of this Honourable Court dated June 28, 2017 ("**Certification Order**").

Opt-Out Report

8. I have reviewed the Certification Order; and, as such, I am aware of RicePoint's obligations under para. 9 of the Certification Order.

- 3 -

9. For the purposes of RicePoint's obligation under para. 9(a) of the Certification Order, attached hereto and marked as **Exhibit "B"** is a report that RicePoint has prepared (redacted to exclude the identities of Opt-Out Parties).
10. As is reflected in the report, as at the Opt-Out Deadline (August 8, 2017 at 5 pm EDT, as defined in para. 6 of the Certification Order), there were a total of five (5) Opt-Out Elections received. The report states the number of Eligible Shares held by each Opt-Out Party and the total number of Eligible Shares held by all Opt-Out Parties.
11. For the purposes of RicePoint's obligation under para. 9(a) of the Certification Order, I am advised by Kurt Elgie, Senior Project Manager at RicePoint, that, on August 8, 2017 at approximately 5:25 pm EDT, he emailed to the Defendants' counsel:
 - (a) the report (Exhibit B) in un-redacted form; and
 - (b) copies of the Opt-Out Elections submitted by Opt-Out Parties.
12. Attached hereto and marked as **Exhibit "C"** is a copy of the email (without attachments) that I understand Mr. Elgie sent to the Defendants' counsel.

Claim Form

13. As set out in para. 38(a) of my Previous Affidavit, RicePoint's settlement administration proposal is weighted toward an online filing process for individual investors; however, Class Members will still have the ability to file a paper claim.

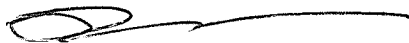
- 4 -

14. Attached hereto and marked as **Exhibit "D"** is a paper claim form and general instructions ("**Claim Form**") that RicePoint has prepared in consultation with Class Counsel.
15. RicePoint has designed the Claim Form with the objective of soliciting the minimum information required in order to evaluate a Class Member's eligibility for compensation.
16. The Claim Form is substantially similar to others designed and used by RicePoint in previous securities class action settlements it has administered. Based on my experience, I believe the Claim Form will achieve its objective while not make the claims process burdensome for Class Members.

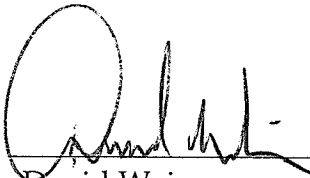
Distribution Protocol

17. Class Counsel have asked me to review the proposed Distribution Protocol and to comment on any factors that might adversely affect or unduly complicate its implementation. I have reviewed the Distribution Protocol and have not identified any such factors.
18. In my experience, the proposed Distribution Protocols is similar to other distribution protocols in securities class action settlements administered by RicePoint. I believe RicePoint will be able to effectively and efficiently implement the Distribution Protocol in order to determine Class Member compensation.

SWORN before me at the City of)
London, in the Province of)
Ontario, this 14th day of August,)
2017.)

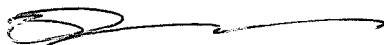


_____)
A Commissioner, etc.)
N. C. Barnes)
LSC #59642T)



_____)
David Weir

This is Exhibit "A" mentioned and referred to in the Affidavit of David Weir, sworn before me at the City of London, in the County of Middlesex, this 14th day of August, 2017.

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

A Commissioner, etc.

Home Capital Group Inc. Securities Litigation - Notice of Certification for Settlement Purposes and Settlement Approval Hearing

Read this notice carefully as it may affect your legal rights

LONDON, ON, June 30, 2017 /CNW/ -

THE CLASS ACTION

On February 13, 2017, an action was commenced in the Ontario Superior Court of Justice in London, Ontario against Home Capital Group Inc. ("HCG", TSX: HCG, CUSIP: 436913107, ISIN: CA4369131079) and certain of its former directors and executive officers. The Plaintiff alleges that certain of HCG's public disclosures released during the period **November 5, 2014 to July 10, 2015** ("**Class Period**") were materially misleading, which resulted in damage to HCG shareholders who acquired HCG common shares during the Class Period (the "**Action**" and "**Class Members**").

