

## **Notice of Settlement Approval & Hearing to Approve Distribution Protocol in the Canadian FX Price-Fixing Class Action**

**To: All Persons in Canada Who, Between January 1, 2003 and December 31, 2013, Entered into an FX Instrument\*, Either Directly or Indirectly Through an Intermediary, and/or Purchased or Otherwise Participated in an Investment or Equity Fund, Mutual Fund, Hedge Fund, Pension Fund or any Other Investment Vehicle that Entered into an FX Instrument (the “Settlement Class”).**

**\*FX Instruments include FX spot transactions, outright forwards, FX swaps, FX options, FX futures contracts, options on FX futures contracts, and other instruments traded in the FX Market.**

---

### **BACKGROUND**

Class action lawsuits in Ontario and Quebec allege an unlawful conspiracy to fix prices in the foreign exchange market (the “FX Market”). Beginning at least as early as 2003 and continuing through 2013, it is alleged that the Defendants communicated directly with each other to coordinate their: (i) fixing of spot prices; (ii) controlling and manipulating FX benchmark rates; and (iii) exchanging key confidential customer information in an effort to trigger client stop loss orders and limit orders. The Defendants’ alleged conspiracy affected dozens of currency pairs, including the U.S. and Canadian dollar (USD/CAD) currency pair, which is one of the world’s highest volume trading currency pairs. Due to the importance of spot prices, it is alleged that the Defendants’ alleged conspiracy impacted all manner of FX instruments, including those trading both over-the-counter and on exchanges.

### **SETTLEMENT CLASS MEMBERS**

In Canada outside of Quebec, you are included in the Settlement Class if:

- you are a person in Canada who, between January 1, 2003 and December 31, 2013, entered into an FX Instrument<sup>[1]</sup> either directly or indirectly through an intermediary, and/or purchased or otherwise participated in an investment or equity fund, mutual fund, hedge fund, pension fund or any other investment vehicle that entered into an FX Instrument and you did not opt-out of the lawsuit on or before December 5, 2016.

In Quebec, you are included in the Settlement Class if:

- you are a person in Quebec who, between January 1, 2003 and December 31, 2013, entered into an FX Instrument<sup>[1]</sup> either directly or indirectly through an intermediary, and/or purchased or otherwise participated in an investment or equity fund, mutual fund, hedge fund, pension fund or any other investment vehicle that entered into an FX Instrument and you did not opt-out of the lawsuit on or before December 5, 2016.

<sup>[1]</sup> “**FX Instruments**” includes FX spot transactions, outright forwards, FX swaps, FX options, FX futures contracts, options on FX futures contracts, and other instruments traded in the FX Market.

Excluded from the class are the Defendants, their parent companies, subsidiaries, and affiliates; provided, however, that Investment Vehicles are not excluded from the class.

## COURT APPROVED CLASS ACTION SETTLEMENTS

Court approved settlements have been reached with the following Defendants:

<b>Settled Defendants</b>	<b>Settlement Amount</b>
UBS AG, UBS Securities LLC and UBS Bank (Canada)	\$4,950,000
BNP Paribas Group, BNP Paribas North America, Inc., BNP Paribas (Canada), and BNP Paribas	\$4,500,000
Bank of America Corporation, Bank of America, N.A., Bank of America Canada, and Bank of America National Association	\$6,500,000
The Goldman Sachs Group, Inc., Goldman, Sachs & Co., and Goldman Sachs Canada Inc.	\$6,750,000
JPMorgan Chase & Co., J.P. Morgan Bank Canada, J.P. Morgan Canada, and JPMorgan Chase Bank National Association	\$11,500,000
Citigroup Inc., Citibank, N.A., Citibank Canada, and Citigroup Global Markets Canada Inc.	\$21,000,000
Barclays Bank PLC, Barclays Capital Inc., and Barclays Capital Canada Inc.	\$19,677,205.88
HSBC Holdings PLC, HSBC Bank PLC, HSBC North America Holdings Inc., HSBC Bank USA, N.A., and HSBC Bank Canada	\$15,500,000
Royal Bank of Scotland Group PLC, RBS Securities, Inc., Royal Bank of Scotland N.V., and Royal Bank of Scotland plc	\$13,220,000
Standard Chartered plc	\$900,000
The Bank of Tokyo Mitsubishi UFJ, Ltd., and Bank of Tokyo-Mitsubishi UFJ (Canada)	\$450,000
Société Générale S.A., Société Générale (Canada) and Société Générale	\$1,800,000

The settlement funds are being held in interest-bearing Guaranteed Investment Certificates for the benefit of Settlement Class Members (less court-approved counsel fees and disbursements). In addition to the above-noted monetary benefits, each of the above-listed settlements requires the Settled Defendants to provide cooperation and/or certain documents and information to the Plaintiffs in the continued prosecution of the Canadian proceedings.

