

# **CLASS ACTION AGAINST ROYAL BANK OF CANADA**

**IN RELATION TO OLYMPUS UNITED FUNDS CORPORATION**

## **AN AGREEMENT HAS BEEN REACHED**

**THE COURT WILL BE ASKED TO APPROVE IT.**

### **What is the purpose of this notice?**

The present notice is to inform you that Mrs. Sheila Calder (the "**Plaintiff**") and Royal Bank of Canada and RBC Capital Markets Corporation (collectively hereinafter "**RBC**"), the defendants in this case, have entered into a settlement agreement (the "**Settlement Agreement**") in the matter of the class action lawsuit filed in Québec, in the district of Montreal, against RBC bearing Court file no. 500-06-000435-087 (the "**Class Action**"). If the Settlement Agreement is approved, it will end the Class Action.

The Plaintiff and its counsel ("**Plaintiff's Counsel**") believe that the Settlement Agreement is fair and reasonable and in the best interests of the class members considering, *inter alia*, the particular facts of the case, the inherent risks of litigation, uncertainty of result, and the quantum of the settlement entered into between KPMG LLP and the Norshield Receiver in July 2011 (the "**KPMG Settlement**"). The parties will ask the Superior Court to approve the Settlement Agreement.

The Superior Court will hold a hearing in person on December 2, 2020, beginning at 9:30 a.m. at the Court House of Montreal at 1 Notre-Dame St. East, Montreal, Québec, to decide whether the Settlement Agreement should be approved ("**Approval Hearing**"). The room number will be posted on the door of room No. 2.08 prior to 9 a.m. Class Members who wish to attend may do so and may reach the Plaintiff's Counsel for assistance.

### **Who is impacted by this notice?**

The Class Action was authorized by the Superior Court on October 30, 2013 for the benefit of the following persons (the "**Class**"):

*All Canadian retail investors who purchased one of the Olympus United Funds Corporation shares (formally First Horizon Holdings Ltd.) from June 27, 1999 to June 29, 2005, and who had outstanding shares in said corporations as of June 29, 2005, but to the exclusion of any person who is or was in any way related to Jon Xanthoudakis or any other former director, administrator, representative of employee of the Norshield Financial Group.*

You are being provided the present notice if you are a member of the Class or an heir of a member of the Class.

### **What is the purpose of the Class Action?**

Mrs. Calder, as class representative, alleges that RBC participated in the creation of a fraudulent investment scheme by Norshield Asset Management Ltd. ("Norshield"), and that RBC knew or ought to have known that Norshield was defrauding the owners of shares of Olympus United Funds Corporation ("**OUFC**"). The Class Action sought to retrieve from RBC an amount of approximately \$140 Million plus the legal interest and the special indemnity provided by Article 1619 of the *Civil Code of Québec*.

RBC has denied and continues to deny having committed any fault or wrongdoing, denies responsibility, and challenges the validity of the claims and damages set forth in the Class Action.

### **What is the settlement amount offered by the Agreement?**

Without admission of liability, and in full and final settlement of the claims of the Class, RBC has agreed to pay a settlement of \$6,000,000 ("**Settlement Amount**").

### **How will the Settlement Amount be calculated?**

The Superior Court appointed Richter Advisory Group Inc. as the administrator of the settlement ("**Administrator**") to, among other things, distribute the share of the Settlement Amount to eligible Class members as determined by the Administrator ("**Authorized Claimants**").

After deducting Court approved Plaintiff Counsels' fees and disbursements, Administration fees and applicable taxes, the Settlement Amount will be distributed on a *pro rata* basis to the Authorized Claimants by the Administrator.

The share of the Settlement Amount of each Authorized Claimant will be calculated by dividing the listed market value of their investment in OUFC shares as of June 29, 2005, by the total market value of the investment of all Authorized Claimants in said shares at the same date.

The legal fees for which the Plaintiff's Counsels will seek the approval of the Court correspond to 25% of the Settlement Amount, plus applicable taxes, in accordance with the fee agreements entered into by Mrs. Calder and Plaintiff's Counsel on August 24, 2011. The estimated disbursements, most of which are expert fees, is \$200,000.

The Administration fees, including notice distribution, claim form processing and cheques distribution is estimated at \$66,000, plus applicable taxes.

As an example, and if the Court approves the above mentioned fees and if your investment in OUFC shares' market value was \$100 000 as of June 29, 2005, and the total market value of all Authorised Claimants' shares in OUFC was \$125 Million, your estimated share of the distribution would be \$3,000.

