

SUPERIOR COURT
(COMMERCIAL DIVISION)

SITTING AS A COURT DESIGNATED PURSUANT TO THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT, R.S.C. C. C 36, AS AMENDED)

IN THE MATTER OF THE PLAN OF COMPROMISE AND ARRANGEMENT OF:

Corporation Mount Real/Mount Real Corporation,

Gestion MRACS Ltée/Gestion MRACS Ltd.,

Real Vest Investments Ltd.

and

Corporation Real Assurance Acceptation

DEBTOR COMPANIES

AND

RAYMOND CHABOT INC.

MONITOR

PLAN OF COMPROMISE AND ARRANGEMENT

pursuant to the *Companies' Creditors Arrangement Act*
concerning, affecting and involving

Corporation Mount Real/Mount Real Corporation,

Gestion MRACS Ltée/Gestion MRACS Ltd.,

Real Vest Investments Ltd.

and

Corporation Real Assurance Acceptation

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PLAN OF COMPROMISE AND ARRANGEMENT

(THE CAPITALIZED TERMS USED IN THIS DOCUMENT HAVE THE MEANING
ASCRIBED THERETO IN Schedule "A" HEREOF)

[A] **WHEREAS**, from 1993 to November 2005, MRC was a public company which allegedly issued and/or guaranteed the Promissory Notes issued by itself and its affiliated or related or formerly affiliated or related entities MRACS, Real Vest and RAAC ;

[B] **WHEREAS**, at certain times during that period, B2B and/or Penson acted as the trustees and custodians of certain of the Promissory Notes;

[C] **WHEREAS**, Deloitte audited MRC's consolidated financial statements for the fiscal years ended December 31, 1993 to 2002;

[D] **WHEREAS**, BDO audited MRC's consolidated financial statements for the fiscal year ended December 31, 2003;

[E] **WHEREAS**, SLF audited MRC's consolidated financial statements for the fiscal year ended December 31, 2004;

[F] **WHEREAS**, Jean Robillard of Raymond Chabot Grant Thornton & Cie was appointed provisional administrator for MRC on November 9, 2005, and for MRACS, Real Vest and RAAC on January 24, 2006, by the Québec finance minister to protect investors following a recommendation made by the Bureau de décision et révision en valeurs mobilières and an investigation conducted by the Autorité des Marchés Financiers which determined that illegal acts had been committed by the management, representatives and investment dealers of the companies who issued or distributed the Promissory Notes;

[G] **WHEREAS**, on February 27, 2006, bankruptcy orders were issued by the Superior Court of Québec against each of MRC, MRACS, Real Vest and on March 6, 2006, RAAC filed a voluntary assignment in bankruptcy and RCGT was appointed and continues to act as Trustee in each of the Bankruptcies for MRC, MRACS, Real Vest and RAAC;

[H] **WHEREAS**, on April 7, 2006, the Honourable Jean-Yves Lalonde, J.S.C. ordered the consolidation of the above Bankruptcies;

[I] **WHEREAS**, on November 8, 2008, Class Plaintiff instituted the Class Action on behalf of all holders of Promissory Notes who lost their investment as a result of the Bankruptcies which Class Action is pending against the Individual Defendants and the Settling Defendants;

[J] **WHEREAS**, on August 25, 2011, as rectified on October 7, 2011 the Honourable Jean-François Buffoni, J.S.C. authorized the Class Action against Lino P. Matteo, Paul D'Andrea, Deloitte, BDO, SLF, B2B and Penson with respect to the following Class: "*Toutes les personnes qui en date du 9 novembre 2005 étaient propriétaires de billets à ordre émis par les sociétés Corporation Mount Real, Gestion MRACS Ltée, Investissements Real Vest Ltée et Corporation Real Assurance Acceptation*";

[K] **WHEREAS**, further to the authorization judgment, there were no exclusions filed within the prescribed time periods;

[L] WHEREAS, a case settlement conference presided by the Honourable Louis Lacoursière, J.S.C. was held during the week of July 11, 2016;

[M] WHEREAS, as a result of this conference, the Class Plaintiff and the Settling Defendants agreed on the terms of a total settlement of the Class Action with respect to the Settling Defendants only, which is conditional upon the filing of this plan of arrangement with respect to the Debtors pursuant to the CCAA, which is to include full and final releases by all third parties in favour of the Released Parties in addition to bar orders and injunctions prohibiting the institution or continuation of legal proceedings against the Released Parties, the whole to be approved by the statutory majority of creditors and the Court;

[N] WHEREAS a Confidentiality Agreement entered into as of July 15, 2016 and the Penson Agreement was entered into on October 3 and 5, 2016 (in the case of Penson, subject to approval of the court in the liquidation proceedings of Penson, which approval was obtained pursuant to an order of Honourable Robert Mongeon J.S.C., dated October 18, 2016 in Court record 500-11-044039-135) set forth the amount of the contribution of each of the Settling Defendants and other matters;

[O] WHEREAS, on August 24, 2016, RCGT, with the authorization of the inspectors to the Bankruptcies, where applicable, accepted to enter into the Plan Support Agreement to give effect to the settlement described therein and agreed to file an application for the issuance of an initial order in respect of the Debtors under the CCAA with the CCAA Court in which it requested to be appointed as Monitor in connection with the CCAA Proceedings;

[P] WHEREAS, the Settling Defendants, the Class Plaintiff and the Trustee sought to resolve all Claims that had arisen, or could in the future arise, including those relating to the Class Action and Bankruptcies with respect to the Settling Defendants only, by agreeing to the settlement on the terms contained in the Plan Support Agreement and this Plan;

[Q] WHEREAS, through the Plan Support Agreement and this Plan, the Parties sought to (a) provide the Released Parties with the broadest possible release with respect to any Claims against them, including the Class Action Claims, any Claims of the Trustee, the Debtors and/or any third party; and (b) to provide that the Released Parties would have no further liability to any Person for any and all Claims that have been or could in the future be asserted against them in relation to the Class Action and the Bankruptcies or otherwise related directly or indirectly to MRC, MRACS, Real Vest and/or RAAC and/or their audited or unaudited, consolidated or unconsolidated financial statements; and (c) to bar, by way of injunctive order, any and all proceedings against them for such Claims.

[R] WHEREAS, the Parties to the Plan Support Agreement intended that this Plan would incorporate the terms of the Plan Support Agreement and would be approved in the CCAA Proceedings, and would be given effect through this Plan by the CCAA Approval Order and Class Action Order.

[S] WHEREAS the filing of this Plan is conditional upon the concurrent issuance by the CCAA Court of the Initial Order in respect of the Debtors pursuant to the CCAA;

[T] WHEREAS the aforesaid Plan Support Agreement is conditional upon obtaining for the Released Parties appropriate releases, bar orders and the Injunction enforceable in Canada and elsewhere as may be required;

NOW THEREFORE, this plan of compromise and arrangement pursuant to the CCAA is hereby proposed in respect of the Debtors.

ARTICLE 1 INTERPRETATION

1.1 Defined Terms

As used in this Plan of Arrangement, the capitalized terms have the meanings set forth in the attached **Schedule "A" Definitions**.

1.2 Certain Rules of Interpretation

For the purposes of this Plan:

- (a) any reference in the Plan to an Order, agreement, contract, instrument, release, exhibit or other document means such Order, agreement, contract, instrument, release, exhibit or other document as it may have been or may be validly amended, modified or supplemented;
- (b) the division of the Plan into "articles" and "sections" and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "articles" and "sections" intended as complete or accurate descriptions of the content thereof;
- (c) unless the context otherwise requires, words importing the singular shall include the plural and *vice versa*, and words importing any gender shall include all genders;
- (d) the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;
- (e) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Montréal, Québec and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. (Montréal time) on such Business Day;
- (f) unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day;
- (g) unless otherwise provided, any reference to a statute or other enactment of Parliament or a legislature includes all regulations made thereunder, all

amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation; and

- (h) references to a specified "article" or "section" shall, unless something in 'the subject matter or context is inconsistent therewith, be construed as references to that specified article or section of the Plan, whereas the terms "the Plan", "hereof", "herein", "hereto", "hereunder" and similar expressions shall be deemed to refer generally to the Plan and not to any particular "article", "section" or other portion of the Plan and include any documents supplemental hereto.

