

Children's Special Allowance

Request for Proposal for Banking Support Services

ADDENDUM 1: Proponent Questions and Answers

1. What is the anticipated volume of total outgoing settlement payments (e.g. 30,000)

EXG: It is estimated by the Province of Manitoba that there are approximately 40,000 Class Members. The Take-Up Rate of Claims (number of Class Members that submit a claim) is unknown. The anticipated outgoing settlement payments are unknown and will depend on:

- The number of claims submitted by Eligible Claimants.
- Eligible Claimants can choose one-time lump sum payment, annual, quarterly or monthly payments for their compensation.

a. Of the anticipated volume, what is the approximate percentage of each payment type:

- i. Electronic Funds Transfers (EFT's)?
- ii. eTransfers?
- iii. Cheques?
- iv. Wires?
- v. Other (please specify any other anticipated payment types)?

EXG: The Claims Administration Procedure provides two options for Eligible Claimants to receive their compensation payment:

- Cheque
- Direct Deposit

It is unknown what the volume will be for the two methods.

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2. How do you intend to disburse payments?

- a. Manually entering payments/uploading payment files into an Online Platform?
- b. Automatically exchanging payment files without manual intervention (e.g. File Transfer Service)?

EXG: As Claims Administrator, we are open to the most cost-effective/efficient option that is proposed by a Proponent. A Proponent may propose both options with costs as part of their proposal.

3. Will you be manually issuing cheques or are you looking to upload cheque files so the Financial Institution issues cheques on your behalf?

EXG: The Claims Administrator will manually issue cheques.

4. Will you require a cheque matching process which compares daily paid items against the cheques you have issued for identify fraudulent and other suspect items for prompt return to the negotiating Financial Institution?

EXG: While not a requirement of the RFP, a Proponent may propose this option with costs as part of their proposal.

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5. How will funds be deposited into the 3 accounts? (Operating, Savings, Trust)
- a. One time lump sum?
 - b. Monthly lump sums? If so, anticipated deposits amounts?
 - c. Quarterly lump sums? If so, anticipated deposits amounts?

EXG: Subject to Court approval of the Settlement Agreement, there will be one transfer of the net Settlement Funds shortly after the approval. As outlined in the RFP, it is anticipated that the transfer will be approximately \$420,000,000.

It is expected that there will be monthly deposits from the Savings Account to the Operating Account based on cash flow planning for compensation payments.

It is expected that there will be monthly deposits from the Savings Account to the Trust Account based on compensation amounts owing for Eligible Claimants who will have their compensation Held in Trust.

6. What is the anticipated balances in each account:
- a. Operating?
 - b. Savings?
 - c. Trust?

EXG: It is unknown at this time as it will depend on the number of, and when Eligible Claimants submit a claim, that will determine how much of a balance will be required in each type of account.

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7. What is the estimated timeline for balances to run off? (ie. 5 years)

- a. Expected average balances for year 1?
- b. Expected average balances for year 2?
- c. Expected average balances for year 3?

EXG: It is unknown the amounts of compensation that will be paid by year as it will depend on:

- The number of Eligible Claimants
- When Eligible Claimants submit a claim
- How many Eligible Claimants' compensation will be Held in Trust

8. Will you require an additional account for the accrued interest?

EXG: No additional accounts are required at this time, however, a Proponent may recommend other accounts or during the Claims Administration, the Claims Administrator may determine additional accounts may be necessary.

9. Is the TRUST Account a true trust (established by a trust document) or in account name only (deemed trust).

EXG: The Trust Account is in name only. There will be one Trust Account for all Eligible Claimants with their compensation Held in Trust. The Claims Administrator is responsible for reconciling the Trust Account bank balance to the individual Eligible Claimants' compensation Held in Trust.

10. How many claimants do you anticipate participating in this class action settlement?

EXG: Please see the answer to question 1.

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11. How many payments per claimant?

EXG: Please see the answer to question 1.

12. What is the anticipated dollar value range for the approved claims?

EXG: The compensation amount paid to an individual Eligible Claimants will range from \$150 to approximately \$90,000.

13. Is there a distribution breakdown list for when these payments are expected?

EXG: Please see the answer to question 7.

14. Will there be claimants outside of Canada?

EXG: It is unknown where an Eligible Claimant currently resides. An Eligible Claimant may reside outside of Canada.

15. Is Exchange Solutions Inc. the legal entity with which the accounts will be opened?

EXG: Yes.

16. Will Exchange Solutions Inc. hold the funds in trust for the two groups or for each individual beneficiary/claimant?

EXG: Please see the answer to question 9.

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17. Do you have an estimate to the payout amounts per year within the first 5 years, or a forecast of payouts?

ie. 1st year \$100M transferred out, 2nd year \$75M out

EXG: Please see the answer to question 7.

18. Would an Electronic Fund Transfer be an option as well? Or are Cheques the only method of payment to claimants allowed?

“applicants should assume that disbursements will occur in the thousands per month for the first three years of claims administration”

EXG: Please see the answer to question 1a.

19. Would Bonds and/or Money Market Funds an option as well based on meeting the “low risk” criteria?

“Low Risk Investments such as GIC, Term Deposits, bankers Acceptances and Canadian Treasury Bills “

EXG: Yes. Bonds and/or Money Market Funds may be viable options as well.

20. Is there an option to deepen the relationship with the Beneficiaries as well?

EXG: The Claims Administrator is bound to the confidentiality of Claimant information by The Child and Family Services Act.

21. Can you confirm – is it one singular Trust, and not one trust per beneficiary?

EXG: Please see the answer to question 9.

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22. I note the three accounts mentioned in the proposal and was wondering if you could give us a breakdown of the dollar amounts for each account.

EXG: Please see the answer to question 6.

23. Also, I note the requirement for a trust account for the Minors and wondered if you meant a bank account to be held in Trust for the Minor's or a Trust to be created for the Minors to be administered by a Trust company?

EXG: Please see the answer to question 9.

24. Would it be reasonable to assume:

- a. 25% or ~ \$100 million might be maintained in a chequing account for payment within 12-18 months of receipt of the Settlement Funds.
- b. 25% or \$100 million held in a savings account with requirement for immediate liquidity in case funds need to be paid out.
- c. 50% or \$200 million might be held in laddered GIC's or secure investments for 1-5 years.

EXG: Please see the answer to question 7.