

TORONTO-DOMINION BANK SECURITIES CLASS ACTION

NOTICE TO CLASS MEMBERS

AUTHORIZATION TO PROCEED WITH CIVIL LIABILITY AND SECURITIES ACT CLAIMS FOR MATERIALLY FALSE AND MISLEADING STATEMENTS RELATING TO TORONTO-DOMINION'S CANADIAN RETAIL BUSINESS SEGMENT

Read this notice carefully as it may affect your legal rights

THIS NOTICE IS TO all persons and entities, wherever they may reside or may be domiciled, who, from December 3, 2015 to March 9, 2017 (inclusively) ("**Class Period**") acquired the Toronto-Dominion Bank's ("**Defendant**" or "**TD**") securities, other than stock traded on a United States exchange, and held some, or all of those securities until the end of the **Class Period**, other than certain persons and entities associated with the defendants, as further described below ("**Class**" and "**Class Members**").

THE AUTHORIZATION ORDER

On June 21st, 2019, the Honorable Mr. Justice Morrison of the Superior Court of the Province of Québec authorized the bringing of the securities class action in:

Majestic Asset Management LLC et al.

v

The Toronto-Dominion Bank

Court File No. 500-06-000914-180 ("**Toronto-Dominion Securities Class Action**"). By virtue of this Order, the Court authorized (certified) the Toronto-Dominion Securities Class Action, and appointed Majestic Asset Management LLC and Turn8 Partners Inc., as representative plaintiffs for the Class, defined as follows:

- a) Primary Market Sub-Class: All persons and entities, wherever they may reside or may be domiciled, who, from December 3, 2015 to March 9, 2017, inclusively, acquired the TD's securities in an offering and held some, or all of those securities until the end of the **Class Period**; and
- b) Secondary Market Sub-Class: All persons and entities, wherever they may reside or may be domiciled, who, from December 3, 2015 to March 9, 2017, inclusively, acquired the TD's securities in the secondary market, other than stock traded on a United States exchange, and held some, or all of those securities until the end of the **Class Period**.

Excluded from the Class is the defendant, its legal representatives, heirs, successors or assigns and the directors, officers, subsidiaries, and affiliates, as well as any entity in which TD has or had a controlling interest.

The Toronto-Dominion Securities Class Action will now proceed to trial as a securities class action involving claims for damages resulting from failing to disclose material facts relating to TD's Canadian Business Segment and documents containing materially false and misleading statements with regard to TD's business practices, risks management and ethics policies. The Court has identified the issues that will be dealt with collectively and the conclusions sought, which are set out in **Appendix "A."** The Toronto-Dominion Securities Class Action will proceed in the judicial district of Montreal, Province of Québec.

Authorization is a procedural matter that defines the form of the class action litigation. The merits of the claims in the action, or the allegations of fact on which the claims are based, have not been finally determined by the Court. TD disputes the claims asserted against it.

THE NATURE OF THE CLAIMS ASSERTED

The Toronto-Dominion Securities Class Action asserts that the defendants released documents which failed to disclose material facts relating to TD's Canadian Retail Business Segment and which contained materially false and misleading statements with regard to TD's business practices, risks management and ethics policies ("**Impugned Documents**").

The alleged misrepresentations relate to three subjects:

1. The statements made by TD in the Impugned Documents consistently failed and omitted to disclose that the increased earnings in the Canadian Retail Business Segment was driven by an unethical, illegal and predatory Pressure Selling Program, and it is alleged that they have made materially false and misleading statements in those documents;

2. The Pressure Selling Program caused TD and its employees to violate their own Code of Conduct at the expenses of TD's customers, making their statements in the Impugned Documents materially false and misleading;
3. TD represented that its internal controls, including disclosure controls and procedures, were effective during the class period. However, it is alleged that the Impugned Documents failed or omitted to reveal material factors concerning TD's Canadian Retail revenue and contained materially false and misleading information regarding TD's business practices, risks management and ethics policies.

