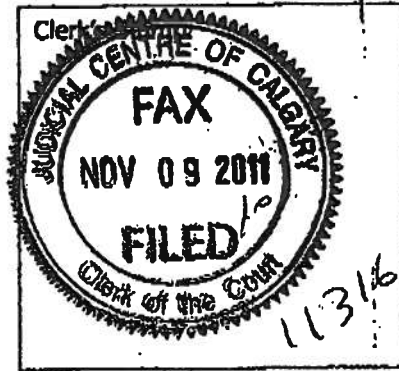


Alberta Rules of Court

COURT FILE NO. 0501 08152

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY



PLAINTIFFS DOUGLAS ALEXANDER and WILLIAM BARRETT, as Representative Plaintiffs

DEFENDANTS HMS FINANCIAL INC., et al

DOCUMENT ORDER APPROVING NOTICE TO THE CLASS

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

McLENNAN ROSS LLP
 1600 Stock Exchange Tower
 300 - 5th Avenue SW
 Calgary, AB T2P 3C4

Lawyer: Graham McLennan
 Telephone: (780) 482-9200
 Fax: (780) 482-9100
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 File: 251207

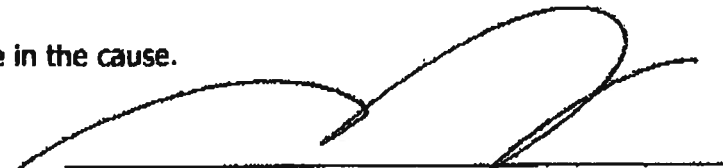
DATE ON WHICH ORDER WAS PRONOUNCED: November 9, 2011.

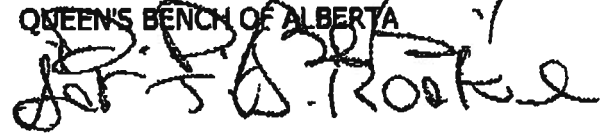
LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton, ALBERTA.

NAME OF JUDGE WHO MADE THIS ORDER: ASSOCIATE CHIEF JUSTICE ROOKE.

UPON THE APPLICATION of the Plaintiffs; IT IS HEREBY ORDERED THAT:

1. Class Counsel shall send the Notice attached hereto as **Schedule "A"** with respect to the proposed approval of settlements with a number of Defendants.
2. The Notice to Class shall be sent to the last known mailing address or e-mail address of the Class Members.
3. Costs of this application shall be in the cause.



 ASSOCIATE CHIEF JUSTICE OF THE COURT OF
 QUEEN'S BENCH OF ALBERTA


SCHEDULE "A"

**Douglas Alexander and William Barrett, as Representative Plaintiffs v.
HMS Financial Inc. et al
Alberta Court of Queen's Bench Action No. 0501 08152**

