

If you were a vested member of the CMHC pension plan between January 1, 1995 and the October 23, 1998, you may get a payment from a class action settlement which totals over \$4.8 million.

READ THIS NOTICE CAREFULLY, AS IT MAY AFFECT YOUR LEGAL RIGHTS.

What is this about?

There are two national class actions where class members are alleging a legal entitlement to receive certain benefit enhancements that were provided by way of a partial refund of contributions by Canada Mortgage and Housing Corporation (CMHC) to CMHC pension plan members including plan members, deferred-vested plan members and retirees on or after the 1st January 1999 (1st benefit enhancement) and on or after the 1st January 2001 (2nd benefit enhancement) (*Lacroix et al v. Canada Mortgage and Housing Corporation*, Ontario Superior Court of Justice Court File Number 99-CV-10694 CP, the “**Lacroix Action**”). The Lacroix Action was certified as a class proceeding on consent in 2000, with additional common issues certified in 2015. A companion action in respect of the 2nd benefit enhancement was certified in 2015 (*McCann et al v. Canada Mortgage and Housing Corporation*, Ontario Superior Court of Justice Court File Number 07-CV-37862 CP, the “**McCann Action**”).

There is a plan to pay the settlement funds to eligible class members which first requires Court approval.

The proposed settlement and who is it for?

The **Lacroix Action** was settled for **\$4,857,911.00** (the Settlement Amount). In addition, CMHC will contribute to the cost of administering the settlement, to class counsel’s legal fees, to honorariums for the representative plaintiffs, and to the mediator’s costs in the Lacroix Action and the McCann Action, to a maximum of \$1,180,000.00 for both actions.

The plaintiffs’ lawyers will be asking for a fee of 20% of the total Settlement Amount plus costs of \$500,000.00 paid by CMHC, plus taxes and case expenses pursuant to a Contingency Fee

Agreement dated July 22, 1999. The amount that is approved by the Court will be deducted from the Settlement Amount.

Eligible class members are individuals who **between January 1, 1995 and October 23, 1998**, meet all of the criteria listed in the table directly below:

- Were vested members of the CMHC pension plan, and;
- Took a Workforce Adjustment package along with the commuted value of pension benefits, and;
- Left the plan other than maintaining a transfer restriction annuity (TRA).

Eligibility will **not** extend to the following individuals:

1. Pension never vested.
2. Received a refund of contributions.
3. Resigned, terminated for cause, or otherwise not part of the Workforce Adjustment group.
4. Left money in the plan.
5. Previously Opted-out of the class action and fails to Opt-In as described below.

What will eligible class members get?

The Settlement Amount of \$4,857,911.00 is based on the same formula used by CMHC to allocate the original benefit enhancements, being 19.0 % of maximum return of individual contributions plus interest up to the date of the 1st distribution and 20.5% of maximum return of individual contributions plus interest up to the date of the 2nd distribution, net of individual

TRA amounts after taking into consideration the risks of proceeding to a common issue trial.

The Settlement Amount will be subject to further adjustments to take into account withholding tax, legal fees as noted above, disbursements, and taxes on fees and disbursements as approved by the Court (Revised Settlement Amount).

Can a former class member opt-in?

A class member who previously received Notice of the Claim and decided to Opt-Out, has the **right to Opt-In** under the terms of the settlement by completing the enclosed Opt-In Form and submitting it to the Claims Administrator which must be received by the Claims Administrator **no later than**

20th October, 2017. Download the Opt-In Form at: **www.cmhcpensionclaim.ca** or request a form by mail or telephone from the Claims Administrator.

What Happens Next?

The Ontario Superior Court of Justice will be asked to approve the proposed settlement, the payment of settlement funds to eligible class members and the lawyers' fees. This **court approval hearing** will take place on **December 1, 2017 at 10:00 a.m.**, at 59 Court St., L'Orignal, ON K0B 1K0. The Lacroix Motion Record for approval along with the report of mediator Ari Kaplan dated the 28th June 2017 and who facilitated the settlement will be posted to the Claims Administrator website and the Barnes Sammon LLP website by the 2nd October 2017.

If the court approves the proposed settlement, class members will be bound by the terms. Individual cheques will be issued to eligible class members for his or her pro rata share of the Revised Settlement Amount based on a factor reflecting the percentage that his or her contributions with interest represent in relation to the total contributions with interest of all class

members, for both benefit enhancements. These cheques will be automatically issued by the Claims Administrator within 30 days of Court approval without any requirement on eligible class members.

Don't like the proposed settlement?

You can object by submitting a written objection letter to the Claims Administrator which must be received by the Claims Administrator **no later than November 15th, 2017.**

You may attend the approval hearing and ask to speak to the Court. Please notify the lawyers below if you plan to attend the approval hearing.

Need more information?

Visit the settlement website at **www.cmhcpensionclaim.ca** or contact the Claims Administrator or the lawyers below:

CMHC Class Action Claims Administrator

P.O. Box 20187 - 390 rue Rideau Street, Ottawa, ON K1N 9P4

Call toll free: 1-866-262-0006

Email: info@cmhcpensionclaim.ca

Lawyers, known as *Class Counsel*

William J. Sammon & James B. Barnes

Barnes, Sammon LLP

400 – 200 Elgin Street, Ottawa ON K2P 1L5

Call: (613) 594-8000

Email: wjs@barnessammon.ca

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Website: www.barnessammon.ca/cmhc/

Objections and inquiries should not be directed to the Court.

This legal notice was approved by the Ontario Superior Court of Justice on the 30th August 2017.