As a result of the release of the Impugned Documents, it is alleged that, unaware of TD's Pressure Selling Program, the Class Members acquired TD's securities at inflated prices, and then suffered damages when the misrepresentations were publicly corrected.

DO NOTHING IF YOU WANT TO PARTICIPATE IN THE CLASS ACTION

Class Members who want to participate in the Toronto-Dominion Securities Class Action are automatically included and need not do anything at this time.

YOU MUST OPT-OUT IF YOU DO NOT WANT TO BE BOUND BY THE CLASS ACTION

Each Class Member who does not opt-out of the Toronto-Dominion Securities Class Action will be bound by the terms of any judgment or settlement, whether favorable or not, and will not be allowed to prosecute an independent action.

Class Members who do not want to be bound by the outcome of the Toronto-Dominion Securities Class Action must "opt-out," meaning that they must exclude themselves from the Toronto-Dominion Securities Class Action in accordance with the procedure described herein.

If you wish to opt-out of the Toronto-Dominion Securities Class Action, you must complete, sign and return the Opt-Out Form provided at Appendix "B" to the Administrator and the Clerk of the Superior Court.

In order for your opt-out to be valid, your complete and signed Opt-Out Form must be postmarked or received by the Administrator and the Clerk of the Superior Court by no later than August 2, 2019.

A Class Member who opts-out will not be entitled to participate in the Toronto-Dominion Securities Class Action.

CLASS COUNSEL AND QUESTIONS

The class action plaintiffs and the Class members in the Toronto-Dominion Securities Class Action are represented by Faguy & Co. Barristers & Solicitors Inc.

This notice has been approved by the Superior Court of the Province of Québec. The Court offices cannot answer any questions about the matters in this notice. The Orders of the Court and other information in both languages are available on Class Counsel's website at <http://faguyco.com/portfolio/toronto-dominion-class-action/>

Questions relating to the Toronto-Dominion Securities Class Action may be directed to Class Counsel:

Faguy & Co. Barristers & Solicitors Inc.
329 de la Commune St. W.
Montréal, QC, Canada H2Y 2E1
Tel: +1.514.285.8100, ext. 225.
Email: classactions@faguyco.com

NOTICE TO BROKERAGE FIRMS

Within 14 business days of receipt of the Long-Form Notice and Short-Form Notice, forward a copy of both notices to all persons or entities for whose benefit the Broker purchased or otherwise acquired TD Securities outside the United States during the Class Period ("**Beneficial Owners**"). For those Beneficial Owners whose email addresses are known to the Broker, the Broker may forward the Long-Form Notice and Short-Form Notice by email. Brokers who elect to send the notices to their Beneficial Owners shall send a statement to the Administrator confirming that the mailing, by email or regular mail, was made and shall retain their mailing records for use in connection with any further notices that may be provided in the Class Action. The Brokers shall post the Long-Form Notice and the Short-Form Notice on internal electronic bulletin boards to their retail investors, their institutional investors, internal investment advisor and portfolio manage network. Upon full compliance with this provision, the Brokers may seek reimbursement of their reasonable expenses actually incurred. If the amounts submitted by all of the Brokers in the aggregate exceed \$10,000, each Broker's payment shall be reduced on a pro rata basis. The maximum payment that a Broker is eligible to receive for disseminating the notice will be capped at \$1,000 or 10% of the \$10,000 and subject to a pro rata payment. The Administrator shall only be permitted to distribute a maximum of \$10,000 to all Brokers. Each

brokerage firm must submit its invoice and supporting documentation to the Administrator within thirty (30) calendar days of receiving this Notice from the Administrator.

The publication of this notice was authorized by the Superior Court of the Province of Québec.

