

**BRIDGEMARK GROUP SECURITIES LITIGATION**  
**AFFINOR GROWERS INC.**  
**SETTLEMENT ADMINISTRATION PLAN**

This Settlement Administration Plan should be read in conjunction with the attached Guide, and the settlement agreement dated August 4, 2023 that appears as Schedule B to the Court's [October 6, 2023 order](#) in *Tietz et al. v. BridgeMark Financial Corp. et al.*, BCSC Action No. S-197731 (the "**Action**") approving the Affinor Growers Inc. settlement (the "**Settlement Approval Order**").

1. The terms **Class Member**, **Court**, **Settlement**, **Settlement Agreement**, and **Settling Defendants**, as used herein, are defined in Part II of the Settlement Agreement, and they also apply to and are incorporated herein. In addition, the following definitions apply herein:

- a. "**Acquisition Expense**" means the total amount paid by a Claimant, including brokerage commissions, to acquire Eligible Affinor Shares;
- b. "**Administration Expenses**" means all fees, disbursements, expenses, costs, taxes and other amounts reasonably incurred and payable in relation to the implementation and administration of the Settlement, including fees, disbursements and taxes, if any, paid to the Administrator, costs incurred by the Administrator for printing and delivering notice, establishing and maintaining an online claims portal, and any other expenses of the Administrator approved by the Court to be paid from the Settlement Fund;
- c. "**Administrator**" means Analytics Consulting LLC, or other administrator appointed by the Court, the third-party professional firm, including its employees, appointed by the Court to administer the

Settlement in accordance with this Settlement Administration Plan;

- d. “**Administrator’s Initial Determination**” means the Administrator’s initial determination as to a Claimant’s Authorized Claimant status, the allowance or disallowance of their Claim, in full or part, their Notional Entitlement, if any, and any deficiencies in the Claim or supporting documents that the Claimant is required to cure;
- e. “**Affinor**” means Affinor Growers Inc.;
- f. “**Affinor Class Member**” means a person who purchased common shares in Affinor during the Affinor Class Period;
- g. “**Affinor Class Period**” means March 5, 2018 to November 26, 2018, inclusive;
- h. “**Authorized Claimant**” means a Claimant who has submitted a Claim which has been approved for compensation by the Administrator pursuant to the terms of this Settlement Administration Plan;
- i. “**Börse FRA**” means the Börse Frankfurt stock exchange;
- j. “**Claim**” means a completed claim, including all required supporting documents, submitted through the Administrators’ electronic claims portal, which constitutes a Claimant’s claim for compensation from the Net Settlement Fund;
- k. “**Claimant**” means an Affinor Class Member who purchased Eligible Affinor Shares and submits a properly completed Claim to the Administrator, on or before the Claims Bar Deadline;
- l. “**Claims Bar Deadline**” means 90 days after the order approving this Settlement Administration Plan becomes a final Order, the date by which

Claimants must submit a completed Claim and all required supporting documentation to the Administrator;

- m. “**Class Counsel**” means Bennett Mounter LLP and CFM Lawyers LLP;
- n. “**Class Counsel Fees**” means the fees, disbursements, costs, interest, and other applicable taxes or charges of Class Counsel, as approved by the Court;
- o. “**CSE**” means the Canadian Securities Exchange;
- p. “**Disposition Proceeds**” means the total proceeds paid to a Claimant, without deducting any commissions paid in respect of dispositions, in consideration of the sale of all Eligible Affinor Shares; provided, however, that with respect to Eligible Affinor Shares that a Claimant continues to hold when they submit their Claim, they will be deemed to have been disposed of for C\$0.048 per share, being the unadjusted ten (10) trading day volume weighted average closing price of Affinor shares on the CSE following November 26, 2018;<sup>1</sup>
- q. “**Eligible Affinor Shares**” means Affinor common shares purchased during the Affinor Class Period;
- r. “**FIFO**” means the principle of “first-in first-out”, under which securities are deemed to be sold in the same order that they were purchased (i.e. the first shares purchased are deemed to be the first shares sold);
- s. “**Net Loss**” means that the Claimant’s total Disposition Proceeds for all Eligible Affinor Shares are less than the Claimant’s total Acquisition Expense for all Eligible Affinor Shares;

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<sup>1</sup> The deemed disposition price is unadjusted for the one-for-ten (1:10) share consolidation carried out by Affinor on June 20, 2022.

