CANADA PROVINCE OF QUEBEC District of Montreal

SUPERIOR COURT

Class Action

File No.: 500-06-000803-169

MOSHE SEGALOVICH

Applicant

٧.

C.S.T. CONSULTANTS INC.

-and-

CANADIAN SCHOLARSHIP TRUST FOUNDATION et als.

Respondents

APPLICATION OF THE RESPONDENTS C.S.T. CONSULTANTS INC. AND CANADIAN SCHOLARSHIP TRUST FOUNDATION ("C.S.T.") SEEKING THE DISQUALIFICATION OF APPLICANT'S LAWYER (Art. 193 C.C.P.)

1. Applicant Moshe Segalovich seeks authorization to institute a class action against C.S.T. and other respondents on behalf of the following class:

Class:

All natural persons, who at any time since July 19th, 2013 (the "Class Period"), while residing in the province of Quebec, had a contract with any of the Defendants in which they were a subscriber and/or contributor (either primary or joint) for a Registered Education Savings Plan ("RESP"), and who were charged a fee (referred to as "Enrolment Fee", "Sales Charge" and/or "Membership Fee"), including the commissions of the distributor and its salesmen, exceeding \$200.00 per plan;

Subclass 1:

All natural persons, who at any time since July 19th, 2013 (the "Class Period"), while residing in the province of Quebec, had a contract with any of the Defendants in which they were a subscriber



and/or contributor (either primary or joint) for a Registered Education Savings Plan ("RESP"), and who incurred the complete forfeiture of the capital and accumulated interest in their RESP because it was abandoned before its maturity;

Subclass 2:

All natural persons, who at any time since July 19th, 2013 (the "Class Period"), while residing in the province of Quebec, had a contract with any of the Defendants in which they were a subscriber and/or contributor (either primary or joint) for a Registered Education Savings Plan ("RESP"), and whose RESP Agreement included the following clause (or similar thereto) with respect to the Sales Charges, Enrolment Fees and/or Membership Fees:

"You acknowledge that a sales charge of \$___units x \$200 per unit) is deducted from early contributions.

The sales charge is deducted from your contribution as follows:

All of your contributions are applied to the Sales Charge until it is one-half paid.

After that, only one half of contributions will be applied to the Sales Charge until it is fully paid."

- 2. As alleged in his application, Applicant and his wife opened a Canadian Scholarship Trust Group Plan (RESP) for each of their four children with Respondents C.S.T. Consultants Inc. and Canadian Scholarship Trust Foundation (C.S.T. Foundation);
- 3. Lead counsel for the Applicant is Mtre. Joey Zukran of the firm LPC Avocat Inc.;
- 4. Mtre. Zukran is also a Plan Holder, being the primary subscriber or joint subscriber of four (4) different plans sponsored by the C.S.T. Foundation and distributed and administered by C.S.T. Consultants Inc., for the benefit of his children, such plans having been opened between December 1, 2009 and March 16, 2011;
- 5. As such, Mtre. Zukran is member of the putative class that Applicant seeks to represent;
- 6. Moreover, between February 2010 and October 2012, Mtre. Zukran was a registered Scholarship Plan Dealing Representative, acting as an independent sales representative of a branch of C.S.T. Consultants Inc., through its branch network. Therefore, he had the exclusive right to promote, sell and distribute the scholarship plans sponsored by C.S.T. Foundation, the whole as appears more fully from a copy of the Regulatory Compliance Agreement dated December 17, 2009 between Joey Zukran and C.S.T. Consultants Inc., and a copy of the Registration Record being respectively communicated as **Exhibits R-1** and **R-2**;
- 7. During his tenure as a sales representative of C.S.T., Mtre. Zukran sold one hundred and twenty one (121) plans, which have been, and continue to be, active since July 19,



- 2013. He sold these plans to 84 different putative class members, including the aforementioned plans he and/or his spouse opened;
- 8. As a result of the sale of the aforementioned 121 plans, Mtre. Zukran earned sales commissions (reported as self-employed commissions for tax purposes) of \$79,991.03 during the period from February 2010 to October 2012 (\$42,527.18 in the 2010 tax year, \$35,194.83 in the 2011 tax year and \$2,269.02 in the 2012 tax year);
- 9. Mtre. Zukran is therefore in a potential conflict of interest since:
 - a. He is a member of the putative class which he seeks to act for as class counsel and therefore has a substantial personal financial interest in the outcome of the class proceedings beyond any potential fees and disbursements he may seek to recover as class counsel:
 - b. He is the C.S.T. sale representative who sold 121 plans to 84 class members and as such had, and continues to have, access to confidential information concerning C.S.T. Plans. He is now using, or may be called upon to use, such information in the class action, without the consent of those class members, at least until the class action is authorized and those class members have exercised their right to opt-out;
 - c. He has or will likely breach the confidentiality undertaking under section 14 of the Regulatory Compliance Agreement he signed with C.S.T. which is still binding and executory, as appears from a copy of the Regulatory Compliance Agreement communicated as **Exhibit R-1**;
 - d. He is in breach of his obligation of loyalty and good faith towards C.S.T.;
 - e. He seeks to argue that the terms and conditions of the Plans he sold as a trained and informed RESP sales representative are in breach of the law or otherwise abusive;
 - f. He benefited financially from the sale of the Plans he now seeks to impugn;
 - g. He will in all probability be a witness called upon to testify in the event of a trial with regard to the 121 plans he sold, should the Application to institute a class action be authorized;
 - h. He will have to examine his own clients (the Applicant and the class members) on the contracts he sold:
- 10. As such, Mtre. Zukran does not have the necessary independence, disinterest, and disconnection in the case;
- 11. Therefore, the requirements provided for in the Code of Professional Conduct of Lawyers (chapter B-1, r. 3.1), the Code of Civil Procedure (chapter C-25.01) and the jurisprudence related to the requirement of independence and lack of conflict of interest of legal counsel require that Mtre. Zukran be disqualified from acting as counsel for Applicant Moshe Segalovich and the putative class in this case;



WHEREFORE PRAY:

GRANT the present Motion;

DECLARE Mtre. Joey Zukran and LPC Avocat Inc. inapt to act as counsel for Applicant Moshe Segalovich and the putative class in this case;

THE WHOLE without costs except in the case of contestation.

