

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF HULL
No: 550-06-000024-068**

**(Class Action)
SUPERIOR COURT**

DAVID BROWN

Petitioner/Plaintiff

vs.

**FRANÇOIS ROY and
MARC JEMUS and
ROBERT PRIMEAU and
B2B TRUST and
WHITNEY CANADA INC. and
WHITNEY INFORMATION NETWORK INC. and
JEAN LAFRENIÈRE
-and-
LLOYD'S UNDERWRITERS
-and-
LLOYD'S CANADA INC.
-and-
DESJARDINS FINANCIAL SECURITY
INVESTMENTS INC.**

Respondents/Defendants

**SETTLEMENT AGREEMENT BETWEEN PETITIONER/PLAINTIFF AND
WHITNEY CANADA INC. AND WHITNEY INFORMATION NETWORK INC.**

PREAMBLE:

WHEREAS on August 19, 2010, the Re-Re-Re-Amended Motion for Authorization to Institute a Class Action and to Obtain the Status of Representative (hereinafter, the "Amended Motion") filed by Petitioner David Brown (hereinafter, the "Plaintiff") was granted in part by Mr. Justice Michel Déziel, authorizing the Plaintiff, as the designated representative, to bring a class action on behalf of the following class:

All those natural persons, and legal persons with less than fifty (50) employees, who have made various investments proposed to them by Marc Jémus, François Roy and/or Robert Primeau, and/or through them, and/or in or through companies related to one of them, in the year 2001 to 2005 inclusively.

WHEREAS in dismissing in part the Amended Motion, Mr. Justice Michel Déziel, in his judgment of August 19, 2010 (hereinafter, the "Déziel Judgment"), authorized the bringing of a class action against Whitney Canada Inc. and Desjardins Financial Security Investments Inc., but did not authorize the bringing of a class action against, amongst others, Whitney Information Network Inc. (hereinafter, "WIN");

WHEREAS on September 14, 2010, Plaintiff filed an Inscription on Appeal against that part of the Déziel judgment refusing the authorization to bring a class action against, amongst others, WIN;

WHEREAS the parties initiated without prejudice discussions in the last quarter of 2010 with the aim of settling the present class action proceedings out of Court;

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WHEREAS in the course of these without prejudice discussions, Whitney Canada Inc. and WIN represented to Plaintiff and the Attorneys of the Plaintiff that it is presently going through a precarious financial situation and, in this regard, WIN referred the Attorneys of the Plaintiff to its quarterly report in the 10Q form filed with the Securities Exchange Commission on or about August 23, 2010;

WHEREAS in the course of these without prejudice discussions, Whitney Canada Inc. and WIN also represented to the Attorneys for the Plaintiff that they are of the view that the claims sought by Plaintiff in its Amended Motion against Whitney Canada Inc. and WIN are not covered by an insurance policy subscribed either by Whitney Canada Inc. and/or WIN, these representations being a major consideration of the present Settlement Agreement

WHEREAS in consideration of the foregoing, the parties have reached an out of Court settlement of all claims arising out of the present class action proceedings, whereby Whitney Canada Inc. and WIN (hereinafter, the "Defendants") have agreed to pay the maximum amount of CDN \$250,000.00, inclusive of capital, interest and costs;

WHEREAS Plaintiff and Defendants further agree that the present Settlement Agreement is contingent upon the approval by the Superior Court of Québec of the settlement herein in accordance with article 1025 of the Québec Code of Civil Procedure (hereinafter, the "C.C.P.");

WHEREAS Plaintiff and the Attorneys for the Plaintiff are of the opinion that the settlement is just and equitable and in the best interest of the Class Members and wish to submit said settlement to the Court's approval.

WHEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. The following definitions apply to the present Settlement Agreement:
 - a) **Trust Account** means an interest bearing trust account held at a financial institution, payable in the short term, under the control of Attorneys for the Plaintiff and comprising the totality of the Settlement Amount;
 - b) **Approval Expenses for the Settlement** means the amount that will be paid by the Plaintiff and the Attorneys for the Plaintiff to cover costs, of any kind, arising from the implementation of the present Settlement Agreement and related to its administration, including but not limited to the drafting, preparation and issuance of all motions required to approve the notices to Class Members and for approval of the present Settlement Agreement, the notices and their publication and/ dissemination costs as required under the C.C.P., or as otherwise required by the Court;
 - c) **Approval Date** means the date when the Settlement Agreement is approved by the Court, as applicable;
 - d) **Class Member** means all those natural persons, and legal persons with less than fifty (50) employees, who have made various investments proposed to them by Marc Jémus, François Roy and/or Robert Primeau, and/or through them, and/or in or through companies related to one of them, in the year 2001 to 2005 inclusively
 - e) **Court** means the Superior Court of Québec;