- t. “**Net Settlement Fund**” means the Settlement Fund after payment of Administration Expenses, Class Counsel Fees, and includes the after-tax amount of accrued interest income, if any, earned on the Settlement Fund;
- u. “**Notional Entitlement**” means an Authorized Claimant’s damages as calculated pursuant to the formulae set forth in Part VII herein, which forms the basis upon which each Authorized Claimant’s *pro rata* share of the Net Settlement Fund is determined;
- v. “**OTCQB**” means the US based over-the-counter decentralized market; and
- w. “**Settlement Fund**” means the amount of \$1,340,000 held by Class Counsel in trust pursuant to the Settlement Approval Order.

## **I. OBJECTIVE**

2. The objective of this Settlement Administration Plan is to distribute the Net Settlement Fund among Authorized Claimants equitably, efficiently, and in a manner proportionate to the amount of the Settlement.

## **II. ELIGIBILITY TO CLAIM COMPENSATION**

3. All Affinor Class Members are eligible to claim compensation for the losses suffered from their acquisition of Eligible Affinor Shares, in an amount to be determined in accordance with this Settlement Administration Plan.

4. Class Members who are not Affinor Class Members are not eligible to claim compensation from the Settlement Fund. Such Class Members will benefit from the Settlement both from the cooperation the Settling Defendants will provide to Class Counsel in the continued prosecution of the Action against the remaining Defendants and, if applicable, the payment of Class Counsel’s litigation expenses from the Settlement Fund.

## **III. MAKING A CLAIM**

5. To claim compensation from the Net Settlement Fund, Affinor Class Members must complete a Claim by the Claims Bar Deadline.

6. Claims received by the Administrator after the Claims Bar Deadline will not be considered by the Administrator unless, pursuant to paragraph 43, Class Counsel and the Administrator consider it appropriate to do so, and no payment will be made from the Net Settlement Fund in respect of such Claims.

#### **IV. OPTING-OUT**

7. Affinor Class Members who do not wish to participate in or be bound by the Settlement may opt-out of the Settlement and the Action by notifying Class Counsel in writing, no later than the Claims Bar Deadline, to [mm@hbmlaw.com](mailto:mm@hbmlaw.com), that they wish to opt-out of the Settlement and the Action.

8. An opt-out notification will not be valid unless it contains all of the information set out in paragraph 9 below and, if requested by Class Counsel under paragraph 10, supported by additional documents.

9. An opt-out notification must:

- a. state the intention of the Affinor Class Member or a person authorized to bind the Affinor Class Member to opt-out of the Action;
- b. state the number of Affinor shares held at the close of trade on March 2, 2018;
- c. state the number of Affinor shares bought and sold between March 5, 2018 and November 26, 2018;
- d. state the number of Affinor shares sold after November 26, 2018 and up to the date of the request to opt out;

- e. contain contact information for the Affinor Class Member, including name, address, telephone number and e-mail address; and
- f. contain such other information as the Court may require.

10. Class Counsel may request that any Affinor Class Member who has submitted an opt-out notification provide additional supporting documents as may be needed to evidence their eligible shares, which may include trade confirmations, brokerage statements or other records acceptable to Class Counsel.

11. Affinor Class Members who deliver an opt-out notification in accordance with this Settlement Administration Plan will not be entitled to receive compensation from the Settlement Fund or any further settlement with or judgment that may be obtained against the Non-Settling Defendants in the Action in the future.

12. Class Members who are not Affinor Class Members are not entitled to opt-out of the Settlement and are not entitled to opt-out of the Action at this time.

## **V. CLAIMS VERIFICATION**

13. The Administrator will review each Claim and verify that the Claimant is eligible for compensation from the Net Settlement Fund, as follows:

- a. For a Claimant claiming as a Class Member, the Administrator will be satisfied that the Claimant is a Class Member who bought Eligible Affinor Shares; and
- b. For a Claimant claiming on behalf of a Class Member or a Class Member's estate, the Administrator will be satisfied that: (i) the Claimant has authority to act on behalf of the Class Member or the Class Member's estate in respect of financial affairs; (ii) the person or estate on whose behalf the claim was submitted was a Class

Member who purchased Eligible Affinor Shares; and (iii) the Claimant has provided all supporting documentation required to make a Claim, or alternative supporting documentation as may be acceptable to the Administrator and Class Counsel.

14. In a situation not referred to above, the Administrator will determine verification steps by analogy, in consultation with Class Counsel where the Administrator believes necessary.

15. The Administrator will ensure that Claims are made only in respect of Eligible Affinor Shares.

## **VI. CLAIMS PROCESSING RULES**

16. The Administrator will apply FIFO to find purchase transactions that correspond to the sale of Eligible Affinor Shares, including in the calculation of an Authorized Claimant's Notional Entitlement.