1.3 Currency

Any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada noon exchange rate on the CCAA Filing Date.

1.4 Successors and Assigns

The Plan shall be binding upon and shall inure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in the Plan.

1.5 Governing Law

The Plan shall be governed by and construed in accordance with the laws of the Province of Québec and the federal laws of Canada applicable therein. All questions as to the interpretation or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the jurisdiction of the CCAA Court.

1.6 Schedules

The following Schedules to the Plan are incorporated by reference into the Plan and form part of the Plan:

Schedule "A" Definitions

The Plan Support and Confidentiality Agreements shall not be attached to the copy of the Plan served on the interested parties and filed publicly with the CCAA Court or the Class Action Court, and the Applicant shall apply to the CCAA Court and Class Action Court to have the Plan Support and Confidentiality Agreements filed on a sealed and confidential basis. The parties shall preserve the confidentiality of the settlements and terms agreed to therein.

ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of the Plan is:

- (a) to effect a full, final and irrevocable compromise, release, discharge, cancellation and bar of all Claims against the Released Parties;
- (b) to effect the efficient distribution of the Funds for Distribution and payment of the Proven Claims as set forth in Sections 4.2 and 4.3;

The Plan is put forward in the expectation that all the Creditors, when considered as a whole, will derive a greater benefit from the implementation of the Plan than they would otherwise.

ARTICLE 3 CLASSIFICATION, VOTING AND RELATED MATTERS

3.1 Class of Creditors

The Creditors shall constitute a single class for the purposes of considering and voting on this Plan. The Creditors shall have, under this Plan, only one Claim against any of the Debtors and this Plan shall be deemed to effect a substantive consolidation of Claims of the Creditors.

3.2 Voting Rights for Creditors

Subject to this Plan and the Claims and Meeting Order, each Creditor shall be entitled to vote on this Plan. For voting purposes, each Creditor's Claim shall be valued at an amount that is equal to the Proven Claim for the amount of the Creditor's Ordinary Claim, the whole subject to the Claims and Meeting Order.

3.3 No Duplicate Claims

A Creditor who has a Claim against more than one of the Debtors or the Released Parties or has filed or is deemed to have filed claims in both the Bankruptcy and the CCAA Proceedings, in respect of the same debt or obligation, shall only be entitled to assert one Claim in respect of such debt or obligation, and any duplicate Claim filed by such Creditor will be disallowed for voting and distribution purposes under this Plan so that only a single Claim remains under which said Creditors can exercise distribution rights.

3.4 Claims Procedure

Creditors shall prove their respective claims, vote in respect of this Plan, and receive the distributions provided for under and pursuant to this Plan in accordance with the Claims and Meeting Order and this Plan. Any Person having a Claim that is not a Proven Claim is bound by such Orders, including that of being precluded from receiving a distribution under this Plan, and is forever barred and estopped from asserting such Claim against the Released Parties.

3.4.1 Class Action Claims

The Claims and Meeting Order shall provide, as a matter of equity between all members of the Class, that the Claim of each Class Member shall be equal to the Net Capital.

Pursuant to the Claims and Meeting Order, any Class Member shall have the opportunity to:

- i) Accept, by filing with the Monitor his/her Class Action Claim, the Net Capital notified to the Class Member based on information and direction provided by Class Counsel to the Monitor, as a Proven Claim; or
- ii) Claim as a Class Action Claim a greater Net Capital amount than the amount notified by the Monitor by providing supporting documentation with the Proof of Claim, which, if such amount is superior to the Net Capital as notified by the Monitor, will minimally include the Promissory Note, the proof of payment from the Class Member and a statement of account.

The Monitor shall transmit to Class Counsel the said Proof of Claim and supporting documentation and Class Counsel shall review the Class Member's Proof of Claim and may request thereafter the Monitor to send a Notice of Revision.

The Notice of Revision may be contested by the Class Member by filing a Claim Appeal Motion as provided in the Claims and Meeting Order.

3.4.2 Excluded Class Action Claims

The following Claims shall not be accepted by the Monitor as Class Action Claims:

- (a) Claims of corporations with more than 50 persons bound to it by contract of employment and under its direction or control at all times between November 6, 2007 and November 6, 2008;
- (b) Claims of corporations that are dissolved or stricken from corporate registry records;
- (c) Claims of Creditors who have already recovered from any Person their investment, or part thereof, through a favourable judgment;
- (d) Claims of Creditors who have recovered from any Person their investment, or part thereof, through a settlement agreement or transaction with respect to their loss;
- (e) Claims of any Creditor who has not claimed its investment within three years of its maturity date if such maturity date occurred before the date of the initial bankruptcy event of the issuer of the Promissory Note;
- (f) Claims of any Person who does not hold a Promissory Note issued by Corporation Mount Real, Gestion MRACS Ltd., Real Vest Investments Ltd. and Corporation Real Assurance Acceptation. For further clarity, without limitation, Claims for promissory notes issued by Stearling Leaf, Capital Corporation of Minnesota and Balanced Return Fund shall not be accepted as Class Action Claims;
- (g) Claims of Persons that participated in, benefited from or had knowledge of the fraud with respect to the Debtors, as such fraud is more fully

detailed in the Class Action, as well as legal entities for which these persons acted as administrator, officer or had de facto control over the operations

- (h) Are presumed to have participated in, benefited from or had knowledge of the fraud, the following individuals and legal entities and any Person controlled by them:

1-Lino P. Matteo;

2-Paul D'Andrea ;

3-Joseph Pettinicchio;

4-Laurence Henry;

5-Andris Spura;

6-Lowell Holden;

7-Lorraine Lyttle;

8-Michael P. Maloney;

9-William A. Urseth;

10-Steve Bolf;

11-Eric Clement;

12-Maurice Verrelli;

13-Steve Koussaya;

14-Bill Ligris;

15-John Xanthoudakis;

16-Ronald A. Weinberg;

17-Micheline Charest;

18-Yves Mechaka;

19-Vincent Bordenca;

20-Honeybee Technology inc.;

21-Honeybee Systems America inc.;

22-Harvest Information Systems;

23-Capital Corporation of Minnesota;

24-Brethren Christ Fund;

25-The directors and officers of the Debtors or any company related or affiliated to MRC;

26-The family members of both the individuals named above and their collaborators;

27-Any Person, including any representative or securities dealer having been prosecuted, found guilty or having pled guilty in connection with the MRC fraud as described in the Class Action, notably to violations of the *Securities Act*, as well as their family members;

3.4.3 Notices of Rejection of Class Action Claims

All Creditors filing Proofs of Claim corresponding to the above paragraph 3.4.2 shall receive a Notice of Rejection from the Monitor.

The Monitor will transmit to Class Counsel a list of Creditors who haven't been excluded in conformity with the present section before any notices are sent out to such Creditors.

If Class Counsel is privy to any information which supports the fact that a Creditor should receive a Notice of Rejection, Class Counsel will advise the Monitor of this ground of exclusion. The Monitor will thereafter send a Notice of Rejection to all such Creditors.

Subject to the terms of the Claims and Meeting Order, a Creditor may contest a Notice of Rejection by filing a Claim Appeal Motion.

3.5 Unaffected Claims

Notwithstanding anything to the contrary herein, this Plan does not compromise, release, discharge, cancel, bar or otherwise affect:

- (a) the rights or claims of the Monitor, Applicants' Counsel and Class Counsel under the applicable agreements for payment of their respective fees and disbursements and applicable taxes incurred or to be incurred for services rendered in connection with or relating to the CCAA Proceedings or the Class Action, including the implementation of this Plan.
- (b) claims or causes of action of any Person, including the Debtors and the Released Parties (subject to the limitations contained in the Plan Support Agreement), against third parties other than any of the Released Parties (subject to paragraph 3.5(e)).
- (c) The Debtors' obligations under the Plan, the Plan Support Agreement, and the Approval Orders;
- (d) Claims against the Debtors;

- (e) any liability or obligation of, and claim against, the Individual Defendants of whatever nature for or in connection with the Class Action;
- (f) any claim for fraud or criminal and quasi-criminal charges filed or that may be filed and, for greater certainty, for any fine or penalty arising from any such charges;
- (g) claims that fall under Sub-section 5.1(2) of the CCAA.