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- f) **Attorneys Fees** means the amounts payable to Attorneys for the Plaintiff, pursuant to an order of the Court, which include their extrajudicial and judicial fees, disbursements, costs of any kind and taxes, including costs taxable pursuant to the *Tarif des honoraires judiciaires des avocats*;
- g) **Attorneys for the Plaintiff** means the firm of Sylvestre Fafard Painchaud;
- h) **Defendants** means Whitney Canada Inc. and Whitney Information Network Inc.;
- i) **Settlement Amount** means the maximum amount of CDN \$250,000.00, inclusive of capital, interest and costs;
- j) **Parties** means the Plaintiff and the Defendants;

A - SETTLEMENT AMOUNT AND PAYMENT TERMS

- 2. The Defendants agree to pay, in full and final settlement of the class action proceedings against them, as a collective recovery, the Settlement Amount for the benefit of the Plaintiff and the Class Members.
- 3. The Settlement Amount shall be paid in two (2) instalments, the first instalment of CDN \$50,000.00 being payable within five (5) business days of the execution of the present Settlement Agreement by the Plaintiff, which first instalment shall be paid in the Trust Account.
- 4. The second instalment in the amount of CDN \$200,000.00 shall be paid in the Trust Account at the latest before the end of the third week of March 2011.

B - APPROVAL OF THE PRESENT SETTLEMENT AGREEMENT

- 5. Upon the payment of the second instalment in the Trust Account, Attorneys for the Plaintiff will first file a motion for the approval of a Notice to the Class Members and for its publication in accordance with Articles 1025, 1045 and 1046 C.C.P. (hereinafter the "Notice Motion"). The Notice to the Class Members, as aforesaid, is to inform the Class Members of the conclusion of the present Settlement Agreement, of the amount of the settlement, of the date of an approval hearing, of their right to be heard at the approval hearing and of their right to opt out of the settlement contemplated herein within 30 days following the date of the approval by the Court of the present Settlement Agreement. Once the Notice to the Class Members in a form satisfactory to the Parties has been approved by the Court, the Attorneys for the Plaintiff will then file a motion for the approval of the present Settlement Agreement in accordance with Article 1025 C.C.P. In the event that the Court does not approve the present Settlement Agreement, the Court will be asked to make an order for the publication of a second notice to the Class Members to inform them that the present Settlement Agreement is null, void and of no further legal effect. It is understood and agreed that all the Approval Expenses for the Settlement pertaining to the procedural implementation of the present Settlement Agreement as described hereinabove will be the sole responsibility of the Plaintiff and the Attorneys for the Plaintiff and at no costs whatsoever to the Defendants.
- 6. The modalities of the publication and/or dissemination of the Notice to the Class Members, as provided for in paragraph 5 hereinabove, will be by way of a personalized

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notice sent by mail or e-mail to each Class Member, based on the list of Class Members known to Plaintiff and to Attorneys for the Plaintiff. If the Court orders the publication of a second notice, the second notice shall be published and/or disseminated in the same manner. If the Settlement Agreement is approved by the Court, all disbursements and other costs related to the publication and/or dissemination of the Notice to the Class Members, as provided in paragraph 5 hereinabove, shall be paid out of the Settlement Amount. In the event that the second notice is necessary, because the present Settlement Agreement has not been approved by the Court, the disbursements and costs associated with this second notice will follow the outcome of the class action proceedings and will not be deducted from the Settlement Amount. Within the context of the motion for the approval of the present Settlement Agreement, WIN will consent to the authorization of the Amended Motion for settlement purposes only.

7. It is further understood and agreed that the amounts held in the Trust Account shall remain under the supervision of the Attorneys for the Plaintiff and may only be withdrawn once the present Settlement Agreement is approved as by the Court and the tip-over delay provided at paragraph 12 hereinafter has lapsed.
8. Interest accumulated in the Trust Account shall form part of the Settlement Amount and shall be attributed to the Plaintiff and the Class Members as they see fit once the present Settlement Agreement has been approved, but in the event that the present Settlement Agreement is not approved and/or otherwise terminated as contemplated herein, then the Settlement Amount inclusive of the interest that accumulated in the Trust Account will be returned to the Defendants.
9. For greater certainty, the Defendants shall not incur any liability or obligation with respect to the establishment of the Trust Account, including whatever taxes, duties or costs that may be payable.
10. It is understood and agreed that the Defendants will not be responsible nor incur any liability for any payments that may be owed to the Fonds d'aide aux recours collectifs in accordance to the Règlement sur le pourcentage prélevé par le Fonds d'aide aux recours collectifs.

