HOCKEY EASTERN ONTARIO

One Team, One Mission, One Goal

MEMO

To: CCHL, EOJHL, NCJHL, District Chairs, Special Hockey, and Para Hockey

CC: HEO Board of Directors, HEO Staff

From: HEO

Date: October 4, 2022

Re: **Participants Legacy Trust**

Good morning,

Yesterday the Globe and Mail published an article regarding Participants Legacy Trust. Below is some background on the CAHA Legacy Trust as the article seem to have some inaccuracies. First of all, the Trust is not a Hockey Canada asset and the Trust funds have never been used to settle sexual misconduct claims.

Background Infor re: CAHA Legacy Trust

On June 1, 1999, approximately $7.1 million was transferred from the NEF into a formal Legacy Trust Fund ("Trust"). The Trust belongs to the original contributors of the self-insured period, based on their level of contributions. This Legacy trust fund continues to exist today and provides annual funding to Members and the CHL by way of realized annual investment income. The income is distributed to Members and the CHL based on the percentage they originally contributed into the Trust. Since 2007, realized income of $5.4 million has been paid out to Hockey Canada Members/CHL from the Trust.

The following table shows that percentage breakdown of the original contributions:

BC	16.27%
Hockey Alberta	17.39%
SHA	9.57%
Hockey Manitoba	8.53%
HNO	1.53%
OHF	20.76%
HEO	7.80%
Hockey Quebec	0.56%
Hockey PEI	1.21%
Hockey New Brunswick	4.14%
Hockey Nova Scotia	4.38%
Hockey NFL	2.84%
Canadian Hockey League	5.02%
Total	100.00%

In addition to providing Hockey Canada Members with a stable source of annual funding, the Trust also acts as a backstop to the National Equity Fund, and protection for the Members against any liability claims which ensued from incidents that occurred from September 1986 to August 1995 (the self-insured period). Should the National Equity Fund be insufficient to service such claims, the Trust would be required to fund them through a "tail coverage agreement". This trust belongs to the beneficiaries of the Trust (listed above) and as such does not appear on Hockey Canada's financials. Hockey Canada is merely the settlor of the Trust.

As an example, HEO has received anywhere from $24,000 to $41,000 in the past four seasons which has been available to Minor, Junior and Officiating entities and programs.