All of the foregoing rights and claims set out in this Section 3.5 are collectively referred to as the “**Unaffected Claims**” and any one of them is an “**Unaffected Claim**”.

3.6 Treatment of Creditors

The Creditors shall receive the treatment provided for in this Plan on account of their Claims and, on the Plan Implementation Date, the Claims will be compromised, released and otherwise extinguished against the Released Parties in accordance with the terms of this Plan.

Ordinary Creditors who are not Class Members shall be entitled to receive a distribution only from the Bankruptcy Consideration based upon the amount of their Ordinary Claim upon such becoming a Proven Claim.

Class Members shall be entitled to receive distributions from both:

- 1- the Bankruptcy Consideration, based upon the amount of their Ordinary Claim upon such becoming a Proven Claim; and,
- 2- the Settlement Consideration, based upon the amount which has become a Proven Claim for the Net Capital or, if applicable, the amount in the Revision Notice or the decision of the CCAA Court on the Claim Appeal Motion.

For greater certainty, the amount of the Proof of Claim of a Class Member in the Ordinary Claim category for the purposes of the vote on the Plan and the distribution of the Bankruptcy Consideration shall be the higher of:

- i) the amount of the Proof of Claim filed with the Monitor as a Class Action Claim upon such becoming a Proven Claim;
- ii) the amount of the proof of claim previously filed with the Trustee in the Bankruptcy, which is deemed filed with the Monitor, subject to such amount becoming a Proven Claim as an Ordinary Claim; or
- iii) the amount of the Proof of Claim filed with the Monitor by a Class Member as an Ordinary Claim, subject to such amount becoming a Proven Claim as an Ordinary Claim.

3.7 No interests on Claims

Interest shall not accrue or be paid on any Claim.

ARTICLE 4 CONTRIBUTIONS AND DISTRIBUTIONS

4.1 Contributions by Settling Defendants and Trustee to the Funds for Distribution

Each of the Settling Defendants shall deliver, or cause to be delivered, to the Monitor the amount of the respective Settling Defendants' Consideration pursuant to the Confidentiality Agreement and the Pension Agreement, and the Trustee shall deliver, or cause to be delivered, to the Monitor the Bankruptcy Consideration (after deduction and payment of the Trustee's fees and disbursements and applicable taxes thereon, as approved under the provisions of the BIA), each within such delay as has been agreed to pursuant to the Plan Support Agreement and, except in the case of the Liquidator, in any event within no more than 5 Business Days after the Monitor has given written notice certifying that the Approval Orders have become Final Orders, accompanied by certificates of non-appeal, and such monies shall be held by the Monitor in trust in one or more Canadian dollars interest bearing accounts in a bank listed in Schedule A of the *Bank Act* and distributed by the Monitor in accordance with the terms of this Plan. Should this Plan be terminated for any reason in accordance with Section 6.3 or 7.3, such monies shall be returned by the Monitor, with any interest earned thereon, forthwith to the respective parties having contributed such monies. For greater certainty, any payments to the Funds for Distribution received by the Monitor that are not in Canadian Dollars shall be converted by the Monitor in Canadian Dollars on or around the receipt date of same and, where applicable, shall be returned by the Monitor in Canadian Dollars.

The payment of any portion of the Settlement Consideration consisting of immediately available funds shall be made by wire transfer of immediately available funds, pursuant to written instructions provided by the Monitor or by certified cheque or bank draft.

Should a Settling Defendant fail to pay the amounts payable under this Section on the due date, such party shall no longer be considered a Settling Defendant and shall not benefit from any release or Injunction with respect to the Claims. This Plan shall continue to apply with respect to the remaining Settling Defendants. Any Party wishing to do so may file an application with the CCAA Court to obtain orders enforcing the Plan and Plan Support Agreements and enjoining the defaulting Settling Defendant to pay the amounts due under this Section in accordance with their prior covenant to do so.

4.2 Distribution to Creditors

The following Creditors having Proven Claims shall be entitled to distribution under this Plan as follows:

- (a) Ordinary Creditors and holders of Class Action Claims shall, in the aggregate, receive their pro-rata share of the Bankruptcy Consideration in full and final satisfaction of their Proven Claims as against the Released Parties.
- (b) Holders of Class Action Claims shall, in the aggregate, receive in addition to the amount in (a) above, their pro-rata share of the Settling Defendants' Consideration, net of the Class Counsel Fees, in full and final satisfaction of their Proven Claims as against the Released Parties.

- (c) Class Counsel shall receive, in the respective proportions indicated in writing by Class Counsel to the Monitor, a total amount of fees equal to twenty per cent (20%) of the Settling Defendants' Consideration received by the Monitor, plus the Class Counsel's disbursements relating to the Class Action and the CCAA Proceedings, plus applicable taxes thereon, as established in invoices addressed to the Class Plaintiff in a form acceptable to the Monitor, in full and final satisfaction of the payment of their fees, disbursements (including those disbursements paid for with the proceeds of the Bankruptcy Loan), judicial and extra-judicial costs and applicable taxes. Class Counsel shall be deemed to direct the Monitor to deduct from the payment under this sub-paragraph an amount equal to the outstanding amount on the Bankruptcy Loan to reimburse the Trustee in full and the Trustee shall be deemed to have paid such amount to the Monitor as part of the Bankruptcy Consideration in (a) above, on the date such payments are to be made under this Plan. The Class Counsel Fees shall be paid from the Settling Defendants' Consideration, and not in addition thereto.

For greater certainty, Creditors having Claims other than Proven Claims shall not be entitled to distribution under this Plan in relation to the Funds for Distribution and shall have no right to any portion of the Funds for Distribution.

4.3 Timing of Distributions to Creditors

The Monitor shall hold the Funds for Distribution in trust pending distribution thereof in accordance with the terms of this Plan. Within 45 calendar days following the Plan Implementation Date, the Monitor shall make distributions to or on behalf of Creditors (including, without limitation, to Class Counsel) in accordance with the terms of this Plan.

4.4 Delivery of Distributions to Creditors

Distributions to Creditors shall be made in accordance with the terms of this Plan, as applicable, by the Monitor: (A) at the addresses set forth in the Proofs of Claim filed by such Creditors in accordance with the Claims Procedure; (B) if applicable, at the addresses set forth in any written notices of address change delivered to the Monitor after the date on which any corresponding proof of claim was filed, provided such notice is received by the Monitor at least five (5) Business Days prior to the Plan Implementation Date; or (C) if applicable, and to the extent differing from the foregoing, at the address of such Creditors' respective legal representatives, in trust for such Creditors, subject to the receipt by the Monitor at least five (5) business days prior to the Plan Implementation Date of a written instruction to that effect from said Creditors

4.5 Allocation of Distributions

All distributions made to Creditors in respect of Proven Claims pursuant to this Plan shall be applied in payment of the outstanding principal amount of the Proven Claim. In the event that the principal amount of all Proven Claims has been paid in full, each Creditor shall, at the request of the Monitor, be responsible for providing a representation and warranty with respect to its residency for purposes of the *Income Tax Act* (Canada). If any Creditor fails to provide satisfactory evidence that it is a resident of Canada for purposes of the *Income Tax Act* (Canada), then the Monitor shall have the right to:

- (a) assume and otherwise consider such Creditor to be a non-resident of Canada for the purposes of the *Income Tax Act* (Canada); and
- (b) withhold any non-resident withholding tax that would be imposed under the *Income Tax Act* (Canada) based on such assumption from any amounts payable to such Creditor under this Plan,

until such time as such Creditor provides satisfactory evidence to the contrary to the Monitor, unless the non-resident withholding tax has already been remitted to the Canada Revenue Agency. For greater certainty, the distributions to be made pursuant to this Plan to Creditors having Proven Claims do not include, and are not intended to include, any amounts on account of interest on such Claims.