17. The Administrator will first find whether a Claimant has a Net Loss. A Claimant is not eligible to receive a payment from the Net Settlement Fund if they do not have a Net Loss.

18. If the Claimant has a Net Loss, they become an Authorized Claimant, and the Administrator will go on to calculate their Notional Entitlement.

19. Eligible Affinor Shares transferred between accounts belonging to the same Claimant(s) during the Class Period will not be considered Eligible Affinor Shares for the purpose of calculating Net Loss unless those shares were initially purchased by the Claimant(s) during the Class Period. In such cases, the Acquisition Expense will be calculated based on the price initially paid for the Eligible Affinor Shares (i.e., the price paid before the transfer of Eligible Affinor Shares occurred).

20. The date of a purchase or sale will be the trade date of the transaction, as

opposed to the settlement date of the transaction or the payment date.

21. The Administrator will account for Affinor's June 20, 2022, one-for-ten (1:10) share consolidation, such that Claimants' holdings for the purposes of the calculations are completed in units equivalent to those traded during the Class Period.

22. Where a Claimant acquired Eligible Affinor Shares from the exercise of Affinor share purchase warrants, the Acquisition Expense for the Eligible Affinor Shares so acquired will be equivalent to the total amount paid to exercise the share purchase warrants.

23. Where a Claimant acquired Eligible Affinor Shares in connection with his, her or its acquisition of Affinor units under its April 17, 2018, private placement, the Acquisition Expense for those Eligible Affinor Shares will be equivalent to the total amount the Claimant paid to acquire the Affinor units.<sup>2</sup>

24. In determining whether a Claimant has a Net Loss and calculating an Authorized Claimant's Notional Entitlement, any transactions in Eligible Affinor Shares on the OTCQX, Börse FRA, and/or in a currency other than Canadian currency will be converted to Canadian currency, based on the Bank of Canada noon exchange rate between the Canadian dollar and the foreign currency on the date the Administrator calculates the Notional Entitlement of the Authorized Claimant. All Notional Entitlements will be recorded in Canadian currency.

## **VII. CALCULATION OF NOTIONAL ENTITLEMENT & ACTUAL COMPENSATION**

25. An Authorized Claimant's Notional Entitlement will be calculated as follows:

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<sup>2</sup> Under the April 17, 2018 private placement, each Unit comprised one common share and one common share purchase warrant.



- a. **For Eligible Affinor Shares disposed of either during the Class Period or during the ten (10) trading day period following November 26, 2018, i.e. disposed of from March 5, 2018 to December 10, 2018, inclusive**, the amount equal to the number of Eligible Affinor Shares disposed of, multiplied by the difference between the Acquisition Expense and the Disposition Proceeds;
- b. **For Eligible Affinor Shares disposed of after December 10, 2018**, the lesser of (i) and (ii) below:
  - (i) the amount equal to the number of Eligible Affinor Shares disposed of, multiplied by the difference between the Acquisition Expense and the Disposition Proceeds; and
  - (ii) the amount equal to the number of Eligible Affinor Shares disposed of, multiplied by the difference between the Acquisition Expense and \$0.048 per share, being the pre-consolidation ten (10) trading day volume weighted average closing price of Affinor shares on the CSE from November 27, 2018 to December 10, 2018; and
- c. **For Eligible Affinor Shares still held when the Claim is made**, the amount equal to the number of Eligible Affinor Shares still held, multiplied by the difference between the Acquisition Expense and \$0.048 per share, being the pre-consolidation ten (10) trading day volume weighted average closing price of Affinor shares on the CSE from November 27, 2018 to December 10, 2018;

26. Each Authorized Claimant's **actual compensation will be the portion of the Net Settlement Fund equivalent to the ratio of his, her or its Notional Entitlement**

**to the total Notional Entitlements of all Authorized Claimants multiplied by the Net Settlement Fund**, as calculated by the Administrator.

#### **VIII. COMPLETION OF CLAIMS & IRREGULAR CLAIMS**

27. If, for any reason, a Claimant is unable to complete a Claim, then it may be completed by the Claimant's personal representative or a member of the Claimant's family.

28. Where a Claim has minor omissions or errors, the Administrator will correct such omissions or errors if the information necessary to do so is readily available to the Administrator.

29. If, after reviewing a Claim, the Administrator believes that it has unintentional errors that would, if not corrected, materially exaggerate a Claimant's Notional Entitlement, then the Administrator may disallow the claim in its entirety or make such adjustments as are necessary so that an appropriate, supportable Notional Entitlement is awarded to the Claimant.

#### **IX. CLAIMS PROCESSING TIMELINE & NOTICE TO CLAIMANTS OF INITIAL DETERMINATIONS**

30. The Administrator will try to complete claims processing as soon as possible following the Claims Bar Deadline, and in any case not later than 90 days following the Claims Bar Deadline.