The Canadian proceedings continue against Credit Suisse Group AG, Credit Suisse Securities (USA) LLC, Credit Suisse AG, Credit Suisse Securities (Canada) Inc, Deutsche Bank AG, Morgan Stanley, Morgan Stanley Canada Limited, Royal Bank of Canada, and RBC Capital Markets LLC.

The settlements are a compromise of disputed claims and the Defendants do not admit any wrongdoing or liability.

## PROPOSED DISTRIBUTION OF THE SETTLEMENT FUNDS

Hearings will be held in Ontario and Quebec during which Class Counsel will seek court approval of a protocol for distributing the aggregate settlement funds, plus accrued interest, less a reserve fund, court approved legal fees and other expenses (the “Distribution Protocol”). The reserve fund will be held in a trust account for the benefit of Settlement Class Members. Class Counsel will apply to the Ontario and Quebec courts to have the reserve funds applied against future disbursements and/or adverse costs awards.

A copy of the proposed Distribution Protocol is available at [www.canadianfxnationalclassaction.ca](http://www.canadianfxnationalclassaction.ca) or from Class Counsel.

Although settlements have only been reached with certain Defendants, Settlement Class Members can make claims for transactions with any Defendant or other financial institution, provided they entered into an FX Instrument, either directly or indirectly through an intermediary, and/or purchased or otherwise participated in an investment or equity fund, mutual fund, hedge Fund, pension fund or any other investment vehicle that entered into an FX Instrument between January 1, 2003 and December 31, 2013.

### *Direct Claimants*

Settlement Class Members who directly entered into an FX Instrument, either with a Defendant or another financial institution, may submit documentation of their FX transaction volumes using their own records and will submit those records to the Claims Administrator.

To value a claim, the Claims Administrator will:

1. Analyze transaction volume based on the records submitted by the Claimant and, if necessary, convert values into CAD, using prevailing exchanges rates during the relevant time period applicable for the submitted records;
2. If any volumes submitted are rejected, send a deficiency notice to the Claimant and provide an opportunity to cure;
3. Adjust the transaction volume to yield the Claimant’s Settlement Transaction Volume<sup>1</sup>;
4. Adjust the Settlement Transaction Volume to yield the Eligible Participation Amount<sup>2</sup>; and,
5. Determine the damages calculation and the payment to the Claimant.

Subject to further order of the courts, the settlement funds allocated to Direct Claimants will be distributed proportionally based on the value of an approved claim relative to the value of all approved claims. The value of a claim will depend on the quantum of the Eligible Participation Amounts. Trades between January 1, 2003 and November 30, 2007 will be discounted by 40%.

---

<sup>1</sup> *Settlement Transaction Volume* is the gross transaction volume in eligible instruments adjusted by Conversion Ratios that account for an instrument’s sensitivity to the spot rate.

<sup>2</sup> *Eligible Participation Amount* is the Claimant’s Settlement Transaction Volume adjusted by Relative Damage Factors that account for two transaction characteristics that affect damages: currency pair traded and trade size.

## ***Indirect Claimants***

Settlement Class Members who indirectly transacted in an FX Instrument by virtue of participating in or trading in an investment vehicle, such as a mutual fund, which was incorrectly valued due the Defendants' misconduct may submit their own trading records of their participation or investments in such investment vehicles to the Claims Administrator.

To value a claim, the Claims Administrator will:

1. Confirm the investment vehicle held by the Claimant during the Class Period is on the list of investment vehicles available in Canada that entered into FX Instruments. This list will be prepared by Class Counsel based on a review of public disclosure of investment vehicles. If an investment vehicle is not on the list, the Claims Administrator will notify Class Counsel, who will determine whether the investment vehicle entered into FX Instruments and should be added to the list, or whether the claim relating to the investment vehicle in question is ineligible;
2. Analyze transaction volume based on the records submitted by the Claimant, and if necessary, convert values into CAD using prevailing exchange rates during the relevant time period applicable for the submitted records to calculate Claimant's cumulative investment in the listed investment vehicles;
3. If any volumes submitted are rejected, send a deficiency notice to the Claimant and provide an opportunity to cure; and,
4. Determine the damages calculation and the payment to the Claimant.