Montréal, November 7, 2016

Borden Ladner Gervais LLP

Lawyers for Respondents

C.S.T. CONSULTANTS INC and CANADIAN

SCHOLARSHIP TRUST FOUNDATION

AFFIDAVIT

I, the undersigned, Peter Lewis, practising my profession with C.S.T. Consultants Inc., having a place of business at 1600-2235 Sheppard Avenue East, Toronto, Ontario, M2J 5B8, solemnly declare:

- 1. I am the Vice-President, Regulatory, Risk and Corporate Affairs for C.S.T. Consultants Inc. in the present case;
- 2. All of the facts alleged in the Application of the Respondents C.S.T. Consultants Inc. and Canadian Scholarship Trust Foundations Seeking the Disqualification of Applicant's Lawyer are true.

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AND I HAVE	SIGNED in	Toronto,	on November	7	, 2016

Solemnly declared before me in the city of Toronto this of November

Commissioner for taking affidavits in the province of Ontario





REGULATORY COMPLIANCE AGREEMENT

THIS AGREEMENT made as of 17 DQC.

BETWEEN:

C.S.T. CONSULTANTS INC., a registered scholarship plan dealer in every Province of Canada (hereinafter called "CSTC")

an individual to be registered as a scholarship plan salesperson under the sponsorship of CSTC (hereinafter called the "Sales Representative")

WHEREAS the Canadian Scholarship Trust Foundation ("CST") is the sponsor of certain education savings plans (the "Plans");

AND WHEREAS CSTC has the exclusive right to promote, sell and distribute the Plans;

AND WHEREAS CSTC desires to enter into this Agreement with the Sales Representative in connection with the promotion and sales of the Plans on the terms and conditions set out herein;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises, covenants and warranties contained herein, and other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the parties agree as follows:

ARTICLE ONE - INTERPRETATION

All defined terms have the meaning ascribed to them in the glossary attached as Appendix "A".

ARTICLE TWO - AUTHORIZATION

- 2.01 Provided that the Sales Representative continues to abide by the terms and conditions of this Agreement, CSTC hereby grants the Sales Representative the non-exclusive continuing right to promote and sell the Plans in the Jurisdiction.
- During the term of this Agreement, the Sales Representative will not enter into any agreement to market and sell securities with another scholarship plan dealer.

ARTICLE THREE - RESPONSIBILITIES OF CSTC

3.01 CSTC will:

- (a) act as the sponsoring dealer of the Sales Representative for the purposes of registration under the securities legislation of the Jurisdiction;
- (b) provide the Branch Manager with Sales Materials required by the Sales Representative to effectively carry out his/her obligations under this Agreement, free of charge in reasonable quantities.
- (c) supervise and monitor the business conduct of the Sales Representative for compliance with all applicable laws and regulations; and
- (d) arrange for appropriate training and ongoing education programs regarding the Plans, the standards, policies and procedures of CSTC, and applicable securities and other laws and regulations.

ARTICLE FOUR - RESPONSIBILITIES OF SALES REPRESENTATIVE

4.01 General Business Conduct.

The Sales Representative will:

- (a) commit the time necessary to properly carry out his/her obligations under this Agreement and under all applicable laws and regulations including without limitation, the securities laws and regulations of the Jurisdiction;
- (b) deal fairly, honestly and in good faith with all Clients;
- (c) follow all policies and procedures set out in all CSTC manuals and the CSTC Code of Ethics (attached as Schedule "C") as may be amended from time to time; and
- (d) not intentionally, recklessly, or negligently make any untrue statements or misrepresentations, nor omit, nor misstate material facts concerning the Plans, in any sales presentations to Clients.

Compliance Matters.

The Sales Representative will:

- (a) comply with all applicable securities laws and regulations and all other applicable laws including, without limitation, privacy and money laundering legislation;
- (b) participate in all mandatory training courses and continuing education programs required by CSTC from time to time;
- (c) maintain all books and records required under all applicable securities and other laws and regulations as directed by CSTC and/or its delegates from time to time, and to provide access to such books and records to CSTC and/or its delegates (including the Sales Representative's Branch Manager or Provincial Trading Officer) as may be necessary for CSTC to fulfil its compliance obligations under any applicable laws regulations;

- (d) inform CSTC within the time period required by applicable securities legislation, of any changes to the personal information provided on his/her application form for registration as a scholarship plan salesperson under applicable securities laws and regulations;
- (e) permit the Sales Representative's Branch Manager or Provincial Trading Officer to accompany the Sales Representative to his/her sales presentations from time to time; and
- (f) make such inquiries of each Client as is necessary to ascertain the general investment needs and objectives of the Client and the suitability of the Client's proposed purchase of securities offered under the Plans.

For compliance purposes, CSTC reserves the right to make amendments or additions to any policies and procedures applicable to the Sales Representative adopted in good faith. Any such amendments or additions shall become effective upon a date specified by CSTC provided that no less than 30 days notice of an impending change to a policy or procedure shall be given to the Sales Representative unless more immediate implementation of such change is required by applicable regulatory requirements or, in the opinion of CSTC, by business considerations.

4.03 Outside Employment & Conflicts of Interest.

The Sales Representative will not engage in any employment or business activities or full time educational program, other than as a sales representative of CSTC, without the prior written consent of CSTC and, if required, the securities commission with which the Sales Representative is registered. CSTC will not unreasonably withhold such consent.

ARTICLE FIVE - MARKETING & SALES ACTIVITY

5.01 Restriction.

The Sales Representative will only market and sell the securities offered under the Plans to persons ordinarily resident in the Jurisdiction.

5.02 Sales Aids.

The Sales Representative will use only the Sales Materials for the purposes of marketing and selling the securities offered under the Plans. No other marketing materials, promotional items, contests or events are permitted to be used by the Sales Representative without the prior written consent of CSTC.