**NOTICE OF APPLICATION FOR COURT APPROVAL OF SETTLEMENTS WITH A
NUMBER OF DEFENDANTS**

TO: HMS INVESTOR CLASS MEMBERS

AND TO: THE DEFENDANTS

The Defendants named in this action are: HMS Financial Inc., Skyward Management Inc., Garth S. Bailey, Garth S. Bailey Professional Corporation, 990137 Alberta Ltd., 1037149 Alberta Ltd., operating as Cedar Management, 1053382 Alberta Inc., 1070199 Alberta Ltd., 1079373 Alberta Ltd., 993638 Alberta Ltd., A-Z Investment Group, ABBA Resources Unlimited, Academy Financial Inc., Academy Financial Planners & Consultants Inc., Ailanthus International Inc., Altruistic Holdings Ltd., Bailey & Dawes LLC, Bogner Industries Ltd. a.k.a. Bogner Industries Inc., B.P. Fritz Consulting Inc., Canadian Imperial Bank Of Commerce, The Carpenter's Shop Corporation, Casselman MCS Financial Inc., Cedar Pointe Consulting Group Inc., Chase Forbes Trust Ltd., CLJ Consulting LLC, Commonwealth Marketing Group Ltd., Community Credit Union Ltd., Companions Inc., The Dakota Corporation, Dana I. Carlson, Datas Consulting, Defreitas & Associates, Ethan Equities Inc., Five Continents Consulting, Five Continents Consulting Corporation, Warren Goss, Graceful Beneficence, Guessworks, Guessworks Foundation, The Hillpro Group Inc., Horizon Bank International Limited, Horizon Fiduciary Inc., HSBC Bank Canada, In House Counsel Cameron Campbell, International Investments Inc., Kamikey Services Inc., Kelso Enterprises Inc., Kingdom Advisors, Klass "A" Strategies Inc., Labalta Ltd., Legal Structures Inc., Linden Village Inn, Lindenhall Limited, Lindenhall Pty Ltd., M & M Computer Consulting, M & M Investments 101 Ltd., Maritime LLC, McCullough Financial Corporation, Michael Grosh Professional Corporation, Mountain Star Capital Corp., Mountain View Credit Union Limited, NDX Development LLC, Numa Ltd., Oxyoke Farms Ltd., Paget Capital Ltd., Paradise Bay Holdings Inc., Phoenix Global Resources Ltd., Pine Grove Management Inc., William H. Randall, RLM Consulting LLC, Sellars Financial Inc., Talisman Financial Investments Inc., Tamika Enterprises Inc., Thor Empire Trust, Titania Consulting Inc., TJ Kelly Inc., Tools Of The Carpenter, Trans Max Technologies Inc., Triple-SSS Holdings Inc., Tyrolia Foundation, Vitron Consulting Inc., Zurich Ventures Inc., A. Gary Young, Guy Bailey, Alfred Barnfield, Connie Bartel, Robert Bartel, Victor Bauman, Mylo Berstad, Nancy Buford, Cameron Campbell, Rick Childers, Blaine A. Cisna, Kevin Coombes, Ellen Kate Covey, Douglas A. Cowan, Margaret Dart, Stanley Defreitas, Don Dickerson, Eugene Leroy Duce, Arnold Dyck, Juan Exposito, Alfredo Farpon, Ray Fisher, Jack Folsom, Jim Folsom, Barie Fritz, Crystal Anne Fyn, Phyllis Fyn, Robert E. Fyn a.k.a. Colonel Fyn, Allan A. Gray, Michael Grosh, David Guess, Neil Guess, Kendra Haskett, Arnold Henry, David Henry, Gord Hiebert, Samuel Higgins, Wayne Johnson, Terry Kelly, Barbara L. King, Arthur Klassen, Edwin Knott, Ruby Leachman, George Lennox, William Lenz, Daniel Lescamela, Willie Lichtner, Lucia Ling, Barbara Lockhart, Ron Lowrie, Don MacGillivray, Danny R. MacNaughton, Norma A. MacNaughton, Michael McCullough, William McGrath, Dave Miller, Rosendo Mendez, Peter Mergenthaler, Peter Mol, Brad Mooney, Peter Morrissette, Tom Oldridge, Roy Overton, Gertrude M. Prete, Donald Rabby, Amin Ramji, Bilkish Ramji, Stan W. Remin, Jeffrey Robinson, Daniel Romero, John Romero, Orest Rusnak, Arie Schalk, Randall Seabrook, Claude Seguin, Robert J. Sellars, William Serediuk, Peter L. Sheridan, Janet Stark, Murray Stark a.k.s. Harold Murray Stark a.k.a. Murray H. Stark, Delmer Strobel, Verna Strobel, Cheryl Taylor, Milton Teibe, Robert F. Terborg, Enrique Toscano A.K.A. Chico Toscano, Lee-Anna Toscano, Henk Ujiterlinde, Wilma Ujiterlinde, Heather Vance, Christine Williams, William A. Williamson A.K.A. Bill Williamson, John W. Willock, Alberta Lawyers' Insurance Association and Canadian Lawyers' Insurance Association

