

**FOREIGN EXCHANGE/FOREIGN CURRENCY MARKET PRICE-FIXING CLASS ACTIONS  
NOTICE OF CLAIMS PROCESS**

**PLEASE READ THIS NOTICE CAREFULLY.**

**IT MAY AFFECT YOUR LEGAL RIGHTS.**

**CLAIM DEADLINE:** August 19, 2019

Class Members who wish to apply for compensation from the settlement funds should submit their Claim by this date.

**A. WHO IS AFFECTED BY THIS NOTICE?**

This notice applies to:

**All persons in Canada who, between January 1, 2003 and December 31, 2013, entered into an instrument traded in the foreign exchange market, 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 instrument traded in the foreign exchange market.**

**B. WHAT IS THE CLASS ACTION ABOUT?**

This class action arises from an alleged conspiracy among the defendants to fix, raise, maintain, stabilize, control, or enhance unreasonably the prices of currency purchased in the FX or foreign currency market (the “FX Market”). The class action was commenced in Ontario and in Québec in September 2015.

**C. COURT APPROVED SETTLEMENTS**

Settlements have been reached in the class action with the following Defendants (the “Settling Defendants”):

| <b>Defendants</b>            | <b>Settlement Amount</b> |
|------------------------------|--------------------------|
| UBS                          | \$4,950,000              |
| BNP Paribas                  | \$4,500,000              |
| Bank of America              | \$6,500,000              |
| Goldman Sachs                | \$6,750,000              |
| JPMorgan Chase               | \$11,500,000             |
| Citi                         | \$21,000,000             |
| Barclays                     | \$19,677,205             |
| HSBC                         | \$15,500,000             |
| Royal Bank of Scotland       | \$13,220,000             |
| Standard Chartered           | \$900,000                |
| Bank of Tokyo Mitsubishi UFJ | \$450,000                |
| Société Générale             | \$1,800,000              |
| <b>TOTAL</b>                 | <b>\$106,747,205</b>     |

The settlements were approved by the Ontario Court and the Québec Court (the “Courts”), and were certified against the Settling Defendants for settlement purposes. The Settling Defendants do not admit, and expressly deny, any wrongdoing or liability.

The settlement funds were held in an interest-bearing trust account until November 2018, when they were transferred to Epiq (the “Claims Administrator”), an independent third-party.

#### **D. DISTRIBUTION OF SETTLEMENT FUNDS**

The aggregate settlement amounts, plus any costs awards and accrued interest and less court-approved legal fees and deductions (the “Net Proceeds”), are available for compensation to settlement class members. The Net Proceeds equal approximately \$80 million.

On July 4, 2018 and on August 24, 2018, the Courts approved the Plaintiffs’ plan of allocation (the “Distribution Protocol”), which will govern the distribution of the Net Proceeds. A copy of the Distribution Protocol is available at [www.canadianfxnationalclassaction.ca](http://www.canadianfxnationalclassaction.ca).

The Distribution Protocol creates a claims-based process for Claimants to seek compensation from the Net Proceeds. The Protocol is structured to timely and efficiently compensate Class Members according to the quantum and circumstance of their investment in the FX Market, and in a manner that best reflects the anticipated impact of the alleged price-fixing. For the purposes of the Distribution Protocol, Class Members will be allocated into two categories:<sup>1</sup>

- (a) *Direct Claimants*: persons in Canada who between January 1, 2003 and December 31, 2013, entered into an FX Instrument directly with a financial institution, including but not limited to the Defendants. Direct Claimants include all Financial Customers and Non-Financial Customers that entered into an FX Trade with an FX Dealer. Investment Vehicles (discussed below) are excluded from the pool of Direct Claimants.
- (b) *Indirect Claimants*: persons in Canada who, between January 1, 2003 and December 31, 2013 entered into an FX Instrument indirectly through an intermediary, and/or purchased or otherwise participated in an
  - i. investment or equity fund;
  - ii. mutual fund;
  - iii. hedge fund, or
  - iv. any other investment vehicle that entered into an FX Instrument.

Included as Indirect Claimants are Investment Vehicles.

#### **Direct Claims**

Direct Claims will be advanced by Class Members against the Direct Claims Fund. The Direct Claims Fund will be allocated 80% of Net Proceeds. Direct Claimants will need to submit their transaction records to the Claims Administrator.

The alleged conduct of the defendants at issue in the class action was aimed at affecting the FX spot price. Therefore, the impact on the various FX Instruments (and by extension, Direct Claimants’ compensation) will be adjusted using “Conversion Ratios” that reflect an FX Instrument’s exposure to spot prices. A chart detailing the “Conversion Ratios”

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<sup>1</sup> Class Members may advance separate claims in respect of more than one claims category, provided those claims are in compliance with the rules applicable to each claims category. Class Members cannot advance a claim for the same FX Trades in different Funds.

applicable to various FX instruments is available at paragraph 14 of the Distribution Protocol. Trades between January 1, 2003 and November 30, 2007 will be discounted, since there are no admissions of manipulation by any of the Defendants prior to December 2007. Adjustments will also be made to account for transaction characteristics (“Relative Damage Factors”), including:

- (a) currency pair traded, which recognizes the effect of the liquidity of a currency pair on damage; and
- (b) trade size.

