

# NOTICE OF CERTIFICATION AND SETTLEMENT APPROVAL 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 as a proposed class proceeding (the "Action") and has been settled with the Defendants and approved by the Court (the "Settlement"). The hearing to certify the Action as a class proceeding for purposes of settlement and to approve the Settlement took place on **DECEMBER 8, 2015** at the Ontario Superior Court of Justice in Toronto.

The Action was commenced against Christian Economic Assistance Foundation ("CEAF") and Ontario Alliance of Christian Schools Societies ("OACS") and 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 ("CRA") disallowed the tax credits.

## THE SETTLEMENT

CEAF and OACS 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. CEAF and OAS 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 Class Counsel Fees, disbursements, costs of notice and taxes, Administration Fees, disbursements and taxes, and Representative Plaintiff Compensation.

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 prove their claim.

The Court has approved Class Counsel's fees at 30% of the Settlement Fund, together with disbursements, Representative Plaintiff Compensation, costs of notice and applicable taxes, totaling \$526,544.27, to be paid from the Settlement Fund.

The Court has approved that Class Counsel administer the settlement as efficiently as possible and fixed Administration Fees, disbursements and applicable taxes at \$113,000.00.

Accordingly, Class Members will share in a *pro rata* distribution of the Net Settlement Fund in the amount of \$860,455.73.

The Class definition as certified 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."*

## OPT-OUT OF CLASS ACTION

Class Members who do not wish to participate in the Action, or to receive a Settlement Benefit under the Settlement Agreement, or to be subject to the terms of Settlement and Final Order, may choose to opt-out of the Action, by completing and submitting an Opt-Out Form before the Opt-Out Period Deadline on Friday, March 26, 2016.

Class Members who do not opt-out of the Action shall be entitled to receive a Settlement Benefit and will be subject to all terms of Settlement and the Final Order.

## DISTRIBUTION OF SETTLEMENT BENEFITS

Class Members who wish to receive or direct payment of a Settlement Benefit must complete and submit a Settlement Benefit Notice and Claim Form together with proofs of CRA reassessments pertaining to their participation in the SSP before the Settlement Benefit Claims Deadline on Friday, June 17, 2016. Settlement Benefit Notice and Claim Forms will be sent to Class Members within 30 days of expiry of the Opt-Out Period Deadline.

## 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, Opt-Out Form or Settlement Benefit Notice and Claim Form 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.**