

*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

BONNIE CUMMINGS IN HER CAPACITY AS ESTATE EXECUTRIX  
OF THE ESTATE OF THE LATE JOHN CUMMINGS

Applicant

- and -

PEOPLEGE HR SERVICES INC., WINSTON PARK FINANCIAL SERVICES LTD., CMC  
FRASER LTD., 1624452 ONTARIO LIMITED

Respondents

**REPLY MOTION RECORD OF THE RECEIVER**  
**(returnable January 14, 2015)**

December 8, 2014

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in its capacity as Receiver of the Respondent  
Companies

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# TAB 1

*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

BETWEEN:

BONNIE CUMMINGS IN HER CAPACITY AS ESTATE EXECUTRIX  
OF THE ESTATE OF THE LATE JOHN CUMMINGS

Applicant

- and -

PEOPLEGE HR SERVICES INC., WINSTON PARK FINANCIAL  
SERVICES LTD., CMC FRASER LTD. AND 1624452 ONTARIO  
LIMITED

Respondents

**SUPPLEMENT TO THE FIFTH REPORT OF BDO CANADA LIMITED  
RECEIVER OF PEOPLEGE HR SERVICES INC.,  
WINSTON PARK FINANCIAL SERVICES LTD., CMC FRASER LTD.  
AND 1624452 ONTARIO LIMITED**

**December 8, 2014**

## INTRODUCTION

1. BDO Canada Limited was appointed as receiver (the “**Receiver**”) pursuant to section 101 of the *Courts of Justice Act* R.S.O. 1990 C. c.43, as amended, over all of the assets, undertakings, and properties owned and/or administered by (a) Peopledge HR Services Inc. (“**Peopledge**”) and by (b) Winston Park Financial Services Ltd., CMC Fraser Ltd. and 1624452 Ontario Limited pursuant to the Order of the Honourable Mr. Justice Newbould (the “**Receivership Order**”) dated October 29, 2012 (the “**Appointment Date**”).
2. As set out in the Fifth Report of the Receiver dated November 3, 2014 (the “**Fifth Report**”), by motion returnable on January 14, 2015 the Receiver seeks a declaration that The Durham College of Applied Arts and Technology (“**Durham College**”) is in breach of the Receivership Order and an order requiring Durham College to forthwith return the amount of \$256,536.38 (plus interest) to the Receiver, being the First Payroll Deposit which had been deposited into Peopledge’s bank account by pre-authorized debit (“**PAD**”) prior to the granting of the Receivership Order and then recalled from Peopledge’s account by Durham College following Durham College having received notice of the Receivership Order.
3. This Supplement to the Fifth Report of the Receiver (the “**Supplemental Report**”) is filed in connection with the Receiver’s motion and in reply to the Affidavit of Barbara MacCheyne sworn November 21, 2014 (the “**MacCheyne Affidavit**”) filed by Durham College.

## TERMS OF REFERENCE

4. All references to currency or dollars in this Supplemental Report shall mean Canadian dollars unless otherwise stated. The Receiver has relied upon unaudited financial information of Peopledge, including its books and records, certain financial information prepared by Peopledge, and discussions with Peopledge's management. The information has not been audited in any manner by the Receiver.
5. All undefined and capitalized terms used herein shall have the meanings ascribed to them in the Fifth Report.

## THE PEOPLEDGE / DURHAM COLLEGE CONTRACTUAL ARRANGEMENTS

6. Peopledge and Durham College entered into an agreement which governed the relationship between them, including the procedures for the processing of Durham College's payroll and the transfer of payroll funds from Durham College to Peopledge by way of pre-authorized debit ("PAD"). Such agreement is appended as Exhibit "A" to the MacCheyne Affidavit and is attached hereto for ease of reference as **Appendix "A"**.
7. Under Peopledge and Durham College's contractual arrangements, the electronic transfer of payroll funds from Durham College to Peopledge is to "clear" two days before the applicable scheduled pay date. In order to effectuate that result, at least two days before that date, Peopledge will have initiated the PAD based on the payroll debit information that was provided and approved by Durham College.
8. This payroll processing schedule is set out in Schedule 5 to the master agreement between Peopledge and Durham College, which is reproduced as follows:<sup>1</sup>

---

<sup>1</sup> "Employer" or "Client" means Durham College. "The Service Bureau" means Peopledge.