4.6 Transfer of Claims; Record Date for Distributions

Claims may be sold, transferred or assigned at any time by the holder thereof, whether prior or subsequent to the Plan Implementation Date, provided that:

- (a) Neither the Debtors nor the Monitor shall be obligated to deal with or to recognize the purchaser, transferee or assignee of the Claim as the Creditor in respect thereof unless and until written notice of the sale, transfer or assignment is provided to the Monitor, such notice to be in form and substance satisfactory to the Monitor, acting reasonably within five (5) Business Days prior to the Plan Implementation Date
- (b) only holders of record of Proven Claims as at the date of the Claims and Meeting Order shall be entitled to attend, vote or otherwise participate at such meeting of Creditors; provided, however, that: (A) for the purposes of determining whether this Plan has been approved by a majority in number of the Creditors only the vote of the transferor or the transferee, whichever holds the highest dollar value of such Claims will be counted, and, if such value shall be equal, only the vote of the transferee will be counted; and (B) if a Claim has been transferred to more than one transferee, for purposes of determining whether this Plan has been approved by a majority in number of the Creditors, only the vote of the transferee with the highest value of such Claim will be counted; and
- (c) only holders of record of Claims as at five (5) Business Days prior to the Plan Implementation Date shall have the right to participate in the corresponding distribution provided for under Section 4.2 of this Plan.

4.7 Tax Matters

4.7.1 No representations regarding the tax qualifications/eligibility issues

Neither the Monitor, nor the Applicant's Counsel, nor the Class Counsel, nor the Settling Defendants have made or will make any representation regarding the tax qualification of the Settling Defendants' Consideration or any payments or transfers made under this Plan to Class Members and in particular whether said Consideration qualifies as eligible for deposit and/or transfer to a registered retirement savings plan or the replacement thereof. Any and all payments or transfers by the Monitor to the Class Members will be

made at the sole direction of the Class Members. The Monitor, Applicant's Counsel, Class Counsel and the Released Parties shall have no responsibility whatsoever for any tax planning or tax consequences in respect of the payments made to Class Members. Without limiting the generality of the foregoing, the Monitor shall not make any payment to Class Members, nor issue any tax statements, tax summaries, tax reports, tax slips, transfer forms nor any other document, nor make any deduction or remittance to tax authorities, with respect to such payments or transfers unless it receives, from each Class Member as provided in this section, express written directions and necessary documentation and/or tax rulings by the applicable authorities.

Each Creditor shall be solely and exclusively responsible for reporting to the tax authorities, if applicable, the payments or transfers received under this Plan.

4.7.2 Amounts not invested in RRSPs or similar plans

If a Class Member confirms to the Monitor's satisfaction, in his/her Class Action Claim, that all of the amount, or a portion of the amount, is **not** derived from an amount invested in the Debtor Companies through the Class Member's registered retirement savings plan or similar plan, as defined in the *Income Tax Act*, then, with respect to such amount, the payment under this Plan will be made directly to the Class Member without any tax withholding on the Distribution Date.

4.7.3 Amounts invested in RRSPs or similar plans

If a Class Member confirms to the Monitor's satisfaction, in his/her Class Action Claim, that all of the amount, or a portion of the amount, is derived from an amount invested in the Debtor Companies through the Class Member's registered retirement savings plan or similar plan, as defined in the *Income Tax Act*, then, with respect to such amount:

- a) The Class Member shall direct the Monitor, in writing, no later than ten (10) days prior to the Distribution Date, to either: i) hold the amount of available Funds for Distribution for such Class Member; or, ii) make the payment available to the Class Member under the Plan less the applicable tax withholdings;
- b) All Class Members who elect option i) above shall then have the opportunity to obtain from the tax authorities a ruling or other decision, each in a form and with content acceptable to the Monitor, confirming that the amount can be transferred by the Monitor to, or paid into, a registered retirement savings plan or similar plan in the name of the Class Member;
- c) The Monitor shall not have to make any representation nor sign any document with respect to such transfers or payments, other than confirming that the amount is part of the Funds for Distribution under this Plan;
- d) Upon receipt of the above and completed documentation for the transfer or payment, the Monitor shall pay the amount of available Funds for Distribution for such Class Member to the designated trustee of the registered retirement savings plan or similar plan identified by and in the name of the Class Member.
- e) If no favourable ruling or other decision is obtained by the Class Member from the applicable tax authorities within twelve (12) months of the notice set forth in sub-

paragraph a) above, then, the Monitor shall make the payment available to the Class Member under the Plan less the applicable tax withholdings;

- f) The Monitor is hereby irrevocably directed by each Class Member, where applicable, to remit to the tax authorities any amounts withheld pursuant to the above provisions, as soon as practicable after the payment to the Class Member and to issue, as applicable, any tax statements, tax summaries, tax reports, tax slips, tax forms or any other similar document, with respect to such payments and remittance to tax authorities.

4.8 Alternative Process for Tax Issues

The Monitor may apply for directions, instructions, rulings or comfort letters from the applicable tax authorities with respect to the tax matters and payments referred to in the preceding paragraph to simplify and/or accelerate the payment, withholding and/or reporting processes. Such Monitor's inquiries will seek to obtain written approvals from the applicable tax authorities, prior to the Distribution Date, such that the Monitor may execute applicable transfer forms to a registered retirement savings plan or similar plan with respect to payments under this Plan as if the amount paid had been held by the Monitor in such a plan.

With respect to payments made directly to a Class Member where his/her Class Action Claim states that all of the amount, or a portion of the amount, is derived from an amount invested in the Debtor Companies through the Class Member's registered retirement savings plan or similar plan, as defined in the Income Tax Act, the Monitor will seek to obtain approval that the Monitor is authorized to:

- i) Make no tax withholdings with respect to such payment; and/or
- ii) Issue to the applicable tax authorities a list of the names, addresses, social insurance numbers of the Class Members and amounts paid directly to said Class Members.

The Court Approval of this Plan shall constitute irrevocable authority and authorization, to the Monitor to provide the above information to the applicable tax authorities with respect to such payments.

4.9 No Liability for Tax Matters

The Monitor, Applicant's Counsel, Class Counsel and the Released Parties shall have no liability for any tax consequences arising from any of the payments made pursuant to this Plan, including without limitation any transfer or payment into a registered retirement savings plan or similar plan in the name of the Class Member.

The Plan releases and Injunctions under Article 5 of this Plan shall apply mutatis mutandis to all claims by Class Members and the tax authorities against the Released Parties, the Monitor and the Applicant's Counsel with respect to the above payments.

ARTICLE 5 RELEASES AND INJUNCTIONS

5.1 Plan Releases and Injunctions

Effective upon the Approval Date and the payment of its Settlement Consideration by a Settling Defendant or by its insurer(s) on its behalf, and without any further action of the Parties, each of the Trustee, on its own behalf and on behalf of the Debtors, the Class Plaintiff, and all of the Class, will be deemed by this Plan and the CCAA Approval Order to fully, finally, and completely remise, release, acquit and forever discharge such Settling Defendant and its Related Released Parties from any and all Claims, whether or not related to the Class Action.

All Claims, except Unaffected Claims, shall be fully, finally, absolutely, unconditionally, completely, irrevocably and forever compromised, remised, released, discharged, cancelled and barred on the Plan Implementation Date as against such Settling Defendant and its Related Released Parties, whether or not a Proof of Claim has been submitted and whether or not such Claim became a Proven Claim or was withdrawn, rejected, excluded or otherwise dismissed.

All Persons (regardless of whether or not such Persons are Creditors) shall be permanently and forever barred, estopped, stayed and enjoined from (i) pursuing any Claim, directly or indirectly, against such Settling Defendant and its Related Released Parties, (ii) continuing or commencing, directly or indirectly, any action or other proceeding with respect to any Claim against such Settling Defendant and its Related Released Parties, or with respect to any claim that could give rise to a Claim against such Settling Defendant and its Related Released Parties whether through a cross-claim, third-party claim, warranty claim, indemnification claim, recursory claim, subrogation claim, forced intervention or otherwise, (iii) seeking the enforcement, levy, attachment, collection, contribution or recovery of or from any judgment, award, decree, or order against such Settling Defendant and its Related Released Parties or property of such Settling Defendant and its Related Released Parties with respect to any Claim, (iv) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any lien or encumbrance of any kind against such Settling Defendant and its Related Released Parties or the property of such Settling Defendant and its Related Released Parties with respect to any Claim, (v) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Approval Orders to the full extent permitted by applicable law, (vi) asserting any right of setoff, compensation, subrogation, contribution, indemnity, claim or action in warranty or forced intervention, recoupment or avoidance of any kind against any obligations due to such Settling Defendant and its Related Released Parties with respect to any Claim or asserting any right of assignment of or subrogation against any obligation due by any of such Settling Defendant and its Related Released Parties with respect to any Claim, and (vii) taking any actions to interfere with the implementation or consummation of this Plan; provided, however, that the foregoing shall not apply to the enforcement of any obligations under the Plan.

