

NOTICE TO ALL FORMER GENERAL MOTORS DEALERS THAT SIGNED A WIND-DOWN AGREEMENT IN OR AFTER MAY 2009 (THE “CLASS MEMBERS”)

The Lawsuit:

This notice is about a judgment granted in a class action brought by Trillium Motor World Ltd. (“**Trillium**”), a former General Motors dealer in Scarborough, Ontario. Trillium signed a Wind-Down Agreement in May 2009.

Trillium alleged that General Motors of Canada Limited (“**GMCL**”) breached the *Arthur Wishart Act (Franchise Disclosure)*, 2000, S.O. 2000, c. 3 (“**Wishart Act**”) and similar laws in Alberta and Prince Edward Island when it presented the Wind-Down Agreement to the dealers in May 2009. GMCL brought a counterclaim against the class members and the dealer operators of the class members. The counterclaim alleged that by remaining in the class action against GMCL, the class members were in breach of the Wind-Down Agreement.

Trillium also alleged that the law firm of Cassels Brock & Blackwell LLP (“**Cassels**”) was retained to represent the dealers’ interests in the event of a restructuring of GMCL and that it failed to properly do so. Trillium claimed damages from Cassels on behalf of the class for breach of contract, negligence and breach of fiduciary duties.

The lawsuit was certified to proceed as a class action in 2011. The steps in the litigation process included a 41-day trial in late 2014, appeals to the Court of Appeal and an application for leave to appeal to the Supreme Court of Canada. A final judgment has now been granted on the merits of the case, as set out below.

The Judgment of the Court:

The litigation determined that GMCL did not breach the *Wishart Act*. As such, the claim against GMCL was dismissed. GMCL’s counterclaim was also dismissed.

With respect to Cassels, the litigation determined that Cassels was negligent and breached its contractual and fiduciary duties to the dealers that retained Cassels. The judge awarded damages against Cassels in the aggregate amount of \$45 million, subject to possible further reduction by the trial judge, as further discussed below. The Court of Appeal reduced the total damages number from \$45 million to \$36.9 million, again subject to possible further reduction by the trial judge (the “**Judgment Amount**”).

The Class Members entitled to share in the Judgment Amount are **only those Class Members that retained Cassels**. These Class Members are: (a) dealers that: (i) sent to CADA the form attached to the May 4, 2009 or the May 13, 2009 memorandum which CADA sent to the dealers for this purpose; and/or (ii) sent funds to CADA pursuant to the May 4, 2009 or the May 13, 2009 memorandum (defined as the “**Participation Form Dealers**”); and (b) Saturn dealers. In other words, only Participation Form Dealers and Saturn Dealers will share in the Judgment Amount payable by Cassels.

As set out below, the trial judge will determine the final quantification of damages (subject to a ceiling of \$36.9 million) to be paid to the Participation Form Dealers and Saturn dealers at an upcoming hearing.

Hearing to Determine Damages and Approve Distribution and Class Counsel Fees:

On July 27, 2018 at 10:00 a.m. (ET), there will be a hearing before the Ontario Superior Court of Justice (the “**Damages Motion**”) at which: (i) the trial judge will decide the final determination of damages; (ii) Class Counsel will seek the Court’s approval of the fees and disbursements reimbursement of Class Counsel; (iii) Class Counsel will seek the Court’s approval of the method of distribution of damages; (iv) Class Counsel will seek the Court’s approval of the reimbursement of Class Member contributions to the funding of the class action; and (v) the trial judge will determine who should pay the costs related to the administration of the distribution. The hearing will be held at 330 University Avenue, 8th Floor, Toronto, Ontario.

At the hearing, Class Counsel will seek approval of the fees provided for in their retainer agreement with the class plaintiff, Trillium, being 20% of the Judgment Amount, plus HST, plus all costs awarded by the court in favour of Trillium. In addition, Class Counsel will seek approval of the reimbursement of the disbursements they incurred. Class Counsel will be requesting the fees and disbursements to be deducted from the Judgment Amount. Class Counsel will also seek the court’s approval to reimburse with interest any Class Member that contributed to the disbursement funding for the class action.

Class Members have the right to object or comment on the fee request in writing to the attention of class counsel. All comments must be submitted in writing by July 13, 2018. All comments received by that date will be given to the court.

Additional Information and Questions:

For further information about this Notice you may contact:

- Andy Seretis (aseretis@sotosllp.com) of Sotos LLP, Barristers and Solicitors, Suite 1200, 180 Dundas St. West, Toronto, ON M5G 1Z8 | T. 416.977.0007 | F. 416.977.0717 | www.sotosllp.com
- Michael Statham (mstatham@weirfoulds.com) or Marie-Andrée Vermette (mavermette@weirfoulds.com) of WeirFoulds LLP, Barristers & Solicitors, 4100 – 66 Wellington Street West, PO Box 35, Toronto-Dominion Centre, Toronto, ON M5K 1B7 Canada | T. 416.365.1110 | F. 416.365.1876 | www.weirfoulds.com

The statement of claim and other court papers in this action are available for inspection at the Ontario Superior Court of Justice, 393 University Avenue, 10th Floor, Toronto, Ontario, M5G 2J6 and on Sotos LLP’s website at <https://sotosclassactions.com/cases/current-cases/gm-dealers-claim/>.

PLEASE DO NOT CALL the Ontario Superior Court of Justice or the Registrar of the court. They will not be able to answer your questions about the lawsuit.

Date: May 25, 2018

This notice is approved by the Ontario Superior Court of Justice.

