

CLASS PROCEEDING CERTIFICATION NOTICE

A class proceeding has been certified by the British Columbia Supreme Court (*Matthews and Dunlop v La Capitale Civil Service Mutual, La Capitale Financial Group Inc., La Capitale Civil Service Insurer Inc., La Capitale Financial Security Insurance Company, and 3602214 Canada Inc.*, VLC-S-S-1810216) on behalf of: “all individuals or entities, wherever resident, who were, between November 30, 2006 and May 28, 2020 party to any agreement with the Pennsylvania Life Insurance Company, the Penncorp Life Insurance Company, or their subsidiaries or acquirers which grants or entitles them to ongoing compensation from the Pennsylvania Life Insurance Company, the Penncorp Life Insurance Company, their subsidiaries, their acquirers or from the business operations and activities of the Defendants.” (the “Class”)

WHAT IS THIS CLASS ACTION ABOUT?

The action alleges that the Defendants engaged in conduct (the “Defendants’ Actions”) that deprived the Class of compensation owed pursuant to various agreements between the Class and the Defendants. The alleged Defendants’ Actions includes the inclusion of certain expenses by the Defendants in the calculation of compensation owed to the Class and the churning of various Defendants’ products to eliminate compensation owed to the Class. The Class claims a monetary judgment for damages flowing from the breaches of legal duties and obligations, including but not limited to, breach of trust, breach of contract, misrepresentation, negligence, and unjust enrichment. The Defendants deny the allegations and the Court has not made a decision on the merits of the claims.

OPTING OUT OF THE CLASS ACTION

If you are a Class member, you are automatically included in the class action, unless you opt out. If you wish to opt out, you must send a completed Opt Out Form to Merchant Law Group LLP by courier, e-mail, fax, or mail by October 30, 2021. You can obtain the Opt Out Form and addresses at www.merchantlaw.com/lacapitale or by calling 306-359-7777.

If you do **not** opt out of the class action, you will be affected as follows.

(a) You will be bound by the Court’s findings at trial as to whether the Defendants breached any obligations toward you. If the Court finds in favour of Class members, you may later have to participate in a further process to prove individual issues, including the amount of any loss that you incurred as a result.

(b) You may be unable to bring or participate in any other legal proceeding against the Defendants that alleges that they have breached any agreement you may have had with the Defendants.

(c) You will be bound by any settlement of the class action that is approved by the Court and will be permitted to share in any monetary proceeds by way of such settlement.

LEGAL REPRESENTATION

The Court has appointed Raymond Matthews and Donald Dunlop as the representative plaintiffs, who have retained counsel on a contingency fee basis, whereby the lawyers, subject to the approval of the Court as required by the *Class Proceedings Act*, will be paid (i) 33% of the first \$5 million recovered plus (ii) 25% of the next \$5 million recovered plus (iii) 20% of any recovery above \$10 million, plus (iv) all applicable taxes and disbursements incurred.

TO LEARN MORE ABOUT THIS CLASS ACTION

For more information on this class action, please visit <http://www.merchantlaw.com/lacapitale>

You can contact Matthews and Dunlop through their lawyers: Merchant Law Group LLP, 2401 Saskatchewan Drive, Regina, SK, S4P 4H8, Tel: (306) 359-7777, Fax: (306) 522-3299, Email: lacapitale@merchantlaw.com, Attn: E.F. Anthony Merchant, Q.C. / Iqbal S. Brar / Anthony Tibbs.

This is not an advertisement or solicitation by a lawyer. The Court has approved the content of this notice, and it affects your legal rights. You should seek independent legal advice to consider your options.