

Class Member Participants in the GLGI* Tax Shelter

*Global Learning Gifting Initiative, Tax Shelter Registration No. TS 070003

NOTICE OF APPROVAL OF PARTIAL SETTLEMENT

This notice is for all Class Members in the class action lawsuit known as *Wintercorn et al. v. Global Learning Group Inc. et al.*, Ontario Superior Court of Justice Court File No. CV-17-583573-00CP (the “Action”).

You are receiving this notice because you have been identified as a Class Member in this Action, and you did not opt out of the Action at the time that it was certified as a class proceeding.

What is the purpose of this notice?

The Representative Plaintiffs have settled with one of the defendants, Morris Kepes & Winters LLP, and two other entities, Morris & Morris LLP, and Robert Kepes (collectively, the “Settling Defendants”). The Ontario Superior Court of Justice approved the Settlement Agreement, finding it to be fair and reasonable and in the best interests of the Class.

This Notice explains your rights arising from the Settlement Agreement.

What are the terms of the Settlement Agreement?

This is only a partial settlement of the Class Members’ claims. It settles the claim against only one of the named defendants. The Action is still being prosecuted against ten other defendants (the “non-settling defendants”).

There will be no distribution of money to the Class from this settlement at this time.

Under the terms of the Settlement Agreement, the Settling Defendants paid \$1,450,000, and agreed to co-operate with the Plaintiffs in the ongoing litigation of the Action against the non-settling defendants by producing documents, giving evidence under oath, answering requests to admit, and appearing as a witness at trial. In exchange, all of the Class’ claims against the Settling Defendants have been released on a full and final basis, and the liability of the non-settling defendants to the Class will exclude whatever proportion of fault (if any) that the court finds was the responsibility of the Settling Defendants.

The Settling Defendants do not admit any wrongdoing or liability to the Class in relation to the allegations in the Action. If this settlement had not been reached, the Action would have continued against Morris Kepes & Winters LLP, and the parties would have fought a motion about whether the claim against that firm had any merit, and also about whether Robert Kepes should be added as a defendant to the Action. This would have added additional delay and expense to the proceeding.

Details of the settlement, including a copy of the Settlement Agreement and the court’s settlement approval order, can be found at www.glgiclassaction.com. If you would like a copy of the materials filed with the court in support of the settlement approval, you may request a set from Class Counsel at the addresses below.

Do I have to do anything now?

There is no action to be taken by Class Members at this time. This notice is for your information, only.

There will be additional notices to the Class if there are any further settlements, or a trial decision. Class Counsel may also send informal updates to you from time to time.

What about the legal fees?

The settlement funds have been used to pay legal fees to Class Counsel in the total amount of \$435,000, plus disbursements totalling \$100,717.47, as approved by the court.

Class Counsel have entered into a contingency fee agreement with the Representative Plaintiffs, which means that Class Counsel are paid only from the proceeds of any judgments or settlements, like the funds from this Settlement Agreement, and only after the Court has approved the legal fees. The Court has approved the contingency fee agreement and found that Class Counsel was entitled to be paid 30% of the funds from this partial settlement, and reimbursement of the disbursements that they have incurred in prosecuting the Action to date. The Court's decision to allow legal fees of 30% in respect of this partial settlement does not mean that the Court will approve any future legal fees in the same percentage. The Court will decide the amount of any future legal fees payable if there is any future settlement or trial judgment in favour of the Class.

A payment of \$485,660.34 has also been made to the Class Proceedings Fund, consisting of a 10% levy on the settlement funds, net of reimbursement to the Fund of expenses it has paid for the prosecution of the Action (totalling \$444,318.99), and of the legal fees.

The balance of the settlement funds are being held in trust by Class Counsel and will be used to pay for the ongoing costs of the litigation. Any money remaining when the Action is resolved will be allocated towards any further legal fees approved by the court at that time.

What if I have more questions?

Any questions about this settlement, or the status of the Action, should be addressed to Class Counsel:

Waddell Phillips Professional Corporation Barristers 36 Toronto Street, Suite 1120 Toronto ON M5C 2C5 reception@waddellphillips.ca 647-261-4486 or 1-888-684-5545 (toll-free)	Klein & Schonblum, Associates Barristers & Solicitors 2300 Yonge Street, Suite 2901 Toronto, Ontario M4P 1E4 glgi@ksalaw.com 416-480-0221
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This notice is a summary of the terms of the settlement approval order. If there is a conflict between the provisions of this notice and the terms of the settlement approval order, the settlement approval order prevails. The settlement approval order can be viewed at www.glgiclassaction.com or www.classaction2.com/glgi.html.

The Ontario Superior Court of Justice approved this notice.