

CANADA  
PROVINCE DE QUEBEC  
DISTRICT DE MONTREAL

Class Action  
SUPERIOR COURT

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NO.: 500-06-000372-066  
500-06-000373-064  
500-06-000375-069

OPTION CONSOMMATEURS

Plaintiff

-and-

SERGE LAMOUREUX  
YVON DESROSIERS  
JUSTIN CHAUVETTE  
MICHELLE GRIFFITH  
DANY BROUSSEAU  
JOHANNE GAGNÉ

Designated Persons

v.

MBNA CANADA BANK  
ROYAL BANK OF CANADA

Defendants

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## SETTLEMENT AGREEMENT

### SCHEDULE "B" – NOTICE OF HEARING TO APPROVE THE SETTLEMENT

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**\$37.5 million Settlement  
Class Actions Regarding Your  
MBNA Canada Bank (now BofA Canada Bank) and Royal Bank of Canada  
Credit Cards**

A settlement has been reached, subject to Court approval, between Option consommateurs, MBNA Canada Bank (now known as BofA Canada Bank) and Royal Bank of Canada (the "Settling Banks") in class actions instituted by Option consommateurs against several financial institutions in respect of certain practices applicable to their credit cards. The practices in question are: unilateral

credit limit increases, absence of a 21-day grace period before the application of credit charges , overlimit fees and cash advance fees.

This settlement may affect your rights, whether you act or not. Please read this notice carefully.

## **BASIC INFORMATION**

### **Why this Notice has been published?**

The purpose of this notice is to inform you that Option consommateurs and the Settling Banks have reached a settlement putting an end to the class actions. Option consommateurs and its lawyers believe that the settlement is the best solution for the groups; they will ask the Superior Court to approve it.

The Superior Court will hold a hearing to determine whether it will approve the settlement and extend the class period in two of the class actions. You may attend the hearing, which will take place on May 22, 2014 at 2 p.m. in room 16.12 of the Montreal Courthouse, located at 1 Notre-Dame Street East in Montreal.

### **What was the purpose of the class actions?**

According to Option consommateurs, the Settling Banks contravened the *Consumer Protection Act* by unilaterally increasing the credit limits of the members between January 12, 2001 and January 1, 2010. The Banks contest; they declare that they have complied at all times with applicable legislation which is federal legislation.

According to Option consommateurs, the Settling Banks contravened the *Consumer Protection Act* between August 2, 2000 and September 1, 2010 by failing to give members a 21-day grace period to pay their balance before charging interest on new purchases. The Banks contest; they declare that they have complied at all times with applicable legislation which is federal legislation.

The overlimit and cash advance fees charged by the Settling Banks to the group members have not been included in the calculation of the credit rate since January 12, 2001 and October 4, 2001 respectively. According to Option consommateurs, this omission contravenes the *Consumer Protection Act*. The Banks contest; they declare that they have complied at all times with applicable legislation which is federal legislation.

**Who are the group members?**

You are a group member if you meet all of the following conditions:

1. If you are a natural person;
2. If you have a credit card issued by Royal Bank of Canada or a credit card issued by MBNA Canada Bank before November 30, 2011;
3. If that credit card has not been used for the operation of a business;
4. If you have:
  - a. paid credit charges between August 2, 2000 and August 31, 2010 inclusive, without benefiting from the 21-day grace period contemplated by the *Consumer Protection Act*;
  - or
  - b. paid cash advance fees:
    - i. to Royal Bank of Canada since October 4, 2001;
    - ii. to MBNA Canada Bank between October 4, 2001 and September 30, 2010;
  - or
  - c. paid overlimit fees:
    - i. to Royal Bank of Canada since January 12, 2001;
    - ii. to MBNA Canada Bank between January 12, 2001 and September 30, 2010; or
  - or
  - d. had the credit limit on your account increased between January 12, 2001 and September 30, 2010, without having explicitly requested such an increase;

**SETTLEMENT SUMMARY**

**What does the settlement provide for?**

Without any admission of liability, for the purpose of avoiding a trial and the additional costs and expenses related thereto, the Settling Banks agree to pay a total amount of \$37.5 million in full and complete settlement of the claims of the group members.

**How will the amount of \$37.5 million be apportioned?**

The fees of counsel of Option consommateurs are 25% of the global settlement amount, pursuant to a new fee agreement signed January 14, 2014 reflecting the agreement entered into November 4, 2010. After deduction of the fees of counsel for Option consommateurs, the balance of the amount of \$37.5 million paid by the Settling Banks will be apportioned as follows:

- \$26,371,093.76 to directly compensate the group members who still have an active credit card to which a direct deposit can be made, that is not in default and that otherwise meet certain criteria, as defined in the Settlement Agreement. **The amount of the credit varies from one bank to the other given the significant difference in the amount of fees charged by each. The direct compensation per member should be around 12 \$ dollars for Royal Bank of Canada cardholders and 50 \$ dollars for BofA Canada Bank cardholders** and in both cases could be more;
- \$350,000 to indirectly compensate the group members who will not receive a direct deposit. This amount will be shared between Option consommateurs, Pro Bono Québec and the *Dans la marge jusqu'au cou!* campaign of the Coalition des associations de consommateurs du Québec in order to help finance their consumer awareness activities in matters of budgeting, credit, debt and access to justice.

