

**ASPEN GROUP RESOURCES CORPORATION
SETTLEMENT AGREEMENT**

Made as of the 8th day of August, 2019

Between

**R. CHARLES ALLEN
(the "Plaintiff")**

- and -

**WAYNE T. EGAN, ANNE HOLLAND AND RANDALL B. KAHN,
(the "Undersigned Defendants")**

RECITALS

A. **WHEREAS** R. Charles Allen (the "Plaintiff") commenced an action on behalf of class members for, *inter alia*, damages for misrepresentation and breach of s. 131 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "OSA") in Court File No. 02-CV-241587CP/Commercial List File No.: CV-17-11817-00 CL (the "Action");

B. **AND WHEREAS** the action alleges liability against Aspen Group Resources Corporation, Wayne T. Egan, Anne Holland, Randall B. Kahn, Peter Lucas and James E. Hogue (the "Defendants") for breach of s. 131 of the OSA;

C. **AND WHEREAS** the Action was certified as a class proceeding under the *Class Proceedings Act, 1992*, S.O. 1992, Chapter 6;

D. **AND WHEREAS** documentary production has been made by all parties, and the examinations for discovery have been completed;

E. **AND WHEREAS** the Plaintiff has previously entered into settlement agreements with Lane Gorman Trubitt L.L.P. ("LGT"), Lenard Briscoe ("Briscoe") and WeirFoulds LLP ("WeirFoulds") which settlements have been approved by the Court as being fair, reasonable and in the best interests of class members;

F. **AND WHEREAS** counsel for the Defendants and counsel for the Plaintiff have engaged in extensive arm's length settlement discussions and negotiations, resulting in this Settlement Agreement which fully and finally resolves the liability of the Defendants;

G. **AND WHEREAS** the Plaintiff and Class Counsel have reviewed and fully understand the terms of this Settlement Agreement and, based on their analyses of the facts and law applicable to the Plaintiff's claims, and having regard to the burdens and expense in prosecuting the Action, including the risks and uncertainties associated with trials and appeals, the Plaintiff and Class Counsel have concluded that this Settlement Agreement is fair, reasonable and in the best interests of the Plaintiff and the class he represents;

H. **AND WHEREAS** the Plaintiff, Class Counsel and the Undersigned Defendants agree that neither this Settlement Agreement nor any statement made in the negotiation thereof shall be

deemed or construed to be an admission by or evidence against the Defendants or evidence of the truth of any of the Plaintiff's allegations against the Defendants, which the Undersigned Defendants expressly deny;

I. **WHEREAS** the Undersigned Defendants are entering into this Settlement Agreement in order to achieve a final resolution of all claims asserted or which could have been asserted against the Defendants in the Action, and to avoid further expense, inconvenience and the distraction of burdensome and protracted litigation;

J. **AND WHEREAS** the parties therefore wish to, and hereby do, finally resolve, without admission of liability, the Action as against the Defendants;

NOW THEREFORE, in consideration of the covenants, agreements and releases set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed by the parties to this Settlement Agreement that the Action shall be settled and dismissed on the merits as against the Defendants, without costs to the Plaintiff (other than the contingency fees which may be awarded out of the settlement amount to Class Counsel), subject to the approval of the Court, on the following terms and conditions.

SECTION 1 – SETTLEMENT BENEFITS

1. Payment of Settlement Amount

- a. Within thirty (30) days of the execution of this Settlement Agreement, the Settling Defendants shall pay the all-inclusive sum of \$2,400,000.00 CDN to Groia & Company, in trust, in full and final settlement of the claims against the Settling Defendants in the Action (the "Settlement Amount"). Groia & Company shall deposit the Settlement Amount in an interest-bearing trust account which shall be held to the order of the Defendants and their insurers who will fund the Settlement Amount and shall be paid out to Harrison Pensa LLP, in trust, no later than 31 days following court-approval of the Settlement Agreement.
- b. In the event that the Settlement Agreement does not receive court-approval, the Settlement Amount, less notice costs up to a maximum of \$75,000 which shall be paid to Harrison Pensa LLP, shall be returned to the Settling Defendants and their insurers who are funding the Settlement Agreement.