ARTICLE SIX - NON-SOLICITATION

6.01 During the term of this Agreement and for a period of twelve months following the termination of this Agreement for any reason, within the Jurisdiction, the Sales Representative will not, directly or indirectly, either individually or jointly or in partnership or in conjunction with any Person, as principal, agent, employee, consultant, significant shareholder or in any other manner whatsoever:

- (a) solicit, entice or induce any Client to terminate, reduce or refrain from entering into, renewing or extending its contractual or other relationship with CSTC or CST or become a customer of or enter into any contractual or any other relationship with any business which competes with the activities of CSTC as at the date of the termination of this Agreement; or
- (b) solicit, entice, persuade or induce any employee, agent or contractor of CSTC to terminate or refrain from renewing or extending such employment or contractual relationship or to become employed by or enter into contractual relationships with any Person in connection with any business that competes with the activities of CSTC as of the date of the termination of this Agreement.
- 6.02 The Sales Representative acknowledges that the restrictions set out in Section 6.01 of this Agreement are reasonable and valid, and confirms that he/she waives any and all defenses to the strict enforcement of such restrictions by CSTC.

ARTICLE SEVEN - FEES

7.01 Commission Rates.

Subject to the parameters established by CSTC (in consultation with the Branch Manager) from time to time, the commission rates for the Sales Representative will be determined by the Branch Manager under whom the Sales Representative operates.

7.02 Qualifying Commissions.

Any commissions paid to the Sales Representative for Scholarship Agreements which are cancelled during a "cooling off" period (whether such period is established by statutory requirement or in a Scholarship Agreement) will be charged back to the Sales Representative. In the event that a Scholarship Agreement is terminated by a Contributor following any "cooling off" period, but before the enrolment fee related to the Scholarship Agreement has been paid in full, the portion of the commissions paid to the Sales Representative for such Scholarship Agreement that are attributable to the unpaid portion of the enrolment fee will be charged back to the Sales Representative. The Sales Representative agrees that CSTC may set off any commissions due back to CSTC against future commissions payable to the Sales Representative.

7.03 Referral Fees.

No fee shall be paid by the Sales Representative in connection with the referral of a Client to the Sales Representative except to another person who is registered to sell scholarship plans under the securities legislation of a Canadian province or territory without the prior written approval of CSTC.

7.04 Expenses.

CSTC will not reimburse the Sales Representative for any expenses which he/she may incur in marketing and selling the securities offered under the Plans or any activities incidental thereto. Any agreement between the Sales Representative and the Branch Manager under which the Sales Representative operates with respect to the reimbursement of expenses incurred by the Sales Representative shall not bind CSTC.

ARTICLE EIGHT - <u>REPRESENTATIONS AND</u> WARRANTIES

8.01 Representation and Warranty of the Sales Representative.

The Sales Representative represents and warrants to CSTC that:

- (a) the Sales Representative has not been previously convicted of any offence under the Criminal Code; nor
- (b) been the subject of any disciplinary action by any securities commission or engaged in any unbecoming conduct

which would prevent a securities commission from granting the Sales Representative registration as a scholarship plan salesperson.

The Sales Representative acknowledges that CSTC is relying on such representation and warranty and that such representation and warranty is a condition precedent to CSTC entering into this Agreement

ARTICLE NINE - PROPRIETARY RIGHTS

9.01 Ownership of Intellectual Property.

The Sales Representative acknowledges that all intellectual property including, without limitation, all trade marks, logos, service marks, oustomer lists, and trade secrets utilized by the Sales Representative in the course of marketing and selling the securities offered under the Plans or contained in the Sales Materials, and any other materials which CSTC may provide to the Sales Representative in connection with the Plans, are the sole and exclusive property of CST and CSTC and nothing contained in this Agreement shall give the Sales Representative any right, title or interest in the aforesaid intellectual property.

9.02 License Agreement,

The Sales Representative acknowledges that he/she must enter into a License of Trade-Marks Agreement with CST (attached as Schedule "B") and that entering into such an agreement is a condition precedent to the Sales Representative's appointment hereunder and his/her non-exclusive continuing right

to market and sell the securities offered under the Plans.

ARTICLE TEN - TERM OF AGREEMENT

10.01 Term.

This Agreement shall be for an initial term of two (2) years from the date hereof and shall be automatically renewed for successive one (1) year terms unless either CSTC or the Sales Representative provides written notice of termination to the other party no later than ninety (90) days before the end of the initial or renewal term, as applicable.

ARTICLE ELEVEN - TERMINATION

11.01 Termination.

CSTC may terminate this Agreement without any liability for severance or notice payments of any kind, by delivery of notice to that effect, which shall be effective upon the delivery of such notice to the Sales Representative, in the event:

- (a) of any material breach of this Agreement by the Sales Representative;
- (b) of any breach of any Agreement between the Sales Representative and the Branch Manager under which the Sales Representative may operate;
- (c) of any breach of the License of Trade-Mark Agreement between CST and the Sales Representative;
- (d) of a failure by the Sales Representative to maintain or operate his/her business in accordance with good business practices;
- (e) of any conduct of the Sales Representative which, in the opinion of CSTC, might injure the reputation of CSTC;
- (f) of any closure of the CSTC branch office with which the Sales Representative is associated, unless CSTC is able to transfer the Sales Representative to another branch office which is acceptable to the Sales Representative;
- (g) of a failure by the Sales Representative to meet minimum sales targets established from time to time by CSTC in consultation with the Branch Manager;
- (h) that the Sales Representative (i) becomes insolvent; (ii) makes an assignment for the benefit of his/her creditors; (iii) commences voluntary proceedings under bankruptcy or insolvency legislation; or (iv) is adjudicated as bankrupt or insolvent; or
- (i) the conviction of the Sales Representative on any criminal charge under the Criminal Code.

11.02 Default.

This Agreement will automatically terminate on the occurrence of any of the following:

(a) the death of the Sales Representative; and

(b) the suspension or termination of any license required by the Sales Representative to act as a registered scholarship plan salesperson in the Jurisdiction.

11.03 Obligations of the Sales Representative on Termination.

Upon the termination of this Agreement for any reason by either CSTC or the Sales Representative, the Sales Representative will:

- (a) immediately discontinue his/her business with CST or CSTC and cease representing himself/herself as in any way connected to CSTC or CST;
- (b) immediately return all CST or CSTC materials in the Sales Representative's care, custody or control, in whatever form the same may be compiled or recorded including, without limitation, the Sales Materials, directly to CSTC or the Branch Manager; and
- (c) provide CSTC or the Branch Manager with any necessary transitional assistance with all accounts previously under the supervision of the Sales Representative.