**Am I eligible to receive compensation?**

If you are a group member but your claim arose during a period for which the Settling Banks do not have electronic records of your account or you no longer hold an active card issued by the Settling Banks to which a direct deposit can be made or your account is in default or does not meet certain additional indemnification criteria set forth in the Settlement Agreement, you are not entitled to any compensation under the settlement.

**If you are entitled to compensation, there is no action that you have to take in order to be compensated.** The compensation will be deposited directly by way of credit to the account of members holding an active credit card issued by the Settling Banks, that otherwise meet certain criteria, as defined in the Settlement Agreement.

The \$350,000 indirect compensation to those not entitled to a direct deposit to their account will be paid by the Settling Banks directly to the groups named above on the date approved by the Court.

**OPTING OUT**

If you do not wish to be bound by this settlement for any reason whatsoever or you believe that you can get more money by taking your own legal action, you must take steps to exclude yourself from the group, which will result in your exclusion from the settlement.

**What happens if I exclude myself?**

If you exclude yourself:

1. You will not receive any compensation;
2. You will not be bound by the class actions;
3. You will not be able to object to this settlement.

**What happens if I do not exclude myself?**

If you do not exclude yourself:

1. You will receive a credit directly to your account associated with your credit card issued by the Settling Banks if you are eligible;
2. You will be bound by the class actions;
3. You will give up the right to take your own legal action against the Settling Banks; and
4. You will be able to object to the settlement.

If you do not exclude yourself and the settlement is approved, you give up the right to take legal action and the Settling Banks in respect of the unilateral credit limit increase, the absence of a 21-day grace period before the application of credit charges, the overlimit fees and the cash advance fees.

**How can I exclude myself?**

To exclude yourself, you must send the clerk of the Quebec Superior Court a duly signed request for exclusion containing the following information:

1. The court docket numbers of the class actions: 500-06-000372-066, 500-06-000373-064 and 500-000375-069;
2. Your name and contact information;
3. A declaration that you have
  - a. paid credit charges between August 2, 2000 and August 31, 2010 inclusive, without benefiting from the 21-day grace period contemplated by the *Consumer Protection Act*,or
  - b. paid cash advance fees:

- i. to Royal Bank of Canada since October 4, 2001;
- ii. to MBNA Canada Bank between October 4, 2001 and September 30, 2010;

or

c. paid overlimit fees:

- i. to Royal Bank of Canada since January 12, 2001;
- ii. to MBNA Canada Bank between January 12, 2001 and September 30, 2010; or

or

d. had the credit limit on your account increased between January 12, 2001 and September 30, 2010, without having explicitly requested such an increase;

- 4. The declaration must contain the relevant account numbers and specify which of the Settling Banks issued your card.

The request for exclusion must be sent by registered or certified mail before May 16, 2014 to the following address:

Grefe de la Cour Supérieure du Québec  
PALAIS DE JUSTICE DE MONTRÉAL  
1 Notre-Dame Street East  
Room 1.120  
Montreal (Quebec) H2Y 1B5

Reference: 500-06-000372-066, 500-06-000373-064 and 500-06-000375-069

### **OBJECTION TO THE SETTLEMENT**

You can tell the Court that you do not agree with this settlement.

**How can I tell the Court that I do not agree with this settlement?**

To present your objection to the Court, you must appear at the hearing that will be held on May 22, 2014 at 2 p.m. in room 16.12 of the Montreal Courthouse, located at 1 Notre-Dame Street East in Montreal.

Although you are not obligated to do so, it is also suggested that you complete and send, before the hearing, an objection form, which may be downloaded from the website of either Option consommateurs or its lawyers, or may be obtained by mail (See the section "For More Information").

Be sure to explain why you do not agree with this settlement.

**Do I need a lawyer in order to object to the settlement?**

No. You can object to the settlement without a lawyer. If you wish to be represented by a lawyer, you may hire one at your own expense.

**If I object to the settlement and it is approved, will I still be eligible for a payment?**

Yes. If, despite your objection, the settlement is still approved, you can still receive a payment if you are eligible.

**FOR MORE INFORMATION**

**How can I obtain more information?**

For more information and access to the text of the settlement, the schedules and the various forms, please go to the following websites:

- Option consommateurs:  
[www.option-consommateurs.org/en/lawyers/recours\\_collectifs](http://www.option-consommateurs.org/en/lawyers/recours_collectifs)
- Lawyers for Option consommateurs:  
[www.sfpavocats.ca/en/banks\\_settlement](http://www.sfpavocats.ca/en/banks_settlement)

For specific BofA inquiries, you may also call 1-855-382-6464.

No other notice will be published or distributed in connection with the settlement.

In case of discrepancies between this notice and the settlement, the settlement shall prevail.

**The publication of this notice has been approved by the Court.**