

TOBACCO INDUSTRY CLASS ACTIONS
NOTICE OF HEARING ON PROPOSED PARTIAL SETTLEMENT

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL
NO : 500-06-000076-980

SUPERIOR COURT
(Class Action)

CONSEIL QUÉBÉCOIS SUR LE TABAC ET LA SANTÉ -and- JEAN-YVES BLAIS
Plaintiffs

v.

JTI-MACDONALD CORP.
IMPERIAL TOBACCO LIMITED
ROTHMANS, BENSON & HEDGES INC.
Defendants

-and-

JTI-MACDONALD CORP.
IMPERIAL TOBACCO LIMITED
ROTHMANS, BENSON & HEDGES INC.
Plaintiffs in Warranty

v.

ATTORNEY GENERAL OF CANADA
Defendant in Warranty

-and-

FONDS D'AIDE AUX RECOURS COLLECTIF
Mis en Cause

NO : 500-06-000070-983

CÉCILIA LÉTOURNEAU
Plaintiff

v.

IMPERIAL TOBACCO LIMITED
ROTHMANS, BENSON & HEDGES INC.
JTI-MACDONALD CORP.
Defendants

-and-

IMPERIAL TOBACCO LIMITED
ROTHMANS, BENSON & HEDGES INC.
JTI-MACDONALD CORP.
Plaintiffs in Warranty

v.

ATTORNEY GENERAL OF CANADA

Defendant in Warranty

-and-

FONDS D'AIDE AUX RECOURS COLLECTIF

Mis en Cause

NOTICE TO MEMBERS

TAKE NOTICE that, on July 4, 2011, an agreement ("**Agreement**") was reached in these two class actions between the Plaintiffs and the Government of Canada. The Defendants had no part in this Agreement.

If you are a member of one or both of the classes mentioned below, the Agreement concerns you and could affect your rights.

The Agreement must be approved by the Court and, as noted below, a hearing on that question will take place on August 31, 2011. You have the right to attend and to make your views known to the Court at that hearing.

If approved, the Agreement will, among other things, result in the following:

- A. the amount of your potential claim(s) against the Defendant tobacco companies in the class actions could be reduced;
 - B. your right to claim any amounts from the Government of Canada in these class actions will be eliminated;
 - C. the Government of Canada could claim the reimbursement of certain amounts that would be payable to the class members by virtue of a favourable judgment (See the Agreement: paras. 8 and 17).
1. The Agreement applies to the two class actions mentioned above on behalf of classes so far defined as follows:

<i>"All Quebec residents who, at the time of service of the motion [November 19, 1998], were suffering from cancer of the lung, larynx or throat or from emphysema or who, since the service of the motion, have developed cancer of the lung, larynx or throat or emphysema after directly inhaling cigarette smoke and smoking at least 15 cigarettes per 24-</i>	<i>"All persons residing in Quebec who, at the time of service of the motion [September 10, 1998], were and continue to be dependent on the nicotine contained in the cigarettes manufactured by the Respondents as well as the heirs of persons who were included in the group at the time the motion was served but who have since died without giving up smoking prior to their death."</i>
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<p><i>hour period for an extended and uninterrupted period of at least 5 years, and the heirs of any person who met the above requirements and has died since the service of the motion.”</i></p>	
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2. The Plaintiffs' pleadings in these actions make no claim against and attribute no liability to the Government of Canada;
3. In response to the class actions, the Defendant tobacco companies, in addition to their Defences, have filed actions in warranty against the Government of Canada. An action in warranty is a lawsuit brought by a defendant in an original lawsuit, claiming that another party is responsible for or should share in the plaintiff's damages against the defendant.
4. The Defendant tobacco companies allege in their actions in warranty against the Government of Canada that they did nothing wrong; that they manufactured and sold cigarettes according to the requirements established by the Government of Canada. They allege that, if any wrongdoing is found on their part, the Government of Canada should also be held liable and be condemned to reimburse them, in whole or in part, for any damages caused to class members;
5. The Plaintiffs and their attorneys believe that the pleadings in warranty are unfounded and, furthermore, that they are likely to burden the trial unnecessarily;
6. The Agreement provides for a release in favour of the Government of Canada from any and all manner of claims by the class members against it in the two class actions. The class members would also waive their right to payment by the Defendant tobacco companies of any amount found to be the Government of Canada's share of liability. This means that the class members will have their claims in the class actions reduced if the Court finds in favour of the Defendant tobacco companies in the actions in warranty.
7. In exchange, the Government of Canada would collaborate with the Plaintiffs and place certain of its resources at their disposal in order to assist them in their claims against the Defendant tobacco companies. In addition, the Government of Canada would pay up to \$1.6 million dollars toward the expenses of Plaintiffs' expert witnesses (Agreement: para. 8).
8. The Government of Canada would continue to defend itself against the actions in warranty by the Defendant tobacco companies;
9. **The Agreement will be submitted to the Superior Court for approval on Wednesday, August 31, 2011 at 9:30 a.m. in Room 17.09 of the Montreal Court House, 1 Notre Dame Street East, Montreal, Quebec;**

10. If approved by the Court, it will bind all class members with the exception of those who have already opted out;
11. Any class member who wishes to express comments or oppose the approval of the Agreement must advise Plaintiffs' attorneys in writing and specify his or her contact information and the grounds of his or her opposition **before August 26, 2011** at *Tobacco Class Action/Proposed Agreement c/o Trudel & Johnston, 750 Côte de la Place, suite 90, d'Armes, Montréal, Québec, H2Y 2X8*. Trudel Johnston have undertaken to deliver all such comments or opposition to the Court and to all other parties in the two cases;
12. A complete version of the Agreement is available at the Registry of the Superior Court in the District of Montreal and on Plaintiffs' attorneys' websites: www.trudeljohnston.com and www.lblavocats.ca;
13. This notice constitutes an overview of the Agreement. In the event of any discrepancy between this notice and the Agreement, the text of the Agreement shall prevail.

To obtain information about the Agreement:

Trudel & Johnston

(514) 871-8385

info@trudeljohnston.com

Lauzon Bélanger Lespérance inc.

(514) 844-4646

info@lblavocats.ca

This notice was approved by the Superior Court of Québec.