

## SETTLEMENT NOTICE (LONG FORM)

**DID YOU ACCEPT VISA OR MASTERCARD CREDIT CARDS  
BETWEEN MARCH 23, 2001 AND SEPTEMBER 2, 2021?**

**IF SO, APPLY NOW TO RECEIVE MONEY FROM CLASS ACTION SETTLEMENTS  
THE DEADLINE TO MAKE A CLAIM IS SEPTEMBER 30, 2022.**

### CREDIT CARD CLASS ACTIONS SETTLEMENT

#### 1. WHAT ARE THE CLASS ACTIONS ABOUT?

Class actions were started in Canada claiming certain banks and Visa and Mastercard (the “Defendants”) conspired to set higher interchange fees and to impose rules restricting merchants’ ability to surcharge or refuse higher cost Visa and Mastercard credit cards.

“Interchange Fees” are fees paid by merchants and collected by banks for transactions involving Visa and/or Mastercard credit cards in Canada.

#### 2. WHAT SETTLEMENTS HAVE BEEN ACHIEVED?

Settlements were reached with the following Defendants:

Defendants	Settlement Amount
Bank of America Corporation	\$7,750,000
Capital One Bank (Canada Branch)	\$4,250,000
Citigroup Inc.	\$1,630,000
Fédération des caisses Desjardins du Québec	\$9,900,000
Mastercard International Incorporated	\$19,500,000
Visa Canada Corporation	\$19,500,000
National Bank of Canada Inc.	\$6,000,000
Canadian Imperial Bank of Commerce, Royal Bank of Canada, Bank of Montreal, Bank of Nova Scotia, and Toronto-Dominion Bank	\$120,000,000

These settlements have all received court approval. The Defendants do not admit any wrongdoing or liability. The settlements resolve the class actions.

**Questions? Visit [www.CreditCardSettlements.ca](http://www.CreditCardSettlements.ca),  
email [info@CreditCardSettlements.ca](mailto:info@CreditCardSettlements.ca), or call toll-free 1 (877) 283-6548**

### 3. DISTRIBUTION OF SETTLEMENT FUNDS

#### A. How much money is available for distribution?

The settlements total approximately CDN \$131 million. The settlement funds, plus any costs awards and interest, and less court-approved legal fees, disbursements, administration expenses, and applicable taxes (the “Net Settlement Amount”), are available for distribution to eligible claimants (set out below under “who can make a claim?”). The Net Settlement Amount is approximately CDN \$131 million.

The courts approved a distribution plan for distributing the Net Settlement Amount. A copy of the distribution plan is available at [www.CreditCardSettlements.ca](http://www.CreditCardSettlements.ca).

#### B. Who can make a claim?

“Settlement Class Members” are eligible to file a claim to receive a share of the Net Settlement Amount. Settlement Class Members are all persons in Canada who accepted payments by Visa or Mastercard credit cards between March 23, 2001 and September 2, 2021 (the “Class Period”), except the Defendants and certain parties related to the Defendants.

#### C. How will the settlement funds be distributed?

The Net Settlement Amount will be divided into three funds:

<b>Merchant Fund</b>	<b>Amount of Net Settlement Amount Allocated</b>
<b>Small Merchant Fund</b> Settlement Class Members who collect less than \$5 million in average yearly revenue over the Class Period	40%
<b>Medium Merchant Fund</b> Settlement Class Members who collect \$5 million to \$20 million in average yearly revenue over the Class Period	10%
<b>Large Merchant Fund</b> Settlement Class Members who collect more than \$20 million in average yearly revenue over the Class Period	50%

Settlement Class Members will be paid from the fund that corresponds to their average yearly revenue.

**D. How much money will Settlement Class Members get?**

Settlement Class Members who are Small Merchants may file “undocumented claims” (claims that do not require any supporting documents). Small Merchants are eligible to receive \$30 for each year they accepted Visa or Mastercard credit cards during the Class Period.

Settlement Class Members who are Medium Merchants may file “simplified claims” (claims that require proof of at least one agreement entered into with an acquirer or payment processor). Medium Merchants are eligible to receive \$250 for each year they accepted Visa or Mastercard credit cards during the Class Period.

Settlement Class Members who are Large Merchants have two options for filing a claim:

- Large Merchants may file simplified claims (claims that require proof of at least one agreement entered into with an acquirer or payment processor). Large Merchants who make simplified claims are eligible to receive \$250 for each year they accepted Visa or Mastercard credit cards during the Class Period.
- To be eligible to receive more than \$250 per year, Large Merchants may file documented claims (claims that require documents showing credit card sales volume or payment of interchange fees).