**Processing Schedule**

*(Please note: Times are approximate with the exception that the Client's secured payroll funds must be received prior to THE SERVICE BUREAU transmitting the employee's net pay two (2) days before "pay day".)*

Day 1 *** (Monday)	Day 2 (Tuesday)	Day 3 (Wednesday)	Day 4 (Thursday)	Day 5 (Friday)
<p>Employer enters pay period hours and changes into PeopleWeb</p> <p>Employer approves changes prior to 3:00 pm The Service Bureau commences payroll process.</p> <p>The Service Bureau processes Gross to Net payroll and transmits Payroll Funds Summary to Employer prior to 5:00 pm.</p>	<p>Employer approves Payroll Results and approves/make changes by 12:00 pm.</p> <p>Employer initiates wire or internet payment to The Service Bureau.</p> <p><u>Or</u></p> <p>The Service Bureau debits Employer's bank account prior to 1:00 pm (Requires funds security of "letter of credit" or "pay period float")</p>	<p>The Service Bureau receives confirmation from bank of "cleared payroll funds" by 10:00 am</p> <p>THE SERVICE BUREAU transmits before 12:00 pm to bank for employee net pay</p>	<p>The Service Bureau arranges overnight delivery of pay statements and electronic distribution of company reports.</p>	<p>Pay Day</p> <p>Pay statements are received by courier for internal delivery.</p>

9. Consistent with that agreed upon schedule, with respect to the PAD for the First Payroll Deposit at issue in this motion:

- (a) Based on the payroll data entered by Durham College into Peopleledge's web portal, Peopleledge prepared a Funds Summary Report for the October 30, 2012 payroll date which specified the amount to be debited from Durham College's account and transmitted it to Durham College (the "Funds Summary Report"). A copy of the Funds Summary Report is attached as **Appendix "B"**.
- (b) On or prior to October 24, 2012, Durham College approved the Fund Summary Report and, on October 24, 2012, Peopleledge prepared and submitted an electronic funds transfer ("EFT") debit request for the amount approved by Durham College.
- (c) The EFT debit request specified that the "Due Date" for the PAD was to be October 26, 2012. In accordance with the parties' agreement that date was two days before the scheduled payroll date. The term "Due Date" as used in the EFT debit request is the date upon which the funds are to be deposited into Peopleledge's bank account and made available for use by Peopleledge.



- (d) Attached as **Appendix "C"** is a redacted Transmission Detail Report run on October 24, 2012, which lists pending approved PADs and the dates on which each would be deposited into Peopledge's bank account. The Transmission Detail Report identifies the Durham College First Payroll Deposit as having a Due Date of October 26, 2012.<sup>2</sup>
- (e) In accordance with the EFT debit request submitted by Peopledge, on October 26, 2012 Durham College's account was debited and Peopledge's account was credited with the First Payroll Deposit. The Receiver has received from BMO a Direct Electronic Funds Transfer Trace Report which lists the various PADs that were cleared on October 26, 2012 (identified by "Settlement Date"). The redacted Trace Report is attached as **Appendix "D"**.
- (f) In addition, attached as **Appendix "E"** is a redacted extract from Peopledge's Canadian bank statement which also shows the First Payroll Funds being deposited on October 26, 2012.
10. The concept of "clearing" (the term used in the MacCheyne Affidavit) is identified interchangeably as "Due Date" or "Settlement Date" in the various documents listed above. The "Due Date" or "Settlement Date" of the First Payroll Deposit identifies the date upon which (i) the PAD authorized by Durham College would be processed, (ii) the full value of the funds transferred by way of the PAD would be debited from Durham College's bank account and credited to Peopledge's bank account, and (iii) Peopledge acquired the right to access and use the full value of the funds transferred by way of the PAD.
11. In accordance with the terms of the contractual arrangements between Peopledge and Durham College, effective on October 26, 2012, all of the authorizations, steps and actions necessary to fully complete the PAD transfer of the First Payroll Deposit as between Peopledge and Durham College were completed, the PAD transfer was

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<sup>2</sup> The Receiver is advised by Jennifer Hughes, the former business manager of Peopledge, that the "Set Due Date" of November 1, 2012 noted on the Transmission Detail Report is an automatic field in the detail report which auto-fills to the first day of the next month, and thus has no relevance on the transactions summarized.

processed as authorized, and the funds were deposited into Peopledge's bank account and became fully available for use by Peopledge.

#### RECALL OF FUNDS BY OTHER CUSTOMERS

12. Durham College has alleged at paragraph 24 of the MacCheyne Affidavit that its conduct is supported by similar conduct of other customers who also exercised self-help after the issuance of the Receivership Order. Durham College's characterization of the actions of those parties is not only irrelevant to whether Durham College breached the Receivership Order, but is also incorrect and misleading.
13. 12 pre-approved EFT debits having a scheduled Due Date of October 29, 2012 or later were deposited into the Canadian Consolidated Account on or after 12:01 a.m. on the Appointment Date (the "**Post- Receivership EFT Deposits**"). The aggregate total of the Post- Receivership EFT Deposits was \$3,097,225.26. This amount includes Durham College's Second Payroll Deposit of \$1,998,615.03.
14. Eight of those 12 customers (including Durham College) exercised self-help following their respective receipt of the Receivership Order and instructed their financial institutions to stop or reverse the funds in the aggregate amount of \$2,989,377.01 (of which \$1,998,615.03 is attributable to Durham College).
15. In the view of the Receiver, each of these requests constituted a breach of the Receivership Order.
16. However, as set out in the Second Report, the Receiver recommended to the Court that all payroll deposits that were scheduled to be deposited on or after October 29, 2012 (therefore, those having a "Due Date" on or after October 29, 2012) should not form part of the receivership estate. The Court agreed with the Receiver's recommendation and by Order dated December 10, 2012 authorized the Receiver to return to customers deposits made on or after October 29, 2012 (the "**2012 Directions Order**"). The 2012 Directions Order is attached as **Appendix "F"**.