APPENDIX "A"

CLASS ACTION COMMON ISSUES

Pursuant to the Order of the Honorable Mr. Justice Morrison, dated June 21st, 2019, the issues to be dealt with collectively are as follows:

- a) Did the Defendant set up and put into effect the Pressure Selling Program?
- b) Did the Pressure Selling Program cause or induce employees to sell and/or upsell clients, or subscribe or enroll clients to TD banking products and services that were unnecessary, inappropriate and/or unsolicited and did the Pressure Selling Program cause or induce employees to misinform, or fail to inform clients as to the risks and appropriateness of these products and services?
- c) During the Class Period, did the Defendant release, or caused to be released, Impugned Documents containing omissions of material fact, materially false and misleading information and/or misrepresentations within the meaning of the *Quebec Securities Act* ("QSA") and/or, as applicable, the Securities Legislation relating to the Pressure Selling Program? If so, what documents contained what misrepresentations?
- d) Did the Representative Plaintiffs and the Class Members suffer damages as a result of the Defendant's faults, practices and/or breaches of applicable laws and/or regulations?
- e) Is the Defendant liable for damages suffered by the Representative Plaintiffs and Class Members and if so, what damages have they suffered?
- f) In order to succeed with the claim under article 1457 *Civil Code of Quebec* ("CCQ"), do the Representative Plaintiffs and the Class need to establish they relied on the Impugned Documents or other misrepresentations to purchase TD securities? If so, are any presumptions available to satisfy any such requirement?

Pursuant to the Order of the Honorable Mr. Justice Morrison, dated June 21st, 2019, conclusions sought by the class actions are as follows:

- a) **GRANT** this class action on behalf of the Class;
- b) **GRANT** the Representative Plaintiffs' action against the Defendant in respect of the rights of action asserted against the Defendant under Title VIII, Chapter II, Divisions I and II of the QSA and, if necessary, the concordant provisions of the Securities Legislation, and article 1457 of the CCQ;
- c) **CONDEMN** the Defendant to pay to the Representative Plaintiffs and the Class compensatory damages for all monetary losses;
- d) **ORDER** collective recovery in accordance with articles 595 to 598 of the *Code of Civil Procedure*;
- e) **THE WHOLE** with interest and additional indemnity provided for in the *Civil Code of Quebec* and with full costs and expenses, including expert fees, notice fees and fees relating to administering the plan of distribution of the recovery in this action;
- f) **APPROVE** the notice to the Class Members in the form to be submitted to the Court;
- g) **ORDER** the publication of the notice to the Class Members no later than forty-five (45) days after the date of the judgment authorizing the class proceedings;

- h) **ORDER** that the deadline for a Class Members to exclude themselves from the class action proceedings shall be thirty (30) days from the publication of the notice to the Class Members;
- i) **THE WHOLE WITHOUT COSTS**, save the costs relating to the publication of the notices and preparing the opt-out report.

I believe that **I am / the organization that I represent is** a member of the Class in the Toronto-Dominion Securities Class Action.

I believe that **I am not / the organization that I represent is not** amongst the persons and entities excluded from the Toronto-Dominion Securities Class Action.

I understand that by opting-out of the Toronto-Dominion Securities Class Action, **I will not be eligible / the organization that I represent will not be eligible** for any benefit that may be available to the Class upon resolution of this matter, if and when such resolution may occur and that should I wish to advance claims against TD, I will be required to pursue an individual action against TD at my own expense.

I, _____ (print your full name), **OPT-OUT FROM THE TORONTO-DOMINION SECURITIES CLASS ACTION** and wish to be excluded from this class action.

I wish to opt-out from this class action for the following reason(s) (*optional*):

I, _____ (print your full name), **CERTIFY** that the information provided herein is complete and true.

Date

Signature

In order to validly opt-out, you must complete and send this Opt-Out Form by no later than August 2, 2019 to:

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| Trilogy Class Action Services, Administrator, TD Securities Class Action Administration 117 Queen Street, P.O. Box 1000, Niagara-on-the-Lake, ON L0S 1J0 Or by fax to: 1-416-342-1761 | Greffier de la Cour supérieure du Québec Palais de justice de Montréal Dossier no : 500-06-000914-180, 1 rue Notre-Dame Est, room 1.120 Montréal, Québec H2Y 1B6 |
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