C. TIP OVER

11. As provided in paragraph 5 hereinabove, the Class Members will be informed of the approval hearing of the present Settlement Agreement by the publication of a Notice to the Class Members and, in this regard, the said Notice will grant to the Class Members the option to opt-out of the class action proceedings herein in respect of the settlement with the Defendants. In this regard, the Parties agree that the Class Members shall have 30 days from the date of the approval by the Court of the present Settlement Agreement to opt-out and in the event that seven (7) or more Class Members indicate that they are opting-out which reflect a potential litigation exposure for the Defendants which the Defendants determine is financially significant to them, the Defendants will have the option of terminating the present Settlement Agreement by delivering a notice to the Attorneys for the Plaintiff on or before 15 days following the expiration of the 30 days opt-out deadline.

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D. SETTLEMENT AGREEMENT NOT APPROVED BY THE COURT

12. If the present Settlement Agreement is not approved by the Court and/or is otherwise terminated by the Defendants pursuant to paragraph 12 hereinabove, the present Settlement Agreement shall be null and void and shall have no force or effect on Plaintiff and Defendants, who shall not be bound by its terms and shall be restored to their respective positions existing immediately before the execution of the present Settlement Agreement.
13. Furthermore, Plaintiff and Defendants agree that, whether or not the present Settlement Agreement is finally approved, and/or is otherwise terminated by the Defendants pursuant to paragraph 12 hereinabove, anything contained herein, and any and all negotiations, documents, discussions and proceedings associated with the present Settlement Agreement, and any action taken to carry out the present Settlement Agreement, will not be deemed, construed or interpreted to be an admission of any violation of any statute or law, or of any wrongdoing or liability by Defendants of the truth of any of the claims or allegations contained in the present class action proceeding, or in any other pleadings filed by Plaintiff, or in any other action or proceeding whenever or wherever taken with respect to any of the allegations set forth in the class action proceeding.
14. Furthermore, Plaintiff and Defendants agree that, whether or not the present Settlement Agreement is finally approved and/or is otherwise terminated by the Defendants pursuant to paragraph 12 hereinabove, anything contained herein, and any all negotiations, documents, discussions and proceedings associated with the present Settlement Agreement, and any actions taken to carry out the present Settlement Agreement, were all without prejudice and will not be referred to, offered as evidence or received in evidence in any pending or future civil, criminal or administrative action or proceeding whenever or wherever taken, except in the motion to approve the present Settlement Agreement, or to defend against the assertion of the Released Claims referred to at paragraph 19 herein, or as otherwise required by law.
15. In the event that the Court does not approve the present Settlement Agreement, and/or is otherwise terminated by the Defendants pursuant to paragraph 12 hereinabove, the Attorneys for the Plaintiff shall immediately remit to the undersigned attorneys of the Defendants the amount of CDN \$250,000.00 held in the Trust Account, in addition to any interest generated by the said amount in the Trust Account, without any further formalities.

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E - FEES AND EXPENSES OF ATTORNEYS FOR THE PLAINTIFF

16. The extrajudicial and judicial fees, disbursements and expenses of the Attorneys for the Plaintiff will be adjudicated by the Court and will be disbursed from the Settlement Amount. For greater clarity, it is understood and agreed that Defendants will not be responsible nor will they incur any liability for the payment of any extrajudicial and/or judicial fees and the disbursements and/or judicial costs of the Attorneys for the Plaintiff.

