

CLASS ACTION RETAINER AGREEMENT

BETWEEN:

JASTRAM PROPERTIES LTD., PETER DOETSCH, AND LALE DOETSCH

(THE "CLIENTS")

AND:

BENNETT MOUNTEER LLP

(THE "SOLICITORS")

1. The Clients hereby retain and employ the Solicitors with respect to a class action to be pursued on their behalf and on behalf of other residents of British Columbia who lent funds to Virginia Tan and/or Letan Investments Management and were not repaid in full (the "Class Action").

2. Subject to instructions from the Clients from time to time, the Solicitors shall prosecute the Class Action and take such steps as the Solicitors consider necessary and proper.

Terms of Payment of Fees and Disbursements

3. The provisions of this agreement regarding fees and disbursements are subject to the approval of the B.C. Supreme Court (the "Court") as provided in s. 38 of the British Columbia *Class Proceeding Act*. The Solicitors shall seek the approval of the Court at such time as the Solicitors consider it appropriate to do so and, in any event,

upon the request of the Clients. If the Court does not approve this Agreement, the Solicitors shall not be obliged to continue to act in the Class Action.

4. The Clients also have the right within three months after either this Agreement was made or the retainer of the Solicitors is terminated to apply to the District Registrar of the Court to have this Agreement examined.

5. Legal fees shall be paid only in the event that the Class Action is successful in whole or in part. The fees shall be paid by lump sum payment or payments out of the proceeds of any Judgment or Order awarding rescission, damages, interest or costs to the Class or any settlement that includes payments in favour of the Class or Class member, or as otherwise may be directed by the Court.

6. The Solicitors' legal fees shall be 33 1/3% of the total amounts recovered by the Class under any judgments, orders or settlement.

7. The Solicitors and Clients acknowledge it is difficult to estimate what the expected fee will be, as the amount of the fee will depend upon such factors as the number and value of the loans that were made. However, the following are examples:

- (a) If the Class Action results in the recovery of \$500,000 for damages and interest, then the Solicitors' fee shall be \$166,666;
- (b) If the Class Action results in the recovery of \$2 million for damages and interest, then the Solicitors' fee shall be \$666,666;
- (c) If the Class Action results in the recovery of \$5 million for damages and interest, then the Solicitors' fee shall be \$1,666,666;
- (d) If the Class Action results in the recovery of \$10 million for damages and interest, then the Solicitors' fee shall be \$3,333,333;

- (e) If the Class Action results in the recovery of \$15 million for damages and interest, then the Solicitors' fee shall be \$5,000,000.

8. Disbursements will be paid firstly out of any amounts raised from members of the Class and then by the Solicitors. The Clients shall not be obliged to fund any disbursements.

9. The Solicitors will incur disbursements to an aggregate of \$25,000 without immediate reimbursement but shall not be obliged to incur disbursements beyond that amount although they may do so in their discretion.

10. Unpaid disbursements will be a first charge paid out of the proceeds of any Order, Judgment or settlement, with interest at 10% per annum not compounded, to be calculated on the amount of disbursements incurred every six months.

Costs

11. The Clients have been advised by the Solicitors that under the *Class Proceeding Act*, in the event the Class Action is unsuccessful, the Clients will not be responsible for the costs of the defendants.

Change of Solicitors

12. The Clients acknowledge that the Solicitors are incurring a significant financial risk in agreeing to be paid only in the event the action is successful and the Solicitors are doing so on the basis that they will have carriage of the Class Action. The Clients agree that any request by the Clients to terminate the retainer of the Solicitors will be referred to the Court for directions.

Withdrawal or Conflict

13. The Clients have the right to withdraw from the Class Action for any reason. Upon notice from the Clients, or any one of them, of an intention to withdraw, the Solicitors shall take such steps as are necessary to remove the Client as a representative plaintiff in the Class Action.

14. If the Class Action is not certified, the Solicitors will have the right to withdraw as Solicitors and will have no obligation under this Retainer Agreement to continue to pursue the Clients' individual claims.