17. Durham College benefited from the Receiver's recommendation and the Court's determination in this regard, and it is on this basis that the Receiver does not seek recourse against Durham College with respect to its recall of the Second Payroll Deposit or against other parties with respect to the recalls of the other Post-Receivership EFT Deposits. The Due Date of the First Payroll Deposit however predates the Receivership Order and therefore does not fall within the court-approved exclusion.
18. Durham College's exercise of self-help with respect to the First Payroll Deposit is therefore distinguishable from its exercise of self-help with respect to the Second Payroll Deposit and from all other customers who exercised self-help with respect to the Post-Receivership EFT Deposits.
19. Durham College was not the only customer who had transferred payroll funds to Peopledge by PAD transaction that were deposited prior to the date of the Receivership Order and who did not have their payroll processed, in full or in part, by Peopledge. In fact, as is evident from the redacted Trace Report attached at Appendix "D" above, two other Peopledge customers had payroll funds deposited by way of PAD transfer having a Settlement Date of October 26, 2012 (exactly the same as the First Payroll Deposit). However, Durham College was the only customer that stopped or reversed a PAD transfer that was deposited prior to the date of the Receivership Order.

#### **NO INTENT TO TARGET DURHAM COLLEGE**

20. Durham College alleges at paragraph 10 of the MacCheyne Affidavit that, among other things, Peopledge intended to cause direct financial harm to Durham College. These allegations are not supported by the facts.
21. Up until the date of receivership, Peopledge operated in the ordinary course. In the period leading up to the receivership, Peopledge did not: (i) modify or vary its business practices; (ii) take steps to accelerate or solicit early funding of payroll by customers, or (iii) intend to prefer any customer over another.
22. In the period leading to the receivership, the Receiver understands that customers' payrolls were generally funded on the same schedule and in the same manner as it had

been with no material changes as a result of any contemplated potential receivership application. In fact, to the best of the Receiver's knowledge, the individual staff at Peopledge that would have been responsible for the payroll processing, including those that processed Durham College's PADs, were not even aware of the possibility of a receivership prior to the date of the receivership.

23. Contrary to the allegations made in the MacCheyne Affidavit, the Receiver is therefore not aware of any intentional targeting of Durham College by Peopledge or any other person.
24. Prior to the receivership, at any given time, Peopledge was holding customer payroll funds which were not yet processed, and Peopledge did not have sufficient funds to satisfy all payrolls that it was contractually obligated to process. Many customers would therefore be financially harmed -- and in fact the total of admitted customer claims exceeds \$5 9 million. Had this not been the case, there would not have been any reason for the receivership in the first place, which was intended to provide an orderly and structured process under the supervision of the Court to wind down the business and address the various resulting claims of customers and creditors.
25. In that regard, contrary to the allegations of Durham College as set out in paragraph 25 of the MacCheyne Affidavit, BDO Canada Limited (then as proposed receiver) did in fact disclose to the Court that Peopledge continued to operate with shortfalls in Consolidated Customer Account and that in the course of Peopledge's business customers funded payroll on average three days in advance of the designated payroll date.<sup>3</sup>

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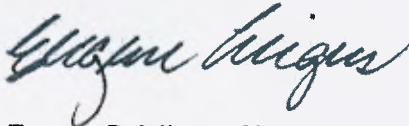
<sup>3</sup> Report of BDO Canada Limited as the Proposed Receiver of Peopledge HR Services et al. dated October 24, 2012.

All of which is respectfully submitted this 8th day of December, 2014.