The Sales Representative hereby irrevocably appoints CSTC's President as his/her attorney in fact to do all such acts and execute all such documents that the Sales Representative is unwilling or unable to do or execute upon or following the termination of this Agreement, as CSTC may deem appropriate to give effect to the intent of this paragraph, which appointment shall be coupled with an interest and shall be irrevocable under any and all circumstances.

ARTICLE TWELVE - ASSIGNMENT

12.01 Assignment,

The rights and obligations conferred by, or arising out of, this Agreement are not assignable by the Sales Representative in whole or in part, without the prior written consent of CSTC.

ARTICLE THIRTEEN - <u>RELATIONSHIP BETWEEN</u> PARTIES

13.01 Relationship between the Parties.

Nothing contained in this Agreement shall create or be deemed to create the relationship of a joint venture, partnership, employment or association between CSTC and the Sales Representative. In exercising his or her rights and carrying out his or her obligations under this Agreement, the parties acknowledge that the Sales Representative is acting as an agent of CSTC.

CSTC acknowledges that the Sales Representative may have a separate contractual arrangement with his or her Branch Manager governing various matters relating to the marketing and sale of the Plans and that the Branch Manager has the authority to deal with the Sales Representative without interference from CSTC provided that any such contract or

dealings are in compliance with applicable laws and are not inconsistent with the provisions of this Agreement or any other agreement between CSTC and the Branch Manager. In the event of any such inconsistencies, the Sales Representative agrees that the provisions of this Agreement shall prevail.

The Sales Representative acknowledges that CSTC has delegated supervisory duties to his or her Branch Manager or to a Provincial Trading Officer to whom the Sales Representative agrees to provide full cooperation and access to books and records in respect of any review, audit or investigation authorized to be conducted by CSTC.

13.02 Statutory Payments and Remittances.

The Sales Representative is solely responsible for all remittances of income taxes and all other statutory payments required to be deducted from the remuneration of the Sales Representative.

13.03 Regulatory Oversight.

Any control which CSTC may retain and/or exercise over the Sales Representative is solely for the purposes of protecting the value of CSTC's business and to comply with the regulatory requirements of the Jurisdiction.

13.04 Authority of Sales Representative

The Sales Representative acknowledges that his/her authority to bind CSTC is limited to contracts for the sale of securities offered under the Plans and that said contracts are subject to the acceptance of CSTC. The Sales Representative will not represent himself or herself as having the authority to act on behalf of CSTC otherwise than as provided by this Agreement.

ARTICLE FOURTEEN - CONFIDENTIALITY

14.01 Confidentiality of Information.

The Sales Representative acknowledges that in performing his/her obligations under this Agreement, he/she may have access to and receive disclosure of certain trade secrets and/or confidential or proprietary information about CST and CSTC including, without limiting the generality of the foregoing, relating to their suppliers, organizational structure and reasons therefor, marketing philosophy and objectives, competitive advantages and disadvantages, financial results, pricing, operations, systems, marketing research and the Contributors. The Sales Representative agrees that he/she shall receive all such information in confidence, and shall not use, disclose or furnish same to any outside party except employees, agents or other representatives acting on behalf of CST or CSTC or as required by law. All correspondence files, forms, and communications with Clients, reports, proposals and other property or documents pertaining to the business of CSTC which may come into the possession or control of the Sales Representative is CSTC's property at all times. Upon termination of this Agreement, the Sales Representative shall immediately return, or at the direction of CSTC destroy, all such confidential or proprietary material in its care, custody or control, in whatever form the same may be compiled or recorded.

14.02 Client Lists and Databases.

All Client lists and databases which are provided to the Sales Representative during the term or this Agreement shall remain the sole and exclusive property of CST. Further, any Client lists or databases created by the Sales Representative during the course of performing his/her obligations under this Agreement shall also be the sole and exclusive property of CSTC and, subject to privacy legislation, may be used by CSTC to further its own marketing efforts.

14.03 <u>Unauthorized Disclosure, Possession or Use.</u>

The Sales Representative will notify CSTC, in writing, of the existence of any unauthorized disclosure, possession or use of confidential information. Such notification will be made promptly upon the discovery of such disclosure, possession or use and will set out the details and circumstances surrounding the unauthorized disclosure, possession or use. The Sales Representative will co-operate with CSTC in all efforts to end any unauthorized disclosure, possession or use of confidential information.

ARTICLE FIFTEEN - INDEMNITY

15.01 Indemnity from the Sales Representative.

The Sales Representative agrees that he/she will, both during the term of this Agreement and after the termination of this Agreement, indemnify and hold harmless CSTC and its affiliates, directors, officers, employees, agents, and subcontractors from and against any costs, charges, expenses, or damages incurred by CSTC, its affiliates, directors, officers, employees, agents and subcontractors, directly or indirectly, as a result of any actual or threatened action, suit or proceeding in any way arising out of the performance by the Sales Representative of his/her obligations under this Agreement (except to the extent that such performance is found in a final judgment of a court of competent jurisdiction, to be based on the conduct or advice of CSTC), or the negligent act or omission or intentional misconduct of the Sales Representative. This indemnification shall include any amounts paid pursuant to a judgment of any court of competent jurisdiction; any amounts paid in settlement of any action, suit, or proceeding subject to indemnification hereunder, and any amounts paid for defence costs in connection with any such action. suit or proceeding.

15.02 Survival of Indemnity.

This indemnity will survive any termination of this Agreement for a period of two (2) years following such termination.

ARTICLE SIXTEEN - GENERAL MATTERS

16.01 Proper Law.

This Agreement shall be governed and construed according to the laws of the Province of Ontario and the laws of Canada applicable therein, and the courts of Ontario shall have non-exclusive jurisdiction to entertain any action, suit or proceeding in respect of this Agreement. Each of the Sales Representative and CSTC hereby attorns to the jurisdiction of the courts of the Province of Ontario.