CONSENT CERTIFICATION FOR SETTLEMENT PURPOSES

A settlement of the Action has been agreed between the parties to the Action; and, on June 28, 2017, the Ontario Superior Court of Justice ("**Court**") certified the Action as a class proceeding for settlement purposes. **The subject settlement provides for settlement funds of \$29.5 million (CDN), to be paid for the benefit of the Class Members before deductions for legal fees and expenses to administer the settlement.** The Settlement is a compromise of disputed claims and is not an admission of liability, wrongdoing or fault.

Certification of the Action was obtained with the consent of the defendants to the Action, and is conditional upon the Court's approval of the settlement described above. **The Court will hear the plaintiff's request for approval of the settlement at a hearing to occur at 80 Dundas Street, London, Ontario, on August 21, 2017 at 10 AM EDT.**

Additionally, before the settlement of the Action can take effect, the Ontario Securities Commission ("OSC") must approve a parallel settlement of related regulatory action against HCG and others. **A hearing for OSC approval of the resolution of the related regulatory action is scheduled to be held on August 9, 2017 at 10:00 am EDT.**

Class Members' legal rights may be affected by the certification of the Action and/or the approval of the settlement. **It is strongly recommended that anyone who is or believes they may be a Class Member read the detailed long-form notice.**

The detailed long-form notice explains, amongst other things:

- (a) that Class Members will be bound by the terms of the settlement and entitled to participate in it, if it is approved, unless they exclude themselves from the Action;
- (b) the steps that a Class Member must take to validly exclude him, her or itself from the Action and the settlement;
- (c) that Class Members who make an election to "opt-out", in other words, exclude themselves from the Action, and provide the required information or suitable alternative documentation required to do so, will not be able to make a claim to receive compensation from the settlement funds but will maintain the right to pursue their own claim against the defendants relating to the matters alleged in the Action;
- (d) that Class Members who do not exclude themselves from the Action may still object to the terms of the settlement or otherwise provide comments, and the process for doing so.

OPTING OUT OF THE ACTION AND THE SETTLEMENT

Class Members who wish to opt-out the Action must do so by 5:00 pm EDT on August 8, 2017 ("**Opt-Out Deadline**"). The procedure for doing so is set out in the detailed long-form notice. Class Members who may wish to opt-out should note that if the Court appointed administrator does not receive a properly supported opt-out election by the Opt-Out Deadline that such class member will be bound by the settlement, if it is approved.

FOR MORE INFORMATION

For questions, including about the certification of the Action and the settlement, Class Members' rights and the procedures for excluding themselves from the Action and the settlement and/or for more information about any part of this notice, please consult the detailed long-form notice or contact the following:

Class Counsel at:

Siskinds LLP

680 Waterloo Street
London Ontario N6A 3V8
Nicholas Baker
Tel: 1-800-461-6166 x2380
nicholas.baker@siskinds.com

Home Capital Securities Litigation

c/o RicePoint Administration Inc.
PO Box 4454, Toronto Station A,
25 The Esplanade
Toronto, ON M5W 4B1
Tel: 1-866-432-5534
homecapital@ricepoint.com

SOURCE Siskinds LLP

RELATED LINKS
www.siskinds.com

CUSTOM PACKAGES

Browse our custom packages or build your own to meet your unique communications needs.

Start today.

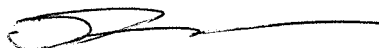
CNW MEMBERSHIP

Fill out a CNW membership form or contact us at 1 (877) 269-7890

LEARN ABOUT CNW SERVICES

Request more information about CNW products and services or call us at 1 (877) 269-7890

This is Exhibit "B" mentioned and referred to in the Affidavit of David Weir, sworn before me at the City of London, in the County of Middlesex, this 14th day of August, 2017.

A handwritten signature in black ink, consisting of a large, stylized initial 'D' followed by a long, horizontal flourish.

A Commissioner, etc.

RICEPOINT

A Computershare company.

Opt-Out Report

Case: Home Capital Securities Litigation

Opt-Out Deadline: August 8, 2017 5EST

Date of Report: August 8, 2017

Prepared By: Kurt Elgie

Contact: Phone: 519-601-7423 x 341
Email: kelgie@npricepoint.com

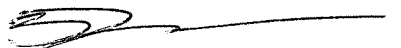
Opt-Out Summary

	Name	Eligible Shares	Notes
1.	REDACTED	1,234,700	
2.	REDACTED	91,800	
3.	REDACTED	200	
4.	REDACTED	273,210	
5.	REDACTED	117,690	
Total		1,717,600	

Details regarding each submission are attached for reference.

