



Dominion Lending Centres Served with Statement of Claim

Calgary, Alberta – February 10, 2019 – Founders Advantage Capital Corp. (TSX-V: FCF) (the “Corporation”) reports that its investee Dominion Lending Centres Inc. (“DLC”) has received a statement of claim (the “Claim”) filed in the Ontario Superior Court of Justice by two individual plaintiffs (the “Plaintiffs”). The Plaintiffs are seeking certification of the Claim under the *Class Proceedings Act* (Ontario) and are seeking an order for damages of \$800 million.

The Claim relates to a product called Mortgage Protection Plan (“MPP”), mortgage creditor insurance underwritten by The Manufacturers Life Insurance Company (“Manulife”), formerly administered by Benesure Canada Inc. (“Benesure”), and offered through Credit Security Insurance Agency Inc. (“CSIA”). The Claim alleges that Benesure is an unlicensed insurer and that DLC is liable for distributing the MPP product through the DLC network. Benesure, Manulife and other parties were subject to a BC class action lawsuit in 2013 relating to the MPP product which failed to be certified in 2016 and has been settled pending court approval.

DLC is contractually indemnified from Benesure, Manulife and CSIA for any costs, expenses, damages or liability arising from the offering of MPP through the DLC network of brokers.

Lastly, we note that the Superintendent of Financial Institutions in British Columbia did investigate the practices and procedures of Benesure and Manulife with respect to the sale of MPP in British Columbia through mortgage brokers in 2013/2014. The Settlement Agreement and Consent Order from such investigation includes the following: “the Superintendent, after investigation, is not aware of any harm to policyholders, and the Companies advise and confirm that the insurance coverages issued by the Companies under the MPP program continue to be valid and in effect”.

Gary Mauris, President of DLC commented: “We consider this claim to be frivolous and entirely without merit and we intend on launching a vigorous defense. Unfortunately, when you are the largest player in your sector, you become a target for these types of nuisance claims. We are comfortable with both our legal position relating to the Claim and our contractual indemnity from Benesure, Manulife and CSIA.”

The Corporation's Common Shares are listed on the TSXV under the symbol “FCF”.

For further information please refer to the Corporation's website at www.advantagecapital.ca.

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