1. The Representative Plaintiffs have instructed Class Counsel to enter into settlements with a number of Defendants, as summarized below. These settlements require Court approval and the Court has designated 2nd day, December, 2011 at 3:00 ~~am~~ p.m. at the Calgary Courthouse, to hear the application by the Representative Plaintiffs seeking an Order approving these settlements.
2. A summary of these settlements is as follows:
 - a. Ruby Leachman, Tamika Enterprises Inc. and The Dakota Corporation have agreed to a discontinuance of the action as against them without costs to the Plaintiff Class and will not be eligible to participate in any distribution to members of the Plaintiff Class.
 - b. Mountain Star Capital Corp., Connie Bartel and Robert Bartel have provided Class Counsel with information demonstrating their limited involvement in the HMS Scheme have agreed to a discontinuance of the action as against them without costs to the Plaintiff Class and will not be eligible to participate in any distribution to members of the Plaintiff Class.
 - c. George Lennox has provided Class Counsel with information demonstrating his limited involvement in the HMS Scheme, has agreed to a discontinuance of the action as against him without costs to the Plaintiff Class and will not be eligible to participate in any distribution to members of the Plaintiff Class.
 - d. Nancy Buford and NDX Development LLC have provided a statutory declaration outlining very limited assets and have agreed to a discontinuance of the action as against them without costs to the Plaintiff Class and will not be eligible to participate in any distribution to members of the Plaintiff Class.
 - e. Lucia Ling has provided a statutory declaration outlining very limited assets and has agreed to a discontinuance of the action as against her without costs to the Plaintiff Class and will not be eligible to participate in any distribution to members of the Plaintiff Class.
 - f. Allan Gray and Phoenix Global Resources Ltd., will pay to the Plaintiff Class the amount of \$1,000, in exchange for a discontinuance without costs and will not be eligible to participate in any distribution to members of the Plaintiff Class.
 - g. Alfred Barnfield, Barbara King and 1070199 Alberta Ltd. have provided a statutory declaration outlining very limited assets and have paid to the Plaintiff Class the amount of \$912.07, in exchange for a discontinuance without costs and will not be eligible to participate in any distribution to members of the Plaintiff Class.
 - h. Michael McCullough (also known as Michael McCulloch) and McCullough Financial Corporation have paid to the Plaintiff Class the amount of \$15,000.00 and provided an affidavit outlining limited involvement in the HMS Scheme, in

exchange for a discontinuance without costs and will not be eligible to participate in any distribution to members of the Plaintiff Class.

- i. Peter Morrisseau and 990137 Alberta Ltd. have provided an affidavit outlining very limited involvement in the HMS Scheme and have agreed to a discontinuance of the action as against them without costs to the Plaintiff Class.
- j. Arnold Dyck will pay to the Plaintiff Class \$6,000, and has provided a statutory declaration outlining very limited assets and has agreed to a discontinuance of the action as against him without costs to the Plaintiff Class and will not be eligible to participate in any distribution to members of the Plaintiff Class.
- k. Brad Mooney, M&M Computer Consulting and M&M Investments 101 Ltd. have paid \$2,173.15 to the Plaintiff Class, have provided an affidavit outlining their involvement in the HMS Scheme and have agreed to a discontinuance of the action as against them without costs to the Plaintiff Class;
- l. Claude Seguin and Casselman MCS Financial Inc. have paid \$800 to the Plaintiff Class, have provided a statutory declaration outlining limited assets, have agreed to a discontinuance of the action as against them without costs to the Plaintiff Class and will not be eligible to participate in any distribution to members of the Plaintiff Class.
- m. Datas Consulting, David Henry, Arnold Henry and Tom Oldridge have paid \$7387 to the Plaintiff Class, have provided multiple affidavits outlining their involvement in the HMS Scheme and have agreed to a discontinuance of the action as against them without costs to the Plaintiff Class.
- n. Douglas Cowan, 993638 Alberta Ltd. and Labalta Ltd., have paid \$3000 to the Plaintiff Class, have provided a statutory declaration outlining limited assets, have agreed to a discontinuance of the action as against them without costs to the Plaintiff Class and will not be eligible to participate in any distribution to members of the Plaintiff Class.
- o. Edwin Knott and Maritime LLC have paid \$1620 USD to the Plaintiff Class, have provided an affidavit outlining limited involvement in the HMS Scheme, have agreed to a discontinuance of the action as against them without costs to the Plaintiff Class and will not be eligible to participate in any distribution to members of the Plaintiff Class.
- p. Wayne Johnson and Ethan Equities have paid \$3000 to the Plaintiff Class, have provided a statutory declaration outlining limited assets, have agreed to a discontinuance of the action as against them without costs to the Plaintiff Class and will not be eligible to participate in any distribution to members of the Plaintiff Class.
- q. Henk Uijterlinde has paid \$5000 to the Plaintiff Class, has provided a statutory declaration outlining limited assets, have agreed to a discontinuance of the action