**BDO CANADA LIMITED**

In its capacity as the Receiver of  
Peopledge HR Services Inc.,  
Winston Park Financial Services Ltd.,  
CMC Fraser Ltd. and 1624452 Ontario Limited  
and not in its personal capacity


Per:



Eugene P. Migus, CPA, CA, CIRP  
Senior Vice President

# TAB A

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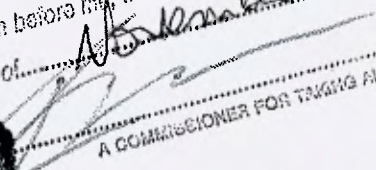
Full-Service Outsourcing Agreement between

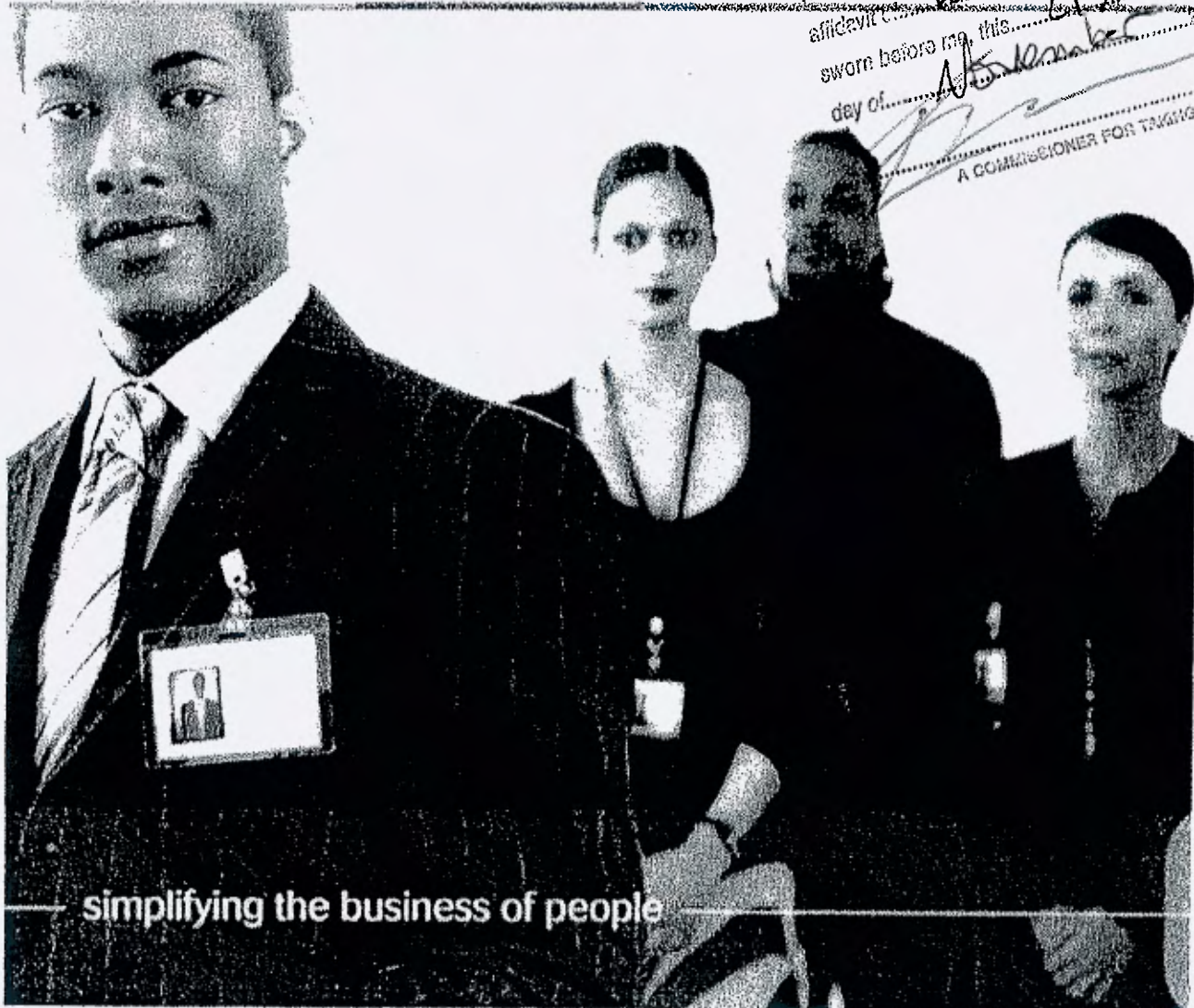
PEOPLEGE HR SERVICES INC. ("PEOPLEGE") herein referred to as [Service Bureau] and DURHAM COLLEGE OF APPLIED ARTS & TECHNOLOGY

Date Prepared: October 26, 2010

Prepared By: Cindy Lane Tarasow

This is [A] referred to in the affidavit of [Barbara MacChoy] sworn before me, this [21st] day of [November] 2014.

  
A COMMISSIONER FOR TAKING AFFIDAVITS



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**MASTER SERVICES AGREEMENT**

**THIS MASTER SERVICES AGREEMENT** (the " Master Services Agreement") for human resource outsourcing services between PEOPLEDGE HR SERVICES INC., incorporated under the laws of Ontario, and its affiliates, subsidiaries and suppliers (the "Service Bureau") and Durham College of Applied Arts & Technology (the "Employer"), incorporated under the laws of Ontario.