Damages will only be paid out if the cumulative volume of investment is above a minimum threshold approved by the Courts. Trades between January 1, 2003 and November 30, 2007 will be discounted by 40%.

This notice only summarizes the Distribution Protocol. More information about the Distribution Protocol is available at [www.canadianfxnationalclassaction.ca](http://www.canadianfxnationalclassaction.ca). Questions about the Distribution Protocol or any other matters contained in this notice may be directed to Class Counsel:

- **Settlement Class Members outside of Quebec:** Laura-Marie Paynter at [laura-marie.paynter@siskinds.com](mailto:laura-marie.paynter@siskinds.com)
- **Quebec Settlement Class Members:** Karim Diallo at [karim.diallo@siskindsdesmeules.com](mailto:karim.diallo@siskindsdesmeules.com)

## **PARTICIPATING IN THE APPROVAL HEARING FOR THE DISTRIBUTION PROTOCOL AND CLASS COUNSEL FEES**

In Ontario, the Court has appointed the law firms of Sotos LLP, Koskie Minsky LLP, Siskinds LLP, and Camp Fiorante Matthews Mogergerman to represent you and other Class Members in the Ontario action. In Quebec, Siskinds Desmeules, s.e.n.c.r.l. represents the Class Members in the Quebec action as "Class Counsel."

Class Counsel fees and disbursements must be approved by the Ontario court. Class Counsel will be requesting legal fees of up to 18.5% of the settlement funds, less legal fees previously awarded, plus disbursements and applicable taxes, be approved by the courts and paid out of the settlement funds. This motion will be heard at the same time as the hearings to approve the Distribution Protocol.

The hearing to approve Class Counsel's fees and disbursements and the Distribution Protocol will be held before the Ontario Superior Court of Justice on July 4, 2018 at 10:00AM at Osgoode Hall, 130 Queen Street West, Toronto, Ontario. The hearing before the Quebec Superior Court to approve the Distribution Protocol will be held on August 6, 2018 at 9:30AM at the Quebec City Courthouse, 300, boulevard Jean-Lesage, Quebec City, Quebec.

**Settlement Class Members who do not oppose Class Counsels' request for fees and expenses or the Distribution Protocol and who wish to claim benefits under the settlements do not need to do anything at this time, but are encouraged to register online at [www.canadianfxnationalclassaction.ca](http://www.canadianfxnationalclassaction.ca) to receive updates about the class action.**

Settlement Class Members who wish to comment on or make an objection to Class Counsel's request for fees and expenses or the proposed Distribution Protocol, or make submissions at the approval hearing, must provide a written submission to Class Counsel at the address listed below, postmarked no later than June 29, 2018. Class Counsel will forward all such submissions to the courts. All written submissions will be considered by the courts. If you do not submit written submissions postmarked by June 29, 2018, you may not be entitled to participate at the approval hearing, through oral submissions or otherwise.

Settlement Class Members may attend the approval hearing if they desire. If you wish to attend the approval hearing, please contact Class Counsel for additional details.

Objections should be directed to Class Counsel:

- **Settlement Class Members outside of Quebec:** Laura-Marie Paynter at [laura-marie.paynter@siskinds.com](mailto:laura-marie.paynter@siskinds.com)
- **Quebec Settlement Class Members:** Karim Diallo at [karim.diallo@siskindsdesmeules.com](mailto:karim.diallo@siskindsdesmeules.com)

**Siskinds LLP**

Laura-Marie Paynter  
100 Lombard Street, Suite 302  
Toronto, ON M5C 1M3

**FILING A CLAIM**

If and when the Distribution Protocol is approved, Settlement Class Members who wish to apply for compensation under the settlements will have to file a claim. Settlement Class Members will have to rely on their own records in order to file a claim. The deadline and procedure for filing a claim will be reviewed at the approval hearing and those details will be available in a further notice to be distributed by mail or email and posted online at [www.canadianfxnationalclassaction.ca](http://www.canadianfxnationalclassaction.ca).

**If you did not receive this notice by mail or email, please register online at [www.canadianfxnationalclassaction.ca](http://www.canadianfxnationalclassaction.ca) or by telephone at (800) 375-9070 to ensure that further notices will be sent to you directly.**

This notice has been approved by the Ontario and Quebec courts.