31. Within 30 days of the Administrator's completion of claims processing, the Administrator will send to each Claimant, at the email or postal address provided by the Claimant, a notice advising the Claimant:

- a. of the Administrator's Initial Determination; and
- b. how to submit a request with the Administrator for reconsideration of the Administrator's Initial Determination; and

- c. any further information or documentation needed to cure any deficiency in the Claim.

## **X. REQUESTING RECONSIDERATION OF AN INITIAL DETERMINATION**

32. A Claimant who wishes to request that the Administrator reconsider the Administrator's Initial Determination must follow the instructions contained in the notice, referred to in paragraph 31 above, for how to do so.

33. A request that the Administrator reconsider the Administrator's Initial Determination must be made within 45 days of the date of the notice advising of the Administrator's Initial Determination.

34. If a Claimant does not, within 45 days, request the Administrator reconsider the Administrator's Initial Determination, the Claimant will be deemed to have accepted the Administrator's Initial Determination and it will become a final determination.

35. Where a Claimant files a request with the Administrator for reconsideration of the Administrator's Initial Determination, the Administrator will, within 45 days, conduct a review of the Claimant's request and, if applicable, any further documentation and information given by the Claimant.

36. As soon as practicable following the Administrator's review of a request for reconsideration, and in any case not later than 14 days following the Administrator's completion of its review, the Administrator will advise the Claimant and Class Counsel of its determination of the review, and will send the Claimant, at the email or postal address provided by the Claimant, a notice specifying the outcome of the Administrator's review.

37. Where a Claimant who has submitted to the Administrator a request for reconsideration of the Administrator's Initial Determination disagrees with the

outcome of the Administrator's review, the Claimant may apply to the Court, in the Action, to request that the Court review and vary the Administrator's review determination.

38. An application filed in the Court to review and vary the Administrator's review determination must be brought on notice to the Administrator and Class Counsel within 21 days of the date of the notice advising of the Administrator's review determination.

39. Class Counsel and the Administrator will have standing to file evidence and make submissions on an application to the Court to review and vary a review determination of the Administrator.

40. Any matter not contemplated above will be determined by analogy by the Administrator in consultation with Class Counsel.

## **XI. FINAL DISTRIBUTION**

41. Compensation will be paid to Authorized Claimants in Canadian currency.

42. If, one hundred and eighty (180) days from the date on which the Administrator distributes the Net Settlement Fund to Authorized Claimants, there remains a positive balance in the Net Settlement Fund (whether due to tax refunds, uncashed cheques, or otherwise), the Administrator will, if feasible, reallocate such balance among the Authorized Claimants in an equitable and economic fashion. Any payment shall be subject to paragraph 46.

43. By agreement between the Administrator and Class Counsel, any deadline contained in this Settlement Administration Plan may be extended. Class Counsel and the Administrator will agree to extend a deadline(s) if, in their opinions, doing so will not adversely affect the efficient administration of the Settlement and it is in the best interests of the Class to do so.

## **XII. FRAUDULENT CLAIMS**

44. The claims process is intended to be expeditious, cost effective and user friendly to minimize the burden on Claimants. However, the claims process is also intended to prevent fraud and abuse. The Administrator will, in the absence of reasonable grounds to the contrary, assume Claimants to be acting honestly and in good faith.

45. If the Administrator believes that a claim is fraudulent or contains intentional errors that would materially exaggerate the Notional Entitlement to be awarded to a Claimant, then the Administrator must disallow the claim in its entirety.

## **XIII. ADDITIONAL RULES**

46. The Administrator will not make payments to Authorized Claimants whose *pro rata* entitlement under this Settlement Administration Plan is less than CDN \$30.00. Such amounts will instead be allocated *pro rata* to other Authorized Claimants in accordance with the "Final Distribution" section of this Settlement Administration Plan.

47. A Claimant must notify the Administrator of any changes to his, her or its email and postal address that are provided by the Claimant at the time of Claim submission. The Administrator is not required to independently obtain forwarding email or postal address information should a Claimant fail to notify the Administrator of any such change.

48. The Administrator will make payment to an Authorized Claimant by cheque to the address provided by the Authorized Claimant. If, for any reason, an Authorized Claimant does not cash a cheque within one hundred and eighty (180) days after the date on which the cheque was sent to the Authorized Claimant, the Authorized Claimant will forfeit the right to payment from the Net Settlement Fund and the Authorized Claimant's funds shall be distributed in accordance with Part XI of this

Settlement Administration Plan.

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