CONFIDENTIAL

This is Exhibit "C" mentioned and referred to in the Affidavit of David Weir, sworn before me at the City of London, in the County of Middlesex, this 14th day of August, 2017.

A handwritten signature in black ink, consisting of a stylized, cursive 'S' followed by a horizontal line extending to the right.

A Commissioner, etc.

Nicole Young

From: Kurt Elgie <kelgie@ricepoint.com>
Sent: August 8, 2017 5:25 PM
To: JDOUGLAS@blg.com; SHosseini@stikeman.com; Michael G. Robb; tosullivan@counsel-toronto.com; nholmberg@counsel-toronto.com; GHamilton@blg.com; PHoward@stikeman.com; Doug Worndl; Nicholas Baker
Subject: Home Capital Opt Outs
Attachments: REDACTED

Hello everyone,

As outlined in paragraph 9(b) of the Certification Order please find attached details of the Opt-Out Elections received in relation to Home Capital.

Please advise if there are any further details I can provide.

Best regards,


Kurt

RICEPOINT
A Computershare company.

Kurt Elgie
Senior Project Manager
(519) 601-7423 x. 341
Cell: (226) 235-3429
[email](#) • [web](#) • [map](#)

This email message, including any attachments, is for sole use of the intended recipient and may contain confidential and privileged information. Any unauthorized review, use, disclosure, or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply email and delete the original and all copies of this email.

This is Exhibit "D" mentioned and referred to in the Affidavit of David Weir, sworn before me at the City of London, in the County of Middlesex, this 14th day of August, 2017.

A handwritten signature in black ink, consisting of a large, stylized initial 'D' followed by a long, horizontal flourish that tapers to the right.

A Commissioner, etc.

HOME CAPITAL GROUP INC. SECURITIES LITIGATION

Ontario Superior Court of Justice (Southwest Region, London, Ontario), Court File No. 349/17CP

CLAIM FORM

I. GENERAL INSTRUCTIONS

1. The Claim Form is directed to the following Class or Class Members: all persons and entities wherever they may reside or be domiciled, other than Excluded Persons and Opt-Out Parties (as defined below), who acquired HCG common shares during the period from and including November 5, 2014 to and including the close of trading on the Toronto Stock Exchange on July 10, 2015 (the "Class Period").
2. To make a claim for compensation from the settlement in the above noted action, you must complete and, on page 6, sign the Claim Form. If you fail to file a properly addressed Claim Form, your claim may be rejected and you may be precluded from any recovery from the Net Settlement Funds created in connection with the settlement.
3. A separate Claim Form must be filed for each account in which common shares of Home Capital Group Inc. ("HCG") were held.
4. Only your HCG common shares acquired during the Class Period are eligible to potentially recover under the settlement. However, because your sales or unsold shares held up to the time of your claim will be used for purposes of calculating your Net Loss under the Distribution Protocol, information about acquisitions of HCG common shares after the Class Period, if any, is required for claim balancing. While such post Class Period acquisitions will not be used for purposes of calculating your Net Loss pursuant to the Distribution Protocol, the information is necessary in order to properly process your claim.
5. Submission of a Claim Form does not assure that you will share in the Net Settlement Funds.
6. MAIL YOUR COMPLETED AND SIGNED CLAIM FORM POSTMARKED ON OR BEFORE [DATE] ADDRESSED TO THE ADMINISTRATOR:

Home Capital Securities Litigation
c/o RicePoint Administration Inc.
P.O. Box 4454, Toronto Station A,
25 The Esplanade Toronto, ON M5W 4B1
1-866-808-1266

If you are NOT a member of the Class, as defined below, PLEASE DO NOT submit a Claim Form.

