

SECTION 15 CLIENT COMPLAINTS

Definition of a Complaint

Any written or verbal statement including electronic communications of a client, former client or any person acting on behalf of a client or prospective client alleging a grievance involving the activities of those persons under the control of Altimum or Altimum itself in connection with the solicitation or execution of any transaction and the disposition of securities or funds of that client, will be considered a formal complaint. Under Policy 3, complaints in electronic form, including e-mail and audio recording, are considered to be written complaints.

Verbal Complaints

The definition contains the word ‘verbal’ because there may be instances where Altimum Mutuals Inc. receives a verbal complaint from a client that will warrant the same treatment as a written complaint. Such situations depend upon the nature and severity of the client’s allegations and require the professional judgement of the Chief Compliance Officer. Altimum will assist clients in documenting verbal complaints where it is apparent that such assistance is required.

Types of Complaints

Part II Complaints

All complaints, including complaints from non-clients in respect of their own affairs, in any way relating to the following will be dealt with in accordance with Additional Complaint Handling requirements as presented by Part II of MFDA Policy No. 3 and MR-0073.

- i. A breach of client confidentiality;
- ii. Unsuitable investments or leveraging recommendations
- iii. Theft, fraud, misappropriation, forgery, misrepresentation, unauthorized trading;
- iv. Engaging in securities related business outside the member;
- v. Engaging in an undeclared occupation outside the Member;
- vi. Personal financial dealings with a client, money laundering, market manipulation or insider trading.

Service Complaints

Client complaints that are not of a serious nature and that are received by telephone or in writing are usually dealt with immediately. An example of such non-serious complaints is a client not having received his or her trade confirmation, or a redemption that takes an unusually long time. Still, it is important to note that it is required that if a complaint is received from a client, it will be addressed in the appropriate manner by the Chief

Compliance Officer becoming involved in the entire process, that is, speaking to the Approved Person, oral and/or written communication with the client or clients, and copies of all written documentation maintained in the Complaint File. Altimum is still required to conduct both a factual investigation and an analysis that are reasonable in the circumstances.

Examples of complaints that generally do not fall under Part II include complaints regarding:

- Non-disclosure of fees
- Non-disclosure of DSC penalties
- Delay in transfer of accounts
- Failure to follow trading instructions

If the complaint has been fully resolved within 5 days of the date of receipt, no initial response is required. Otherwise, deadlines for dealing with complaints are the same as for Part II complaints.

Acknowledging Complaints

Altimum believes that complaints from clients should receive prompt and thorough consideration, not only as a matter of client relations, but from a supervisory standpoint as well.

The Chief Compliance Officer will acknowledge all client complaints in writing within five business days to the parties involved indicating that the matter is under investigation and that a report will follow in due course.

The MFDA will be notified through METS within 5 to 20 business days, depending on the nature of the complaint. The Chief Compliance Officer will inform the Investigation Unit of the provincial securities commission and/or the MFDA of any litigious actions between a client and an Approved Person. The provincial securities commission and/or the MFDA will monitor the case from time to time, and upon conclusion, may conduct a separate investigation or hearing.

Altimum will participate in the litigation process in a timely and fair manner.

What the Client Will Receive with the Initial Response

It is the policy of Altimum that, at the time of account opening, all clients must receive a copy of the Client Complaint Information Form together with a copy of Altimum's Complaint Handling Procedures form.

When a complaint arises, the Initial Response Letter will include at minimum the following:

- a) A written acknowledgment of the complaint;
- b) A request to the complainant for any additional reasonable information required to resolve the complaint;
- c) The name, job title and full contact information of the individual handling the complaint;
- d) A statement indicating that the complainant should contact the individual handling the complaint if he/she would like to inquire about the status of the complaint;
- e) A summary of the Member's internal complaint handling process, including general timelines for providing a response to the complaints.
- f) A copy of the MFDA's Client Complaint Form
- g) A copy of Altimum's Client Handling Procedures

The Initial Response letter will be sent by the Chief Compliance Officer.

The Complaint Log and Complaint Files

A Client Complaint File will be maintained, filed alphabetically, by the Chief Compliance Officer and by each Approved Person who has been the subject of any complaint. All information and supporting documentation will be maintained in each of the two files. All documentation will be dated.

The Chief Compliance officer will keep one complaint log. It will be separate from that of METS and separate from the Complaint File maintained by each Approved Person. It will contain information for complaints reported on METS as well as for complaints that are not required to be reported on METS. The Complaint Log will contain pertinent information on how complaints have been received and resolved, including follow-up documentation, and the timeliness of such resolutions.

