
NOTICE OF SETTLEMENT APPROVAL HEARING

CLASS ACTION REGARDING REGISTERED EDUCATION SAVINGS PLAN (“RESP”) AND ENROLMENT FEES, SALES CHARGES, MEMBERSHIP FEES AND LOSSES OF CONTRIBUTIONS IN QUEBEC

**Wang v. Heritage Education Funds Inc., Heritage Education Foundation, Children’s
Education Funds Inc., Children’s Educational Foundation Canada, Knowledge First
Financial Inc. (personally and in continuance of proceedings for Heritage Education Funds
Inc.) and Knowledge First Foundation (S.C.M. No. 500-06-000932-182)**

READ THIS DETAILED NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS

A settlement agreement (the “**Settlement Agreement**”) has been reached, subject to Court approval, in Court docket number 500-06-000932-182 of the Superior Court of Quebec (the “**Class Action**”) between the representative Plaintiff Mr. Wang (the “**Plaintiff**”), and the following Defendants: Heritage Education Funds Inc., Heritage Education Foundation, Children’s Education Funds Inc., Children’s Educational Foundation Canada, Knowledge First Financial Inc. (personally and in continuance of proceedings for Heritage Education Funds Inc.) and Knowledge First Foundation (collectively, the “**Settling Defendants**” and, collectively with the Plaintiff, the “**Parties**”), in the class action instituted in relation to Group Registered Education Savings Plan (“**Group RESP**”).

You are receiving this notice because you have been identified by the Settling Defendants as part of the Main Class or the Subclass (as defined below under the heading “Who are the Main Class and Subclass Members?”) and to inform you that the Plaintiff and the Settling Defendants have reached a Settlement putting an end to the Class Action between them. They will ask the Court to approve it and the settlement approval hearing will take place on **August 29, 2025, at 9:15 a.m.** in room 15.04 of the Montreal Courthouse (or another room to be posted on the Settlement Website). **This Settlement may affect your rights, whether you act or not. Please read this notice carefully.**

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| Who are the Main Class and Subclass Members? |
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You are eligible to receive benefits under the Settlement Agreement if you are a Main Class or Subclass Member and have (or had) a contract with any of the Settling Defendants.

You are a **Main Class Member** if you reside in Quebec and, at any time between July 19, 2013, and December 31, 2024, you signed a contract with any of the Settling Defendants in which you were a subscriber and/or contributor (either primary or joint) for a Group RESP, and were charged a fee (referred to as “Enrolment Fee,” “Sales Charge” and/or “Membership Fee”), including the commissions of the distributor and its salesmen, exceeding \$200 per plan (“**Main Class Member**”).

You are a **Subclass Member** if you reside in Quebec and, at any time between July 19, 2013, and December 31, 2024, you signed a contract with any of the Settling Defendants in which you were a subscriber and/or contributor (either primary or joint) for a Group RESP, and cancelled your RESP after that date and lost more than 20% of your contributions on account of Enrolment Fees, Sales Charges or Membership Fees (“**Subclass Member**”).

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| What was the purpose of the Class Action? |
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For the Main Class, Plaintiff alleges that the Settling Defendants acted unlawfully by charging a fee exceeding \$200 per plan for each Group RESP in contravention of *Regulation No. 15 respecting Conditions Precedent to Acceptance of Scholarship or Educational Plan Prospectuses*, RLRQ, c. V-1.1, r. 44, s. 331.1, sub. 1.1 (7). For the Subclass Members, Plaintiff alleges that the fees charged and forfeited in excess of 20% upon early termination of the Group RESP are abusive.

On April 20, 2021, the Superior Court of Quebec authorized the Class Action against all of the Defendants (judgment accessible [here](#)). The class action is proceeding on the merits as against the other Defendants and, as such, the Plaintiff's allegations have not yet been proven in Court and are denied by the Settling Defendants, who assert that they have complied with all applicable legislation at all times.

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| What does the Settlement provide for? |
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The Settlement provides for the payment by the Settling Defendants of a fixed, final and all-inclusive amount of \$634,072.93 in capital, interest and disbursements, which amount is the entirety of the Settling Defendants' payment under the Settlement Agreement (the "**Settlement Amount**") to the Main Class Members and to the Subclass Members, as hereafter detailed. The Settlement Amount excludes the Settlement Administration Expenses which will be fully assumed by the Settling Defendants.

Class Members and Subclass Members will give a full and complete release of their claims against the Settling Defendants with respect to the allegations made in the Class Action as they related to Group RESPs. The Settlement Agreement does not constitute an admission of liability by the Settling Defendants, who have agreed to the settlement of this Class Action only for the purpose of avoiding a trial and the additional costs and expenses related thereto.

