

SUPERIOR COURT
(Class Action)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL

N° : 500-06-000435-087

DATE : July 13 ,2022

BEFORE : THE HONORABLE THOMAS M. DAVIS, J.S.C.

SHEILA CALDER
Plaintiff

v.

ROYAL BANK OF CANADA

and

RBC CAPITAL MARKETS CORPORATION
Defendants

and

RICHTER ADVISORY GROUP INC.

and

FONDS D'AIDE AUX ACTIONS COLLECTIVES
Impleaded parties

CLOSING JUDGMENT

- [1] **CONSIDERING** the *Application for closing judgment* in the present class action;
- [2] **CONSIDERING** that a judgment (the “**Second Order**”) was rendered on December 7, 2020, on a *Motion to approve a settlement agreement and for other reliefs*, approving the Settlement Agreement entered between the parties in the present file;
- [3] **CONSIDERING** the final report of the Administrator, dated March 14, 2022;
- [4] **CONSIDERING** that the Settlement Agreement was duly executed by the parties, in compliance with the Settlement Agreement, the Second Order and the subsequent judgments rendered by this Court;
- [5] **CONSIDERING** that 1,558 cheques, plus a wire transfer to TD Waterhouse Canada inc. for 70 Members who had assigned their rights in favor of TD, totaling \$3,954,300.60 (the “**Compensation Fund**”), have been mailed to Class Members on April 1st, 2021;
- [6] **CONSIDERING** that the Administrator reissued 68 cheques to Class Members whose address was missing or incorrect and to estates or heirs of deceased Members;
- [7] **CONSIDERING** that a total of 1,482 Members, or 91% of the 1,628 eligible Class Members, or their estate, have received compensation in this class action;
- [8] **CONSIDERING** that \$3,654,676.06 or 92,4% of the Compensation Fund have been distributed to Class Members, leaving a remaining balance of \$307,340.18;
- [9] **CONSIDERING** that the amount owed to the *Fonds d’aide aux actions collectives* on the remaining balance of the Compensation Fund, in respect with article 1(1)c) of the *Regulation respecting the percentage withheld by the Fonds d’aide aux actions collectives*, RLRQ, c F-3.2.0.1.1, r.2., is 70% or \$215,138.13 of the remaining balance;
- [10] **CONSIDERING** that in accordance with article 596 of the *Code of Civil Procedure*, the Court disposes of any remaining balance in the same manner as when remitting an amount to a third person, having regard, among other things, to the members’ interests;

- [11] **CONSIDERING** that two co-recipients are proposed, namely, Éducaloi and the Chaire Fintech AMF – Finance Montréal;
- [12] **CONSIDERING** that Éducaloi is a neutral and independent organization with a recognized expertise in legal education and clear legal communication;
- [13] **CONSIDERING** that Éducaloi’s mission is to inform the public of their rights and obligations by providing them with tools to popularize the law;
- [14] **CONSIDERING** that Éducaloi already developed contents, including two guides, regarding investments and fraud, especially targeting elderly people;
- [15] **CONSIDERING** that Éducaloi plans to use its share of the remaining balance for the following purposes:
- a. Keeping the guides up to date for a period of two years, in both French and English;
 - b. Optimizing and improving the guides to improve reach and impact;
 - c. Developing a new legal information tool (a game, a quiz, a podcast) in order to reach the target audience better; and
 - d. Promoting the guides and other related contents on social medias.
- [16] **CONSIDERING** that the Chaire Fintech AMF – Finance Montréal is a multidisciplinary and inter-university research unit that aims to develop advanced fundamental knowledge and practices in relation to technological innovations challenges and impacts in the fintech ecosystem;
- [17] **CONSIDERING** that in order to fulfill its mission, the Chaire Fintech AMF – Finance Montréal and its partners proceed with calls for research projects to the entire Québec scientific community interested in fintechs;
- [18] **CONSIDERING** that the Chaire Fintech AMF – Finance Montréal plans to use its share of the remaining balance to finance a call for projects named “*La cybersécurité et les risques des décisions d’investissements dans l’ère numérique*”;
- [19] **CONSIDERING** that the following research axis will be proposed:
- a) Cybersecurity;

- b) Hedge funds;
- c) Fraudulent transactions and protection.

