

NOTICE OF SETTLEMENT TO THE PLAINTIFF CLASS

HMS FINANCIAL INC. CLASS ACTION

Counsel for the Plaintiff Class in the HMS Financial Inc. Class Action, filed a Proof of Claim on behalf of the Plaintiff Class in the bankruptcy of the Defendant, John William Carew Willock. Further, Class Counsel has negotiated a settlement of the Class' claim with the Trustee in Bankruptcy of Mr. Willock and the other two major creditors of the bankruptcy estate. That negotiated resolution provides for these three major creditors to share equally in 96% of any dividends from the bankruptcy estate.

On Tuesday, August 31, 2010, the Alberta Court approved this settlement. However, the Court also provided for a notice period, **expiring September 15, 2010**, to give an opportunity to Class members who have not provided e-mail addresses to Class Counsel to receive notice of this settlement and object if they wish.

We are not able to advise with certainty at this time what the amount of dividends payable to the Plaintiff Class will be, but they are estimated to be in the range of approximately \$100,000.00 to \$120,000.00. Mr. Willock filed a Statement of Affairs at the commencement of his bankruptcy, which contained an estimated total net realizable dollar value of approximately \$355,000.00. The actual total net dollar value of the estate will only be known once the Trustee has sold all of the eligible assets and deducted the Trustee's costs. Counsel for the Trustee represented to the Court at the August 31, 2010 application that the Trustee had as of that date collected approximately \$275,000.00, with a further approximately \$200,000.00 anticipated, and had incurred costs including legal costs in excess of \$92,000.00.

These dividend funds will be paid to our office only when the Trustee has completed its processes and we are unable to provide an estimate of that timeframe. These processes are not under Class Counsel's control. However, the Trustee and the other creditors have the same interest as the Class in terms of having those processes move expeditiously.

If there are no objections to the settlement approval, once dividend money is received by our office we will hold it in trust pending further Court Order. We do not intend to seek an immediate distribution of any such funds. Distributions to the Class are expensive, and the costs are paid out of the funds being distributed. At the time of distribution, we will seek to have our usual contingency fee applied to all monies recovered for the Class. The fees granted to us as Class Counsel will be subject to Court approval at that time as well.

The Plaintiff Class has advanced claims against Mr. Willock that include allegations of fraud and breach of fiduciary duty, which Mr. Willock has defended and denied. These claims will likely be permitted to continue to be pursued even after Mr. Willock is discharged from bankruptcy. Accordingly, the Class may have additional future remedies against Mr. Willock beyond recovery in this bankruptcy.

The Court has ordered that members of the Plaintiff Class who have not provided e-mail addresses to Class Counsel are to be notified of the settlement by regular mail and given the opportunity to object. The Court has provided that the objection period will expire on September 15, 2010. Accordingly, any class member in receipt of this Notice of Settlement by mail **must contact the offices of Plaintiff Class Counsel prior to 4:30 PM Mountain Time on Wednesday, September 15, 2010 in writing to confirm their objection to this settlement. Plaintiff Class Counsel may be contacted as per the below:**

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