**IN CONSIDERATION** of the covenants, agreements, warranties and payments hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by each of the parties hereto, the Employer and the Service Bureau agree as follows:

1) The Employer has elected an initial service level in Schedule 1 – Client Profile (the "Service Level"), and as indicated below.

- Bronze
- Silver
- Gold
- Platinum

2) The payroll services the Service Bureau will provide to the Employer, and the Fees associated with those payroll services, are described in the attached Schedule 2 – Fee & Service Schedule. In performing these payroll services, the Service Bureau is the Employer's agent and is not the employer of the Employer's and employees. The Employer will indemnify the Service Bureau in respect of any liability incurred by the Service Bureau as a result of the Service Bureau being deemed to be an employer of the Employer's employees.

3) The Employer may choose to change its Service Level with 30 days prior written notice to the Service Bureau. At that time, a new Fee & Service Schedule will be provided to reflect the new services to be provided.

4) The Employer acknowledges that the services to be provided to the Employer by the Service Bureau (the "Service(s)") will be governed by the Schedules to this Master Services Agreement which, in addition to the Schedules identified above, include:

- a) Schedule 3 - Authorization to Debit Corporate Account – Provides the Service Bureau the authority to debit the Employer's Bank Account to fund the Employer's Payroll, the Service Bureau's Fees, and other remittances, as required;
- b) Schedule 4 - PeopleWeb Access Agreement – Provides the Employer electronic access to the Service Bureau's Software;
- c) Schedule 5 – Service Level Agreement – identifies the responsibilities for each of the Employer and the Service Bureau, which may vary dependant on the Service Level selected;
- d) Schedule 6 – Banking Agreement – identifies the responsibilities of the client to fund payroll, the application of funding to monies disbursed, and employee payments;
- e) Schedule 7 – Warranty and Limitation of Liability – identifies the Warranty provided by the Service Bureau and the limitation of liability, which may vary dependant on the Service Level selected;
- f) Schedule 8 - Privacy Policy – identifies the Service Bureau's privacy policy and compliance to the Privacy Act and PIPEDA. Also outlines the Employer's responsibilities on privacy for data collected in connection with the Service(s);
- g) ~~Schedule 9 – HR OnDemand Administration – identifies the services to be provided when using the Service Bureau's optional HR OnDemand Service; and~~
- h) ~~Schedule 10 – Third Party Administration (Benefits) – identifies the services to be provided when using the Service Bureau's optional Benefits Administration Outsourcing Service.~~

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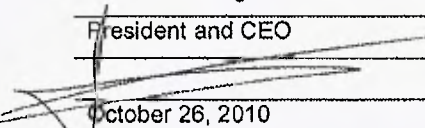
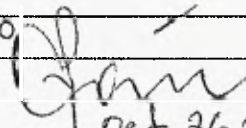
- 5) The Service Bureau may modify, with consent from the Employer, the Services and/or the Fees to be paid and/or Terms & Conditions for those Services by updating and publishing any of the Schedules to the Master Services Agreement with 30 days prior written notice to the Employer. Notice may be provided by: Email, Fax, Letter by Postal Service or Courier, and/or the Service Bureau's software/website. The date of notice will be deemed to be earlier of: the date the Email or Fax was sent, the date the Letter was sent; and the date first posted to the software/website. Continued use by the Employer of the Service(s) after expiry of the 30 days prior written notice constitutes acceptance by the Employer of such modifications made by the Service Bureau.
- 6) FEES AND DISBURSEMENTS:
- Service(s):** Fees and disbursements payable to the Service Bureau for Service(s) provided pursuant to this Master Agreement or any Schedules incorporated herein are payable to the Service Bureau immediately after distribution by the Service Bureau of net payroll to the Employer's employees. After distribution by the Service Bureau of net payroll to the Employer's employees, the Service Bureau will deduct its fees and disbursements from the Employer's funds delivered to or available to the Service Bureau, before any further distributions or remittances are made by the Service Bureau on behalf of the Employer.
- Customization:** Fees and disbursements payable by an Employer in connection with special configurations are due and payable upon receipt of an invoice for such services from the Service Bureau, and will be added to the funding required for the Employer's next payroll as per Schedule 6 – Banking Agreement.
- 7) The Service Bureau may use subcontractors or other professionals to assist it with provision of the Service(s). Regardless of use of a subcontractor or other professional, the Service Bureau will remain solely responsible to the Employer for the provision of Service(s) pursuant to this Master Services Agreement and the Schedules incorporated herein.
- 8) The Employer will assist the Service Bureau in providing the Service(s) by:
- Delivering to the Service Bureau in a timely fashion as required all funds necessary to permit the Service Bureau to meet its Service Level Agreement (Schedule 3);
  - Assisting the Service Bureau in recovering any monies paid to employees, third parties or others in error, which assistance may include but not be limited to funding such required payments in anticipation of recovery; and
  - Agree to cooperate and to exert their best efforts to assist in any investigation that The Service Bureau may wish to make, which may include but not be limited to providing documents and actively participate in the investigation.
- 9) The Employer may terminate this agreement on a minimum 90 days prior written notice to the Service Bureau. The Employer agrees that if the 90 day notice period is not observed, the Employer will pay the Service Bureau the usual and customary Fees until expiration of the 90 days.
- 10) The Service Bureau may terminate this agreement on notice to the Employer. Where the Employer is more than 15 days late in paying the Service Bureau for services rendered, the Service Bureau may not terminate this agreement without a further 15 days notice. Where the Employer has failed to provide funds necessary to cover payroll disbursements made by the Service Bureau, the Service Bureau may terminate this agreement on three business days notice. Otherwise, the Service Bureau may terminate this agreement with 90 days notice to the Employer.
- 11) Irrespective of the termination of this Master Services Agreement or any Schedule to this Master Services Agreement, the parties agree that, in addition to any provisions which, by their nature, are intended to survive the termination, the following provisions will survive such:
- Amounts owed by the Employer to the Service Bureau;

