

# NOTICE OF CERTIFICATION AND SETTLEMENT APPROVAL HEARING CHRISTIAN ECONOMIC ASSISTANCE FOUNDATION SCHOOL SUPPORT PROGRAM

Read this notice carefully as it may affect your legal rights.

## PURPOSE OF THIS NOTICE

A Court proceeding was commenced and has been settled with the defendants, subject to Court approval. A hearing to certify the action as a class proceeding for purposes of settlement and to approve the settlement will take place on **DECEMBER 8, 2015** at 10:00 a.m. at Osgoode Hall, 130 Queen Street West, Toronto, Ontario.

A proposed class action was commenced against Christian Economic Assistance Foundation ("CEAF") and Ontario Alliance of Christian Schools Societies ("OACS") in which it is alleged that CEAF designed, developed and promoted a School Support Program ("SSP") which was endorsed by OACS. The SSP operated to increase tax credits available to families paying tuition at Ontario Christian Schools. Canada Revenue Agency disallowed the tax credits.

## THE SETTLEMENT

The defendants have agreed, in exchange for a full release of all claims made against them in the action, to collectively pay \$1.5 million into a settlement fund. The defendants do not admit liability. The settlement reflects a compromise of disputed claims.

The settlement fund of \$1.5 million will be distributed to Class Members *pro rata* subject to a cap, after deduction of costs of settlement administration, Class Counsel fees, taxes and disbursements and costs of notice.

Class Members will be entitled to receive payment of a *pro-rata* distribution of settlement funds to a maximum of 46.41% of their total donation (46.41% is the maximum combined federal and Ontario tax bracket). The amount available per Class Member will be dependent upon the number of Class Members who submit a claim form.

A request will be made for approval of Class Counsel's fees at 30% of the settlement fund, in the amount of \$508,500.00, disbursements of \$12,944.27, and costs of Notice of \$5,100.00, each inclusive of taxes.

Class Counsel will be responsible for administering the settlement as efficiently as possible. Administration costs are capped at \$113,000.00 inclusive of taxes.

The proposed definition for the settlement class is as follows:

*"all individuals who participated in the SSP for the taxation years 2009, 2010, 2011 and 2012, and who were reassessed by Canada Revenue Agency, which reassessments resulted in the disallowance of the charitable donation tax credits related to participation in the SSP."*

## THE CERTIFICATION AND SETTLEMENT APPROVAL HEARING

A hearing to approve the settlement will be held by the Ontario Superior Court of Justice in Toronto on **DECEMBER 8, 2015** at 10:00 a.m.

Class Members are permitted to appear and make submissions at the hearing with respect to the settlement or to make submissions in writing. If you wish to comment on the settlement, a written submission must be delivered to Class Counsel by email, fax, or regular mail as listed below, by November 30, 2015. Class Counsel will put all such submissions before the Court. If the settlement is approved, a further notice will be published to advise of the Court approval.

Class Members who do not oppose the proposed settlement need not appear at the hearing or take any other action to indicate desire to participate in the settlement. The process for Class Members to make a claim for settlement benefits will be explained in a future notice.

At the settlement approval hearing, the plaintiff will ask the Court to approve terms whereby Class Members will be bound by the terms of the settlement, if approved, unless they "opt-out". The deadline and procedure for opting-out and the effect of doing so will be reviewed at the hearing and those details will be available in a further notice to be published in the event that the settlement agreement is approved by the Court.

The settlement agreement will not become effective unless approved by the Ontario Superior Court of Justice.

## CLASS COUNSEL

Scarfone Hawkins <sup>LLP</sup> represents the Class Members. Class Counsel can be reached at:

By Email: [CEAF@shlaw.ca](mailto:CEAF@shlaw.ca)

By Fax: 905-523-5878

By Telephone: 905-526-4395

By Mail: Scarfone Hawkins <sup>LLP</sup>

Lawyers and Trade-mark Agents

One James Street South, 14<sup>th</sup> Floor

Hamilton, Ontario L8N 3P9

[www.classactionlaw.ca](http://www.classactionlaw.ca)

If you would like a copy of the settlement agreement or have questions, please visit Class Counsel's website at [www.classactionlaw.ca](http://www.classactionlaw.ca). This Notice contains only a summary of the settlement and Class Members are entitled to review the full settlement agreement.

Questions about this action or this Notice should be directed to Class Counsel and not to the Court.

**THIS NOTICE HAS BEEN APPROVED BY THE ONTARIO SUPERIOR COURT OF JUSTICE.  
QUESTIONS ABOUT THIS NOTICE SHOULD NOT BE DIRECTED TO THE COURT.**