MAIN CLASS MEMBERS

The Settlement provides that the sum of \$286,670.00 shall be allocated to Main Class Members. From this amount, Class Counsel Fees and Disbursements in the amount of \$63,944.33 plus GST and QST shall be deducted, subject to Court approval. The remaining amount of \$213,150.00 shall be allocated for Individual Compensation to the Main Class Members, in accordance with the Distribution Protocol to be approved by the Court it being understood that the amount of Individual Compensation shall be distributed equally among all Main Class Members.

SUBCLASS MEMBERS

The Settlement provides that that the sum of \$347,402.93 shall be allocated to the Subclass Members. From this amount, the following deductions shall be made, all subject to Court approval: (a) Class Counsel Fees of \$104,220.87 plus GST and QST; (b) disbursements of \$24,870.11 including taxes; (c) reimbursement to the *Fonds d'aide aux actions collectives* (the "**FAAC**") of \$101,765.16 excluding taxes on part of this amount. Taxes not exceeding \$14,939.00 which were not paid by the FAAC shall be reimbursed to Class Counsel; and (d) the Representative Plaintiff's Disbursement of \$2,101.20 including taxes.

After the above deductions, the remaining amount, shall be allocated for Individual Compensation to Subclass Members, in accordance with the Distribution Protocol to be approved by the Court, it being understood that the amount for Individual Compensation to Subclass Members shall be calculated on a *pro rata* basis, taking into account the fees, charges, and loss of contribution incurred by each Subclass Member in connection with the remaining amount for distribution to them.

DISTRIBUTION OF INDIVIDUAL COMPENSATION

Class Members and Subclass Members eligible for compensation under the Settlement Agreement will receive payment by way of an Interac E-transfer to the same email address at which they received this notice. If the Settlement Administrator is unable to send the payment by email, the Interac e-transfer may also be sent to the Class Member's mobile phone number. If neither the email address nor the mobile phone number is accessible, the Settlement Administrator will send a cheque by mail to the Class Members covered by this Settlement Agreement.

What Do I Need To Do If I Don't Want To Be Bound?

If you are a Class Member and you were sent notice of authorization in August, 2021, you may no longer opt-out as the deadline for doing so has expired on September 30, 2021.

If you became a Class Member between August 30, 2021, and December 31, 2024, and you want to exclude yourself of the Class Action and the Settlement Agreement, you must do so by submitting a request to the Settlement Administrator at info@conciliainc.com or Class Counsel at jzukran@lpclex.com.

If you exclude yourself from the Class Action by **August 27, 2025**, you will: (a) retain any rights you have to bring your own lawsuit or continue any lawsuit you have already brought at your own expense against the Settling Defendants; and (b) not be able to collect any compensation that will ultimately be paid as a result of these Settlement Agreement and will not be able to object to this Settlement Agreement or comment on it.

Go to www.lpclex.com/resp-settlement to obtain the copy of the Opt-Out form.

Objecting to commenting on the Settlement

Class Members and Subclass Members have the right to object to or comment on the Settlement. If you object or comment, you will remain bound by the Settlement Agreement. If you wish to object to or comment on the Settlement Agreement, you must send your objection or comment in writing no later than **August 27, 2025**, and to the Settlement Administrator (Concilia Services Inc.) by email at info@conciliainc.com or to Class Counsel by email at: jzukran@lpclex.com.

This document must include:

- your name, address, e-mail address, and telephone number;
- the Court file number (S.C.M. no. 500-06-000932-182);
- a brief statement of the reasons for your objection or comments; and
- whether you intend to attend the hearing in person or through a lawyer (you must provide the lawyer's name, address, e-mail address, and telephone number).

A Class Member may seek authorization from the Court to intervene in the class action. A member who intervenes may be required to submit to a pre-trial examination. No Class Member other than the Plaintiff or an intervenor may be required to pay legal costs arising from the class action.

How do I update my contact information?

Individuals who believe they are entitled to compensation as a result of the Settlement Agreement and who have not received this notice can send an email to Class Counsel at jzukran@lpclex.com by October 31, 2025.

Class Counsel will then contact Settling Defendants which must respond within 10 days to verify whether the individual is entitled to compensation, and will then contact the individual within 10 days to confirm whether compensation will be provided or not.

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| How can I obtain more information? |
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For more information and access to the text of the Settlement Agreement and its schedules, please go to the following website: www.lpclex.com/resp-settlement. You may also contact Class Counsel or the Settlement Administrator:

| <u>Class Counsel</u> | <u>Settlement Administrator</u> |
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| LPC Avocats <u>Mtre Joey Zukran / Mtre Léa Bruyère</u> <u>276 St-Jacques Street, Suite 801</u> Montréal (Québec) H2Y 1N3 (514) 379-1572 jzukran@lpclex.com / lbruyere@lpclex.com | Concilia Services Inc. 5900 Andover, Suite 1 Montréal (Québec) H4T 1H5 1-888-770-6892 info@conciliainc.com |

In case of discrepancies between this notice and the Settlement Agreement, the latter shall prevail.

The publication of this notice has been approved by the Superior Court of Quebec.