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- b) Paragraphs 2, 4 (b), (C), (D), (E), and (F) of this Master Service Agreement and any Schedules referred to therein;
  - c) Any obligations of confidentiality and privacy.
- 12) If there is a dispute about the interpretation of provisions appearing in this Master Services Agreement and any of the Schedules to the Master Services Agreement, the provisions as set out in the Schedules will prevail unless the context requires otherwise.
  - 13) The Master Services Agreement at any Schedules thereto will be interpreted pursuant to and are subject to the laws of the Province of Ontario and the laws of Canada applicable therein.
  - 14) Notice under this agreement will be in writing and may be given to any of the addresses, for the appropriate party, listed at the end of this agreement.
  - 15) Any such notice, if delivered, will be deemed to have been given on the date on which it was delivered and, if transmitted by electronic means, will be deemed to have been given at the opening of business in the office of the addressee on the business day next following the transmission thereof. In this paragraph, "business day" means any day except a Saturday, Sunday or statutory holiday.

	For	For
	<b>PEOPLEEDGE HR SERVICES INC.</b>	<b>DURHAM COLLEGE OF APPLIED ARTS &amp; TECHNOLOGY</b>
Name	John Cummings	Nevzat Gurmen
Title	President and CEO	VP Finance & CFO
Signature		
Date	October 26, 2010	1 Oct 26, 2010
Mailing Address	515 North Service Road, Suite 303 Burlington, Ontario, L7L 6G4	2069 Simcoe St. N., P.O. Box 385 Oshawa, Ontario L1H 7L7
Electronic Mail Address	John.Cummings@peopledge.ca	Nevzat.Gurmen@durhamcollege.ca
Sales Representative	Cindy Lane Tarasow	



**CLIENT PROFILE**

Reset Form  
Print Form

Instructions: Please complete all applicable fields and print a hard copy prior to exiting.  
Return to PeopleDge via fax 1(866) 605-5321 or scan a copy and send via email to sales@peopledge.ca.  
Companies with advanced versions of Adobe will be able to save the document and send directly via email.

Full Company Legal name that PeopleDge is processing payroll for:  Privately Owned  No

Trade Name (if different from above):

Nature of Business

Address

City  Prov  Postal Code

Country  Phone No.  Fax No.

Other physical Canadian locations?  No

**CONTRACT TERMS**

Minimum Contract Term	If Other, specify	Promotion &/or Proposal Details (160 characters)
<input type="text" value="3 Years"/>	<input type="text"/>	Implementation Terms attached as Addendum to Schedule 1. Additional Contract details under "Notes" below.
Service Level Selected	<input type="text" value="Silver"/>	

Please check all boxes that apply in reference to Business Payroll Account:

<p>CRA Account: ***</p> <p><input checked="" type="checkbox"/> Yes Provide Number <input type="text" value="10727 0969 RP0001"/></p> <p><input type="checkbox"/> No Require PeopleDge to open an account? <input type="checkbox"/></p> <p>Do you have a reduced EI rate? If yes, provide document. <input type="text" value="Yes"/></p> <p>Tax Frequency <input type="text" value="Threshold 2 - Weekly"/></p>	<p>MRQ Account (Quebec only): ***</p> <p><input type="checkbox"/> Yes Provide Number <input type="text"/></p> <p><input type="checkbox"/> No Require PeopleDge to open an account? <input type="checkbox"/></p> <p>Do you have a reduced EI rate? If yes, provide document. <input type="text"/></p> <p>Tax Frequency <input type="text" value="Monthly"/></p>
<p>***Please note: If no tax frequency is indicated a monthly remittance will be set up.</p>	