2. Dismissals/Discontinuances

- a. As soon as practicable after the payment of the Settlement Amount referred to in paragraph 1, the Action shall be dismissed on the merits against the Defendants and the defendant, Jack E. Wheeler ("Wheeler") without costs.

SECTION 2 – MOTIONS TO BE BROUGHT

3. Best Efforts

- a. The Plaintiff and the Undersigned Defendants shall take all reasonable steps to effectuate this settlement and to secure the prompt, complete and final dismissal with prejudice and without costs of the Action as against the Defendants and Wheeler, including cooperating in the Plaintiff's efforts to obtain any approval or orders required from the Court regarding the approval or implementation of the Settlement Agreement, including orders approving the form and distribution of the Notice contemplated by this Settlement Agreement.

4. Motion to Approve Notice

- a. The Plaintiff shall promptly bring a motion before the Court for an order approving the Notice of Settlement Approval Hearing.
- b. To assist with facilitating notice to class members, the Undersigned Defendants will produce the most complete shareholder list in their possession, which will contain information including but not limited to: contact information and the number of shares tendered by each shareholder in the take-over.

5. Motion for Approval of the Settlement

- a. As soon as practicable after the approval of the Notice of Settlement Approval Hearing and after the Notice of Settlement Approval Hearing has been published, the Plaintiff shall bring a motion before the Court for an order approving this Settlement Agreement.

SECTION 3 – DISTRIBUTION PROTOCOL

6. Distribution Protocol
 - a. In conjunction with the motion for approval of the Settlement Agreement or at a time wholly within the discretion of Class Counsel, but on notice to the Undersigned Defendants, Class Counsel will make an application seeking an order from the Court approving the distribution protocol (the "Distribution Protocol").
 - b. The mechanics of the implementation and administration of the Settlement Agreement and the Distribution Protocol shall be determined by the Court on motions brought by Class Counsel.
 - c. Any expenses related to the administration of the Settlement Agreement and the Distribution Protocol shall be paid out of the Settlement Amount with approval of the Court.

SECTION 4 – RELEASE

7. Upon the receipt of the Order approving this Settlement Agreement, and in consideration of payment of the Settlement Amount, and for other valuable consideration set forth in the Settlement Agreement, the Releasors forever and absolutely release the Releasees from the Released Claims.
8. **Releasees** mean, jointly and severally, individually and collectively, the Defendants and all of their present and former, direct and indirect, affiliates, partners, insurers, reinsurers and all other persons, partnerships or corporations with whom any of the former have been, or are now, affiliated, and all of their respective past, present and future officers, directors, employees, agents, shareholders, attorneys, trustees, servants and representatives; and the predecessors, successors, purchasers, heirs, beneficiaries, executors, administrators, trustees, servants, agents and assigns of each of the foregoing, and Wheeler.
9. **Releasors** mean, jointly and severally, individually and collectively, the Plaintiff and the class members on behalf of themselves and any person claiming by or through them as a parent, subsidiary, affiliate, predecessor, successor, shareholder, partner, director, owner of any kind, agent, employee, contractor, attorney, heir, beneficiary, executor, administrator, trustee, servants, insurer, devisee, assignee or representative of any kind.

10. **Released Claims** mean any and all manner of claims, demands, actions, suits, causes of action, whether class, individual or otherwise in nature, whether personal or subrogated, damages whenever incurred, damages of any kind including compensatory, punitive or other damages, liabilities of any nature whatsoever, including interest, costs, expenses, class administration expenses, penalties, and lawyers' fees, known or unknown, suspected or unsuspected, foreseen or unforeseen, actual or contingent, and liquidated or unliquidated, in law, under statute or in equity that Releasors, or any of them, whether directly, indirectly, derivatively, or in any other capacity, ever had, now have, or hereafter can, shall, or may have against the Releasees, relating in any way to any conduct occurring anywhere, from the beginning of time to the date hereof, or relating to any conduct alleged (or which could have been alleged) in the Action including, without limitation, any such claims which have been asserted, would have been asserted, or could have been asserted, directly or indirectly, whether in Canada or elsewhere, as a result of or in connection with alleged misrepresentations in breach of s. 131 of the OSA against the Releasees.
11. The Releasors agree and undertake:
- a. that if they, including anyone on behalf of whom they act, make any claim, demand or complaint or take any action or proceeding against the Releasees arising out of the Released Claims, this Release shall be deemed to be a complete defence and bar to any such claim, demand, complaint, action or proceeding;
 - b. not to make any claim or take any proceeding against any person or entity which might result in a claim for contribution or indemnity being made against the Releasees.
 - c. to indemnify and save harmless the Releasees against and from any and all other actions, causes of action, suits, claims and demands whatsoever which have been, are being or may be made or asserted by or on behalf of the Releasors in breach of this Release;
 - d. to bind any parent, subsidiary, affiliate, predecessor, successor, shareholder, partner, director, owner of any kind, agent, employee, contractor, attorney, heir, beneficiary, executor, administrator, trustee, servants, insurer, devisee, assignee or representative of any kind of the Releasors to the terms of this Release; and

