

**CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL**

**(Class Actions)
SUPERIOR COURT**

No. 500-06-000373-064
(Corriveau Class Action)

OPTION CONSOMMATEURS

Plaintiff

-and-

JACQUES GAGNÉ et al.

-and-

PIERRE CANTARA et al.

Designated Persons

VS.

PRESIDENT'S CHOICE BANK

-and-

THE BANK OF NOVA SCOTIA

Defendant

-and-

No. 500-06-000372-066
(Lamoureux Class Action)

OPTION CONSOMMATEURS

Plaintiff

-and-

JEAN AUDET et al.

Designated Person

VS.

THE BANK OF NOVA SCOTIA

Defendant

SETTLEMENT AGREEMENT

SCHEDULE "B" - NOTICE OF HEARING TO APPROVE THE SETTLEMENT

**Settlement of the
Class Actions regarding your credit cards
President's Choice Bank and The Bank of Nova Scotia**

Settlements (the "**Settlements**") have been concluded, subject to the approval of the Court, between Option consommateurs, President's Choice Bank and The Bank of Nova Scotia (individually "**President's Choice Bank**" and "**Scotiabank**" and collectively the "**Banks**") in the context of the class actions launched by Option consommateurs against a number of financial institutions regarding the calculation of fees applied to certain transactions involving a credit card and more specifically **the over-the-limit fees and cash advance fees** (the "**Class Actions**"), the whole without any admission of liability by either parties.

The Settlements could have consequences on your rights, whether you decide to act or not. Therefore, please read this Notice carefully.

BASIC INFORMATION

Why was this Notice published in the newspapers?

The present Notice aims at informing you that the parties to the litigation have agreed to put an end to the Class Actions against President's Choice Bank regarding cash advance fees and Scotiabank regarding the over-the-limit fees and cash advance fees. Option consommateurs and its lawyers believe that the Settlements represent the best solution for the Class Members; they will ask the Superior Court to approve them.

The Superior Court will hold a hearing to decide whether it should approve the Settlements and modify the period covered by both Class Actions.

You may attend the hearing which will be held on October 26, 2016 at 9:30 am in Courtroom 2.08 of the Montreal Courthouse, located at 1 Notre-Dame Street East, in Montreal.

What is the subject of these Class Actions?

The first question is whether the cash advance fees charged to the Class Members by each of President's Choice Bank and Scotiabank must, or not, be included in the calculation of the credit rate over the Class Period (since October 4, 2001).

The second question is whether the over-the-limit fees charged to the Class Members by Scotiabank must, or not, be included in the calculation of the credit rate over the Class Period (since January 12, 2001).

According to Option consommateurs, these fees must be included in the calculation of the credit rate in accordance with the *Consumer Protection Act*. The Banks claim that they comply in all respects and at all times with the applicable Federal legislation governing Banks and do not contravene in any way the *Consumer Protection Act*.

Who are the Class Members?

You are a Class Member of the Class if you meet all of the following conditions:

1. you are an individual;
2. you own a credit card issued by President's Choice Bank and/or a credit card issued by Scotiabank;
3. such card has not been used for commercial purposes; and
4. you have:
 - a) paid cash advance fees:
 - i. to President's Choice Bank since October 4, 2001;
 and/or:
 - ii. to Scotiabank since October 4, 2001;
 and/or:
 - b) paid over-the-limit fees:
 - i. to Scotiabank since January 12, 2001.

Extension of the Class Period

Although the Class Period, as defined in the Class Actions, had September 30, 2010 as an end date, for the purposes of the Settlements, the parties have requested that all cardholders up to July 31st, 2015 be part of the Settlements, which is the date that the settlement agreement was signed.

SUMMARY OF THE SETTLEMENTS

What do the Settlements provide for?

Without any admission of liability, for the sole purpose of avoiding a lengthy trial, costs and expenses, the Banks have agreed to pay an aggregate amount of \$850,000.00 (the "**Settlement Amount**") for the full and complete settlement of the Class Actions, divided as follows: \$350,000.00 contributed by President's Choice Bank and \$500,000.00 contributed by Scotiabank.

How did the parties reach the Settlement Amount?

It is practically impossible to determine what amount could be distributed to each Class Member in the event that the Class Members were fully successful in obtaining favourable judgments against the Banks in the Class Actions. Assuming that the Class Actions against the Banks were fully successful on the merits at trial, it is estimated that on average, a member of both Class Actions involving Scotiabank could receive approximately \$44 (including interest), while a member to the Class Action involving President's Choice Bank could receive approximately \$22.51 (including interest).

However, since the beginning of these litigation proceedings, the Class Actions have been vigorously contested by the Banks. Thus, the Settlement Amount that the parties have negotiated and that Scotiabank and President's Choice Bank have agreed to pay are in line with what the parties considered reasonable to settle the Class Actions in the circumstances of this case, and is without any admission of liability but for the sole purpose of avoiding a lengthy trial, costs and expenses.

In fact, at the time the parties were negotiating the Settlements, the applicable law made it uncertain, to say the least, that a favourable outcome could be obtained by the members of the Class Actions. Therefore, it became opportune for the parties to settle the Class Actions now instead of continuing with litigation that could last for a number of years.

Will I receive any money?

NO because the distribution of an amount to Class Members under the Settlements would be impracticable (several Class Members are no longer customers of the Banks), as well as inappropriate and too costly (each Class Member would receive approximately \$1 - \$2 under the Settlements; however, it would cost between \$ 170,000 and \$ 190,000 to make this distribution to Class Members, thereby reducing accordingly the amount to be paid to Class Members).

How will the Settlement Amount of \$850,000.00 be allocated?