For the purpose of documented claims, the Interchange Fees that a Large Merchant paid will be calculated based on the actual Interchange Fees paid, or by applying an average interchange rate of 1.5% to credit card sales volume. Large Merchants will be able to rely on:

- merchant statements, historical accounting records, or other records that show the Interchange Fees they paid or their credit card sales volume; or
- a declaration attesting to the Interchange Fees they paid or their credit card sales volume, together with substantiating documentation that is acceptable to the Claims Administrator (see the Distribution Plan for more detailed requirements).

Where a Large Merchant does not have all records for the period between March 23, 2001 and September 2, 2021, it can extrapolate based on existing records. The Large Merchant must provide the basis of the extrapolation and proof that it was fully operational during the period in which the records are being extrapolated.

The funds remaining in the Large Merchant Fund after paying simplified claims will be distributed to eligible Large Merchants *pro rata* (proportionately) based on the Interchange Fees they paid over the Class Period, as compared to the Interchange Fees paid by all qualifying Large Merchants. Because settlement benefits are being distributed *pro rata*, the amount payable to individual Large Merchants will not be known until after the claims process is complete.

### **Sample Calculation**

\$1,000,000 (Credit Card Sales Volume) x 1.5% (Average Interchange Rate)  
= \$15,000 (qualifying Interchange Fees paid).

Assuming the value of all qualifying Large Merchants' Interchange Fees paid is \$500 million, this Large Merchant would be entitled to 0.003% (\$15,000/\$500,000,000) of the portion of the Net Settlement Amount in the Large Merchant Fund remaining after simplified claims are paid out.

#### **4. APPLYING TO RECEIVE A PAYMENT**

Settlement Class Members who want to receive compensation must file a claim **no later than September 30, 2022**. Claims that are not made before the deadline may not be eligible for compensation. You can make a claim online at **www.CreditCardSettlements.ca**. If you do not have internet access, but wish to apply to receive a payment, please contact the Claims Administrator at 1-877-283-6548.

#### **5. SURCHARGING**

In addition to money, the class actions also secured the ability for Settlement Class Members to apply a surcharge when accepting credit cards. The rules affecting surcharging are set to change in October 2022. Settlement Class Members cannot impose surcharges before October 2022. For details of how and when Settlement Class Members can implement surcharges, check for updates on **www.CreditCardSettlements.ca**.

#### **6. CLAIMS ADMINISTRATOR**

The courts have appointed Epiq Class Action & Claims Solutions, Inc. (an independent third party) to receive and review claims, determine eligibility for payments, and issue payments to eligible Settlement Class members.

Questions regarding the claims process should be directed to Epiq Class Action Services Canada, Inc. at [info@CreditCardSettlements.ca](mailto:info@CreditCardSettlements.ca) or call 1 (877) 283-6548.

#### **7. CLASS COUNSEL AND LEGAL FEES**

Settlement Class Members are represented by Camp Fiorante Matthews Mogerman LLP, Branch MacMaster LLP and Consumer Law Group Inc.

**Camp Fiorante Matthews Mogerman LLP** can be reached at:

Telephone: 604-689-7555  
Email: [swong@cfmlawyers.ca](mailto:swong@cfmlawyers.ca)  
Mail: #400 - 856 Homer Street, Vancouver, BC V6B 2W5  
Attention: Sharon Wong

**Questions? Visit [www.CreditCardSettlements.ca](http://www.CreditCardSettlements.ca),  
email: [info@CreditCardSettlements.ca](mailto:info@CreditCardSettlements.ca), or call toll-free 1 (877) 283-6548**

**Branch MacMaster LLP** can be reached at:

Telephone: 604-654-2999  
Email: lbrasil@branmac.com  
Mail: 1410 – 777 Hornby Street, Vancouver, BC V6Z 1S4  
Attention: Luciana P. Brasil

**Consumer Law Group Inc.** can be reached at:

Telephone: 1-888-909-7863 x2  
Email: jorenstein@clg.org  
Mail: 1030 rue Berri, Suite 102, Montreal, QC H2L 4C3  
Attention: Jeff Orenstein

You can also reach the lawyers by email at [lawyer@CreditCardSettlements.ca](mailto:lawyer@CreditCardSettlements.ca). You do not need to pay out-of-pocket for the lawyers working on the class actions. The lawyers were paid from the settlement funds in the amount approved by the courts.

## **8. QUESTIONS ABOUT THE SETTLEMENTS**

More information about the settlements, the distribution of the settlement funds and the claims process is available online at **[www.CreditCardSettlements.ca](http://www.CreditCardSettlements.ca)**, by email at [info@CreditCardSettlements.ca](mailto:info@CreditCardSettlements.ca) or by calling toll-free 1-877-283-6548.

## **9. INTERPRETATION**

This notice contains a summary of some of the terms of the settlement agreements and the distribution plan. If there is a conflict between the provisions of this notice and the settlement agreements (including the appendices) and/or the distribution plan, the terms of the settlement agreements and/or distribution plan will apply.