Notwithstanding the foregoing, the releases and Plan Injunctions as provided in this Section 5.1 shall not extend to and shall not be construed as extending to any Unaffected Claims and are not intended to, and shall not, extend to or otherwise release or discharge any rights, privileges, benefits, duties, or obligations of any of the Parties by

reason of, or otherwise arising under, the Plan Support Agreement, the Confidentiality Agreement and/or the Pension Agreement.

The Parties to the Plan Support Agreement and the parties to the Confidentiality Agreement have acknowledged that there may be changes in the law, and/or that such parties may hereafter discover facts different from, or in addition to, those which they then believed to be true with respect to any and all of the Claims. Nevertheless, the parties to these agreements have agreed that the releases set forth above shall be and remain effective in all respects, notwithstanding any changes in the law and/or the discovery of such additional or different facts. Moreover, Claims that have been or may be asserted may increase or decrease in amount or in severity over time, that Claims that have been or may be asserted may include progressive, cumulative, unknown, and/or unforeseen elements, and that there may be hidden, unknown, and unknowable damages, defense expenses, or other costs related to such Claims. Nevertheless, the releases contained in this Plan include a full and complete and irrevocable release and discharge from all Claims, except as limited by the Plan Support Agreement or this Plan.

5.2 Timing of Releases and Injunctions

All releases and Injunctions set forth in this Article 5 shall become effective on the Plan Implementation Date at the Effective Time.

5.3 Claims against Individual Defendants

Notwithstanding anything to the contrary herein, any Claim of any Person, including the Debtors, against the Individual Defendants: (a) is unaffected by this Plan; (b) is not discharged, released, cancelled or barred pursuant to this Plan; (c) shall be permitted to continue as against said Individual Defendants; (d) shall not be limited or restricted by this Plan in any manner as to quantum to the extent that there is no double recovery as a result of the indemnification received by the Creditors pursuant to this Plan; and (e) does not constitute a Claim under this Plan. For greater certainty, and notwithstanding anything else contained herein, in the event that a Claim is asserted by any Person, including the Debtors, against any Individual Defendants any and all right(s) of such Individual Defendants to claim over, claim against or otherwise assert or pursue any rights or any Claim against any of the Released Parties at any time, shall be released and discharged and forever barred pursuant to the terms of this Plan and the Approval Orders.

ARTICLE 6 CONDITIONS PRECEDENT AND IMPLEMENTATION

6.1 Conditions Precedent to Implementation of Plan

The implementation of this Plan shall be conditional upon the fulfillment, or waiver (such waiver being strictly with respect to Section 6.1(d), of the following conditions on or before the Plan Implementation Date:

- (a) Entry of the CCAA Approval Order

The CCAA Approval Order shall have been granted by the CCAA Court, including the granting by the CCAA Court of its approval of the compromises, releases, bar orders and Injunctions contained in and effected by this Plan.

(b) Entry of the Class Action Order

The Class Action Order shall have been granted by the Class Action Court.

(c) Expiry of Appeal Periods

The CCAA Approval Order and the Class Action Order shall have become Final Orders and RCGT shall have confirmed in writing to the Settling Defendants that the Approval Orders have become a Final Orders.

(d) Contributions

Subject to section 4.1, each of the Settling Defendants shall have paid to the Monitor the amounts payable by it pursuant to the Confidentiality Agreement and the Pension Agreement, in accordance with the terms of the Plan Support Agreement.

6.2 Monitor's Certificate

Upon the satisfaction of the conditions set out in Section 6.1 hereof, the Monitor shall file with the CCAA Court in the CCAA Proceedings a certificate for each of the Settling Defendants that states that all conditions precedent set out in Section 6.1 of this Plan with respect to such Settling Defendant have been satisfied and that the Plan Implementation Date has occurred with respect to such Settling Defendant.

6.3 Termination of Plan for Failure to Become Effective

If the Plan Implementation Date can no longer occur by reason of the negative vote of the Creditors or the refusal of the Approval Orders by the CCAA Court or Class Action Court, then, subject to a further Order of the CCAA Court, this Plan shall automatically terminate and be of no further force or effect; provided that this Plan shall not automatically terminate pursuant to this section if the sole basis for the non-occurrence of the Plan Implementation Date is the pendency of any appeal or application for leave to appeal, or proceedings against or with respect to the Approval Orders.

ARTICLE 7 GENERAL

7.1 Binding Effect

On the Plan Implementation Date:

- (a) the Plan will become effective at the Effective Time;
- (b) the Plan shall be final and binding in accordance with its terms for all purposes on all Persons named or referred to in, or subject to the Plan

and their respective heirs, executors, administrators and other legal representatives, successors and assigns; and

- (c) each Person named or referred to in, or subject to, the Plan will be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety and shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety.

7.2 Deeming Provisions

In the Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

7.3 Non-Consummation

If the CCAA Court declines to enter the Approval Orders, or if the Approval Orders (i) are vacated or modified in a way that is not acceptable to the Parties; or (ii) are reversed on appeal such that they do not become Final Orders; the Parties may terminate the Plan Support Agreement by delivering written notice of such termination to the Trustee. In the event that the Plan Support Agreement is terminated, (1) the Plan Support Agreement shall be deemed null and void; (2) the Settling Defendants shall not be obligated to deliver and pay the Settlement Consideration pursuant to the Plan Support Agreement; (3) the Settling Defendants and the Trustee shall have all of the rights, defenses and obligations, including under or with respect to any and all insurance policies, that they would have had absent the Plan Support Agreement; and (4) the Class shall have all of the rights in the Class Action as if the Plan Support Agreement had never taken place.

7.4 Plan Amendment

The Applicant reserves the right, at any time prior to the Plan Implementation Date, to amend, modify and/or supplement this Plan, provided that:

- (a) any amendment, modification or supplement to the Plan, may be made only with the written consent of the Settling Defendants, which can be provided at their sole discretion and may be arbitrarily withheld, as well as with Class Counsel's consent.
- (b) any such amendment, modification or supplement must be contained in a written document that is filed with and approved by the CCAA Court, and, if made following the Meeting of Creditors, communicated to such of the Creditors and in such manner, if any, as may be ordered by the CCAA Court in the event that the rights of the Creditors are materially affected thereby;
- (c) any amendment, modification or supplement may be made unilaterally by RCGT following the Approval Orders, provided that it concerns a matter which, in the opinion of RCGT, acting reasonably, is of an administrative nature required to better give effect to the implementation of this Plan and to the Approval Orders and is not adverse to the financial or economic

interests of the Creditors or the Released Parties and does not amend Article 5 of this Plan; and

- (d) any supplementary plan or plans of compromise or arrangement filed with the CCAA Court by the Debtors and, if required by this Section, approved by the CCAA Court shall, for all purposes, be and be deemed to be a part of and incorporated in this Plan if approved in advance in writing by the Settling Defendants and the Class Representative.

7.5 Severability

In the event that any provision in this Plan (other than Articles 5 and 6 and all defined terms contained therein or any other provision herein that would materially adversely affect the rights of any of the Released Parties under the Plan Support Agreement, or under this Plan, or requires any Settling Defendant to pay more than the sum set forth in the Confidentiality Agreement is held by the CCAA Court to be invalid, void or unenforceable, the CCAA Court shall, following due notice to the parties in interest and a hearing on the issue, have the power to alter and interpret such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered and interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The CCAA Approval Order shall constitute a judicial determination and shall provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

7.6 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings, and the Monitor will not be responsible or liable for any obligations of the Debtors hereunder. The Monitor will have only those powers granted to it by this Plan, by the CCAA and by any Order of the CCAA Court in the CCAA Proceedings, including the Initial Order.

