

## INSTRUCTION LETTER

### CLAIMS AGAINST PEOPLEPledge HR SERVICES INC., WINSTON PARK FINANCIAL SERVICES LTD., CMC FRASER LTD. AND 1624452 ONTARIO LIMITED (COLLECTIVELY, THE "COMPANIES")

#### A. - Claims Process

Pursuant to the Order of the Ontario Superior Court of Justice (the "Court") dated December 10, 2012 (the "Claims Process Order") BDO Canada Limited, in its capacity as court-appointed receiver of the Companies (the "Receiver") has been directed and empowered to administer the Claims Process.

This letter and the attached forms provide the instructions for responding to or completing a Proof of General Claim and/or Proof of Customer Deposit Claim in relation to the Claims Process. Defined terms which are not defined herein shall have the meaning ascribed thereto in the Claims Process Order. A copy of the Claims Process Order is included in the Claims Package. Additional copies can be obtained from the Receiver's website at [www.bdo.ca/peopledge](http://www.bdo.ca/peopledge). Terms not otherwise defined herein shall have the meaning given to them in the Claims Process Order.

The Claims Process is intended for any Person asserting a Claim against any one or more of the Companies. A Claim is defined at paragraph 2 of the Claims Process Order to mean either:

- (a) a "Customer Deposit Claim" meaning any right or claim (in whole or in part) of any Person who was, on or before the Appointment Date, a customer of Peopledge (whether directly or through an intermediary) which had advanced, remitted, deposited, transferred or provided cash in any form to Peopledge prior to the Appointment Date (the "Customer Funding") for the purpose of funding payroll services to be provided by Peopledge for that customer (including, without limitation, remittances to third parties on behalf of the customer or the customer's employee) for which Peopledge did not complete the payroll or remittance processing and payment in whole or in part. For greater certainty, Customer Deposit Claim shall only refer to that portion of the Customer Funding that was not used by Peopledge to fund payroll for employees and/or third party remittances pursuant to the authorization and direction provided by the customer pursuant to the Customer Funding; or
- (b) a "General Claim" meaning any right or claim of any Person against the Companies (or any one or more of them), whether or not asserted, in connection with any indebtedness, liability or obligation of any kind whatsoever of any of the Companies, and any accrued interest thereon and costs payable in respect thereof, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future,
  - (i) which indebtedness, liability or obligation is based in whole or in part on facts existing prior to the Appointment Date or which would have been claims provided in bankruptcy had the companies become bankrupt on the Appointment Date; or
  - (ii) arising after the Appointment Date where such indebtedness, liability or obligation arises from or was caused by, directly or indirectly, the implementation of any action taken pursuant to the Appointment Order, including without limitation, that which arises from or is caused by the termination of any contract or the cessation of the business of the Companies,

but, for greater certainty, a General Claim does not include a Customer Deposit Claim.

If entitled under any applicable contract, Claimants may make claims for interest which has accrued on their General Claims prior to October 29, 2012 (the "Appointment Date"), but no Claim shall be made by a Claimant for interest after the Appointment Date.

**If you have any questions regarding the Claims Process or your potential claim, please contact the Receiver at the address provided below.**

All enquiries with respect to the Claims Process should be addressed to:

BDO Canada Limited  
1 City Centre Drive  
Suite 1040  
Mississauga, Ontario  
Canada L5B 1M2

Attention: Peter Naumis  
Fax: (905) 615-1333  
Email: pnaumis@bdo.ca

## **B. - For Persons Submitting a Proof of Claim**

If you believe that you have a Claim against any one or more of the Companies, you will have to file a Proof of General Claim or a Proof of Customer Deposit Claim, or both as applicable, with the Receiver. **Claims must be received by 5:00 p.m. (Eastern Standard Time) on January 18, 2013 or such Claim will be forever barred and extinguished.**

The form of Proof of General Claim and Proof of Customer Deposit form is attached. Additional forms can be found on the Receiver's website at [www.bdo.ca/peopledge](http://www.bdo.ca/peopledge) or obtained by contacting the Receiver at the address indicated above before the Claims Bar Date and providing particulars as to your name, address, facsimile number and e-mail address. Once the Receiver has this information, you will receive, as soon as practicable, additional forms.

Each Claimant submitting a Proof of General Claim must specify in the Proof of General Claim against which one or more of the Companies the Claimant asserts a Claim.

You should only complete and file a Proof of Customer Deposit Claim if you were a customer of Peopledge HR Services Inc. ("Peopledge") (whether directly or through an intermediary) which had advanced, remitted, deposited, transferred or provided cash in any form to Peopledge prior to the Appointment Date (the "Customer Funding") for the purpose of funding payroll services to be provided by Peopledge for that customer (including, without limitation, remittances to third parties on behalf of the customer or the customer's employee) for which Peopledge did not complete the payroll or remittance processing and payment in whole or in part ("Customer Deposits").

Proofs of Customer Deposit Claim should only be completed and filed in respect of Customer Deposits, and should not include any other Claims, including consequential damage claims, that you may have against any one or more of the Companies. Any such Claims should be completed and filed with the Receiver using the Proof of General Claim.

Proofs of Customer Deposit Claims must specify each payroll deposit being claimed, the amount and date of such deposit, the proportion that such deposit related to payroll or employee withholdings, and whether such payroll or employee withholding was processed and paid by Peopledge. For greater certainty, Proofs of Customer Deposit Claims should only include that portion of the Customer Funding

that was not used by Peopledge to fund payroll for employees and/or third party remittances pursuant to the authorization and direction provided by the customer pursuant to the Customer Funding.

Customer claims in connection with Customer Deposits should not be included in any Proof of General Claim completed and filed. Such claims should only be included in a Proof of Customer Deposit Claim.

Any Proof(s) of General Claim filed by a governmental agency (including, without limitation, the Canada Revenue Agency) in relation to unremitted employer withholdings or deductions shall break down the Claims on employer-by-employer basis to the extent reasonably possible.