16.02 Entire Agreement.

Except ลร otherwise provided by contemporaneous or subsequent written agreement between the parties, this Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof and supersedes all prior contracts, agreements and understandings between the parties in connection therewith. There are no oral warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth or referred to herein. No modification, amendment, alteration, waiver or termination of this Agreement shall be binding unless executed in writing by the parties hereto. CSTC agrees to provide the Branch Manager with 30 days prior written notice of the text of any proposed amendment to this Agreement. No amendment to this Agreement shall be effective prior to the expiry of such notice period.

16.03 Waiver.

The failure of either party to enforce any provision of this Agreement shall not constitute a waiver of that provision, nor shall any waiver of one provision constitute a waiver of any other provision or a continuing waiver unless otherwise expressly provided.

16.04 Successors and Assigns.

This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and permitted assigns.

16.05 Paragraph Headings.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

16.06 Notices.

Any notice required or permitted to be given by a party to this Agreement will be in writing and may be delivered personally, sent by confirmed facsimile transmission, sent by other means of recorded electronic communications or sent by registered mail addressed as follows:

In the case of CSTC to:

CST Consultants Inc. 240 Duncan Mill Road, Suite 600 Toronto, Ontario M3B 3P1 Fax No. (416) 445-1708 Attn: Vice-President, Sales

In the case of the Sales Representative to:

Address:

Fax:

Any notice delivered or sent by electronic communications or facsimile shall be deemed to have been delivered on the date of receipt or if sent by registered mail shall be deemed to have been received on the third day following the date on which it was mailed. Any party may change its address for service from time to time by a notice given in accordance with the foregoing.

16.07 Equitable Remedies

The Sales Representative understands that breaches of his or her obligations under this Agreement may result in irreparable harm that is not compensable in damages. Accordingly, the Sales Representative agrees that, in the event of a breach or a threatened breach by the Sales Representative of any of the provisions of this

Agreement, CSTC will be entitled, in addition to any other rights, remedies or damages which may be available to CSTC, to obtain an interim and permanent injunction in order to prevent or restrain any such breach or threatened breach of the Agreement by the Sales Representative.

16.08 Severability.

In the event that any particular term, condition or other provision of this Agreement shall be found void, voidable or unenforceable for any reason whatsoever, then such term, condition or other provision shall be deemed severed from the remainder of this Agreement and all other terms, conditions and other provisions hereof shall remain in full force and effect.

16.09 Counterparts.

Sales Representati

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement.

CST CONSULTANTS INC.

· / /

Branch Manager (as witness):

Schedule A

Glossary of Terms

"Branch Manager" means the registered scholarship salesperson designated as the branch manager under applicable securities laws of the branch office of CSTC from which the Sales Representative operates and any successor thereto;

"Client" means any Contributor or potential Contributor;

"Contributor" means any Person who enters into a Scholarship Agreement with CSTC;

"CST" means the Canadian Scholarship Trust Foundation;

"Jurisdiction" means the Province or Territory of Canada in which the Sales Representative is registered as an education savings plan salesperson;

"Person" includes individuals, corporations, partnership, associations, trusts, incorporated organizations, governmental bodies, and other legal or business entities of any kind whatsoever;

"Plan" means any of the education savings plans sponsored by CST which, when registered under the Income Tax Act, become registered education savings plans;

"Prospectus" means the document pursuant to which the securities offered under the Plans are distributed to the public;

"Provincial Trading Officer" means an officer of CSTC with province-wide responsibility for compliance by the Sales Representatives in that province with securities laws applicable to their securities trading activities;

"Sales Materials" means any material provided by CSTC to the Sales Representative for the purposes of carrying out his or her obligations under this Agreement and includes, without limitation, the Prospectus and applications to enter into a Scholarship Agreement;

"Schedules" The following Schedules are incorporated herein by reference and are deemed to be part hereof:

Schedule A - Glossary of Terms

Schedule B - CSTC Code of Ethics

Schedule C - License of Trade-Marks Agreement

"Scholarship Agreement" means an agreement pursuant to which a Contributor agrees to purchase securities offered under a Plan; and

"Subscription" means a Scholarship Agreement which has been accepted by CSTC and which has not been cancelled by the Contributor during any "cooling-off" period.

Schedule B LICENSE OF TRADE-MARKS AGREEMENT

THIS AGREEMENT made and entered into as of the 17 day of No. , 2007.

BETWEEN:

CANADIAN SCHOLARSHIP TRUST FOUNDATION

(hereinafter referred to as the "Licensor")

OF THE FIRST PART

[INSERT NAME OF LICENSEE] (hereinafter referred to as the "Licensee")

OF THE SECOND PART

WHEREAS the Licensor is the owner of the trade-marks set out in Schedule "A" (the "Trade-marks") registered or the subject of applications for registration in association with certain wares and services ("Wares and Services") described therein:

AND WHEREAS the Licensor wishes to license to the Licensee the right to use the Trade-Marks set out in Schedule "A" on the terms, conditions and restrictions contained in this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and mutual covenants herein, the receipt and sufficiency of which is acknowledged, it is hereby agreed as follows:

1. RIGHT TO USE THE TRADE-MARKS

The Licensor hereby grants to the Licensee a non-exclusive right to use the Trade-Marks in Canada in association with the Wares and Services, in accordance with and subject to the terms and conditions of this Agreement.

2. STANDARDS OF SERVICES

The Licensee warrants that the Trade-Marks will be used only in association with the Wares and Services and only in association with such wares and services which conform in character and quality to the standards set by the Licensor from time to time. The Licensor, or its authorized agents, will have the right to inspect the Wares and performance of the Services of the Licensee bearing the Trade-Marks and to receive samples of advertising and promotional materials used in association with such Wares and Services for the purposes of determining compliance with the aforesaid standards of quality.

3. MANNER OF USE OF THE TRADE-MARKS

(i) In its use of the Trade-Marks, the Licensee will at all times comply with the requirements of the Licensor as to the form and manner in which the Trade-Marks are displayed or used, and the Licensee will

- promptly effect any changes which the Licensor may require respecting the Licensee's display and usage of the Trade-Marks upon receipt of written notification from the Licensor. Without limiting the foregoing, the Licensee shall display with the Trade-Marks such notice or legend as the Licensor shall from time to time prescribe to identify the Licensor as the owner of the Trade-Marks, the Licensee as a licensee of the Trade-Marks, and the use as a licensed use.
- (ii) The Licensee agrees that it will not advertise, exploit, promote or otherwise deal in or with the Wares and Services in any manner which, in the opinion of the Licensor, might adversely affect the goodwill attaching to and symbolized by the Trade-Marks, and the Licensee will not use any other trade-mark, trade name, domain name or corporate name that would, in the opinion of the Licensor, be confusing with the Trade-Marks.
- (iii) The Licensee agrees not to associate any other trade-marks, trade names or domain names with the Trade-Marks without the prior written consent of the Licensor.