7.7 Unclaimed Distributions

If any Person entitled to a cash distribution pursuant to this Plan cannot be located on the Plan Implementation Date or at any time thereafter or otherwise fails to claim his/her/its distribution hereunder, then such cash or cash equivalent instruments shall be set aside and held in a segregated, non-interest-bearing account to be maintained by the Monitor on behalf of such Person(s). If such Person is located within six (6) months of the Plan Implementation Date, such cash (less the allocable portion of taxes (including withholding taxes), if any, paid by RCGT on account of such Person) and proceeds thereof, shall be paid or distributed to such Person. If such Person cannot be located within six (6) months of the Plan Implementation Date, any such cash shall be remitted, after the application of the percentage levied by the FAAC, by the Monitor to a charitable association of the Class Plaintiff's choice (if possible, in the Class Plaintiff's sole appreciation, dedicated to providing assistance to the victims of securities fraud), and such Person shall be deemed to have released its claim to such monies; provided, however, that nothing contained in this Plan shall require the Monitor to attempt to

locate such Person. Any distribution cheques that have not been negotiated within six (6) months of issuance shall be cancelled by the Monitor, and any right or entitlement to such distribution shall be treated as an unclaimed cash or distribution pursuant to this Section 7.7.

7.8 Notices

Any notice or other communication to be delivered hereunder must be in writing and reference the Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or by facsimile or email addressed to the respective parties as follows:

(a) As to Class Plaintiff and the Class:

André Lespérance and Gabrielle Gagné
andre@tjl.quebec / gabrielle@tjl.quebec
Trudel Johnston & Lespérance
750, Côte de la Place d'Armes
Suite 90
Montréal, Québec H2Y 2X8

Daniel Belleau and Isabelle Lafont
dbelleau@belleaulapointe.com
ilafont@belleaulapointe.com
Belleau Lapointe
306 Place D'Youville #B-10
Montréal QC
H2Y 2B6

(b) As to B2B:

Julie-Martine Loranger and Elisa Clavier
jmloranger@mccarthy.ca / eclavier@mccarthy.ca
McCarthy Tétrault LLP
1000 De La Gauchetière Street West
Suite 2500
Montréal QC H3B 0A2

(c) As to the Liquidator (Penson):

Alain Riendeau and Brandon Farber
ariendeau@fasken.com / bfarber@fasken.com
Fasken Martineau LLP
800 Square Victoria
Suite 3700 P.O. Box 242
Montréal, QC H4Z 1E9

(d) As to Deloitte:

Marianne Ignacz and Claudia Déry
marianne.ignacz@nortonrosefulbright.com /

claudia.dery@nortonrosefulbright.com
Norton Rose Fulbright LLP
1 Place Ville Marie
Suite 2500,
Montréal, Quebec H3B 1R1

(e) As to BDO:

Avram Fishman
afishman@ffmp.ca
Fishman Flanz Meland Paquin LLP
1250 René-Lévesque Blvd West
Suite 4100
Montreal, Quebec H3B 4W8

(f) As to the Applicants and/or SLF:

Laurent Nahmiash and Roger Simard
laurent.nahmiash@dentons.com / roger.simard@dentons.com
Dentons Canada LLP
1 Place Ville Marie
Suite 3900
Montréal, Québec H3B 4M7

(g) As to RCGT:

Jean Gagnon et Emmanuel Phaneuf
gagnon.jean@rcgt.com / Phaneuf.emmanuel@rcgt.com
Raymond Chabot Inc.
600, rue De La Gauchetière Ouest
Suite 2000
Montréal, Québec H3B 4L8

or to such other address as any party may from time to time notify the others in accordance with this section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or emailing, provided that such day in either event is a Business Day and the communication is so delivered, faxed or emailed before 5:00 p.m. (Montréal time) on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

7.9 Further Assurances

RCGT and any other Person named or referred to in the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

7.10 No Admission

Notwithstanding anything herein to the contrary, nothing contained in this Plan shall be deemed as an admission by the Settling Defendants with respect to any matter set forth herein including, without limitation, liability on any Claim.

DATED as of the 30th day of November, 2016

RAYMOND CHABOT INC., in its capacity as Trustee and proposed Monitor of each of the estates of Corporation Mount Real/Mount Real Corporation, Gestion MRACS Ltée/Gestion MRACS Ltd., Real Vest Investments Ltd. and Corporation Real Assurance Acceptation, each a bankrupt, the Trustee being duly authorized by the inspectors appointed in the consolidated bankruptcy estate,

Per: _____

Jean Gagnon

Schedule “A” to the Plan - Definitions

1. “**Applicant**” means the Trustee in its capacity as trustee of each of the estates of the Debtors.
2. “**Applicant’s Counsel**” means Dentons Canada LLP as counsel retained and instructed by RCGT to act on its behalf in the CCAA Proceedings to give effect to the Plan Support Agreement.
3. “**Approval Date**” means the date on which the Approval Orders become Final Orders. If the Class Action Order and the CCAA Approval Order become Final Orders on different dates, the Approval Date is the latest date on which any of the Class Action Order or CCAA Approval Order becomes a Final Order.
4. “**Approval Orders**” means the Class Action Order and the CCAA Approval Order, collectively.
5. “**B2B**” means B2B BANK as the successor to B2B TRUST, with a place of business at 1981 McGill College Avenue, 20th Floor, Montreal, Quebec H3A 3K3.
6. “**B2B Consideration**” means the amount to be paid by B2B set forth in the Confidentiality Agreement.
7. “**Bankruptcy or Bankruptcies**” means, individually or collectively as the context requires, the bankruptcy proceedings for MRC in the Superior Court of Québec (Commercial Division) file bearing no. 500-11-027031-059, the bankruptcy proceedings for MRACS in the Superior Court of Québec (Commercial Division) file bearing no. 500-11-026937-058, the bankruptcy proceedings for Real Vest in the Superior Court of Québec (Commercial Division) file bearing no. 500-11-027506-068 and the bankruptcy proceedings for RAAC in the Superior Court of Québec (Commercial Division) file bearing no. 500-11-027632-062 which have been consolidated pursuant to an Order of Honourable Jean-Yves Lalonde, J.S.C. dated April 7, 2006.
8. “**Bankruptcy Consideration**” means the amount available for distribution in the Bankruptcy estates on the Approval Date, net of the Trustee’s fees and disbursements and applicable taxes thereon, as approved under the provisions of the BIA.
9. “**Bankruptcy Loan**” means the amount outstanding on one or more loans made by the Trustee to Class Counsel for the purpose of funding disbursements in the Class Action.
10. “**BDO**” means BDO Canada LLP, (formerly known as BDO Dunwoody LLP) a limited partnership with a place of business at 1000, de la Gauchetière Street West, Suite 200, Montreal, Québec H3B 4W5.
11. “**BDO Consideration**” means the amount to be paid by BDO set forth in the Confidentiality Agreement, excluding the amount payable for the costs of the arrangement under the CCAA.
12. “**BIA**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3.

