

PRESS RELEASE

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CQTS/Blais Class Action: Motion for Quebec Class Counsel Fees Announced

Montréal, December 13th, 2024 - Following the favourable vote by creditors on December 12, 2024 approving the CCAA plans of arrangement filed in respect of the Tobacco Companies (the “Plans”), the Ontario Superior Court of Justice (“CCAA Court”) will be asked to sanction the Plans at a hearing that will take place on January 29, 30 and 31, 2025. As part of that hearing, Quebec Class Counsel will also be requesting that the CCAA Court approve their professional fees.

After more than 26 years of extraordinarily complex and challenging legal proceedings, the creditors' approval of the Plans represents a pivotal moment in the unwavering effort to secure rightful compensation for the victims of the tobacco industry. The approval of the Plans underscores the universal acknowledgment of the extraordinary work carried out by the Quebec Class Counsel in advancing and safeguarding the rights of class action members. The Plans contemplate the distribution of a historic \$4.119 billion to Quebec class action members, their heirs, and even the heirs of their heirs, establishing a groundbreaking precedent in class action history. Beyond this achievement for Quebec class action members, the efforts of the Quebec Class Counsel were instrumental in initiating the CCAA proceedings, which ultimately secured a total of \$28.25 billion for provincial and territorial governments and other victims across Canada. This includes substantial compensation for tens of thousands of individual victims nationwide, with the pan-Canadian claimants set to receive a combined total of \$2.5 billion.

An Unprecedented Class Action

The fees that will be requested reflects the scale of this unique class action and the decisive role played by the four law firms involved in achieving this remarkable result. The CQTS/Blais and Létourneau class actions are widely regarded as unprecedented in Canadian legal history. They have been the longest, most complex, and most intensely contested class actions to ever succeed in Canada. They are also the only class proceedings in the world where compensation will be awarded to victims of tobacco-related diseases on a collective basis.

Subject to the approval of the Plans by the CCAA Court and in accordance with the fee agreement concluded with the Conseil québécois sur le tabac et la santé (CQTS) (the representative of the class action members) in 1998 and 2017, the Quebec Class Counsel will ask the CCAA Court to approve the fee agreement and the payment of professional fees equivalent to 22% of the direct compensation of \$4.119 billion achieved for class members (a total of \$906,180,000) plus applicable taxes. This amount includes not only legal fees to compensate the lawyers for their work over the past 26 years, representing more than 175,000 hours of work by over hundred lawyers and jurists, and their future role in the Quebec Administration Plan, but also all costs and disbursements related to the litigation. This includes tens of millions of dollars in costs incurred throughout the history of the litigation, including Proactio's past and future services to facilitate the claims process for class members. The CQTS supports the lawyers' motion for fee approval in the CQTS/Blais action and asks, for the benefit of the Quebec class action members, that its fee agreement with Quebec Class Counsel be approved by the CCAA Court.

Fees submitted for Court approval

In accordance with the Plans, the motion for fee approval will be presented to the CCAA Court during the hearing scheduled for January 29, 30, and 31, 2025, in Toronto. Out of respect for the ongoing judicial process, the CQTS/Blais lawyers will reserve their comments for the CCAA Court.

“The Plans, approved yesterday by the creditors and pending final judicial approval, mark a historic milestone following decades of relentless effort. The requested fees reflect not only the extraordinary scope of the work performed and the results achieved but also the unwavering dedication of the lawyers and their teams. They tirelessly and vigorously took on the Canadian tobacco industry, shouldering the costs and risks of litigation without any assurance of payment. This commitment was driven solely by the pursuit of fair and equitable compensation for the victims and their families” said André Lespérance, partner and lawyer at Trudel Johnston and Lespérance, and spokesperson for the CQTS/Blais class action.

On December 23rd, the CCAA Court will be required to approve a notice intended for the Quebec class action members. This notice will provide detailed information about their rights regarding the fee approval request, including how to oppose it, if applicable. Quebec class members with questions regarding the requested fees can contact the lawyers directly at info@tjl.quebec.

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