4. INFRINGEMENT OR UNFAIR COMPETITION

The Liceusee agrees to give prompt notice to the Licensor of any conflicting use or any act of infringement, passing off or unfair competition by unauthorized persons which comes to its attention involving the Trade-Marks, or any claim or demand contrary to or in conflict with the Licensor's rights in connection therewith. The Licensor shall have the sole right to determine whether or not to engage in any infringement, passing off, unfair competition or other proceedings involving the Trade-Marks, and to make all decisions respecting the conduct or opposition of any such action or proceeding or any settlement thereof or appeal therefrom, and the Licensee shall provide such co-operation and assistance as the Licensor may reasonably require in connection with the prosecution or opposition of any such action or proceedings.

5. INTEREST IN THE MARK

- (i) The Licensee hereby agrees that nothing herein contained shall give to the Licensee any right, title or interest in the Trade-Marks (except the right to use the Trade-Marks in accordance with the terms hereof), that the Trade-Marks are the sole property of the Licensor, and that any and all use, display or advertisement by the Licensee of the Trade-Marks or any incorporation of the Trade-Marks into a trade name or domain name, shall be subject to the prior written approval of the Licensor and shall in any event enure to the benefit of the Licensor.
- (ii) The Licensee agrees not to raise or cause to be raised any question concerning or objection to the validity of the Trade-Marks or to the right of the Licensor thereto on any ground whatsoever.

6. INDEMNITY

The Licensee shall indemnify the Licensor during and after the term of this Agreement against all claims, liabilities, and expenses (including reasonable legal fees) arising out of any defect (whether obvious or hidden) in the Wares or through the performance of the Services. The parties indemnified shall include the Licensor and its officer, directors, employees and agents.

7. TERM OF AGREEMENT

Subject to paragraph 8 hereof, this Agreement shall extend for five years or as renewed from time to time by the parties.

8. TERMINATION OF AGREEMENT

The Licensor may terminate this Agreement and the Licence hereby granted at any time, upon written notice to the Licensee or without notice, upon failure of the Licensee to observe, conform or comply with the terms and conditions of this Agreement. This Agreement shall automatically terminate upon receipt of notice by the Licensee of termination of the Regulatory Compliance Agreement made as of the • day of •, 200• between the Licensor and the Licensee.

9. EFFECT OF TERMINATION

- (i) Upon termination of this Agreement, or any underlying agreements between the parties which are inconsistent with continued use by the Licensee of the Trade-marks, all rights granted to the Licensor hereunder shall be terminated, and the Licensee agrees to discontinue immediately all use of the Trade-Marks or any imitation thereof, either alone or in combination with any work or words or design, symbol or logo, and to co-operate with the Licensor or its appointed agent, to cancel any registration of the Licensee pertaining to the Trade-marks, trade names or domain names which are confusingly similar with the Trademarks and to remove, amend or cancel any public listing or registration of the Licensee in association with the Trade-Marks, and to destroy or return to the Licensor all printed materials bearing the Trade-Marks. All rights in the Trade-Marks and the goodwill connected therewith shall remain the property of the Licensor.
- (ii) In the event of termination of this Agreement, the Licensee's obligations as set forth in paragraphs 5, 6 and subclause (i) of paragraph 10 of this Agreement shall continue in full force and effect and the Licensee shall be liable to the Licensor in connection therewith. In all other respects, however, this Agreement shall be terminated without recourse each party against the other.

10. ASSIGNMENT

This Agreement and the rights granted hereunder concerning the use of the Trade-Marks are personal to the Licensee and include no right of assignment or sublicense.

11. NOTICE PROCEDURE

Any notice, director or other instrument requirement or permitted to be given hereunder shall be in writing and given by delivering or sending it by telecopy or other similar form of communication addressed to the Licensor at:

600 - 240 Duncan Mill Road Toronto, Ontario M3B 3P1 Canada

Attention: Vice-President, Sales

Telephone: Telecopier:

and addressed to the Licensee at:

[insert address]

Attention: telephone: telecopier:

Any such notice, director or other instrument given as aforesaid shall be deemed to have been effectively given, if sent by telecopier or other similar form of telecommunications on the next business day following such transmission or, if delivered, to have been received on the date of such delivery. Either party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to the party at its changed address.

12. WAIVER

No failure or delay by the Licensor in giving any notice or in exercising the rights or remedies available to it by reason of any default on the part of the Licensee shall constitute or be deemed or construed to be a waiver of such default or of any subsequent default, whether of the same or different nature, nor a waiver of any right or remedy, and the exercise by the Licensor of any right or remedy provided herein shall not prevent the Licensor from exercising any other right or remedy, either concurrently or separately.

13. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon the parties hereto and their successors and permitted assigns.

14. APPLICABLE LAW

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

15. LANGUAGE

THE PARTIES HERETO HEREBY
ACKNOWLEDGE THAT THEY HAVE REQUIRED
THIS AGREEMENT AND ALL RELATED
DOCUMENTS TO BE PREPARED IN THE
ENGLISH LANGUAGE. LES PARTIES
RECONNAISSENT AVOIR DEMANDE QUE LE
PRESENT CONTRAT AINSI QUE LES
DOCUMENTS S'Y RATTACHANT SOIENT
REDIGES EN LANGUE ANGLAISE.

IN WITNESS WHEREOF the parties hereto, through their duly authorized officers, have executed this Agreement on behalf of the Licensor and the Licensee as of the date first above written.

CST Consultants Inc.

Title:

INSERT-LICENSEE

Title:

Scholarship Plan Dep.