The Log will contain the following information:

- 1. Date of complaint.
- 2. Name of complainant.
- 3. Name of Approved Person.
- 4. Name of security or services which are the subject of the complaint.
- 5. Nature of the complaint
- 6. Details of the complaint.
- 7. Date and conclusions of the decision rendered in connection with the complaint
- 8. Evidence of review and involvement of the Chief Compliance Officer.

Altimum will monitor the log for frequent and repetitive complaints made with respect to the same matter.

This record must be maintained for a period of seven years from the date of receipt of the complaint and shall be made available to the MFDA upon request. It is the policy of Altimum that the Chief Compliance Officer shall record all complaints in the “Customer Complaint Log”, whether received orally or in writing.

How the Investigation Will Be Handled

Altimum will attempt to complete the investigation within three months of having received the complaint. Altimum will notify the complainant and provide an explanation if a delay in the investigation and response will exceed the three months time period.

Altimum Mutuals will continue to proactively address further communications from the complainant in a timely manner until no further action on the part of Altimum is required.

A substantive response in writing will also be provided for all informal complaints.

Confidentiality of the information provided with respect to a complaint is paramount and may only be disseminated to the parties involved or to the individuals who are required to be informed.

Conducting the Investigation

In the event of a complaint, the Chief Compliance Officer shall conduct an investigation to determine how the complaint arose, who was responsible, and to review internal practices to minimize a repeat occurrence

The Chief Compliance Officer will investigate the complaint in a manner as objective as possible analyzing all factual materials available specific to the complaint and considering the interests of the complainant, the Approved Person and Altimum. This applies to information received from both internal and external sources.

Where the information is received by way of a client complaint, the supervisory duty will extend to a consideration of general risk at Altimum. This duty will continue when a complainant purports to withdraw the complaint or indicates satisfaction with the result of Altimum’s complaint handling. The extent of the supervisory investigation will depend in part on the severity of the allegations and complexity of the issues. In all cases the information will be tracked and notations will be made on risk, including those related to specific Approved Persons, subject matter, product types, procedures and cases, and Altimum will take necessary action in response to these trends as appropriate.

This duty will apply to all conduct by the current or former Approved Persons, whether it occurred inside or outside the Member.

In reviewing complaints the Chief Compliance Officer will be looking for any breaches or potential breaches of applicable regulatory requirements on the part of Altimum or its Approved Persons and any breaches of MFDA By-laws, Rules and Policies to determine

whether there might be systemic issues that could raise the possibility of risk to other Altimum clients. A detailed investigation will be conducted in all situations where there is information from any source, written or verbal, whether from an identified source or anonymous, to raise the possibility that such conduct occurred.

The investigation will include at minimum:

- a) Interviewing or otherwise communicating with individuals such as:
 - (i) The individuals of concern
(Hold a meeting with the Approved Person)
 - (ii) Other Approved Persons
 - (iii) The client or other external individuals who brought the information to the Member's attention
(Contact the client or complainant to obtain additional information)
(If a regulator is involved, contact the investigator to provide information or guidance),
 - (iv) Other clients who may have been affected by the activity.
- b) Conducting a review at the sub-branches
- c) Reviewing documentations such as:
 - (i) Files of the Approved Person relating to the Member business
(Review the Approved Person's entire portfolio holdings for unusual patterns or unusual activity),
 - (ii) Files and other documents in the Approved Person's custody or control that relate to outside business, where there is a reasonable possibility that such information is relevant to the investigation.
(If dually registered, review the Approved Person's insurance activity)
- d) Retain the services of a forensic auditor if necessary

Altimum will cooperate and share information as necessary with other Members of the MFDA or members of other SRO's where the events in question took place in part at another member.

The Substantive Response

A substantive response including a summary of the investigation and the conclusions of the Chief Compliance Officer together with all supporting evidence and documentation will be sent to the complainant once the investigation has been completed. The response may include, if appropriate, a fair offer to resolve the complaint or a denial of the complaint with reasons.

The Substantive Response for complaints that fall under Part II must:

- 1) Address every aspect of the client's complaint

- 2) Objectively consider the complaint
- 3) Provide a thorough analysis
- 4) Provide the rationale for the decision
- 5) Address client requests for reimbursement
- 6) Provide guidance to the client as to their options regarding how to fix their problem, such as how to unwind an unsuitable leverage loan, or how to address an unsuitable mutual fund investment in an account.

The Compliance Investigation Summary Report and all case files will be retained for a minimum period of seven (7) years from the date of receipt of the complaint.

