

**NOTICE TO MONEY CONCEPT (BARRIE) CLIENTS
OF EITHER DAVID KARAS OR JAMES STEPHENSON
INVOLVED IN LEVERAGED INVESTMENTS**

***NOTICE OF CERTIFICATION
AND MOTION FOR SETTLEMENT APPROVAL***

This is a court authorized notice. This is not a solicitation from a lawyer.

BASIC INFORMATION

This notice is directed to all clients of either David Karas or James Stephenson who borrowed money to invest in mutual funds or segregated funds through Money Concepts (Barrie) and held leveraged investments at Money Concepts (Barrie) prior to the branch closing on or about March, 2010 (the “Class”).

This notice was authorized by the Court because you have a right to know about a proposed settlement of the Class Actions. You have a right to know about your options before the Court decides whether to approve the proposed settlement. This notice explains the lawsuits, the settlement, and your legal rights and options.

THE CERTIFICATION ORDERS

On February 17th, 2012, the Honourable Mr. Justice Shaughnessy of the Ontario Superior Court of Justice (the “Court”) certified the actions *French v. Investia et al*, Ontario Court File No. 10-0690 and *Smith v. Investia et al*, Ontario Court File No. 11-0234 (the “Class Actions”).

A settlement of the Class Actions was reached between the parties while the Defendants in the Class Actions were seeking permission of the Divisional Court to appeal those decisions. That appeal process remains in progress in the event that the Settlement is not approved.

THE MOTION FOR SETTLEMENT APPROVAL

On June 7th, 2013, a Motion for Settlement Approval will proceed before the Court at 150 Bond Street East, Oshawa, Ontario, Courtroom #206. The Court will be asked to approve a proposed settlement of the Class Actions.

You may attend and, if you have submitted a written objection (as set out below), may ask to speak, but you do not have to. At the Motion, the Court will consider whether the proposed settlement is fair, reasonable and adequate, and in the best interests of the Class. If there are objections, the Court will consider them at the Motion. The court may reserve judgment and announce its decision after the Motion.

You should note that the settlement is subject to the condition that the settlement may be voided by the Defendants depending on the number of Class Members who opt out and exclude themselves from the Class Actions and the Settlement.

Unless the Court orders otherwise, there will not be a further Notice published or sent out about the outcome of the Motion (although a copy of the Court's decision along with additional information will be available at www.thomsonrogers.com/money-concepts-settlement)

WHO IS INVOLVED IN THE LAWSUITS?

In a class action, a person called a “representative plaintiff” sues on behalf of people who have similar claims. All of these people comprise a “class”. The Court resolves the issues for everyone affected; except for those who choose to remove themselves (opt out) from the class.

In these Class Actions, George French and Irene Smith are the representative plaintiffs. They are suing on behalf of Money Concept (Barrie) clients of either David Karas or James Stephenson who borrowed money to invest in mutual funds or segregated funds, and who suffered financial losses as a result.

The Defendants are the investment advisors, David Karas and James Stephenson, along with their associated corporations and their employers.

WHAT ARE THE LAWSUITS ABOUT?

The Plaintiff alleges that the Defendants wrongfully recommended and encouraged leveraged investments to their clients without due regard for the client's individual circumstances, resulting in financial losses to many of their clients.

WHY IS THERE A PROPOSED SETTLEMENT?

A settlement is not an admission of any wrongdoing by the Defendants. A court or jury did not make any decision in favor of the Plaintiffs or the Defendants. Instead, both sides have mutually agreed to settle the claims. Both sides agreed to a settlement to avoid the delays, costs, and risks associated with a trial and possible appeals. The opinion of the lawyers representing the Class is that the proposed settlement is fair and reasonable for Class Members. To be effective, the settlement must be approved by the Court.

WHO IS AND ISN'T COVERED BY THE SETTLEMENT?

You are a Class Member if you were a client of either David Karas or James Stephenson who borrowed money to invest in mutual funds or segregated funds through Money Concepts (Barrie) and held leveraged investments at Money Concepts (Barrie) prior to the branch closing on or about March, 2010, unless you exclude yourself or unless you are ineligible.

However, only those Class Members who complete and submit a Claim Form as set out below and who have validated financial losses from their leveraged investments, as determined by the Administrator, will receive Compensation from the Settlement.

Certain persons who are related to the Defendants are ineligible for the Settlement.

THE SETTLEMENT – WHAT YOU GIVE UP

If you are a Class Member who does not opt out of the class proceeding and the settlement is approved by the Court and is not voided, the Class Member will give up the right to pursue any legal action against the Defendants and all related people and entities concerning the claims that this proposed settlement resolves.

HOW TO MAKE A CLAIM

Persons who believe they are Class Members must submit a Claim Form.

Only persons that submit a Claim Form will be considered for Compensation pursuant to the Settlement.

All Claim Forms must be submitted to the Class Action Administrator (the “Administrator”) **by February 28, 2013**. If you do not submit a Claim Form by this date you cannot receive compensation under the settlement and will have lost your right to pursue any legal action against any of the defendants relating to these claims.

The Claim Forms are available from the Class Action Administrator as set out below (you may download them online or request one by phone, fax or email):

Crawford Class Action Services
3-505, 133 Weber St. N.
Waterloo, ON, N2J 3G9
Tel: 1-877-739-8936
Fax: 1-888-842-1332

Claim Forms available at www.thomsonrogers.com/money-concepts-settlement

The Administrator will review all Claim Forms to determine whether the person is a Class Member and whether the Class Member is entitled to Compensation under the Settlement. Decisions by the Administrator are final and binding.