SCHEDULE C

CSTC CODE OF ETHICS

CSTC CODE OF ETHICS

RESP distribution is governed in accordance with provincial Securities Acts. In addition, CST Consultants Inc. believe that ethical standards of conduct must govern all relationships with and among its subscribers, agents and other RESP organizations. All agents are required to adhere to these tenets:

2)	to treat each subscriber and fellow agent with dignity and respect; to conduct themselves in accordance with excellent business practice; and to adopt the objectives of Canadian Scholarship Trust Foundation and CST Consultants Inc.	
Speci	fically, I TOPU 2016 The following code of personal objectives and conduct. as an agent of CST Consultants Inc. agree to the following code of personal objectives and conduct.	to

OBJECTIVES:

1) to give full and true disclosure of the product to each potential subscribers and,

2) to give full support to all agents, thereby fostering the development of a company of full-time sales professionals.

CONDUCT:

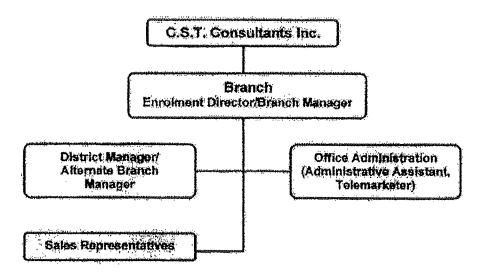
- 1) to enrol subscribers only within licensing jurisdiction;
- 2) to provide a copy of the Prospectus at all client meetings;
- not to encourage or entice any subscriber to cancel units or terminate any active RESP agreement, for any reason;
- 4) to respect the property of others, i.e. to not remove, damage or replace dispensers and literature belonging to any RESP agent;
- not to hold out enticements including increased commissions or bonus. free leads or marketing programs, which
 may cause an agent to request a transfer between agencies;
- 6) not to solicit agents from other RESP organizations unless they first approach with a written application, which states that they came voluntarily;
- 7) to be fully apprised of all current operating procedures outlined in CST Consultants Inc. Operations Manual, Handbook of Conduct, CST Connection, Professional Development Manual, and all other directives issued from head office, and to govern myself accordingly.
- 8) to cease contact with subscribers upon termination of license, and to discontinue using CSTC customer lists and/or solicited leads.

I understand that a violation of the above conduct may lead to the cancellation of my license. Certain actions will be considered offenses under the Criminal Code. Therefore I agree to conduct my business activities based on the tenets described herein and should I fail to adhere to the above I clearly understand and agree that my securities license to sell the CST Plan that the cancellation of monies paid.

5/0 / Dec 2009
Agent Agency # Date

Note: This document must be attached to your application for licensing.

C.S.T. Consultants Inc. Sales Force Organization Chart



The purpose of an organization chart is to establish the chains of communication and reporting relationships, subject to applicable securifies regulatory requirements and the terms and conditions of the Sales Representative Regulatory Compliance Agreement.

C.S.T. Consultants Inc. Le All pates Men 10/10
Signature of Enrolment Director/Branch Manager:
Print Name of E.D./Branch Manager: Jacque (Lagde)
Date: 17/1/20/0:
Signature of Sales Representative:
Print Name of Sales Representative: 3001 20600
Date: 17 Dec 2009



Registration information was last refreshed on 2016-09-15 18:27 Pt

National Registration Search

Print Expand all

Only a registrant with "current registration" is allowed to advise or deal in securities in Canada.

Individual Registration Record

Back to results

Click of for deta

Name:

ZUKRAN, Joey

PREVIOUS REGISTRATION

Firm:

C.S.T. CONSULTANTS INC./CONSULTANTS C.S.T. INC.

Location of Employment:

6525 Decarie Boulevard, #209 Montreal QC H3W 3E3 CAN Phone: (514)342-7377

Québec

Categories M

Dealing Representative (Scholarship Plan Dealer)

From:

February 02, 2010

To:

October 31, 2012

This individual is no longer registered. Please contact your <u>local securities regulator</u> for more information.

Back to results

From:

Ciciotti, Fabiola

Sent:

November-08-16 2:19 PM

To:

'jzukran@lpclex.com'; famine@millerthomson.com; jmloranger@mccarthy.ca;

vincent.deletoile@langlois.ca; laurent.nahmiash@dentons.com

Cc:

Charbonneau, Robert E.

Subject:

NOTIFICATION - Application of the Respondents C.S.T. and Canadian Scholarship Trust Foundation seeking the disqualification of Appliant's lawyer and Exhibits R-1 and R-2 #

500-06-000803-169

Attachments:

Application of C.S.T. and Canadian Scholarship seeking the disqualification of Applican't

lawyer.PDF

Tracking:

Recipient

Delivery

'jzukran@lpclex.com'

famine@millerthomson.com jmloranger@mccarthy.ca vincent.deletoile@langlois.ca laurent.nahmiash@dentons.com

Charbonneau, Robert E.

Delivered: 08/11/2016 2:19 PM

NOTIFICATION BY ELECTRONIC COURIER TRANSMISSION SLIP

(ARTICLE 134 C.P.C.)

DATE:

Montréal, November 8, 2016

SENDER:

Name:

Mtre. Anne Merminod

Firm:

BORDEN LADNER GERVAIS, LLP

Address:

1000 De La Gauchetière St. West, suite 900

Montréal, Québec, H3B 5H4

Telephone: Direct line:

514.879.1212 514.954.2529

E-mail address:

amerminod@blg.com

Our file:

021324-000007

ADDRESSEE(S):

Name:

Mtre. Joey Zukran

Firm:

LPC AVOCAT INC.