**How will the Settlement Amount be distributed?**

Authorized Claimants will receive their share of the Settlement Amount by cheque, which will be mailed to their last known address:

- **Directly and without further process if you filed a proof of claim and received a portion of the KPMG Settlement distributed by RSM Richter Inc. in 2012 and 2013.**

**or**

- **After receipt and approval by the Administrator of the claim form attached to this Notice.**

**If a claim form is attached to the present Notice, you are deemed not to have submitted a proof of claim nor received a portion of the settlement proceeds from the KPMG Settlement. You are therefore required to complete, sign and submit the claims form to the Administrator by November 24, 2020 (the “Claims Bar Date”). Failing to submit a claims form on or before the Claims Bar Date will preclude you from receiving any part of the Settlement Amount.**

**Mailing and email address of the Administrator:**

Richter Advisory Group Inc.  
1981 McGill College  
Montreal (QC) H3A 0G6  
Email: [claims@richter.ca](mailto:claims@richter.ca)

**Will this Settlement Agreement have an impact on the receivership proceedings or the CCAA proceedings regarding OUFC?**

No. The Distribution of the Settlement Amount, and your rights to receive same, will not impact your right for further distributions, if any, under the receivership proceedings or the CCAA proceedings. However, if you are a retail investor without proven claim within the receivership or the CCAA proceedings, this Distribution will not generate a new right to claim under those separate and distinct proceedings, which are under the jurisdiction of the Ontario Superior Court of Justice.

**How can I obtain additional information?**

**For information regarding the Settlement Agreement:** you can consult the following websites: <https://www.richter.ca/insolvencycase/norshield/> or <https://spavocats.ca/class-actions/rbc/>. The latter website contains downloadable .pdf versions of the claim form and the full text of the Settlement Agreement.

You can also contact the Administrator at 1-844-908-3947 or at [claims@richter.ca](mailto:claims@richter.ca) and Class Counsel at 514-937-2881 ext. 228; fax 514-937-6529; email [rbcsettlement@spavocats.ca](mailto:rbcsettlement@spavocats.ca).

**How can I express my disagreement with the Settlement Agreement?**

To assert contentions regarding the Settlement Agreement to the Court, you may attend the Approval Hearing or send your written contentions to Class Counsel prior to the Approval Hearing. Any written contentions must be submitted by no later than October 26, 2020. All written contentions received prior to the Approval Hearing will be shared with the Court. You do not need a lawyer to assert contentions. Asserting contentions to the Settlement Agreement will not bar you from receiving your share of the compensation, should the Settlement Agreement be approved by the Court.

No other notice will be published if the Settlement Agreement is approved.

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

C A N A D A

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

SUPERIOR COURT  
(Class Action Division)

N° : 500-06-000435-087

SHEILA CALDER

Plaintiff

v.

ROYAL BANK OF CANADA

-and-

RBC CAPITAL MARKETS CORPORATION

Defendants

## **SETTLEMENT AGREEMENT CLAIM FORM**

Dear member,

Mrs. Sheila Calder, as class representative, and Royal Bank of Canada and RBC Capital Markets Corporation, as defendants, have entered into a settlement agreement (the "**Settlement Agreement**") in connection with the above-noted class action lawsuit (the "**Class Action**"). If the Settlement Agreement is approved by the Court, it will end the Class Action. Please review the notice to members for details about the Settlement Agreement and the distribution.

Richter Advisory Group Inc. was appointed as the administrator (the "**Administrator**") of the Settlement Agreement to, among other things, distribute the settlement amount to class members.

You or the Corporation have been identified by the Administrator, from third party records available. As per those records and the Class Member definition, you are a member of the class in the Class Action.

You are receiving this claim form because you either did not receive previous communications or did not reply to previous communications from RSM Richter Inc. (now Richter Advisory Group Inc.) in its capacity as court-appointed receiver (the "**Receiver**") or monitor of Olympus United Funds Corporation/Corporation de Fonds Unis Olympus ("**OUFC**"), in relation to a settlement entered into between the Receiver and KPMG LLP. Those communications occurred in or around 2012.

**In order to participate in the Settlement Agreement, and receive your share of the settlement amount, you must review, complete if necessary, sign and return the enclosed claim form, which must be received by the Administrator on or before the claims bar date (November 24, 2020).** Please review the attached schedule showing your individual investments in OUFC as of June 29, 2005, as per the records available to the Administrator.

The address of the Administrator is indicated in the Notice to which this form is attached.

**CLAIM**

I, \_\_\_\_\_ of \_\_\_\_\_, do hereby certify :  
*(Name) (City and Province)*

1. I am the Claimant / or I am the \_\_\_\_\_ of the Claimant.  
*(Position or Title)*
2. As at June 29, 2005, the Claimant had shares of OUFC which were valued in the amount of CAD \$ \_\_\_\_\_, as shown:

by the schedule attached to the present form;

***Or, if you do not agree with the attached statement, please fill the following table and attached supporting documentation to this form***

by the following table of shares and values of the OUFC shares owned by the Claimant as at June 29, 2005:

<b>Share Class</b>	<b>OUFC Fund Description</b>	<b>Number of Share held on June 29, 2005</b>	<b>Net Asset value per Share as at April 29, 2005</b>	<b>Claim (Number of Shares X Net Asset Value)</b>

**C. ATTESTATION**

I hereby attest that the information contained in this document, and in any and all documents annexed hereto, is true and accurate.

SIGNED on \_\_\_\_\_, 2020.

\_\_\_\_\_

*(Signature of Claimant or Claimant Representative)*