II. KEY DEFINITIONS

1. "Action" means the action styled *McDonald v. Home Capital Group Inc., et al.*, filed in the Ontario Superior Court of Justice (Southwest Region, London, Ontario) and bearing Court File No. 349/17CP.
2. "Defendants" means Home Capital Group Inc., Gerald M. Soloway, Robert Morton and Robert J. Blowes.
3. "Eligible Shares" means the HCG common shares acquired by a Class Member or Opt-Out Party during the Class Period and still held at the close of trading on the Toronto Stock Exchange on July 10, 2015.
4. "Excluded Persons" means:
 - (a) each Defendant;
 - (b) the past or present subsidiaries or affiliates of HCG;
 - (c) officers, directors, partners, legal representatives, consultants, agents, successors and assigns of HCG;
 - (d) any member of each of the individual Defendants' families; and
 - (e) the heirs, successors and assigns of the Defendants.
5. "Opt-Out Party" means any person who would otherwise be a Class Member and who submits a valid Opt-Out Request by the Opt-Out Deadline (the Opt-Out Deadline was close of business on August 8, 2017).

III. CLAIMANT IDENTIFICATION

1. If you acquired Eligible Shares and held the certificate(s) in your name, you are the beneficial purchaser as well as the record purchaser. If, however, the certificate(s) were registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial purchaser and the third party is the record purchaser.
2. Use Part I of this form entitled "Claimant Identification" to identify each purchaser. In addition, if you are NOT the beneficial owner and are filing a claim on behalf of the beneficial owner, please complete the "filer name" field in Part I of the "Claimant Identification" section on the first page of the Claim Form. A CLAIM FORM MUST BE FILED BY THE ACTUAL BENEFICIAL PURCHASER OR PURCHASERS, OR THE LEGAL REPRESENTATIVE OF SUCH PURCHASER OR PURCHASERS OF ELIGIBLE SHARES UPON WHICH THIS CLAIM IS BASED.
3. All joint purchasers must sign a Claim Form. Executors, administrators, guardians, conservators and trustees must complete and sign a Claim Form on behalf of persons represented by them and their authority must accompany this claim and their titles or capacities must be stated. The Social Insurance number, Business number or other unique tax identifier and telephone number of the beneficial purchaser may be used in verifying the claim. Failure to provide the foregoing information could delay verification of a claim or result in its rejection from eligibility for compensation.

IV. CLAIM FORM

1. Claim Forms must be submitted to the Administrator (see contact details on the first page of these instructions).
2. A separate Claim Form must be filed for each account in which Eligible Shares were held.
3. A claimant must provide all of the requested information with respect to **all** of his, her or its:
 - (a) HCG shares held at the close of trading on November 4, 2014;
 - (b) purchase(s) and acquisition(s) of HCG shares at any time during the Class Period;
 - (c) total number of HCG shares purchased from July 11, 2015 to the time the Claim Form is filed;
 - (d) sale(s) of HCG shares between November 5, 2014 and the time the Claim Form is filed; and
 - (e) HCG shares held at the time the Claim Form is filed.

Failure to report all required details may result in the rejection of a claimant's claim.
4. Please list each transaction in the Class Period separately and in chronological order, by trade date (not settlement date), beginning with the earliest. Claimants must accurately provide the month, day and year of each transaction listed.
5. Trade confirmations, broker statements or suitable alternative documentation evidencing a claimant's transactions in HCG shares must be submitted with the Claim Form. Failure to submit supporting documentation acceptable to the Administrator may result in the rejection of your claim.
6. The information required by the Administrator is the minimum amount of information necessary to process the claims. The Administrator may request additional information as required to efficiently and reliably calculate claimants' losses. In some cases, where the Administrator cannot perform compensation calculations accurately or at a reasonable cost to the Class with the information provided by a claimant, the Administrator may conditionally accept the claim pending receipt of additional information.
7. NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in an electronic aggregate file. If you wish to file an electronic file batch claim, you must contact the Administrator at 1-866-808-1266 or homecapital@ricepoint.com.

Official
Office
Use
Only

Home Capital Group Inc. Securities Litigation

Ontario Superior Court of Justice
Southwest Region, London, Ontario
Court File No. 349-17CP

Must Be Postmarked
or Received No Later
Than Month DD, 2017

HCQ

CLAIM FORM

Please Type or Print in the Boxes Below
Do NOT use Red Ink, Pencil, or Staples



PART I: CLAIMANT IDENTIFICATION

Last Name M.I. First Name

Last Name (Co-Beneficial Owner) M.I. First Name (Co-Beneficial Owner)

RRSP RRIF RESP Trust Pension IRA Other _____ (specify)

Company Name (Beneficial Owner - If Claimant is not an Individual) or Custodian Name if an IRA

