

ADEKUSIBE FOLA LAW PROFESSIONAL CORPORATION



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“without prejudice”

Central 1 Credit Union
2810 Matheson Blvd. East,
Mississauga, Ontario, L4W 4X7

Attention: Vickie Sacco

Dear Vickie Sacco:

RE: The Structured Shariah Compliant Financing Scheme

I have been consulted by a couple of UM Financial Inc. and Central 1 Credit Union clients.

The clients represent a class of persons who has or had home financing dealings with UM Financial Inc. and Central 1 Credit Union (“C1”).

With reference to our brief, the said class of persons consists of about 5000 individuals who are either present or past clients of UM Financial Inc. or who have recently filed applications for home financing with UM Financial Inc. but were denied. The grievances of this class of persons against UM Financial Inc. and Central 1 Credit Union are the same.

I have been advised that many of the persons belonging to the above-mentioned class have been customers of UM Financial Inc. since 2005 and that they believe that UM Financial Inc. works for Central 1 Credit Union and that the two are related corporations.

Our clients’ grievances stem from the information available to them that Central 1 Credit Union and UM Financials Inc. are contemplating discontinuing the structured Shariah compliant financing Scheme under which scheme they got financing for the purchase of their homes. At the time the individuals signed for the loans for the purchase of their homes Central 1 Credit Union and UM Financials Inc represented to them that they have the options of renewing the term of loans, hence it is unfair for you to discontinue the Scheme now.

Should Central 1 Credit Union and or UM Financial Inc. discontinue the Sharia complaint financing scheme our clients will be faced with the following issues:

- Inability to refinance their properties or to sell them and buy a new home with the same financing since there is no other institution operating;
- Inability to afford mortgage loan from another institution because of higher monthly mortgage payment which may be double of the amount they are paying right now;
- Being faced with higher and possibly, unaffordable fees and costs of borrowing from other financial institutions, fees and costs for loan payout et al; and
- Refusal of UM Financial and C1 to honour pre-approval financing letters for clients who had applied for financing.

The other grievances that our clients have are the following:

- Our clients are not satisfied with your Customer service;
- They believe that they are treated differently from other credit union members by the Credit Union system;
- They believe that they were discriminated against by your delay in renewals of their mortgages and having them to re-register of legal documents; and that
- They are required to pay some hidden fees;

Therefore, our clients now need you to assure them that you will not discontinue the Sharia complainant financing scheme.

Please note that should you discontinue the Sharia Complaint Financing Scheme our clients will be filing a class action to redress the wrongs your action will cause them. In the meantime, they are considering filing a complaint with the Financial Services Commission of Ontario and the Office of The Superintendent of Financial Institutions.

Thank you.

Yours very truly,

Adekusibe Fola Law Professional Corporation

Per:

Fola Adekusibe, Esq.

cc . UM Financial
789 Don mills Road Suite 801, Toronto ON M3C 1T5

Attention: Omar Kalair, President and CEO