- e. that this Release is deemed to be no admission of liability by the Releasees in anyway whatsoever and that liability is in fact denied.

SECTION 5 – NOTICE COSTS AND COUNSEL FEES

12. Notice Costs

- a. The costs of the Notice of Settlement Approval Hearing and any notice(s) associated with the Distribution Protocol shall be paid out of the Settlement Amount with approval of the Court.

13. Class Counsel Fees

- a. Class Counsel will seek an order from the court approving its contingency fees, disbursements, and applicable taxes, to be paid out of the Settlement Amount, in an amount to be determined by application to the court pursuant to the *CPA*.
- b. Class Counsel are not precluded from making additional applications to the Court for expenses incurred as a result of implementing the terms of the Settlement Agreement. All amounts awarded on account of Class Counsel fees shall be paid from the Settlement Amount.
- c. The Undersigned Defendants acknowledge that they are not parties to the motion concerning the approval of Class Counsel fees, they will have no involvement in the approval process to determine the amount of Class Counsel fees and they will not take any position or make any submissions to the court concerning Class Counsel fees.

SECTION 6 – COUNTERPARTS

14. This Settlement Agreement may be executed in counterparts, all of which taken together will be deemed to constitute one and the same agreement, and a fax signature shall be deemed an original signature for purposes of executing this Settlement Agreement.

The Parties have executed this Settlement Agreement as of the date on the cover page.

R. Charles Allen
By His Counsel
Harrison Pensa ^{LLP}

By:


Jonathan Foreman

Wayne T. Egan

Anne Holland

Randall B. Kahn

SECTION 6 – COUNTERPARTS

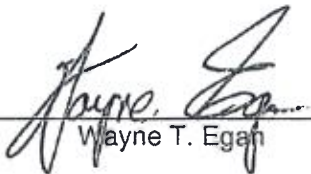
14. This Settlement Agreement may be executed in counterparts, all of which taken together will be deemed to constitute one and the same agreement, and a fax signature shall be deemed an original signature for purposes of executing this Settlement Agreement.

The Parties have executed this Settlement Agreement as of the date on the cover page.

R. Charles Allen
By His Counsel
Harrison Pensa ^{LLP}

By:

Jonathan Foreman



Wayne T. Egan

Anne Holland

Randall B. Kahn

SECTION 6 – COUNTERPARTS

14. This Settlement Agreement may be executed in counterparts, all of which taken together will be deemed to constitute one and the same agreement, and a fax signature shall be deemed an original signature for purposes of executing this Settlement Agreement.

The Parties have executed this Settlement Agreement as of the date on the cover page.

R. Charles Allen
By His Counsel
Harrison Pensa ^{LLP}

By: _____
Jonathan Foreman

Wayne T. Egan

Anne Holland



Randall B. Kahn

SECTION 6 – COUNTERPARTS

14. This Settlement Agreement may be executed in counterparts, all of which taken together will be deemed to constitute one and the same agreement, and a fax signature shall be deemed an original signature for purposes of executing this Settlement Agreement.

The Parties have executed this Settlement Agreement as of the date on the cover page.

R. Charles Allen
By His Counsel
Harrison Pensa ^{LLP}

By: _____
Jonathan Foreman

Wayne T. Egan



Anne Holland

Randall B. Kahn