13. **"Business Day"** means a day, other than Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Montreal, Québec, Canada.
14. **"CCAA"** means the *Companies' Creditors Arrangement Act*, R.S.C. c. C-36, as amended.
15. **"CCAA Approval Order"** means an order in the CCAA Proceedings which shall, among other things: (i) approve, sanction and/or confirm the Plan; (ii) authorize the Parties to undertake the settlement and the transactions contemplated by the Plan; and (iii) provide for the bar of Claims and the Injunction.
16. **"CCAA Court"** means the Superior Court of Québec (Commercial Division), sitting as a court designated pursuant to the CCAA.
17. **"CCAA Filing Date"** means the date of the Initial Order.
18. **"CCAA Proceedings"** means the case filed in CCAA Court by the Applicant.
19. **"Claim"** means past, present and future claims, causes of action, obligations, rights, suits, judgments, applications, remedies, interests, actions, liabilities, demands, duties, tax, injuries, damages, expenses, fees, or costs of whatever kind or nature (including attorney's fees and expenses), whether foreseen or unforeseen, known or unknown, asserted or unasserted, contingent or matured, liquidated or unliquidated, whether delict, quasi-delict, in tort, contract, extra-contractual responsibility or otherwise, whether statutory, at common law, civil law, public law or in equity, regardless of the legal theory (i) arising out of, based upon, or connected to, in whole or in part, directly or indirectly, whether through a direct claim, cross-claim, third-party claim, commodity or income tax claim, warranty claim, recursory claim, indemnification claim, subrogation claim, forced intervention, class action or otherwise, from (a) the Class Action, including any claims for investment loss in capital and interest related to the Promissory Notes or otherwise related directly or indirectly to one or more of the Debtors or the audited or unaudited, consolidated or unconsolidated financial statements of any of them; or (b) the Existing Agreements, or (ii) that would otherwise constitute a claim by or against the Debtors, provable in bankruptcy under the BIA, when the Debtors became subject to the CCAA Proceedings. This definition of Claim includes, but is not limited to, claims for breach of contract, breach of the implied covenant of good faith and fair dealing, duty to inform, statutory or regulatory violations, for indemnity or contribution, or punitive, exemplary or extra-contractual damages of any type, as may be limited herein.
20. **"Claim Appeal Motion"** means, with respect to any Claim, the motion which shall be served upon the Monitor, Applicant's Counsel and Class Counsel and filed in Court by the Creditor disputing a Notice of Revision or Notice of Rejection of the Creditor's Proof of Claim and setting out the reasons for the appeal.
21. **"Claims Bar Date"** has the meaning ascribed thereto in the Claims Bar Date section of the Claims and Meeting Order.
22. **"Claims Procedure"** means the procedure established for the filing of Proof of Claims in the CCAA Proceedings pursuant to the Claims Procedure section of the Claims and Meeting Order.

23. **"Claims and Meeting Order"** means the order rendered by the CCAA Court approving a claims process, a claims bar date and a meeting of creditors, as such order may be amended, restated or varied from time to time.
24. **"Claims Resolution Process"** means the provisions of the Claims and Meeting Order establishing the procedure for determining the validity and quantum of any disputed Claims for the purpose of the Plan.
25. **"Class"** or **"Class Member"** means "Toutes les personnes qui en date du 9 novembre 2005 étaient propriétaires de billets à ordre émis par les sociétés Corporation Mount Real, Gestion MRACS Ltée, Investissements Real Vest Ltée et Corporation Real Assurance Acceptation" who did not exclude themselves within the prescribed delays.
26. **"Class Action"** means the class action commenced on or about November 8, 2008, before the Class Action Court, under court file 500-06-000453-080, including all subsequent amendments and all proceedings in this Court file, whether before or after the action was authorized to proceed as a class action.
27. **"Class Action Claims"** means Claims of the members of the Class that are accepted under the Plan.
28. **"Class Action Court"** means the Superior Court of Québec (Class Action Division) presided by the Honourable Jean-François Buffoni, J.S.C.
29. **"Class Action Order"** means the order issued in the Class Action (i) confirming that the CCAA Approval Order shall be binding and giving full effect against the parties designated in and part of the Class Action, whether as a class representative, class member, named defendant/respondent or mis-en-cause; (ii) removing the allegations and conclusions against the Settling Defendants; and (iii) terminating the Class Action against the Settling Defendants without costs.
30. **"Class Counsel"** means Belleau Lapointe and Trudel, Johnston & Lespérance as counsel retained by Class Plaintiff in the Class Action.
31. **"Class Counsel Fees"** means, in the respective proportions indicated in writing by Class Counsel to the Monitor, a total amount of fees equal to twenty per cent (20%) of the Settling Defendants' Consideration received by the Monitor, plus the Class Counsel's disbursements relating to the Class Action and the CCAA Proceedings, plus applicable taxes thereon, as established in invoices addressed to the Class Plaintiff in a form acceptable to the Monitor.
32. **"Class Plaintiff"** means Andrée Ménard, in her capacity as representative of the Class.
33. **"Confidentiality Agreement"** means the agreement signed between Deloitte, BDO, SLF, B2B and Class Plaintiff, with the intervention of the Liquidator, RCGT and persons and counsel present during the case settlement conference presided by the Honourable Louis Lacoursière, J.S.C. which was held during the week of July 11, 2016, dated as of July 15, 2016.
34. **"Creditors"** means collectively all Persons holding any Claim against: (i) MRC, MRACS, Real Vest or RAAC; (ii) the Settling Defendants; and/or (iii) any of the Released Parties

and “**Creditor**” means any one of them.

35. “**Creditors’ Instructions**” means the instructions for Creditors explaining how to file a Proof of Claim.
36. “**Creditors’ List**” means a list, prepared by the Monitor and filed with the CCAA Court, of all Known Creditors, as may be updated from time to time.
37. “**Debtors**” or “**Debtor Companies**” means MRC, MRACS, Real Vest and RAAC.
38. “**Deloitte**” means Deloitte LLP, a limited partnership with a place of business at 1190 Avenue des Canadiens-de-Montréal, Suite 500, Montreal, Québec H3B 0M7.
39. “**Deloitte Consideration**” means the amount to be paid by Deloitte set forth in the Confidentiality Agreement.
40. “**Distribution Date**” means the date or dates from time to time set in accordance with the provisions of the Plan to effect distributions in respect of the Proven Claims.
41. “**Effective Time**” means 8:00 a.m. (Montreal time) on the Plan Implementation Date.
42. “**Effective Time of the Initial Order**” means 12:01 a.m. (Montreal time), on the date of the Initial Order.
43. “**Execution Date**” means the first day upon which all Parties have executed the Plan Support Agreement and delivered a copy to counsel for the other Parties.
44. “**Existing Agreements**” means any and all contracts or agreements between the Debtors and/or the Individual Defendants and/or any of the Creditors on the one hand, and any of the Released Parties, on the other hand, except if such contracts or agreements are between a Creditor and a Released Party and are completely unrelated to: (i) the subject matter of the Class Action; or ii) the Debtors and/or the Individual Defendants and/or their affiliates, subsidiaries, predecessors, successors, affiliates of their predecessors and successors, shareholders, directors, officers, agents, employees, partners or members.
45. “**FAAC**” means Fonds d’aide aux actions collectives.
46. “**Final Order**” means an order of the Class Action Court or the CCAA Court or any and all courts with jurisdiction to consider any appeals, that is no longer subject to further appeals, either because the time to appeal has expired without an appeal being filed, or because it has been affirmed, and that has not been challenged by inter alia an application for certiorari, retractation, modification or rectification of the judgment.
47. “**Funds for Distribution**” means the full net amount of capital of the Settlement Consideration and Bankruptcy Consideration received by the Monitor for distribution to Creditors, without any deduction whatsoever for professional fees and disbursements related to the CCAA Proceedings, but after deduction of the payment by the Monitor to Class Counsel of the Class Counsel Fees.
48. “**Individual Defendants**” means, Paul D’Andrea, Lino P. Matteo and the mis en causes

Laurence Henry, Lowell Holden, Joseph Pettinicchio, and Andris Spura.

49. **"Initial Application"** means the application filed by the Trustee seeking an initial order under the CCAA with respect to the Debtor Companies.
50. **"Initial Order"** means the order issued by the CCAA Court, on the Initial Application of the Applicant, authorizing the filing of the CCAA Proceedings and appointing the Monitor, as may be amended.
51. **"Injunction"** means an order by the CCAA Court acceptable to the Settling Defendants permanently releasing and enjoining the enforcement, prosecution, continuation or commencement of any Claim that any Person, including, without limitation, any Creditor, holds or asserts or may in the future hold or assert against the Released Parties. The Injunction shall provide that any and all Claims against the Released Parties will be permanently and automatically compromised, discharged and extinguished, that all Persons, including, without limitation, all Creditors, whether or not consensually, shall be deemed to have granted full, final and definitive releases of any and all Claims to the Released Parties and shall be permanently and forever barred, estopped, stayed and enjoined from (i) pursuing any Claim, directly or indirectly against the Released Parties; (ii) continuing or commencing, directly or indirectly, any action or other proceeding with respect to any Claim against the Released Parties; (iii) seeking the enforcement, attachment, collection or recovery of any judgment, award, decree, or order against the Released Parties or the property of the Released Parties with respect to any Claim; (iv) creating, perfecting, or enforcing any encumbrance of any kind against the Released Parties or the property of the Released Parties with respect to any Claim; and (v) asserting any right of setoff, subrogation, indemnification, recursory right, warranty, contribution or recoupment of any kind against any obligations due to or by the Released Parties with respect to any Claim.
52. **"Known Creditor"** means a Creditor listed on the list filed by the Monitor at the hearing for the Claims and Meeting Order, as may be updated from time to time.
53. **"Liquidator"** means Ernst & Young Inc., a Canadian corporation having a place of business at 800 René-Lévesque Boulevard West, Suite 1900, Montreal, Quebec H3B 1X9, acting in its capacity as court appointed liquidator of Penson Financial Services Canada Inc.
54. **"Meeting of Creditors"** means a meeting or meetings of the Creditors to consider and vote on the Plan held pursuant to the Claims and Meeting Order and includes any meeting or meetings resulting from the adjournment thereof.
55. **"Monitor"** means Raymond Chabot Inc. (represented by Mr. Jean Gagnon, CPA, CA, CIRP, SAI), solely in its capacity as monitor in the CCAA Proceedings, or such other entity as may be approved by the CCAA Court in the future to serve in such capacity in the CCAA Proceedings.
56. **"MRACS"** means MRACS Ltée / Gestion MRACS Ltd. and its predecessors and successors.
57. **"MRC"** means Corporation Mount Real/Mount Real Corporation and its predecessors and successors.