The Claims Administration will undertake the following steps to value a claim:

- (a) analyze transaction volume based on the records submitted by the Direct Claimant and, if necessary, convert values into CAD;
- (b) if any volumes submitted are rejected, send a deficiency notice and provide an opportunity to cure;
- (c) adjust the transaction volume to yield the Claimant’s Settlement Transaction Volume;<sup>2</sup>
- (d) adjust the Settlement Transaction Volume to yield the Eligible Participation Amount;<sup>3</sup> and,
- (e) determine the damages calculation and the payment to the Claimant, having regard to any compensation received in other jurisdictions, including the U.S. Proceeding or private settlements.

## Formulas

Eligible Participation Amounts will be calculated on a trade-by-trade basis using the formula set out at paragraph 21 of the Distribution Protocol.

## Payments

Direct Claimants will share the Direct Claimants Fund *pro rata*. Payment will be made to Direct Claimants where the compensation calculated for their claim exceeds \$20.

## Indirect Claims

Indirect Claims will be advanced by Class Members against the Indirect Claims Fund. The Indirect Claims Fund will be allocated 20% of the Net Proceeds.

An Indirect Claimant will document their holdings of Investment Vehicles available in Canada that entered into FX Instruments using their own records, and will submit those records to the Claims Administrator electronically. Acceptable supporting documents may include, but are not limited to, the following: account statements, print outs of online account balances, trade confirmation reports, and any other document that shows the value of an Investment Vehicle.

The Claims Administrator will determine if the Indirect Claimant’s holdings are included on a list of Investment Vehicles available in Canada that entered into FX Instruments. Such list of Investment Vehicles will be posted online by the Claims Administrator. **If the investment is not on the list, then the Claims Administrator will notify Class Counsel who will confirm the claims should be denied for that reason, or that the investment should be added to the list.**

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<sup>2</sup> “Settlement Transaction Volume” means the gross transaction volume in eligible instruments adjusted by Conversion Ratios that account for an instrument’s sensitivity to the spot rate.

<sup>3</sup> “Eligible Participation Amount” means the 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 will receive a payment based on the cumulative value of their investments over the class period, as provided in the chart below.

| <b>Cumulative Investment</b>             | <b>Payment</b>  |
|--|---|
| Less than \$100,000                      | \$20  |
| Over \$100,000 but less than \$1,000,000 | \$50  |
| Over \$1,000,000                         | \$50 plus \$1 per \$10,000 in excess of the first \$1,000,000 |

#### **E. APPLYING TO RECEIVE A PAYMENT**

Settlement Class Members who wish to apply for compensation under the settlements must apply no later than August 19, 2019. Claims that are not made within the deadline will not be eligible for compensation. Applications for settlement benefits should be submitted via the online claim form available at [www.canadianfxnationalclassaction.ca](http://www.canadianfxnationalclassaction.ca)

If you are unable to file an electronic claim, but wish to apply for settlement benefits, please contact the Claims Administrator at (800) 375-9070.

#### **F. CLAIMS ADMINISTRATOR**

The Claims Administrator has been appointed by the Courts to receive and review claims, make determinations in respect of direct payment of settlement benefits, and issue payments to eligible settlement class members.

Questions regarding the claims process should be directed to the Claims Administrator at (800) 375-9070 or [info@canadianfxnationalclassaction.ca](mailto:info@canadianfxnationalclassaction.ca).

#### **G. CLASS COUNSEL**

The law firms of Siskinds LLP, Sotos LLP, Koskie Minsky LLP and Camp Fiorante Matthews Mogerman LLP are lawyers for the Plaintiffs.

Siskinds LLP can be reached at:

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The law firm of Siskinds Desmeules s.e.n.c.r.l. represents individuals and corporations of 50 or fewer employees who are members of this class action in Quebec. Quebec Class Counsel can be reached at:

Telephone: 418-694-2009  
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Les promenades du Vieux-Quebec,  
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Attention: Erika Provencher

You do not need to pay out-of-pocket for the lawyers working on the class actions. The lawyers will be paid from the settlement funds in an amount approved by the Courts.

## **H. QUESTIONS ABOUT THE SETTLEMENTS**

More information about the settlements, the distribution of the settlement funds and the claims process is available online at <http://www.canadianfxnationalclassaction.ca/>, by email at [info@canadianfxnationalclassaction.ca](mailto:info@canadianfxnationalclassaction.ca), or by calling the Claims Administrator toll-free at (800) 375-9070.

## **I. INTERPRETATION**

This notice contains a summary of some of the terms of the settlement agreements and the Distribution Protocol. If there is a conflict between the provisions of this notice and the settlement agreements or Distribution Protocol, the terms of the settlement agreements or Distribution Protocol shall prevail.

This notice has been approved by the Ontario and Québec Courts.