

**SUPERIOR COURT  
(Class Action Chamber)**

**CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTREAL**

**N°: 500-06-000932-182**

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**QING WANG**

Representative Plaintiff

v.

**HERITAGE EDUCATION FUNDS INC.**

and

**HERITAGE EDUCATIONAL FOUNDATION**

and

**CHILDREN'S EDUCATION FUNDS INC.**

and

**CHILDREN'S EDUCATION FOUNDATION OF CANADA**

and

**KNOWLEDGE FIRST FINANCIAL INC.** (personally and in continuance of proceedings for  
**HERITAGE EDUCATION FUNDS INC.)**

and

**KNOWLEDGE FIRST FOUNDATION**

Settling Defendants

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**SETTLEMENT AGREEMENT**

**(Schedule A)**

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## **SCHEDULE A**

### **PROTOCOL FOR DISTRIBUTION OF THE SETTLEMENT AMOUNT**

#### **I. DEFINITIONS**

1. For the purposes of this Distribution Protocol, the definitions found in the Settlement Agreement apply.

#### **II. GENERAL PRINCIPLES OF THE ADMINISTRATION**

2. The objective of this Distribution Protocol is to distribute the entire Compensation Amount to Class Members.
3. This Distribution Protocol governs the administration process for distributing the Compensation Amount in accordance with the Settlement Agreement.
4. The Settlement Administrator shall:
  - (a) implement and conform to the Settlement Agreement, orders of the Court and this Distribution Protocol;
  - (b) employ secure, paperless, web-based systems with electronic record-keeping (if possible);

#### **III. SETTLEMENT WEBSITE**

5. Within ten (10) days of the Preliminary Approval Order, Class Counsel shall establish and maintain the Settlement Website to inform Class Members about the Settlement. The Settlement Website shall include:
  - (a) A brief description of the Class Action;
  - (b) Copies of the Settlement Agreement with its schedules, and relevant proceedings and judgments in the Class Action;
  - (c) Copies of the Notice of Settlement Approval Hearing, in English and French;

- (d) The Settlement Administrator's and Class Counsel's contact information;
- (e) The hyperlink to attend the virtual hearing for settlement approval (as soon as the Court room is confirmed by the Court).

6. Additionally, within ten (10) days of the Effective Date, Class Counsel may add the following to the Settlement Website:

- (a) The copies of the Settlement Approval Notice, in English and French; and
- (b) The copy of the Approval Order.

#### **IV. INFORMATION ABOUT CLASS MEMBERS**

7. Within ten (10) days following the Preliminary Approval Order, as set out in paragraphs 15 and 16 of the Settlement Agreement, Settling Defendants shall provide the Settlement Administrator with full lists of Class Members. This list shall include, for each Class Member (if known):

- (a) Their full name;
- (b) Address;
- (c) Email address;
- (d) Telephone number;
- (e) Mobile phone number, if available;
- (f) And for Subclass Members only, the amount of fees paid, to calculate the ratios for Individual Compensation.

## **V. DISTRIBUTION OF COMPENSATION AMOUNT**

### **A. GENERAL PROVISIONS**

8. The Settlement Administrator shall arrange to pay Individual Compensation from the Compensation Amount as promptly as possible and in accordance with the deadlines set out in the Settlement Agreement and this Distribution Protocol.

9. No later than sixty (60) days after the Effective Date, or after final Court adjudication of the Class Counsel Fees and Disbursements (whichever is later), the Settlement Administrator shall pay Class Members, as identified in the lists provided by the Settling Defendants, their Individual Compensation as set out below.

### **B. MAIN CLASS MEMBERS**

10. The portion of the Settlement Amount allocated to Main Class Members is \$286,670.00.

11. The Settlement Administrator shall calculate the Individual Compensation for Main Class members by subtracting the Class Counsel Fees and Disbursements in the amount of \$63,944.33 plus GST and QST, subject to the Court's approval.

12. The remaining amount of \$213,150 shall be allocated for Individual Compensation to Main Class Members. The remaining amount to Main Class Members shall be divided equally among all Main Class Members, so that each receives an equal Individual Compensation.

