



To all Potential Statutory Rescission Claimants:

April 14, 2023

This notice is an important update in connection with the receivership proceedings of Bridging Finance Inc. and certain affiliates and the funds managed by Bridging Finance Inc. (the “**Bridging Funds**”).

The Ontario Superior Court of Justice (Commercial List) (the “**Court**”) appointed Miller Thomson LLP (“**Miller Thomson**”) as representative counsel (“**Statutory Rescission Claimants Representative Counsel**”) for those unitholders in the Bridging Funds who have potential statutory rescission claims (“**Potential Statutory Rescission Claims**”) based on potential misrepresentations by the Bridging Funds.

Miller Thomson’s mandate was to represent the interests of the Potential Statutory Rescission Claimants during the unitholder priority motion (the “**Unitholder Priority Motion**”). The purpose of the Unitholder Priority Motion was to determine whether Potential Statutory Rescission Claimants (among others) are entitled to any priority over general unitholders (“**General Unitholders**”) with respect to the distribution of proceedings of the Bridging Funds.

All materials related to Potential Statutory Rescission Claims and the Unitholder Priority Motion can be found on Miller Thomson’s [website](#).

Potential Statutory Rescission Claimants Successful at Unitholder Priority Motion

Argument was heard by Chief Justice Morawetz on November 16 and 17, 2022. On April 12, 2023, Chief Justice Morawetz released his decision in the Unitholder Priority Motion.

Representative Counsel for the General Unitholders and the Receiver argued that Potential Statutory Rescission Claims and “Potential Redemption Claims” should have no priority and should rank *pari passu* (i.e. “on equal footing”) with General Unitholder Claims.

We are pleased to report that the Court agreed with our submissions that the Ontario *Securities Act* provides a statutory right of rescission, which creates a *de facto* priority over General Unitholders. In the result, the Court determined that Potential Statutory Rescission Claims are entitled to priority over General Unitholder Claims with respect to the distribution of proceeds of the Bridging Funds.

The Court also held that Potential Redemption Claims are not entitled to any priority over the General Unitholder Claims, and shall rank *pari passu* with General Unitholder Claims with respect to the distributions from the Bridging Funds.

This is a significant decision for Potential Statutory Rescission Claimants and may positively affect their final distributions. However, the decision may be appealed and the ultimate result is not final until all appeals have been exhausted.

A copy of the decision can be found on [Miller Thomson's website](#).

Next steps for Potential Statutory Rescission Claimants

We at Miller Thomson are proud to have represented unitholders with Potential Statutory Rescission Claims at the Unitholder Priority Motion. We also congratulate our colleagues at Woods LLP, who represented unitholders with Potential Statutory Rescission Claims located in Québec.

In the near term, Miller Thomson intends to schedule a virtual town hall meeting for all Potential Statutory Rescission Claimants.

For efficiency and in order to minimize professional costs of our mandate, all Potential Statutory Rescission Claimants will be asked to e-mail Statutory Rescission Claimants Representative Counsel with their questions prior to the meeting. Statutory Rescission Claimants Representative Counsel will endeavour to answer your questions at the meeting.

Statutory Rescission Claimants Representative Counsel can be contacted at the following email address: BridgingMisrepClaims@millerthomson.com.