Filer Name, If Different from Beneficial Owner Listed Above

Capacity of the Filer, if Not Beneficial Owner

Account#/Fund# (Not Necessary for Individual Filers)

Social Insurance Number/ Social Security Number/Unique Tax Identifier

Telephone Number (Primary) - - Telephone Number (Alternate) - -

Email Address

MAILING INFORMATION

Address

Address

City Province/State Postal/Zip Code

Country

FOR CLAIMS PROCESSING ONLY	OB <input type="text"/>	CB <input type="text"/>	<input type="radio"/> ATP	<input type="radio"/> BE	<input type="radio"/> FL	<input type="radio"/> OP	<input type="text"/> / <input type="text"/> / <input type="text"/>	FOR CLAIMS PROCESSING ONLY
			<input type="radio"/> KE	<input type="radio"/> DR	<input type="radio"/> ME	<input type="radio"/> RE		
			<input type="radio"/> ICI	<input type="radio"/> EM	<input type="radio"/> ND	<input type="radio"/> SH		



PART II. SCHEDULE OF TRANSACTIONS IN HOME CAPITAL GROUP INC.

Traded in Canadian Dollars (CAD)

This claim form is directed to the following Class or Class Members: All persons and entities wherever they may reside or be domiciled, who acquired HCG common shares during the period from and including November 5, 2014 to and including the close of trading on the Toronto Stock Exchange on July 10, 2015 ("Class Period").

Only HCG common shares acquired during the Class Period are eligible to potentially recover under the settlement.

A. Number of Shares held at the close of trading on November 4, 2014: Proof Enclosed?
 Y
 N

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B. Shares in Canadian Dollars purchased or acquired between November 5, 2014 - July 10, 2015, inclusive:

	PURCHASES		
Trade Date(s) of Shares (List Chronologically)	Number of Shares Purchased	Total Purchase Price (Canadian \$) Including Commissions <i>Please round off to the nearest whole dollar</i>	Proof of Purchase Enclosed?
M M D D Y Y			
1. <table border="1" style="display: inline-table; width: 40px; height: 20px;"></table> / <table border="1" style="display: inline-table; width: 40px; height: 20px;"></table> / <table border="1" style="display: inline-table; width: 40px; height: 20px;"></table>	<table border="1" style="display: inline-table; width: 100px; height: 20px;"></table>	C\$ <table border="1" style="display: inline-table; width: 150px; height: 20px;"></table> . <table border="1" style="display: inline-table; width: 20px; height: 20px;"></table> <table border="1" style="display: inline-table; width: 20px; height: 20px;"></table>	<input type="radio"/> Y <input type="radio"/> N
2. <table border="1" style="display: inline-table; width: 40px; height: 20px;"></table> / <table border="1" style="display: inline-table; width: 40px; height: 20px;"></table> / <table border="1" style="display: inline-table; width: 40px; height: 20px;"></table>	<table border="1" style="display: inline-table; width: 100px; height: 20px;"></table>	C\$ <table border="1" style="display: inline-table; width: 150px; height: 20px;"></table> . <table border="1" style="display: inline-table; width: 20px; height: 20px;"></table> <table border="1" style="display: inline-table; width: 20px; height: 20px;"></table>	<input type="radio"/> Y <input type="radio"/> N
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C. Total number of shares purchased from July 11, 2015 to the time the Claim Form is filed. Proof Enclosed?
 Y
 N

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D. Shares in Canadian Dollars sold between November 5, 2014 to the time the Claim Form is filed:

	SALES		
Trade Date(s) of Shares (List Chronologically)	Number of Shares Sold	Total Sales Price (Canadian \$) Including Commissions <i>Please round off to the nearest whole dollar</i>	Proof of Sales Enclosed?
M M D D Y Y			
1. <table border="1" style="display: inline-table; width: 40px; height: 20px;"></table> / <table border="1" style="display: inline-table; width: 40px; height: 20px;"></table> / <table border="1" style="display: inline-table; width: 40px; height: 20px;"></table>	<table border="1" style="display: inline-table; width: 100px; height: 20px;"></table>	C\$ <table border="1" style="display: inline-table; width: 150px; height: 20px;"></table> . <table border="1" style="display: inline-table; width: 20px; height: 20px;"></table> <table border="1" style="display: inline-table; width: 20px; height: 20px;"></table>	<input type="radio"/> Y <input type="radio"/> N
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3. <table border="1" style="display: inline-table; width: 40px; height: 20px;"></table> / <table border="1" style="display: inline-table; width: 40px; height: 20px;"></table> / <table border="1" style="display: inline-table; width: 40px; height: 20px;"></table>	<table border="1" style="display: inline-table; width: 100px; height: 20px;"></table>	C\$ <table border="1" style="display: inline-table; width: 150px; height: 20px;"></table> . <table border="1" style="display: inline-table; width: 20px; height: 20px;"></table> <table border="1" style="display: inline-table; width: 20px; height: 20px;"></table>	<input type="radio"/> Y <input type="radio"/> N
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E. Number of Shares held at the time the Claim Form is filed: Proof Enclosed?
 Y
 N

