

Harnam v. Chandran
Court File No. 1201-08021

SETTLEMENT WITH RIAZ MAMDANI, STRATEGIC FINANCIAL CORP.,
STRATEGIC EQUITY CORP. AND GLENMORE & CENTRE LTD.

CLAIMS AND DISTRIBUTION PROTOCOL

1. The following definitions apply in this Claims and Distribution Protocol:
 - a. "Certification Order" means the Order of Mr. Justice A.D. Macleod pronounced December 19, 2013, in the Class Action;
 - b. "Claim Deadline" means the date by which any person who wishes to claim for compensation in connection with the Settlement shall deliver to or otherwise provide Class Counsel with a completed Claim Form. If Class Counsel does not receive a Claim Form from a Claimant by the Claim Deadline, then the Claimant shall not be eligible for any compensation whatsoever in connection with the Settlement. Notwithstanding the forgoing, Class Counsel shall have the discretion to permit otherwise-valid late claims without further order of the Court. The Claim Deadline date is November 30, 2018;
 - c. "Claim Form" means a written claim in the form attached as Appendix "C", seeking compensation from the Fund in connection with the Settlement;
 - d. "Claimant" means any person making a claim as a purported Investor, or on behalf of a purported Investor (with proper authority, as determined by Class Counsel), in connection with the Settlement;
 - e. "Class Action" means the Court of Queen's Bench of Alberta Action bearing Court File No. 1201-08021;
 - f. "Class Counsel" means Burnet Duckworth & Palmer LLP;
 - g. "Distributable Funds" has the meaning set out below;
 - h. "Distribution Approval Order" means a Court Order approving the distribution amount to be made to each Claimant who filed a valid claim by the Claim Deadline;
 - i. "Excluded Claim" means any claim made by a defendant in the Class Action;
 - j. "Fund" means the \$2,250,000 paid by Glenmore & Centre Ltd., in its capacity as the general partner and bare trustee of Glenmore & Centre Limited Partnership, and held in trust by Class Counsel, plus all interest and other gains thereon generated thereafter less any losses generated therefrom;
 - k. "Investor" has the meaning ascribed to that term in the Certification Order;
 - l. "Non-Resident Claimant" has the meaning set out below;
 - m. "Notice Date" means the date by which Class Counsel shall provide notice to potential Claimants, in the manner set out below. The Notice Date is October 2, 2018;

- n. "Representative Plaintiffs" means Gary Guidry and Hari Harnam;
 - o. "Settlement" means the settlement of the Class Action with the Settling Defendants pursuant to the Settlement, Funding and Interest Transfer Agreement made effective as of the Effective Date as defined therein;
 - p. "Settlement Approval Order" means the Order of Justice Macleod dated September 11, 2018, approving the Settlement.
 - q. "Settling Defendants" means Riaz Mamdani, Strategic Financial Corp., Strategic Equity Corp. and Glenmore & Centre Ltd.; and
 - r. "Tax Escrow Agreement" means the Tax Escrow Agreement between the Settling Defendants, the Representative Plaintiffs and Class Counsel made effective as of the Effective Date as defined therein.
2. The Fund of \$2,250,000 shall be distributed as follows:
- a. \$220,720.43 shall be paid to Class Counsel for its outstanding legal fees and disbursements incurred in connection with the Class Action;
 - b. \$135,777.20 shall be paid to the individuals listed in Appendix "A", in the amounts listed in Appendix "A", to reimburse them for legal fees and disbursements already paid to Class Counsel in connection with the Class Action;
 - c. An amount to set and approved by the Court in the Distribution Approval Order shall be paid to Class Counsel for the administration of the claims made by Claimants in connection with this Settlement (including, but not limited to, in Class Counsel's capacity as the Escrow Agent under the Tax Escrow Agreement); and
 - d. The remaining amount of the Fund after the amounts in 2(a), 2(b) and 2(c) are deducted (the "**Distributable Funds**") shall be distributed to Claimants who have made valid claims by the Claim Deadline, on a pro rata basis based on the amount invested by each Claimant with a valid claim, in accordance with the terms of this Claims and Distribution Protocol, the Distribution Approval Order and the Tax Escrow Agreement;
3. Notice of the Settlement, the claim process and the Claim Deadline shall be provided to potential Claimants as follows:
- a. By Class Counsel publishing the Settlement Approval Order, the Notice of Settlement (a copy of the Notice of Settlement is attached as Appendix "B") and the Claim Form (a copy of the Claim Form is attached as Appendix "C") on the website <http://www.glenmoreclassaction.com/> by the Notice Date;
 - b. By Class Counsel sending copies of the Settlement Approval Order, the Notice of Settlement and the Claim Form to the last known mailing and email addresses of all potential Claimants known to Class Counsel based on its records and the records produced by the Defendants in the Class Action by the Notice Date; and

- c. By Class Counsel calling all potential Claimants known to Class Counsel at their last known phone numbers, based on Class Counsel's records and the records produced by the Defendants in the Class Action, and advising them of the Settlement and the claims process and directing them to the website <http://www.glenmoreclassaction.com/> by the Notice Date.
4. Class Counsel shall review each Claim Form delivered by a Claimant by the Claim Deadline and verify that the Claimant is eligible for compensation, as follows:
 - a. For a Claimant making a claim on their own behalf as an purported Investor, Class Counsel shall be satisfied that (i) the Claimant is an Investor; and (ii) the claim is not an Excluded Claim; and
 - b. For a Claimant making a claim on behalf of a purported Investor or the estate of a purported Investor, Class Counsel shall be satisfied that (i) the Claimant has authority to act on behalf of the Investor or the estate of the Investor in respect of financial affairs; (ii) the person or estate on whose behalf the claim was submitted is a Investor; and (ii) the claim is not an Excluded Claim.
5. Class Counsel shall take reasonable measures to verify that the Claimants are eligible for compensation. Class Counsel may make inquiries of Claimants in the event of any concerns, ambiguities or inconsistencies in the Claims Forms. Should there be any dispute or uncertainty regarding a claim made by a Claimant, Class Counsel may refer the matter to the Court for determination;
6. Once Class Counsel has finished processing all of the claims made by Claimants by the Claim Deadline, it shall seek the Distribution Approval Order;
7. Class Counsel shall then distribute the Distributable Funds in accordance with the terms of the Distribution Approval Order; and
8. Each Claimant will be required to provide a mailing address and to certify whether they are residents of Canada or non-residents of Canada for purposes of the *Income Tax Act* (Canada) in their Claim Form. If a Claimant does not certify that they are a resident of Canada, or certifies that they are a non-resident of Canada (in either case, a "**Non-Resident Claimant**"), Class Counsel shall withhold the Distributable Funds allocated to such Non-Resident Claimant in the Distribution Approval Order in accordance with the Tax Escrow Agreement.