### **C. SUBCLASS MEMBERS**

13. The portion of the Settlement Amount allocated to the Subclass members is \$347,402.93.

14. From this amount, the following deductions shall be made:

- (a) Class Counsel Fees, in the amount of \$104,220.87 plus GST and QST, subject to the Court's approval;
- (b) Class Counsel disbursements, including taxes, in the amount of \$24,870.11, subject to the Court's approval;
- (c) Reimbursement to the FAAC, in the amount of \$101,765.16, excluding GST and QST on part of this amount. Taxes not exceeding \$14,939.00 which were not paid by the FAAC shall be reimbursed to Class Counsel, all subject to the Court's approval;
- (d) Representative Plaintiff's Disbursement, including taxes, in the amount of \$2,101.20, subject to the Court's approval.

15. After the above deductions, the remaining amount, shall be allocated for Individual Compensation to Subclass Members on a *pro rata* basis. To the extent that the Court approves a different amount, the Settlement Administrator shall deduct such amount from the portion of the Settlement Amount allocated to Subclass Members.

16. The resulting Compensation Amount for Subclass Members shall be distributed on a *pro rata* basis as follows:

- (a) The Settlement Administrator shall calculate a ratio for each Subclass Member as follows:  
  
$$(\text{Total fees paid by the Subclass Member}) \div (\text{Total fees paid by all Subclass Members}).$$
- (b) The Individual Compensation for each Subclass Member shall be determined by multiplying the Subclass Member's ratio by the Compensation Amount for Subclass Members.

17. For greater certainty, nothing in the Settlement Agreement or the Distribution Protocol shall preclude a Subclass Member from also being a Member of the Main Class. In such cases, a Person who qualifies as both a Subclass Member and a Main Class Member shall be entitled to receive both the Individual Compensation calculated for Subclass Members under this section and any Individual Compensation to which they are entitled as a Main Class Member.

**D. PAYMENT METHOD**

18. Individual Compensation shall be paid by E-Transfer to the email address or mobile phone number, where possible, as provided in the lists provided by Settling Defendants. If E-transfer is not possible due to missing or invalid information, payment shall be made by cheque mailed to the address on record for the Class Member.

19. If the address or contact information for a Class Member is not current or is incomplete, the Settlement Administrator shall make all reasonable and cost-efficient efforts to obtain updated information in order to deliver the Individual Compensation.

20. If, after the period set out in paragraph 9, the contact information or other required information for a Class Member remains unavailable or incomplete, the Settlement Administrator shall be unable to issue payment to that Class Member. In such cases, the portion of the Individual Compensation allocated to that Class Member, whether as a Main Class Member or Subclass Member, shall be paid into the Remainder.

**E. UNCLAIMED OR UNDELIVERABLE PAYMENTS**

21. The Settlement Administrator shall keep clear records of all payments, including any amounts remaining after payment to Class Members due to uncashed or undeliverable cheques, failed E-transfers, or other reasons.

22. The Settlement Administrator shall not reissue payments to Class Members if such payments are returned as undeliverable or become stale-dated after issuance. For greater certainty, the Settlement Administrator shall not reissue: (a) cheques that are returned as

undeliverable or that become stale-dated six (6) months after the date of issuance; or (b) E-transfers that are returned as undeliverable or that expire thirty (30) days after the date of issuance.

23. In the event that the distribution of the Compensation Amount does not result in the full disbursement of the funds, the Settlement Administrator shall deal with any remaining funds (the Remainder) in accordance with the terms of the law, the Settlement Agreement and any further orders of the Court.

## **VI. UPDATES AND RENDERING OF ACCOUNT**

24. During the distribution process, the Settlement Administrator shall provide periodic updates to Class Counsel and Settling Defence Counsel at least bimonthly, or more frequently in the event of material developments.

25. All Parties shall have access to information and documents held by the Settlement Administrator relating to the Class Action, except for personally identifiable information unless otherwise ordered by the Court.

26. Within seven (7) months following the completion of the distribution of the Compensation Amount, the Settlement Administrator shall provide a detailed report of its administration, in accordance with paragraph 19 of the Settlement Agreement.

## **VII. MISCELLANEOUS**

27. The Settlement Administrator shall act impartially, in a cost-efficient manner and in accordance with the terms of the Settlement Agreement, this Distribution Protocol, and all applicable Court orders.

28. Any disputes or issues arising in the course of the administration of this Distribution Protocol that cannot be resolved by the Parties shall be referred to the Court for determination.

29. Any material change(s) to this Distribution Protocol may be amended by order of the Court or by written agreement of the Parties, subject to Court approval.