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If you require additional space, attach extra schedules in the same format as above. Sign and print your name on each additional page.
YOU MUST READ AND SIGN THE DECLARATION ON PAGE 6. FAILURE TO SIGN THE DECLARATION MAY RESULT IN A DELAY IN PROCESSING OR THE REJECTION OF YOUR CLAIM.



PART II. SCHEDULE OF TRANSACTIONS IN HOME CAPITAL GROUP INC.

Traded in US Dollars (USD)

This claim form is directed to the following Class or Class Members: All persons and entities wherever they may reside or be domiciled, who acquired HCG common shares during the period from and including November 5, 2014 to and including the close of trading on the Toronto Stock Exchange on July 10, 2015 ("Class Period").

Only HCG common shares acquired during the Class Period are eligible to potentially recover under the settlement.

A. Number of Shares held at the close of trading on November 4, 2014: [Grid] Proof Enclosed? [Y/N]

B. Shares in USD purchased or acquired between November 5, 2014 - July 10, 2015, inclusive:

Table with columns: Trade Date(s) of Shares (List Chronologically), Number of Shares Purchased, Total Purchase Price (USD \$) Including Commissions, Proof of Purchase Enclosed?

C. Total number of shares purchased from July 11, 2015 to the time the Claim Form is filed. [Grid] Proof Enclosed? [Y/N]

D. Shares in USD sold between November 5, 2014 to the time the Claim Form is filed:

Table with columns: Trade Date(s) of Shares (List Chronologically), Number of Shares Sold, Total Sales Price (USD \$) Including Commissions, Proof of Sales Enclosed?

E. Number of Shares held at the time the Claim Form is filed: [Grid] Proof Enclosed? [Y/N]

If you require additional space, attach extra schedules in the same format as above. Sign and print your name on each additional page. YOU MUST READ AND SIGN THE DECLARATION ON PAGE 6. FAILURE TO SIGN THE DECLARATION MAY RESULT IN A DELAY IN PROCESSING OR THE REJECTION OF YOUR CLAIM.



PART III. Declaration

How did you find out about this class action?

- Newspaper Notice
- Online (i.e. Facebook, Twitter, etc)
- Notice Mailing
- Other _____
(specify)
- Information provided by Broker/Custodian

Through what institution did you hold shares of Home Capital?

- TD
- RBC
- SCOTIA
- CIBC
- BMO
- Other(s) _____
(specify)

I (we) declare that the information on this Claim Form is true, correct and complete to the best of my knowledge, information and belief.

I (we) declare that I (we) have disclosed all of my (our) holdings and purchase and sales transactions in Shares for the time periods required by this Claim Form.

I (we) also declare that I (we) am (are) not an Excluded Person(s) or Opt-Out Party as these terms are defined in the General Instructions.

I (we) acknowledge and agree that the Claims Administrator may disclose all information relating to my (our) claim to the Courts and counsel to the parties in the Actions, as may be necessary.