Approved Person Reporting Of and Assistance With Client Complaints

MFDA Policy #6 requires that Approved Persons report complaints to Altimum in as much detail as possible within two (2) business days of receiving a written complaint or becoming aware of one through other means.

It is expected that the Approved Person shall involve the Chief Compliance Officer at the earliest possible stage of the complaint process. Some serious complaints are received orally long before they are received in writing. It is Altimum's policy that such complaints should be referred to the Chief Compliance Officer when first made by the client, such that the Chief Compliance Officer can have an opportunity to be in contact with the client even before the complaint is received in writing. If a complaint is received directly by the Chief Compliance Officer, Altimum shall ensure that the appropriate Approved Persons are made aware of all complaints filed by their clients.

An Approved Person has a responsibility and an obligation to assist in and co-operate with an investigation or inquiry made by Altimum, whether or not the Approved Person is active or has terminated registration with Altimum.

See Section entitled Approved Person Reporting Requirements in the Registration section.

Point of Contact and Qualified Staff

All internal and external complaints must be directed to the Chief Compliance Officer. Only the Chief Compliance Officer is to review and investigate complaints. If the Chief Compliance Officer is not available, the Ultimate Designated Person, who is also qualified, shall review and investigate the complaint. The Ultimate Designated Person shall be informed of all serious misconduct on the part of Approved Persons and all legal actions. He will also be advised of all new cases under investigation and kept apprised of the status of all ongoing compliance investigations and liabilities associated therewith.

This does not mean that Altimum clients can only complain to these Officers of Altimum Mutuals Inc.

Sanctions, Penalties and Fines imposed by Altimum Mutuals Inc.

The Chief Compliance Officer will review all complaints for any breaches of MFDA By-laws, Rules and Policies, which will be subject to internal disciplinary procedures. If the investigation determines that MFDA rules were breached, the Chief Compliance Officer may impose appropriate sanctions or other internal disciplinary action as the Chief Compliance Officer shall, in his or her sole discretion, deem fit, including a written warning to the offender, withholding and/or forfeiture of commissions, fines, suspension, and termination, possibly with cause. These would be as a result of violations of industry regulations and standards but could also include violations of Altimum's own policies and procedures.

The Approved Person will be notified in writing of any such action taken.

The MFDA must be advised if Altimum penalizes an Approved Person more than \$1000.

The notification must be kept on file by the Approved Person in the Altimum correspondence file.

For more information see the section entitled Discipline.

Errors and Omissions Insurance

Although Errors and Omissions Insurance may help to offset the financial burden of a client complaint, such insurance does not relieve Altimum nor the Approved Person of the regulatory responsibilities found in MFDA policy 3.

Settlements

Any settlement agreements or judgments must be reported by Altimum to the MFDA whenever:

- A. Such member has entered into a private settlement or has disposed of any claim in securities-related litigation or arbitration by judgment, award or settlement where the amount of the judgment, award or settlement exceeds \$25,000; or
- B. A partner, director, officer, Approved Person, employee or agent of Altimum has entered into a private settlement or has disposed of any claim in securities-related litigation or arbitration by judgment, award or settlement where the amount of the judgment, award or settlement exceeds \$15,000.
- C. An Approved Person is penalized by Altimum in an amount greater than \$1000

Approved Persons Forbidden from Settling a Complaint

No Approved Person may enter into any settlement agreement with a client or make any payment, restitution or compensation to a client to resolve a complaint without the prior written consent of the Chief Compliance Officer.

Confidentiality Restrictions

Neither Altimum nor its Approved Persons shall impose confidentiality restrictions or a requirement to withdraw a complaint with respect to the MFDA or a securities commission, regulatory authority, law enforcement agency, self-regulatory organization, stock exchange or other trading market as part of a resolution of a dispute with a client or otherwise.

Other Persons Acting on Behalf of Clients

For confidentiality reasons, Altimum will only deal with the client or another individual who has the client's express written authorization to deal with us.

Please refer to MFDA Policy 3 "Handling of Client Complaints".

SUMMARY OF ALTIMUM COMPLAINT HANDLING PROCEDURES

Altimum Mutuals Inc. has procedures in place to handle any written or verbal complaints received from clients in a fair and prompt manner. This is a summary of those procedures, which we provide to new clients, clients who have filed a complaint and that we also make available on our website at www.altimum.ca.

The Client Complaint Information Form

We also provide new clients and clients who complain with a separate document called the Client Complaint Information Form ('CCIF') that provides general information about their options for making a complaint.

How to File a Complaint with Altimum Mutuals Inc.