- [20] **CONSIDERING** that research projects in these areas will, on the one hand, develop knowledge about the security flaws associated with the investment tools and products in vogue in the digital age, and, on the other hand, provide a better understanding of the current risks associated with hedge funds (use of big data, machine learning, growing influence of social networks on investors' decisions, etc.);
- [21] **CONSIDERING** that it is in the interest of the Members that Éducaloi and the Chaire Fintech AMF – Finance Montréal pursue their mission and realize the proposed projects;
- [22] **CONSIDERING** that the Administrator of the Compensation Fund has reported on its administration, accounted for all monies it has received, administered and disbursed;
- [23] **CONSIDERING** that the *Fonds d'aide aux actions collectives* has been duly notified as an impleaded party in this *Motion for closing judgment*, and that it has confirmed by letter that it has no observations or representations to do in regard with the motion;

FOR THESE REASONS, THE COURT :

1. **DECLARES** that for the purposes of this judgment, except to the extent that they are modified in this judgment, the definitions set out in the Settlement Agreement, exhibit CJ-1, and its schedules apply to and are incorporated into this judgment; **DÉCLARE** qu'aux fins du présent jugement, sauf si elles ont été modifiées dans le présent jugement, les définitions énoncées dans l'Entente de règlement, pièce CJ-1, et ses annexes s'appliquent et sont incorporées au présent jugement;
2. **GRANTS** this *Application for Closing Judgment*; **ACCUEILLE** la présente *Demande en jugement de clôture*;

3. **DECLARES** that the remaining balance of the Compensation Fund, under article 596 C.C.P., is \$307,340.18;
4. **DECLARES** that the amount owed to the *Fonds d'aide aux actions collectives* on the remaining balance of the Compensation Fund, under the *Regulation respecting the percentage withheld by the Fonds d'aide aux actions collectives*, is \$215,138,13;
5. **APPROVES** Éducaloi and the Chaire Fintech AMF – Finance Montréal as joint recipients of the remaining balance of the indemnity, each for 50%, after deduction of the amount payable to the *Fonds d'aide aux actions collectives*;
6. **ORDERS** the Administrator to pay the remaining balance of the Compensation Fund, within 30 days of this judgment, in the following manner:
- a) \$215,138.13 to the *Fonds d'aide aux actions collectives*;
- b) \$46,101.03 to Éducaloi;
- c) \$46,101.02 the Chaire Fintech AMF – Finance Montréal.
7. **DECLARES** that Richter Advisory Group Inc. has fulfilled its obligations as Administrator and that it be released from its duties as soon as the *Fonds d'aide aux actions collectives*, Éducaloi and the Chaire Fintech AMF – Finance Montréal have been paid according to the conclusion number 6;
8. **PRAYS ACT** of Plaintiff's attorneys' undertaking to remove the Settlement
- DÉCLARE** que le reliquat du Fonds d'indemnisation, en vertu de l'article 596 C.p.c., s'établit à 307 340,18 \$;
- DÉCLARE** que le montant dû au Fonds d'aide aux actions collectives à titre de prélèvement sur le reliquat du Fonds d'indemnisation en vertu du *Règlement sur le pourcentage prélevé par le Fonds d'aide aux actions collectives* s'établit à 215 138,13 \$;
- APPROUVE** Éducaloi et la Chaire Fintech AMF – Finance Montréal comme récipiendaires conjoints, chacun pour 50% du solde du reliquat, une fois déduit de celui-ci le prélèvement du Fonds d'aide aux actions collectives;
- ORDONNE** à l'Administrateur de disposer du reliquat du Fonds d'indemnisation, dans les 30 jours du présent jugement, de la manière suivante :
- d) 215 138,13 \$ au Fonds d'aide aux actions collectives;
- e) 46 101,03 \$ à Éducaloi;
- f) 46 101,02 \$ à la Chaire Fintech AMF – Finance Montréal.
- DÉCLARE** que Richter Advisory Group Inc. a complété ses obligations à titre d'Administrateur et qu'il sera libéré de cette charge dès que le Fonds d'aide aux actions collectives, Éducaloi et la Chaire Fintech AMF – Finance Montréal auront été payés selon la conclusion numéro 6;
- PREND ACTE** de l'engagement des avocats de la demanderesse de retirer l'Entente de règlement de leur site internet le 30 mai 2022;

Agreement from their website on May 30, 2022;

9. **PRONOUNCES** the closing judgment of this class action against Royal Bank of Canada and RBC Capital Markets Corporation;

PRONONCE le jugement de clôture de la présente action collective à l'égard de la Banque Royale du Canada et RBC Marchés des Capitaux.;

10. **THE WHOLE WITHOUT COSTS.**

LE TOUT SANS FRAIS.

THOMAS M. DAVIS, J.S.C.

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Mtre Clarence Gauthier-Bertrand
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