Executed this _____ day of _____ in _____
(Month/Year) (City/State/Province/Country)

(Sign your name here)

(Sign your name here)

(Type or print your name here)

(Type or print your name here)

(Capacity of person(s) signing, e.g.,
Beneficial Purchaser, Executor or Administrator)
Proof of Authority to File Enclosed? Yes No

(Capacity of person(s) signing, e.g.,
Beneficial Purchaser, Executor or Administrator)
Proof of Authority to File Enclosed? Yes No

**ACCURATE CLAIMS PROCESSING TAKES A SIGNIFICANT AMOUNT OF TIME.
THANK YOU FOR YOUR PATIENCE.**

Reminder Checklist:

1. Please sign the above declaration.
2. Remember to attach supporting documentation, if available.
3. Do not send original share certificates; we may not be able to send them back.
4. Keep a copy of your Claim Form and all supporting documentation for your records.
5. The Claims Administrator will acknowledge receipt of your Claim Form by mail or email within 60 days. Your Claim Form is not deemed fully filed until you receive an acknowledgment postcard. If you do not receive an acknowledgment postcard within 60 days, please call the Claims Administrator toll free at 1-866-808-1266.
6. If you move, you are required to send the Claims Administrator your new address. Failure to notify the Claims Administrator of a new address may result in your settlement benefits not being received by you.

Privacy Statement

All information provided by the Claimant is collected, used, and retained by the Claims Administrator and Class Counsel pursuant to the Personal Information Protection and Electronic Documents Act (PIPEDA) for the purposes of administering the Settlements, including evaluating the Claimant's eligibility status under the Settlement Agreement. The information provided by the Claimant is strictly private and confidential and will not be disclosed without the express written consent of the Claimant and an order of the Court.

"Class Counsel" is defined as Siskinds LLP of London, Ontario. The "Claims Administrator" is defined as RicePoint Administration Inc. of London, Ontario.



Court File No. 349/17CP

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

CLAIRE R. MCDONALD

Plaintiff

- and -

HOME CAPITAL GROUP INC., GERALD M. SOLOWAY, ROBERT MORTON, and
ROBERT J. BLOWES

Defendants

Proceeding under the Class Proceedings Act, 1992

SUPPLEMENTAL AFFIDAVIT OF NICOLE YOUNG

I, Nicole Young, of the Village of Ailsa Craig, in the Municipality of North Middlesex, MAKE OATH AND SAY:

1. I am a law clerk in the class actions department of Siskinds LLP ("**Siskinds**"). Siskinds is counsel to the Plaintiff in the above-captioned action.
2. On July 25, 2017, I swore an affidavit in support of the Plaintiff's motion for an Order approving a settlement in this matter pursuant to subsection 29(2) of the *Class Proceedings Act, 1992*, SO 1992, c 6 ("**Previous Affidavit**").
3. This affidavit supplements my Previous Affidavit. To the extent that my knowledge is based on information and belief, I have so indicated, identified the source and I believe that information to be true.

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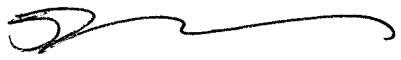
4. Terms capitalized but not defined in this, my affidavit, have the meanings attributed to them in the settlement agreement between the parties, dated June 22, 2017, as amended on August 3, 2017 ("**Settlement Agreement**").

PURPOSE FOR WHICH EVIDENCE IS PROVIDED

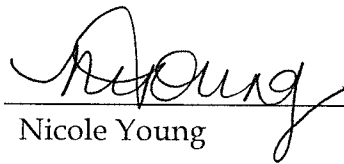
5. I am providing this, my supplemental affidavit, as a report to the Court on Class Counsel's publication of the Plaintiff's motion materials in support of her motions for:
 - (a) settlement approval; and
 - (b) Class Counsel Fees approval.
6. On July 26, 2017, at the request of Class Counsel, I caused the following documents to be posted to Class Counsel's website:
 - (a) the Plaintiff's motion record for settlement approval; and
 - (b) the Plaintiff's motion record for Class Counsel Fees approval.

7. The aforementioned documents, together with the other documents posted on Class Counsel's website that are referred to in paragraph 11 of my Previous Affidavit, remain posted on Class Counsel's website for viewing and download as at the date of this, my supplemental affidavit.

SWORN OR AFFIRMED before)
 me at the City of London, in the)
 County of Middlesex, this 15th)
 day of August, 2017.)


 _____)
 A Commissioner, etc.)

LSUC # 59642T



 Nicole Young

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at London

Proceeding under the *Class Proceedings Act, 1992*

**SUPPLEMENTAL AFFIDAVIT OF
NICOLE YOUNG**

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Lawyers for the Plaintiff

**ONTARIO
SUPERIOR COURT OF JUSTICE**

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**SUPPLEMENTAL MOTION RECORD
SETTLEMENT APPROVAL**

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