

**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 CLAIMS PROCESS

TO: HMS INVESTOR CLASS MEMBERS

Class Counsel have recovered approximately \$5 Million on behalf of the Class through various recoveries and settlements with defendants. Class Counsel's opinion is that the majority of recoverable funds have been gathered. The Representative Plaintiffs have instructed Class Counsel to make an Initial Distribution of recovered funds to the Class and the Court has approved this claims process including the distribution of recovered funds.

This means that all Class Members will now have to submit a formal claim for their investment loss to Class Counsel. Any further distributions of future recoveries will be based on the claims accepted in relation to this Initial Distribution.

How do I make a claim?

To make a claim, you must submit the attached Claim Form together with the supporting documents listed in the Claim Form on or before 4:00 pm MST on October 11, 2011 by:

E-mail: mborysiuk@mross.com

Or

Fax: 780-482-9100

Attention: Michelle Borysiuk

Or if E-mail or Fax is not available to you:

Mail: McLennan Ross LLP
600, 12220 Stony Plain Road
Edmonton, Alberta T5N 3Y4
Attention: Michelle Borysiuk

Additional copies of the Claim Form are also available online at **www.cuminggilespie.com**.

If you fail to submit a Claim Form by October 11, 2011, or if your Claim Form is incomplete or does not include the necessary supporting documents to prove your Claim and is not accepted by Class Counsel, you will not receive any portion of the funds which you invested and lost through the HMS Scheme.

Under no circumstances will Claim Forms be accepted after October 11, 2011.

How much of my investment will I get back?

The amount of each Class Members' share of the distribution cannot be calculated until all claims have been received and the total amount of accepted claims is known.

Upon the close of the claims process, the payment to each Class Member, whose claim is accepted, will be calculated as follows:

$$\frac{\text{Total Recoveries}}{\text{Total Claims}} \times \text{Investment Loss} = \text{Payment}$$