Even though no sums will be paid directly to the Class Members, the Settlements include payments to different organizations whose activities benefit members of the class and/or the public.

A first segment will be carved out from the Settlement Amount to cover the fees payable of lawyers for Option consommateurs. These fees are equal to \$244,321.88 which represents 25% of the Settlement Amount, in accordance with the Fee Agreement dated January 14, 2014 based on terms dated November 4, 2010.

A second segment will be carved out in accordance with the law, from the Settlement Amount to cover the fees payable to the *Fonds d'aide aux actions collectives*, whose role is to finance Class actions for the benefit of the public. In fact, the *Fonds d'aide* provided financial assistance in the context of the Class actions that are now subject to the Settlements. These fees are equal to \$315,308.91 and are calculated in accordance with the applicable Regulation.

Once the first and second payments have been carved out as provided above, the balance of \$290,369.21 of the Settlement Amount will be distributed between 28 micro-credit non-profit organizations dedicated to educating and assisting low-income borrowers, namely:

- i. Association coopérative d'économie familiale (ACEF) Rive-Sud de Québec;
- ii. ACEF de Lanaudière;
- iii. ACEF Montérégie-Est;
- iv. ACEF de l'Abitibi-Témiscamingue;

- v. ACEF de l'Est de Montréal;
- vi. ACEF du Nord de Montréal;
- vii. ACEF du Sud-Ouest de Montréal;
- viii. ACEF de la Rive-Sud;
- ix. ACEF de l'île Jésus;
- x. ACEF de l'Outaouais;
- xi. ACEF du Grand-Portage (Rivière-du-Loup);
- xii. ACEF du Grand-Portage (Gaspésie);
- xiii. ACEF de Québec (Portneuf);
- xiv. ACEF de Rimouski-Neigette et Mitis;
- xv. ACEF des Basses-Laurentides;
- xvi. ACEF Amiante-Beauce-Etchemins;
- xvii. Association pour la protection des intérêts des consommateurs (APIC) de la Côte-Nord;
- xviii. Centre d'intervention budgétaire et sociale (CIBES) de la Mauricie;
- xix. Centre de recherche et d'information en consommation (CRIC) de Port-Cartier;
- xx. Groupe de recherche en animation et planification économique de Québec (GRAPE);
- xxi. Service budgétaire Lac St-Jean Est;
- xxii. Service budgétaire et communautaire de Chicoutimi;
- xxiii. Service budgétaire et communautaire de Jonquière;
- xxiv. Service budgétaire populaire de Saint-Félicien;
- xxv. Service budgétaire et communautaire de la MRC Maria Chapdelaine;
- xxvi. Service budgétaire populaire de La Baie et Bas Saguenay;
- xxvii. Service alimentaire et d'aide budgétaire de Charlevoix-Est;
- xxviii. Service budgétaire populaire de l'Estrie inc.;

EXCLUSION FROM THE SETTLEMENTS

If you do not wish to be bound by the Settlements you must opt out of the Class and, as a result, not participate in the Settlements.

What happens if I opt out?

If you opt out:

1. you will not be bound by the Class Actions; and

2. you will not be able to oppose the Settlements.

What happens if I do not opt out?

If you do not opt out:

1. you are deemed to have received full and complete compensation and indemnification upon the payment of the Settlement Amount to the entities mentioned above;
2. you will be bound by the Class Actions;
3. you waive and renounce to your right to file your own proceedings against the Banks; and
4. you will be allowed to oppose the Settlements.

If you do not exercise your right to opt out before the deadline provided hereafter, you will be irrevocably deemed to have chosen to participate in the Settlements.

How can I opt out?

In order to opt out, you must deliver, on or before October 12, 2016, to the Registrar of the Superior Court a written Opt-Out Request duly signed and containing the following information:

1. The Court file numbers for the class actions: 500-06-000373-064 and 500-06-000372-066.
2. Your name and contact information;
3. A declaration stating that you have:
 - a) paid fees for cash advances:
 - i. to President's Choice Bank since October 4, 2001; AND/OR
 - ii. to Scotiabank since October 4, 2001; AND/OR
 - b) paid over-the-limit fees:
 - i. to Scotiabank since January 12, 2001.
4. Your account numbers and the name of the Bank which issued your credit card.

The written Opt-Out Request must be sent at the following address:

Registrar, Superior Court of Quebec
MONTREAL COURTHOUSE
1 Notre-Dame Street East
Suite 1.120
Montreal (Quebec) H2Y 1B5

Reference: 500-06-000372-066, 500-06-000373-064

OBJECTION TO THE SETTLEMENTS

How may I tell the Court that I disagree with the Settlements?

In order to oppose the Settlements, you must attend the hearing which will be held on October 26, 2016 at 9:30 am in room 2.08 of the Montreal Courthouse, located at 1 Notre-Dame Street East in Montreal.

Although this is not mandatory, it is also recommended that you fill out and provide, prior to the hearing, the Objection Form which can be downloaded on the Website of Option consommateurs or of its lawyers or which can be obtained by mail (see section "For more information" below).

You must explain why you disagree with the Settlements.

Do I need a lawyer in order to oppose the Settlements?

No. You may oppose without being represented by a lawyer. If you wish to be represented by a lawyer, you will retain lawyer services at your own expense.

FOR MORE INFORMATION

How can I receive more information?

In order to receive more information and read the full Settlements, schedules and forms, we invite you to navigate the following websites:

- Option consommateurs : www.option-consommateurs.org
- Lawyers for Option consommateurs : www.sfpavocats.ca/en/class-actions

No further notice will be published or circulated with regards to the Settlements.

In the event of a discrepancy between the contents of the Notice to Members and those of the Settlements, the language contained in the Settlements will take precedence.

The publication of this Notice has been approved by the Court.