**CONTACT INFORMATION**

	Name (First, Last)	Email Address	Phone Number
Owner/GM	Board of Governors-Leigh Doughty	leigh.doughty@durhamcollege.ca	3292
Payroll (Primary)	Susan MacMillan	susan.macmillan@durhamcollege.ca	2442
Payroll (Secondary)	Barbara MacCheyne	barbara.maccheyne@durhamcollege.ca	3668
HR/Benefits			

000015



**PAYROLL DETAILS**

Pay Cycle	First Payment Date:	Period Start Date:	Period End Date:	No. of Employees	Payroll Frequency
1	Jan 28, 2011	Jan 1, 2011	Jan 31, 2011	100	Monthly
Pay Cycle	First Payment Date:	Period Start Date:	Period End Date:	No. of Employees	Payroll Frequency
2 (if applicable)					
Pay Cycle	First Payment Date:	Period Start Date:	Period End Date:	No. of Employees	Payroll Frequency
3 (if applicable)					

What type of employees does the Company Pay?	Salary	Standard Hours per pay cycle?	157.08
What type of employees does the Company Pay?		Standard Hours per pay cycle?	
What type of employees does the Company Pay?		Standard Hours per pay cycle?	

**THIRD PARTY PAYMENTS**

**Workers Compensation: Check all that apply**

Province	Workers Compensation	Account No.	Rate	Remitting Frequency	PE to Make Payments	PE to Reconcile Payments
AB	<input type="checkbox"/>			Monthly	Yes	No
BC	<input type="checkbox"/>			Monthly	Yes	No
MB	<input type="checkbox"/>			Monthly	Yes	No
NB	<input type="checkbox"/>			Monthly	Yes	No
NL	<input type="checkbox"/>			Monthly	Yes	No
NS	<input type="checkbox"/>			Monthly	Yes	No
NT	<input type="checkbox"/>			Monthly	Yes	No
NU	<input type="checkbox"/>			Monthly	Yes	No
ON	<input checked="" type="checkbox"/>	16716-26	0.0036	Monthly	Yes	No
PE	<input type="checkbox"/>			Monthly	Yes	No
QC	<input type="checkbox"/>			Monthly	Yes	No
SK	<input type="checkbox"/>			Monthly	Yes	No
YK	<input type="checkbox"/>			Monthly	Yes	No

**Provincial Health Tax / Plan**

Province	Check all that apply	Account No.	Rate	Estimated Gross Provincial Payroll	Associated No. Of Employers	Amount of available Exemption
MB	<input type="checkbox"/>					
NL	<input type="checkbox"/>					
ON	<input checked="" type="checkbox"/>	TE0001			0	n/a
QC *	<input type="checkbox"/>					
BC	<input type="checkbox"/>					

\* Quebec Only: For the estimated gross payroll, please indicate world wide gross payroll



Benefits Administration

Check all boxes that apply in reference to the type of benefit

Benefit Type	Processed Through Payroll	Peopledge Pays Carrier	Third Party Administration *	PE Pooled Benefits
Health & Dental	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Group Life	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dep. Life	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Long Term Disability	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
AD&D	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Short Term Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pension	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RSP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DPSP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\* See Schedule 6 for Third Party Administration Agreement

Other

Garnishments	<input type="text" value="Yes"/>	PE to Remit Payments	<input type="text" value="Yes"/>
Union Dues	<input type="text" value="No"/>	PE to Remit Payments	<input type="text" value="Print on T4/Releve 1"/>
Vacation Hourly Policy	<input type="text"/>		
Vacation Salary Policy	<input type="text"/>		

SPECIAL INSTRUCTIONS

Delivery of pay statements

Special Instructions

- Also provide client PDF copy of pay statements with output reports. Deliver pay statements where self-service not chosen.
- All fees are defined in the RFP, however key deliverables as follows:
- \* \$10,000 one time + \$2,000 on site training. Includes foundational set up and Employee Demographic data.
- \* \$1,000 one time for automation of Pension via our Benefits Administration module
- \* \$3,000 one time for automation of Life, ADD, LTD, Sup. Life, Opt. Life, Dep. Life, Health, Dental, Vision, Hearing via our Benefits Administration module
- 50% of one time fees due on contract signing and 50% due following first live run
- 1 day pre-fund confirmed providing Durham College provides a letter of credit to cover estimated largest weekly payroll value

Authorized Signaure

*[Handwritten Signature]*  
Oct 26, 2010



## Implementation Guarantee

Peopledge guarantees the quality of its implementation. Should Durham College find that the quality of Implementation is not to its satisfaction, it may cancel this contract with no advance notice subject to the following terms and conditions:

