

**CHRISTIAN ECONOMIC ASSISTANCE FOUNDATION SCHOOL SUPPORT PROGRAM CLASS
ACTION SETTLEMENT
FREQUENTLY ASKED QUESTIONS (FAQ'S)**

THE CLASS ACTION

1. What is the lawsuit all about?

A Court proceeding was commenced as a proposed class action against Christian Economic Assistance Foundation ("CEAF") and Ontario Alliance of Christian School Societies ("OACS"). The claim 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 CLASS

2. How do I know if I am a Class Member?

The Class definition certified by the Court 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 SETTLEMENT

3. What is the settlement?

CEAF and OACS have agreed to pay \$1.5 million into a Settlement Fund. CEAF and OACS did not admit liability. The settlement reflects a compromise of disputed claims.

The Settlement Fund of \$1.5 million will be distributed to eligible Class Members *pro rata* subject to a cap, after payment of Class Counsel fees, disbursements, costs of notice and taxes, administration fees, disbursement of taxes and representative plaintiff compensation.

Class Members are entitled to receive payment of a *pro rata* distribution of settlement funds to a maximum of 46.41% of the total donation amount.

46.41% is the maximum combined federal and Ontario tax bracket.

The amount available per Class Member will depend upon the number of Class Members who prove their claims.

4. Where do the settlement proceeds come from?

No part of the settlement funds come from Christian Schools.

We negotiated settlement with the defendants jointly. We do know that \$100,000.00 of the \$1.5 million settlement fund came from CEAF's assets which were subject to a revocation tax in favor of Canada Revenue Agency.

We believe that the balance of settlement funds, being \$1.4 million, was funded by CEAF's insurance company.

DISTRIBUTION OF SETTLEMENT BENEFITS

5. How do I receive a Settlement Benefit?

Class Members who wish to receive payment of a Settlement Benefit, or have the Settlement Benefit donated to an Ontario Christian school, must complete and submit a Settlement Benefit Notice and Claim Form, together with proof of CRA reassessment relating to participation in the SSP, all before the Settlement Benefits Claims Deadline of Friday, June 17, 2016.

We must receive a completed Settlement Benefit Notice and Claim Form together with the required documentation by the deadline of Friday, June 17, 2016, in order to process and approve your claim.

If a Claim Form is incomplete and/or is not accompanied by the required documentation by the deadline, the claim will be rejected/denied.

If you have your Settlement Benefit directed to an SSP – participating Christian school, you will not receive a charitable donation tax receipt. In order to receive a charitable donation tax receipt, you may wish to receive payment of the Settlement Benefit, and then donate that money to an Ontario Christian school or other charity of your choice.

Settlement Benefit Notice and Claim Forms will be sent to Class Members, and will be available on our website at www.classactionlaw.ca.

LEGAL FEES, COSTS

6. Do I have to pay legal fees or costs to participate in the settlement?

No, there is no cost to you to participate in the settlement. The Court has approved payment of legal fees/costs to Class Counsel out of the Settlement Fund. You will not be asked to pay any further fees or costs.

OPTING-OUT OF THE CLASS ACTION/INDIVIDUAL LEGAL ACTION

7. Can I proceed with a legal claim against the defendants on my own?

Class Members who wish to pursue individual legal action against the defendants need to opt-out of the action and settlement in order to preserve the right to pursue individual legal action.

Class Members who opt-out will not be entitled to receive any Settlement Benefits.

Further, individual legal action might be barred as a result of passage of time and expiry of applicable limitation periods.

Class Members who do not wish to receive a Settlement Benefit or be subject to the terms of settlement must complete and submit an opt-out form before Friday, March 25, 2016. Again, doing so means that you will not receive a Settlement Benefit.

MISCELLANEOUS

8. Can we claim for the CEAF SSP charitable donation tax receipts that we received, but did not use in filing our income tax forms with CRA?

No. If receipts were not used, no claim exists. Claims exist only where the receipts were used and CRA reassessed disallowing the claimed credits.

9. When will I receive my money?

The Settlement Benefit Claims Deadline is Friday, June 17, 2016.

We note that the Settlement Agreement and order provide that settlement benefit payments to Class members be no later than 90 days after the Settlement Benefit Deadline (June 17th, 2016) which we have calculated to be September 15th 2016.

10. Is the Settlement Benefit taxable in my hands?

In our view, receipt of the Settlement Benefit by you is not taxable. The Settlement Benefit is payment of damages in a legal action arising from breach of contract and other claims. We are not tax lawyers, however, and are not providing tax advice to Class Members. We urge you to consult your own tax advisor for tax advice.

TAX APPEALS

11. Does this Settlement affect the tax dispute with Canada Revenue Agency?

The class action is an action for damages against CEAF and OACS and is separate from the tax dispute with Canada Revenue Agency.

While we are not tax lawyers, and are not providing any tax advice, we do not believe that the Settlement will impact the tax dispute with the Canada Revenue Agency.

If you have concerns about that issue, you ought to obtain separate, independent advice from your tax lawyer or accountant.

FURTHER INFORMATION

12. If I have further questions or need additional information, what should I do?

You can send us your question in writing by mail to:

David Thompson/Matthew G. Moloci
1 James Street South
14th Floor
Hamilton, Ontario
L8P 4R5

You can fax us at: 905-523-5878.

Email us at: CEAF@shlaw.ca.

It is most efficient for us to respond to written questions sent by mail, fax or email.

If you prefer to telephone us, you can do so at: 905-526-4395.

More information is available by reading all of the updates and documentation on our website, www.classactionlaw.ca.