

APPROVAL NOTICE

District Representative Action

DEAR [MERGE FIELD – Insert class members’ field name]

If you are a District Depositor, or a beneficiary or representative of estate of a District Depositor, in the ABC District Church Extension Fund Program, being a non-registered fund held by ABC District which offered term deposits, savings accounts and a children’s savings program, and as a result sustained damage to your investments, this notice may affect your legal rights. Please read it carefully.

On ●, 2021, the Court approved a partial settlement (the “Settlement”) of the class action and partial certification for such settlement only in *Wiley Hertlein et al v Schiemann et al*, Alberta Court of Queen’s Bench Action No. 1901-04984 (the “District Representative Action”) *. The District Representative Action concerns the mismanagement of District Depositors funds in the ABC District Church Extension Fund Program. A copy of the court’s Approval and Certification Order and a copy of the Settlement Agreement are posted on Class Counsel’s website (www.higgertylaw.ca). Except to the extent that they are set out in or modified by the Approval and Certification Order and the previous Notice Approval Order in this Action, the definitions set out in the Settlement Agreement apply to and are incorporated into this Notice.

[*The partial settlement and certification for settlement was also granted in *Reid Glen et al v Concentra Trust et al* Alberta Court of Queen’s Bench Action No. 1801-03538 (the “DIL Representative Action”)]

Who is Eligible to participate in the Settlement?

To be eligible to participate in the Settlement under the District Representative Action, you must be a member of the “Representative Action Class”, which is defined as follows:

- i. a class of people resident in Alberta, including persons, estates of depositors, corporations and societies, sole proprietorships and partnerships and congregations affiliated with the Lutheran-Church Canada (the “**Alberta Lutheran Sub-Class**”); and
- ii. an extra-provincial class of people resident outside of Alberta, including persons, estates of depositors, corporations and societies, sole proprietorships and partnerships and congregations affiliated with the Lutheran-Church Canada (the “**Extra-Provincial Lutheran Sub-Class**”); and
- iii. a class of people resident in Alberta who were resident in Alberta, and the estates of such persons, who were not members of a Lutheran-Church

congregation, including corporations and societies, sole proprietorships and partnerships and any other depositors (the “**Alberta Non-Lutheran Sub-Class**”); and

iv. an extra-provincial class of people resident outside of Alberta, and the estates of such persons, who were not members of a Lutheran-Church congregation, including corporations and societies, sole proprietorships and partnerships and any other depositors (the “**Extra-Provincial Non-Lutheran Sub-Class**”);
AND WHO

v. invested in the Lutheran-Church-Canada Alberta and British Columbia District’s Church Extension Fund (the “**CEF**”) as depositors toward the fund.

Except for “**Excluded Persons**” which shall be defined as follows:

- i. A Defendant in this class action; or
- ii. Any past and present subsidiaries, affiliates, officers, directors, senior employees, partners, legal representatives, heirs, successors, predecessors, and assigns of the Defendants; or
- iii. all members of the putative Classes or Sub-Classes who submitted no later than December 15, 2016 an opt-out form in the manner prescribed by the District Sanction Order filed August 5, 2016 in Alberta Court of Queen’s Bench of Alberta Action No. 1501-00955 (the “**CCAA Proceedings**”)

If you are a member of the Representative Action Class, **you will automatically be included** in this Representative Action and are not required to take any further steps at this stage.

The Terms of the Proposed Settlement

Under the Settlement Agreement, members of the Representative Action Class will be entitled to payment of the following amounts by the Settling Defendants.

If the settlement is approved, and subject to court approval, each member of the Representative Action Class (including the legal representative(s) of the estate of a deceased member) will be paid a proportionate share of the Settlement Funds, calculated as follows:

Total Settlement Funds	\$●to remain undisclosed but still part of the calculation
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LESS

Allocation from the settlement	\$● to remain undisclosed but still
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**funds for DIL
Representative
Action**

part of the calculation

**Allocation from
the settlement
funds for District
Representative
Action**

\$● to remain
undisclosed but still
part of the calculation

LESS

\$● to augment the existing litigation holdback to cover costs associated with the approval process which are not incurred by the time of distribution, potential future costs and disbursements in the Representative Action and to cover (“self-insure”) the Representative Plaintiffs in this Action against potential adverse court costs, or in such other amount as the court may direct.

LESS

\$● estimated class counsel legal fees, disbursements, and GST subject to approval by the Court.

LESS

\$● Estimated third-party professional fees related to court approval and distribution.

**Your share of the
Distribution is
proposed to be
determined
proportionately as
follows:**

**Net Amount of
Settlement Funds
available for
distributions**

\$● to remain
undisclosed but still
part of the calculation

**Multiplied by the
following fraction:**

Total amount of each
Class member’s “Net
Claim after

Convenience Payment”
* divided by the Total
Amount of all
Representative Action
Class members’ Net
Claim after
Convenience Payment*

*specified in the Opt-In List that was prepared by the Monitor in the CCAA Proceedings and as updated by the Monitor or the Claims Administrator from time to time, MNP.

Your share of the proposed distribution is currently calculated to be \$●[MERGE FIELD], subject to any adjustments and updates by the Claims Administrator. To view the amount of your share as updated from time to time, go to www.mnp.ca/ceflccsettlement (the “Portal”) and input your personalized passcode: [MERGE FIELD - INSERT INDIVIDUAL PASSCODE].

[The information in the Portal is confidential and is not to be divulged except to anyone assisting you with computer access and/or your professional advisors on a confidential basis.]

No Further Opt-Out

The Court has directed that no further opt-out process be required as it has already been done in the related CCAA Proceedings.

If you previously opted-out late after the District Representative Action was commenced on February 22, 2016, but you still do not wish to participate in the settlement distribution, you may decline to negotiate your distribution cheque. Subject to court approval, it is proposed that the funds for any cheques uncashed after 6 months of mailing will be added to the litigation fund referenced above.

SETTLEMENT FUNDS SHALL BE DISTRIBUTED AS FOLLOWS:

The Claims Administrator, MNP Ltd., will be issuing a cheque to be delivered by regular mail to the last known mailing address for each Representative Action Class member for such member’s share of the settlement distribution. The funds for any cheques uncashed after 6 months of mailing will be added to the litigation fund referenced above.

You should expect to receive your cheque for your share of the settlement funds within a week or so after the appeal period for the Order for Approval and Certification for Partial Settlement has successfully expired*. (*The appeal period is expected to expire without any appeal one month from the date of decision for the Order.)

What are the Financial Consequences?

No member of the Representative Action Class, other than the Representative Plaintiffs, will be

liable for costs.

Definitions

Except as otherwise defined in this Notice, all capitalized words or phrases in this Notice which are defined in the Settlement Agreement have the same definition in this Plan.

FOR MORE INFORMATION, TO MAKE INQUIRIES ABOUT THIS ACTION, PLEASE CONTACT:

HIGGERTY LAW

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MNP Ltd.

Attention: Rick Anderson
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