1. That all quality issues that would cause Durham College to cancel the contract must be within the scope of identified business requirements. These business requirements shall be identified through the Proposal document, Schedule 1 Client Profile, and Business Requirements documents delivered to Durham College during the implementation phase. If quality issue being identified is not within the project's documented scope, than the issue shall not be cause for contract termination;
2. That all quality issues that would cause Durham College to cancel the contract be brought to Peopledge's attention in writing. Peopledge will have 10 business days to remedy the deficiency, at which point Durham College shall advise Peopledge of the status of the remedy. If Peopledge has successfully remedied the problem within 10 business days, than the issue shall not be cause for contract termination;
3. Where a quality issue has not been resolved within 10 business days of notification, and where an issue is within the project's documented scope, then Durham College shall have an additional 10 business days to:
  - a. Provide Peopledge with a further written status identifying the issue is still open, and give Peopledge a further 10 days to remedy the problem using the process identified herein; or
  - b. Advise Peopledge that the contract is being terminated;
4. When the implementation and payroll parallel test are completed, and the decision to "go live" is confirmed by Durham College, the College shall have an additional 30 days to identify further quality issues from its production runs. For any production issues that occur, Durham College shall identify and action all issues in the manner described above;
5. Based on meeting the criteria in paragraphs 1 through 4 above, Durham College must exercise its decision to terminate no later than 60 days after the first production payroll process is completed, at which point the Implementation Guarantee shall expire; and
6. In the event that the contract is terminated, that Durham College agrees to pay all fees for work completed by Peopledge through termination date.

## Additional Terms & Conditions to the General Agreement

Specific to Durham College, Peopledge agrees to the following supplemental terms & conditions:

- To be bound by all conditions as outlined in Section 4.0 of your Request for Proposal DC0412010;
- Our response to the RFP serves as the scope of services to be provided, except where an option is provided. These options will be included in the scope of services if options are accepted at time of contract signing;
- Fees, as outlined in Schedule 2 to this agreement, shall be fixed through December 31, 2013 inclusive; and
- Optional services, as outlined in our RFP response, shall be available to Durham College at the current pricing levels, through June 30, 2011. This includes, but is not limited to, the \$3,500 one-time fee per external interface for files such as the Sun Life benefits data. All optional services shall remain available to Durham College for the duration of the contract, subject to an updated pricing structure.

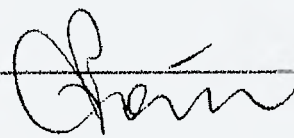
000018



By signing below, both parties agree to the terms and conditions of this agreement. No further representations and warranties are provided except as included in the Peopledge Master Services Agreement and contract Schedules.

Durham College of Applied Arts & Technology

Nevzat Gurman  
VP Finance & CFO

Signed: 

Dated: Oct 26, 2010

Peopledge HR Services Inc.

John Cummings  
President & CEO

Signed: 

Dated: Oct 31 / 10



CLIENT PROFILE

Reset Form  
Print Form

Instructions: Please complete all applicable fields and print a hard copy prior to exiting.  
Return to Peopledge via fax 1(866) 605-5321 or scan a copy and send via email to sales@peopledge.ca.  
Companies with advanced versions of Adobe will be able to save the document and send directly via email.

Full Company Legal name that Peopledge is processing payroll for:  Privately Owned  No

Trade Name (if different from above):

Nature of Business:

Address:

City:  Prov:  Postal Code:

Country:  Phone No.:  Fax No.:

Other physical Canadian locations?  No

CONTRACT TERMS

Minimum Contract Term:  If Other, specify:

Promotion &/or Proposal Details (160 characters):

Service Level Selected:

Please check all boxes that apply in reference to Business Payroll Account:

<p>CRA Account: ***</p> <p><input checked="" type="checkbox"/> Yes Provide Number <input type="text" value="10727 0969 RP0001"/></p> <p><input type="checkbox"/> No Require Peopledge to open an account? <input type="checkbox"/></p> <p>Do you have a reduced EI rate? If yes, provide document. <input type="text" value="Yes"/></p> <p>Tax Frequency: <input type="text" value="Threshold 2 - Weekly"/></p>	<p>MRQ Account (Quebec only): ***</p> <p><input type="checkbox"/> Yes Provide Number <input type="text"/></p> <p><input type="checkbox"/> No Require Peopledge to open an account? <input type="checkbox"/></p> <p>Do you have a reduced EI rate? If yes, provide document. <input type="text"/></p> <p>Tax Frequency: <input type="text" value="Monthly"/></p>
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\*\*\*Please note: If no tax frequency is indicated a monthly remittance will be set up.

CONTACT INFORMATION

	Name (First, Last)	Email Address	Phone Number
Owner/GM	Board of Governors-Leigh Doughty	leigh.doughty@durhamcollege.ca	3292
Payroll (Primary)	Susan MacMillan	susan.macmillan@durhamcollege.ca	2442
Payroll (Secondary)	Barbara MacCheyne	barbara.maccheyne@durhamcollege.ca	3668
HR/Benefits			