as against them without costs to the Plaintiff Class and will not be eligible to participate in any distribution to members of the Plaintiff Class.

- r. Wilma Uijterlinde has paid \$5000 to the Plaintiff Class, has provided a statutory declaration outlining limited assets, have agreed to a discontinuance of the action as against them without costs to the Plaintiff Class and will not be eligible to participate in any distribution to members of the Plaintiff Class.
 - s. Randall Seabrook has paid \$3000 to the Plaintiff Class, has provided an affidavit outlining limited involvement in the HMS Scheme and has agreed to a discontinuance of the action as against them without costs to the Plaintiff Class;
 - t. Vitron Consulting Inc., Arie Schalk and Peter Mol have paid \$30,000 to the Plaintiff Class, have provided an affidavit outlining their involvement in the HMS Scheme, have agreed to a discontinuance of the action as against them without costs to the Plaintiff Class and will not be eligible to participate in any distribution to members of the Plaintiff Class.
 - u. Juan Exposito and CLJ Consulting LLC are in bankruptcy proceedings in Florida, demonstrating extremely limited assets and have agreed through the Florida bankruptcy process, to a discontinuance of the action as against them without costs to the Plaintiff Class.
 - v. Heather Vance has provided an affidavit which outlines her very limited involvement in the HMS Scheme, and which outlines the circumstances surrounding which she did not receive notice of this action. Ms. Vance has agreed to assist the Plaintiff Class in an application to have some of the costs incurred by the Plaintiff Class paid and has agreed to set aside the default judgment granted against her and enter a discontinuance without further costs to the Plaintiff Class and will not be eligible to participate in any distribution to members of the Plaintiff Class .
 - w. Margaret Dart will pay \$100,000 to the Plaintiff Class, \$7,902.67 of which has already been paid, and will agree to set aside the default judgment granted against her and enter a discontinuance of the action against her without further costs to the Plaintiff Class and will not be eligible to participate in any distribution to members of the Plaintiff Class.
 - x. Robert Ter Borg will provide an affidavit outlining limited involvement in the HMS Scheme, and limited assets. Mr. Ter Borg has agreed to a discontinuance of the action as against him without costs to the Plaintiff Class and will not be eligible to participate in any distribution to members of the Plaintiff Class.
3. Class Counsel will also be applying to the Court to waive future notice to the Class of settlements with any remaining Defendants and other Defendants who are not settling, in order to decrease the overall costs to the Class.

4. Should you wish to oppose any of the above-noted settlements, or the application to waive future notice then you must:
 - a. Advise Class Counsel by email, at mborysiuk@mross.com, or fax at 780-482-9100, not later than 4:00 p.m. on Nov. 22, 2011;
 - b. Provide an Affidavit setting forth the facts as to why you oppose the application, file a copy of the Affidavit at the Courthouse in Calgary and deliver a filed copy to McLennan Ross LLP, 1600 Stock Exchange Tower, 300 – 5th Avenue SW, Calgary, Alberta T2P 3C4, no later than 4:00 p.m., Nov. 25 2011;
 - c. Appear in Court in Calgary on the date, time and courtroom set forth above to present your arguments.

5. Should these settlements be approved by the Court, this means that a further approximately \$183,000 will be added to the pool of funds, held in trust by Class Counsel for the benefit of the Plaintiff Class, which will be available to be distributed at a later date to those Class members whose Claims have been accepted through the Claims Process.