THE SETTLEMENT

The Settlement provides that Class Members who have submitted Claim Forms and who the Administrator has determined suffered financial losses as a result of their participation in leveraged investments will be entitled to a partial reimbursement of the financial losses, as determined by the Administrator. The partial reimbursement is expected to be a fraction of the claimant’s calculated financial losses determined as of a crystallization date (being the earlier of the date the Class

Members' funds were transferred out of Investia's control and the date the branch closed). The extent of the partial reimbursement will vary depending on a number of factors including the number of valid claims made. In addition, Class Members receiving compensation should speak with their accountants about the tax implications, if any, upon receipt of the compensation.

Class Members who have been determined by the Administrator not to have suffered financial losses as a result of the leveraged investments will not receive any compensation.

IF THE SETTLEMENT IS APPROVED

If the settlement is approved, then Class Members who have submitted Claims Forms to the Administrator as set out below, and who have been determined to be eligible for Compensation by the Administrator will receive Compensation as calculated by the Administrator.

Compensation will only be sent out to eligible Class Members approximately two months following the date the Court approves the Settlement.

CHOICES OF CLAIMANTS

Those who believe they are Class Members and who are seeking Compensation have the following choices:

1. Submit a Claim Form – to be eligible for compensation, all Class Members must submit a Claim Form to the Administrator **by February 28, 2013**. Class Members who do not submit a Claim Form will not be eligible for compensation under the Settlement. Note that submitting a Claim Form does not automatically entitle a Class Members to compensation as only those with losses as determined by the Administrator will qualify for Compensation.
2. Opt Out – if you are a Class Member and do not wish to have your claim resolved in the Class Actions then you may choose to exclude yourself from the Class Actions by sending a signed written election to the Administrator stating that you wish to opt out of the Class Actions **by January 31, 2013**. Once you opt out, you will not be able to obtain Compensation from this Settlement (see “Excluding Yourself from the Settlement”, below).

Your legal rights are affected whether you act or not. These rights and options – **and the deadlines to exercise them** – are explained further in this notice.

EXCLUDING YOURSELF FROM THE SETTLEMENT

Class Members who wish to make a claim under the Settlement must submit a Claim Form.

Class Members who want to formally opt out of the Settlement so that they can reserve their right to pursue legal recourse against any person who may be liable in relation to these claims involving the sale of leveraged investments by David Karas or James Stephenson, may opt out of the Settlement. It should be noted that the Defendants may challenge any claims brought by those that opt out on the

basis of legal limitation periods that may have expired before the Class Actions were commenced along with any other legal defences.

Any Class Member who wishes to opt out of the Class Actions must do so **by January 31, 2013** by sending a signed written election to the Administrator stating that you wish to opt out of the Class Actions.

No Class Member will be permitted to opt out of the Class Actions after January 31, 2013.

No person may opt out a minor or a mentally incapable person without permission of the Court after notice to The Children's Lawyer or the Public Guardian and Trustee, as appropriate.

HOW TO OBJECT TO THE SETTLEMENT

Any interested person, including Class Members and those that have filed a Claims Form, may object to the proposed settlement, or some aspect of it, and you can tell the Court about your concerns by submitting a written objection.

You may only request to speak at the Motion if you have submitted a written objection.

If you wish to make an objection, to do so you must by May 7, 2013, write to:

Attn: Darcy R. Merkur
Thomson, Rogers
Barristers and Solicitors
390 Bay Street, Suite 3100
Toronto, Ontario, M5H 1W2
Fax: 416-868-3176
Email: dmerkur@thomsonrogers.com

Be sure to explain why you object to the proposed settlement and include your name, the amount of your loans, your address, and telephone number. Indicate whether you are requesting to come and speak at the hearing.

All objections sent by May 7, 2013 will be provided to the Court at the Motion.

If you want to be represented by your own lawyer, you may hire one at your own expense.

If you object, but the settlement is approved, you will still be able to receive compensation, as long as you didn't exclude yourself (see "Opting Out from the Class Action and the Settlement").

LEGAL FEES AND DISBURSEMENTS

Counsel entered into an agreement with the representative plaintiffs with respect to legal fees and disbursements. The agreement provided that Class Counsel would not receive payment for their work unless the Class Action was successful or costs were received from the Defendants. The

agreement had provided for either a multiplier on Class Counsel's legal time, as approved by the Court, or a fee of 33%, plus H.S.T., of the total amounts recovered by the Class in the Class Actions. The amount of fees requested by Class Counsel is expected to be a multiplier on Class Counsel's legal time, but is expected to be no more than 20% (plus H.S.T) of the amount recovered in damages in the Class Actions, in addition to the contribution by the Defendants toward the plaintiff's legal costs, taxes and disbursements.

At the Motion, Class Counsel will be asking the Court to approve the fees to be paid to Class Counsel. Members of the Class will **not** be personally liable to pay counsel any legal fees or disbursements over and above the amounts approved by the Court.

GETTING MORE INFORMATION

This notice summarizes the proposed settlement. More details are available at www.thomsonrogers.com/money-concepts-settlement

Questions for class counsel should be directed by email, fax or telephone to:

Darcy R. Merkur
Thomson, Rogers
Barristers and Solicitors
390 Bay Street, Suite 3100
Toronto, Ontario, M5H 1W2
Toll free: 1-888-223-0448
Fax: 416-868-3134
dmerkur@thomsonrogers.com