F - RELEASE AND NON-ADMISSION OF LIABILITY

17. In consideration of the present Settlement Agreement and its approval by the Court, Plaintiff, on his own behalf and on behalf of the Class Members, undertakes to settle the class action proceeding against the Defendants and to stay, pending the approval process of the present Settlement Agreement, and ultimately withdraw his appeal proceedings against WIN upon approval of the present Settlement Agreement by the Court, each party paying their respective costs.
18. Each Class Member that participates in the present Settlement Agreement hereby gives and is deemed to have given a release to the Defendants and their principals, affiliates, delegates, subsidiaries, insurers, contractors, assigns, directors, shareholders, officers, attorneys, employees, agents, consultants, advisors, managers, any other persons or entities who may engage Defendants' liability in fact and in law in respect of the Defendants' alleged liability in the Amended Motion, (hereinafter, the "Releasees") from any claims, suits, demands or causes of action that were or could have been presented by, on behalf of or through the intervention of Plaintiff or of any Class Member individually, collectively or otherwise, for all claims deriving from, directly or indirectly, or related to the alleged claims in the Amended Motion, and any claims of liability or of damages, deriving, directly or indirectly, from the Amended Motion (hereinafter, the "Released Claims"). Moreover, save for the Defendants named in the class action proceedings who are not a party to the present Settlement Agreement, no Class Member may sue or present a claim against any other person if, in doing so, the person against whom the claim could be brought could have a remedial claim, a claim in warranty or any other claim in contribution or compensation against the Releasees, if not for the release herein.
19. It is further understood and agreed that the Plaintiff and the Class Members expressly waive any right to the benefit of solidarity against the Respondents that are not a party to the present Settlement Agreement, in respect of the acts and/or omissions and/or facts reproached against the Defendants in the Amended Motion and it is understood that by the effect of the judgment of the Court approving the present Settlement Agreement, any Class Member will not claim, in any manner whatsoever, from the Respondents who are not a party to the present Settlement Agreement, a claim for payment, for indemnity and/or for contribution and/or any other claim inclusive of, but not limited to, a claim for compensatory, punitive and/or recursive damages, allegedly caused by, or attributed to the Defendants and the Releasees herein.
20. It is further understood and agreed that the judgment approving the present Settlement Agreement will provide that the settlement has the effect to limit the claims of the Class Members only to the consequences of the acts and/or omissions of the Respondents that are not a party to the present Settlement Agreement and that consequently any action in warranty, third party proceedings, *mise en cause* and/or any interpleader to

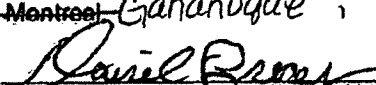
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obtain a contribution or an indemnity from the Defendants herein, that pertain to the Released Claims, are prohibited within the context of the present class action proceedings between the Plaintiff, the Class Members and the other Respondents named in the Amended Motion, or otherwise added by way of amendment.

21. It is understood and agreed that the terms and conditions of paragraphs 19 to 21 inclusively hereinabove will be reproduced and form an integral part of the judgment approving the present Settlement Agreement.

G - OTHER

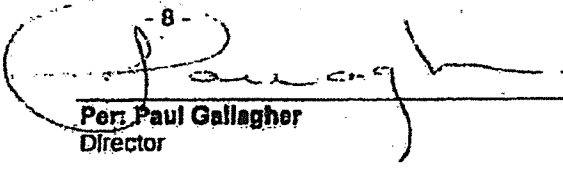
22. It is understood and agreed that the present Settlement Agreement constitutes a transaction with respect to a contested claim and the renunciation by the Defendants to costs or the payments of claims to class members does not constitute any admission of liability on the part of the Defendants, which expressly deny any such liability.
23. The present Settlement Agreement shall be binding on the Parties regardless of any change in the law that might occur after the date that Plaintiff and or the Attorneys for the Plaintiff have signed the present Settlement Agreement.
24. The law of the Province of Quebec shall apply to any legal questions arising under the present Settlement Agreement.
25. If any part of the present Settlement Agreement is held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision. The Parties acknowledge that the present Settlement Agreement is the entire agreement and it replaces and supersedes any prior agreements, whether in writing or otherwise. The Parties agree that they have neither received nor relied on any other agreements or promises other than as contained in the present Settlement Agreement.
26. The signatories hereto warrant and represent that they are authorized to enter into the present Settlement Agreement on behalf of the Parties and on whose behalf the present Settlement Agreement has been executed.
27. The present Settlement Agreement may be executed in one or more counterparts, including by facsimile, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

DB
~~Montreal~~ Gananoque, January 20, 2011

 DAVID BROWN
 Petitioner/Plaintiff and Designated Representative

Toronto, January 18, 2011

WHITNEY CANADA INC

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Per: Paul Gallagher
Director

Cape Coral, Florida, January , 2011

WHITNEY INFORMATION NETWORK INC

Per: James May
Chief Administrative Officer and General Counsel

Montreal, January 21, 2011



SYLVESTRE FAFARD PAINCHAUD
Attorneys for Plaintiff David Brown

Montreal, January , 2011

BLAKE, CASSELS & GRAYDON LLP
Attorneys for Defendants
Whitney Canada Inc. and
Whitney Information Network Inc.

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Per: Paul Gallagher
Director

Cape Coral, Florida, January . 2011

WHITNEY INFORMATION NETWORK INC

James E. May

Per: James May
Chief Administrative Officer and General Counsel

Montreal, January , 2011

SYLVESTRE FAFARD PAINCHAUD
Attorneys for Plaintiff David Brown

Montreal, January 18 , 2011

Blake Cassels & Graydon LLP

BLAKE, CASSELS & GRAYDON LLP
Attorneys for Defendants
Whitney Canada Inc. and
Whitney Information Network Inc.