Clients writing to complain to Altimum Mutuals Inc. may make their complaint to our Head Office by contacting the Chief Compliance Officer. You may also contact your Approved Person. All complaints are forwarded to the Chief Compliance Officer to be handled. We encourage clients to make their complaint in writing or by e-mail where possible. Clients are cautioned that the use of e-mail may give rise to possible confidentiality issues regarding internet communications. Where clients have difficulty putting their complaint in writing, they should advise us so that we can provide assistance. For confidentiality reasons, we will only deal with the client or another individual who has the client's express written authorization to deal with us.

Complaint Handling Procedures

We will acknowledge receipt of complaints promptly, generally within five days. We review all complaints fairly, taking into account all relevant documents and statements

obtained from the client, our records, our Approved Persons' files, and any other relevant sources. Once our review is complete we provide clients with our response, which will be in writing if the complaint was made in writing. Our response may be an offer to resolve your complaint, a denial of the complaint with reasons or another appropriate response. Where the complaint relates to certain serious allegations, our initial acknowledgement will include copies of this summary and the CCIF. Our response will summarize your complaint, and our findings with regard to your complaint. We will generally provide our response within ninety days, unless we are waiting for additional information from you, or the case is novel or may be complicated.

We will respond to communications you send us after the date of our response to the extent necessary to implement a resolution or to address any new issues or information you provide.

Settlements

If we offer you a financial settlement, we may ask you to sign a release and waiver for legal reasons.

Contacting Altimum Mutuals Inc.

Clients may contact us at any time to provide further information or to inquire as to the status of their complaint, by contacting the Chief Compliance Officer of Altimum Mutuals.

Please direct all complaints to:

Altimum Mutuals Inc.
94 Barbican Trail,
St. Catharines, ON
L2T 4A8
ATTN: Chief Compliance Officer

The Chief Compliance Officer or its designate will confirm in writing the receipt of such complaint and will provide information about the complaint handling process.

SUMMARY OF ALTIMUM MUTUALS INC. COMPLAINT HANDLING PROCEDURES

Altimum Mutuals Inc. has procedures in place to handle any written or verbal complaints received from clients in a fair and prompt manner. This is a summary of those procedures, which we provide to new clients, clients who have filed a complaint and that we also make available on our website at altimum.ca.

The Client Complaint Information Form

We also provide new clients and clients who complain with a separate document called the *Client Complaint Information Form* ("CCIF") that provides general information about their options for making a complaint.

How to File a Complaint with Altimum Mutuals Inc.

Clients wishing to complain to Altimum Mutuals Inc. may make their complaint to our head office by contacting Edith Reid, who is the Chief Compliance Officer. All complaints are forwarded to qualified compliance or supervisory personnel to be handled. We encourage clients to make their complaint in writing or by email (see note 1) where possible. Where clients have difficulty putting their complaint in writing, they should advise us so that we can provide assistance. For confidentiality reasons, we will only deal with the client or another individual who has the client's express written authorization to deal with us.

Complaint Handling Procedures

We will acknowledge receipt of complaints promptly, generally within five days. We review all complaints fairly, taking into account all relevant documents and statements obtained from the client, our records, our Financial Advisors, other staff members and any other relevant source. Once our review is complete we provide clients with our response, which will be in writing if the complaint was made in writing. Our response may be an offer to resolve your complaint, a denial of the complaint with reasons or another appropriate response. Where the complaint relates to certain serious allegations (see note 2), our initial acknowledgement will include copies of this summary and the CCIF. Our response will summarize your complaint, our findings and will contain a reminder about your options with the Ombudsman for Banking Services and Investments.

We will generally provide our response within ninety days, unless we are waiting for additional information from you, or the case is novel or very complicated.

We will respond to communications you send us after the date of our response to the extent necessary to implement a resolution or to address any new issues or information you provide.

Settlements

If we offer you a financial settlement, we may ask you to sign a release and waiver for legal reasons.

Contacting Altimum Mutuals Inc.

Clients may contact us at any time to provide further information or to inquire as to the status of their complaint by contacting Edith Reid at (905) 680-8544 or at 94 Barbican Trail, St. Catharines, ON L2T 4A8

BY SIGNING BELOW I ACKNOWLEDGE THAT I HAVE RECEIVED A COPY OF THIS FORM.

Client Signature _____ **Client Name** _____ **Date** _____

Joint Signature _____ **Joint Name** _____ **Date** _____

Rep Signature _____ **Rep Code 7767** _____ **Date** _____

Compliance Officer Approval (Signature) _____ **Date** _____

1 Clients who choose to communicate by email should be aware of possible confidentiality issues regarding internet communications.