58. **"Net Capital"** means the capital initially invested by a Class Member, without any interest thereon, less any amount paid to the Class Member.
59. **"Notice to Creditors"** means the notice of the Claims and Meeting Order to be published on the Website on the Publication Date, which shall set out the Claims Procedure, Claims Bar Date, Claims Resolution Process, the notice of the Meeting of Creditors, the notice of the application for Court approval of the Plan and the Creditors' Instructions, being substantially in the form of Schedule "B" to the Claims and Meeting Order.
60. **"Notice of Rejection"** means the notice informing a Creditor that the Monitor, in consultation with Class Counsel, have determined that the Creditor's Claim is deemed or is presumed rejected and setting out the reasons for rejection.
61. **"Notice of Revision"** means the notice informing a Creditor that the Monitor, in consultation with Class Counsel, have revised all or part of such Creditor's Claim set out in its Proof of Claim and setting out the reasons for revision.
62. **"Ordinary Creditors"** means Persons holding Ordinary Claims.
63. **"Ordinary Claims"** means Claims in the CCAA Proceedings that are: i) filed as Ordinary Claims with the Monitor subject to being accepted as Proven Claims under the Plan; ii) proof of claims previously filed in the Bankruptcies with the Trustee, subject to being accepted as Proven Claims under the Plan; and iii) Class Actions Claims filed with the Monitor which are concurrently deemed filed as Ordinary Claims for the same amount.
64. **"Parties"** means the Trustee (in its capacity as a trustee to the Bankruptcies and Monitor), the Class Plaintiff (in her capacity as representative of the Class) and the Settling Defendants.
65. **"Penson"** means Penson Financial Services Canada Inc.
66. **"Penson Agreement"** means the agreement entered into on October 3 and 5, 2016 between the Class Plaintiff and the Liquidator and homologated by the court in the liquidation proceedings of Penson on October 18, 2016.
67. **"Penson Consideration"** means the amount to be paid by the Liquidator on behalf of Penson set forth in the Penson Agreement.
68. **"Person"** means and includes a natural person or persons, a group of natural persons acting as individuals, a group of natural individuals acting in collegial capacity (e.g., as a committee, board of directors, etc.), a corporation, partnership, limited liability company or limited partnership, a proprietorship, joint venture, trust, legal representative, or any other unincorporated association, business organization or enterprise, any government entity and any successor in interest, heir, executor, administrator, trustee, trustee in bankruptcy (including the Trustee), or receiver of any such person or entity.
69. **"Plan"** means the plan of compromise and arrangement filed with respect to the Debtors in the CCAA Proceedings, including any amendment thereto if such amendment is agreed in writing to by all of the Parties to the Plan Support Agreement.

70. **"Plan Implementation Date"** means the Business Day on which the Monitor has filed with the CCAA Court the certificate contemplated in the Plan.
71. **"Plan Support Agreement"** means the Plan Support and Settlement Agreement entered into among the Settling Defendants, the Trustee and the Class Plaintiff on the Execution Date, and as the context requires, includes the Confidentiality Agreement and the Pension Agreement.
72. **"Proceedings"** means the Bankruptcy and the CCAA Proceedings.
73. **"Promissory Notes"** means promissory notes allegedly issued and/or guaranteed by MRC and its affiliated or related or formerly affiliated or related entities MRACS, Real Vest and RAAC from 1993 to November 2005. For greater certainty, the notes issued by any other entity are expressly excluded from this definition.
74. **"Proof of Claim"** means the forms of Proof of Claim for Ordinary Creditors and Class Members as approved by the Claims and Meeting Order.
75. **"Property"** means all the Debtor Companies' present and future assets, rights, undertakings and properties of every nature and kind whatsoever, and wherever situated, including all proceeds thereof.
76. **"Proven Claims"** means a Claim finally determined, settled or accepted for voting and distribution purposes in accordance with the provisions of the Plan or the Claims Resolution Process, in the applicable category or categories as an Ordinary Claim and/or a Class Action Claim.
77. **"Publication Date"** means the date on which the publication of the Notice to Creditors on the Website has been completed.
78. **"RAAC"** means Corporation Real Assurance Acceptation and its predecessors and successors.
79. **"Raymond Chabot Inc."** or **"RCGT"** means Raymond Chabot Inc. in such capacity of Monitor or Trustee as required by the context.
80. **"Real Vest"** means Real Vest Investments Ltd. and its predecessors and successors.
81. **"Related Released Parties"** means all of the Persons who are Released Parties in relation to a particular Settling Defendant.
82. **"Released Parties"** means the Settling Defendants, their affiliates, subsidiaries, predecessors, successors, affiliates of their predecessors and successors, and each of their shareholders, directors, officers, agents, employees, partners, members, legal counsel, experts, consultants, advisors and/or insurers and includes Persons who have a financial interest in, perform services for, or have commercial dealings with one of the Released Parties.
83. **"Representation Order"** means the order to be rendered on the CCAA Filing Date in the CCAA Proceedings by the CCAA Court appointing, as representatives of the class members designated in the Class Action, the Class Plaintiff, represented by the Class

Counsel, to further act on behalf of the Class before the CCAA Court in the context of the CCAA Proceedings.

- 84. **"Settlement Consideration"** means, subject to the terms of the plan Support Agreement, the aggregate sum of no less than \$43,025,000 to be delivered by the Settling Defendants in their respective proportions pursuant to Section 2 of the Confidentiality Agreement (excluding the amounts payable by BDO and SLF for the costs of the arrangement under the CCAA) and the Penson Agreement, plus the Bankruptcy Consideration.
- 85. **"Settling Defendants"** means B2B, the Liquidator on behalf of Penson, Deloitte, BDO and SLF.
- 86. **"Settling Defendants' Consideration"** means the aggregate sum of no less than \$43,025,000 to be delivered by the Settling Defendants in their respective proportions pursuant to the Plan Support Agreement.
- 87. **"SLF"** means Schwartz Levitsky Feldman LLP, a limited partnership with a place of business at 1980 Sherbrooke Street West, 10th Floor, Montreal, Québec H3H 1E8.
- 88. **"SLF Consideration"** means the amount to be paid by SLF set forth in the Confidentiality Agreement, excluding the amount payable for the costs of the arrangement under the CCAA.
- 89. **"Stay Period"** means the period of the stay of proceedings ordered in the Initial Order, as may be extended by the Court from time to time.
- 90. **"Trustee"** means Raymond Chabot Inc., a Québec company having a place of business at 600 De La Gauchetière Street West, Suite 2000, Montréal, Québec, H3B 4L8, solely in its capacity as trustee appointed in the Bankruptcies of the Debtors.
- 91. **"Unaffected Claims"** or "Unaffected Claim" has the meaning given to that term in the Plan.
- 92. **"Website"** means the website maintained by the Monitor in respect of the CCAA Proceedings pursuant to the Initial Order at the web address listed in the Claims and Meeting Order.