Substitute or Addition of Representative Plaintiffs

15. In the event that:

- (a) the Clients, or any one of them, withdraws as a representative plaintiff pursuant to para. 13 above;
- (b) the Clients, or any one of them, chooses to settle the Client's individual claims without settling the claims of the Class;
- (c) the Court divides the Class into separate sub-classes; or
- (d) the Solicitors consider it in the best interest of the Class that one or more additional representative plaintiffs be appointed;

the Clients expressly agrees and acknowledges that the Solicitors are permitted to be retained by another representative of the Class or subclass to continue the Class Action on behalf of the Class. In such event, privileged communications between the Solicitors and the Clients made for the purpose of advancing the claims of the Class and the Solicitors' proprietary information and documentation created for the purpose of

advancing the claims of the Class, shall be disclosed to the new Class representative and may be used on behalf of the Class or subclass.

Negotiations and Settlement

16. The Clients hereby authorize the Solicitors, in their discretion, to enter into negotiations with the defendant(s) or any other related persons or entities, for the purpose of reaching a settlement. The Clients understand that any settlement affecting the Class is subject to approval by the Court. The Clients agree and acknowledge that any negotiations are for the purpose of reaching a settlement of the claims of the Class Action, not simply the individual claims of the Clients.

17. In the event that:

- (a) the defendant(s) makes an offer to settle the claims of the Class;
- (b) the Solicitors consider acceptance of the proposed settlement to be in the best interest of the Class;
- (c) the Solicitors recommend acceptance of such offer to the Clients; and
- (d) the Clients, or any one of them, does not consider the proposed settlement to be acceptable;

the Clients agree and hereby authorize the Solicitors to apply to the Court pursuant to the *Class Proceedings Act* for approval of the settlement on the basis that the Solicitors shall place before the Court for its consideration of the Client's position that the Client does not consider the proposed settlement to be acceptable.

Clients' Fees

18. The Clients acknowledge that under this Agreement the Clients will not be entitled to any fees for acting as the representative plaintiffs in the Class Action.

However, given that in the past representative plaintiffs have been given awards by the Court in recognition of the time and expense involved in acting as the representative plaintiff, the Solicitors will make their best efforts to seek similar compensation from the Court for the Clients.

Confidentiality

19. The Clients acknowledge being advised that the communications between the Solicitors and the Clients relating to the claims of the Class are legally privileged, but that such privilege may be lost if the Clients were to disclose such information to third persons and that the interest of the Class could thereby be adversely affected. The Clients agree to protect the confidentiality of such information and to discuss the matter with the Solicitors prior to disclosing such information to any third party. The Clients also agree to refer any requests the Clients receive from the media for interviews or information to the Solicitors.

20. In the event that further representative plaintiffs are appointed to represent the Class or separate sub-classes, the Clients hereby acknowledge that no information received from any of the representative plaintiffs relating to the Class Action, including the Clients, may be kept confidential from any of the other representative plaintiffs.

Clients to Act in Best Interests of the Class

21. The Clients acknowledge the obligation to act in the best interests of the Class and that the Solicitors are not obliged to follow instructions from the Clients that are not in the best interests of the Class. In the event of a disagreement between the Clients and the Solicitors concerning whether certain instructions are in the best interests of the Class, the matter shall be submitted for arbitration to a retired judge of the British Columbia Supreme Court as a sole arbitrator in accordance with the provisions of the

B.C. Arbitration Act. The Arbitrator shall resolve matters summarily, within 7 days, with as little formality as possible. The costs of the Arbitration shall be paid as a disbursement in the Class Action.

22. In the event it is necessary or prudent to take steps in the action before the arbitration has resolved any dispute concerning instructions in accordance with para. 21, the Solicitors shall take such steps as the Solicitors consider to be in the best interest of the Class.

DATED at British Columbia, this 27 day of September 2017.



JASTRAM PROPERTIES LTD.



PETER DOETSCH



LANE DOETSCH



BENNETT MOUNTEER LLP

Per: Mark W. Munteer