2 As defined in the Policies of the Mutual Fund Dealers Association of Canada of which Altimum Mutuals Inc. is a Member.

MUTUAL FUND DEALERS ASSOCIATION OF CANADA
Client Complaint Information Form

Clients of a mutual fund dealer who are not satisfied with a financial product or service have a right to make a complaint and to seek resolution of the problem. MFDA Member dealers have a responsibility to their clients to ensure that all complaints are dealt with fairly and promptly. If you have a complaint, these are some of the steps you can take:

- Contact your mutual fund dealer. Member firms are responsible to you, the investor, for monitoring the actions of their representatives to ensure that they are in compliance with by-laws, rules and policies governing their activities. The firm will investigate any complaint that you initiate and respond back to you with the results of their investigation within the time period expected of a Member acting diligently in the circumstances, in most cases within three months of receipt of the complaint. It is helpful if your complaint is in writing.

- Contact the Mutual Fund Dealers Association of Canada ("MFDA"), which is the self-regulatory organization in Canada to which your mutual fund dealer belongs. The MFDA investigates complaints about mutual fund dealers and their representatives, and takes enforcement action where appropriate. You may make a complaint to the MFDA at any time, whether or not you have complained to your mutual fund dealer. The MFDA can be contacted:

- By completing the on-line complaint form at www.mfda.ca
- By telephone in Toronto at (416) 361-6332, or toll free at 1-888-466-6332
- By e-mail at complaints@mfda.ca¹
- In writing by mail to 121 King Street West, Suite 1000, Toronto, ON M5H 3T9 or by fax at (416) 361-9073

Compensation:

The MFDA does not order compensation or restitution to clients of Members. The MFDA exists to regulate the operations, standards of practice and business conduct of its Members and their representatives with a mandate to enhance investor protection and strengthen public confidence in the Canadian mutual fund industry. If you are seeking compensation, you may consider the following:

- Ombudsman for Banking Services and Investments ("OBSI"): You may make a complaint to OBSI after you have complained to the dealer, at either of the following times:

- If the dealer's Compliance Department has not responded to your complaint within 90 days of the date you complained, or;
- After the dealer's Compliance Department has responded to your complaint and you are not satisfied with the response. **Please note that you have 180 calendar days to bring your complaint to OBSI after receiving the dealer's response.**

- OBSI provides an independent and impartial process for the investigation and resolution of complaints about the provision of financial services to clients. OBSI can make a non-binding recommendation that your firm compensate you (up to \$350,000) if it determines that you have been treated unfairly, taking into account the criteria of good financial services and business practice, relevant codes of practice or conduct, industry regulation and the law. The OBSI process is free of charge and is confidential. OBSI can be contacted:

- By telephone in Toronto at (416) 287-2877, or toll free at 1-888-451-4519
- By e-mail at ombudsman@obsi.ca

- Legal Assistance: You may consider retaining a lawyer to assist with the complaint. You should be aware that there are legal time limits for taking civil action. A lawyer can advise you of your options and recourses. Once the applicable limitation period expires, you may lose rights to pursue some claims.

- Manitoba, New Brunswick and Saskatchewan: Securities regulatory authorities in these provinces have the power to, in appropriate cases, order that a person or company that has contravened securities laws in their province pay compensation to a claimant. The claimant is then able to enforce such an order as if it were a judgment of the superior court in that province. For more information, please visit:

Manitoba: www.msc.gov.mb.ca
New Brunswick: www.nbsc-cvmnb.ca
Saskatchewan: www.fcaa.gov.sk.ca

• Québec:

- If you are not satisfied with the outcome or with the examination of a complaint, the Autorité des marchés financiers ("AMF") can examine your complaint and may provide dispute resolution services.
- If you think you are a victim of fraud, fraudulent tactics or embezzlement, you can contact the AMF to see if you meet the eligibility to submit a claim to the *Fonds d'indemnisation des services financiers* ("Financial Services Compensation Fund"). An indemnity up to \$200,000 can be payable through monies accumulated in the fund for an eligible claim.
- For more information:
 - Contact the AMF by telephone at (418) 525-0337 (in Quebec) or toll free at 1-877-525-0337.
 - Visit www.lautorite.qc.ca.

BY SIGNING BELOW I ACKNOWLEDGE THAT I HAVE RECEIVED A COPY OF THIS FORM.

Client Signature _____ Client Name _____ Date _____

Joint Signature _____ Joint Name _____ Date _____

Rep Signature _____ Rep Code 7767 _____ Date _____

Compliance Officer Approval (Signature) _____ Date _____

¹ You may wish to consider issues of internet security when sending sensitive information by standard e-mail.