Address:

5800 Cavendish Blvd, suite 411, Côte St-Luc, Qc H4W 2T5

Telephone:

514.379.1572

E-mail address:

jzukran@lpclex.com

Your file:

Name:

Mtre. Fadi Amine

Firm:

MILLER THOMSON

Address:

1000 de la Gauchetière Street West, 37th floor, Montreal, Qc H3B 4W5

Telephone: E-mail address: 514.875.5210

Your file:

famine@millerthomson.com

Name: Firm:

Mtre. Julie-Martine Loranger MCCARTHY TÉTRAULT

Address:

1000 de la Gauchetière Street West, suite 2500, Montreal, Qc H3B 0A2

Telephone:

514.397.4221

E-mail address:

imloranger@mccarthy.ca

Your file:

Name: Firm:

Mtre. Vincent de l'Étoile LANGLOIS AVOCATS

Address:

1250, René-Lévesque Blvd. West, 20th floor, Montreal, Qc H3B 4W8

Telephone:

514.842.9512

E-mail address:

Vincent.deletoile@langlois.ca

Your file:

338536-0001

Name: Firm:

Mtre. Laurent Nahmiash **DENTONS CANADA LLP**

Address:

1 Place Ville-Marie, 39th floor, Montreal, Qc H3B 4M7

Telephone:

514.878.8818

E-mail address:

laurent.nahmiash@dentons.com

Your file:

COURT FILE NUMBER AND NATURE OF THE NOTIFIED DOCUMENT:

File number:

500-06-000803-169

Parties:

Moshe Segalovich v. C.S.T. Consultants Inc. and Canadian Scholarship Trust

Foundation et als.

Nature:

Application of the Respondents C.S.T. and Canadian Scholarship Trust Foundation

seeking the disqualification of Applicant's lawyer and Exhibits

R-1 and R-2

Number of pages: (attachments only)

19

Fabiola Ciciotti

Adjointe juridique de / Legal Assistant to Anne Merminod & Josiane Brault

T 514,954,2555, p. 22883

1000, rue De La Gauchetière Ouest, Bureau / Suite 900, Montréal, QC, Canada H3B 5H4

D'abord le service / It begins with service



Veuillez penser à l'environnement avant d'imprimer ce courriel. / Please consider the environment before printing this email.

From:

Microsoft Outlook

To:

jzukran@lpclex.com

Sent:

November-08-16 2:19 PM

Subject:

Relayé: NOTIFICATION - Application of the Respondents C.S.T. and Canadian Scholarship Trust Foundation seeking the disqualification of Appliant's lawyer and

Exhibits R-1 and R-2 #500-06-000803-169

La remise à ces destinataires ou groupes est achevée, mais aucune notification de remise n'a été envoyée par le serveur de destination :

jzukran@lpclex.com (jzukran@lpclex.com)

Objet: NOTIFICATION - Application of the Respondents C.S.T. and Canadian Scholarship Trust Foundation seeking the disqualification of Appliant's lawyer and Exhibits R-1 and R-2 #500-06-000803-169

From:

Microsoft Outlook

To:

laurent.nahmiash@dentons.com

Sent:

November-08-16 2:20 PM

Subject:

Relayé : NOTIFICATION - Application of the Respondents C.S.T. and Canadian Scholarship Trust Foundation seeking the disqualification of Appliant's lawyer and

Exhibits R-1 and R-2 #500-06-000803-169

La remise à ces destinataires ou groupes est achevée, mais aucune notification de remise n'a été envoyée par le serveur de destination :

laurent.nahmiash@dentons.com (laurent.nahmiash@dentons.com)

Objet: NOTIFICATION - Application of the Respondents C.S.T. and Canadian Scholarship Trust Foundation seeking the disqualification of Appliant's lawyer and Exhibits R-1 and R-2 #500-06-000803-169

From:

Microsoft Outlook

To: Sent: famine@millerthomson.com November-08-16 2:19 PM

Subject:

Relayé: NOTIFICATION - Application of the Respondents C.S.T. and Canadian

Scholarship Trust Foundation seeking the disqualification of Appliant's lawyer and

Exhibits R-1 and R-2 #500-06-000803-169

La remise à ces destinataires ou groupes est achevée, mais aucune notification de remise n'a été envoyée par le serveur de destination :

famine@millerthomson.com (famine@millerthomson.com)

Objet: NOTIFICATION - Application of the Respondents C.S.T. and Canadian Scholarship Trust Foundation seeking the disqualification of Appliant's lawyer and Exhibits R-1 and R-2 #500-06-000803-169

From:

Microsoft Outlook

To:

jmloranger@mccarthy.ca

Sent:

November-08-16 2:19 PM

Subject:

Relayé: NOTIFICATION - Application of the Respondents C.S.T. and Canadian Scholarship Trust Foundation seeking the disqualification of Appliant's lawyer and

Exhibits R-1 and R-2 #500-06-000803-169

La remise à ces destinataires ou groupes est achevée, mais aucune notification de remise n'a été envoyée par le serveur de destination :

jmloranger@mccarthy.ca (jmloranger@mccarthy.ca)

Objet: NOTIFICATION - Application of the Respondents C.S.T. and Canadian Scholarship Trust Foundation seeking the disqualification of Appliant's lawyer and Exhibits R-1 and R-2 #500-06-000803-169

From:

postmaster@Themis.int

To: Sent: vincent.deletoile@langlois.ca November-08-16 2:20 PM

Subject:

Remis: NOTIFICATION - Application of the Respondents C.S.T. and Canadian

Scholarship Trust Foundation seeking the disqualification of Appliant's lawyer and

Exhibits R-1 and R-2 #500-06-000803-169

Your message has been delivered to the following recipients:

vincent.deletoile@langlois.ca

Subject: NOTIFICATION - Application of the Respondents C.S.T. and Canadian Scholarship Trust Foundation seeking the disqualification of Appliant's lawyer and Exhibits R-1 and R-2 #500-06-000803-169

SUPERIOR COURT Class action

District of Montréal

File No.: 500-06-000803-169

MOSHE SEGALOVICH

Applicant

Ş.

C.S.T. CONSULTANTS INC.

-and-

FOUNDATION CANADIAN SCHOLARSHIP TRUST

ET ALS.

Respondents

APPLICATION OF THE RESPONDENTS C.S.T. SEEKING THE DISQUALIFICATION OF SCHOLARSHIP TRUST FOUNDATION CONSULTANTS INC. AND CANADIAN **AND EXHIBITS R-1 AND R-2** APPLICANT'S LAWYER (Art. 193 C.C.P.)

Amount: \$

Nature: Code:

ORIGINAL

Suite 900

Montréal, QC, Canada H3B 5H4

Tel. 514.879.1212

Gervais Fax. 514.954.1905

B.M. 2545

amerminod@blg.com

Borden Ladner Gervais Fax.

Mtre. Anne Merminod File: 021324-000007