

NOTICE OF CLASS ACTION CERTIFICATION AND HEARING FOR SETTLEMENT APPROVAL

Regarding class actions for recovery of Children's Special Allowances

If you were a provincially funded child in the care of a Child and Family Services Agency in Manitoba between 2005 and 2019, your legal rights may be affected. Please read this Notice carefully.

What is this Notice About?

This Notice is being provided in relation to class proceedings commenced against the Government of Manitoba ("**Manitoba**") in respect of Manitoba's actions and policies relating to the administration of Children's Special Allowance Benefits ("**CSA Benefits**") paid for children in the care of Child and Family Services Agencies in Manitoba (the "**CFS Agencies**"), except the Metis Child, Family and Community Services Agency Inc. and Michif Child and Family Services Inc. (the "**Métis Agencies**") between January 1, 2005 and March 31, 2019, inclusive (the "**Flette/Lavallee Class Actions**"). There is a separate but related class proceeding dealing with Manitoba's actions and policies relating to the administration of CSA Benefits paid for children in the care of the Metis Agencies over that same period of time (the "**Lafontaine Class Action**").

This Notice was approved by the Court of King's Bench of Manitoba (the "**Court**") to provide class members with notice that:

- 1) On December 13, 2023, the Court certified the Flette/Lavallee Class Actions as class proceedings and certified the classes as all persons, and the estates of those persons, who were in the care of the CFS Agencies, other than the Métis Agencies, at any time between January 1, 2005, and March 31, 2019 (the "**Class Period**"), and were deemed a provincial funding responsibility (the "**Class**").
- 2) The Plaintiffs in the Flette/Lavallee Class Actions have reached a settlement with Manitoba in the amount of **\$445,200,000** to be paid to the Class with a portion of those funds to be used to pay legal fees, the costs of administering the settlement, and for a charitable purpose if any funds remain after eligible claims are paid (the "**Settlement**"). For the purposes of facilitating the Settlement, the Claims Administrator will make application under section 76(3)(b) of *The Child and Family Services Act*, CCSM c C80 for access to

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confidential Class Member records which may be necessary to assist in determining and assessing entitlement. The Court will need to approve the Settlement. The Settlement Approval Hearing is scheduled for **September 5 and 6, 2024** at the Court.

Certification

- Certification is a preliminary step in a class action, where the Court assesses various criteria before determining whether the proposed representative plaintiffs can advance the claims of all class members through a class action.
- On December 13, 2023, the Court certified the Flette/Lavallee Class Actions as class proceedings and certified the Class.
- The Court appointed Elsie Flette, Lee Malcolm-Baptiste, Trudy Lavallee, and Joshua Camplin as the Representative Plaintiffs.
- The Court appointed as Class Counsel the firms of Cochrane Saxberg LLP, for the Lavallee Action, and DD West LLP, for the Flette/Lavallee Actions.

Opting Out

Members of the Class who do not want to participate in the class actions must formally “opt out”. To opt out you must complete and submit the opt-out form, which can be found at **Schedule “A”** and online at CSASettlement.com. The opt-out form must be sent by mail to Exchange Solutions Inc. (the “**Claims Administrator**”), 1-554 St. Mary’s Road, Winnipeg, MB R2M 3L5 or be e-mailed to info@csasettlement.com.

No Class Member will be permitted to opt out of the class actions unless the election to opt out is received by the Claims Administrator on or before 5:00 p.m. CST on August 26, 2024.

A member of the Class who opts out will not be entitled to participate in the Flette/Lavallee Class Actions, will not be bound by the Settlement once approved by the Court, and will not be eligible for any recovery in the Flette/Lavallee Class Actions. A Class member who opts out may be eligible to pursue a claim in a separate proceeding. If a Class member wishes to pursue their own claim in a separate proceeding, they should consult with a lawyer immediately.

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Settlement

- On March 19, 2024, the Plaintiffs reached an agreement in principle with Manitoba to settle the Flette/Lavallee Class Actions for a payment of \$445,200,000. A portion of the Settlement funds will pay for legal fees and settlement administration fees.
- On June 18, 2024, the Plaintiffs and Manitoba entered into a comprehensive Settlement Agreement. Under the Settlement Agreement, the Claims Administrator is appointed to manage the distribution of the Settlement funds. The Claims Administrator will determine each Class member's eligibility and entitlement to payment from the Settlement funds (the "**Settlement Benefits**").
- Settlement Benefits will be calculated based on the length of time, and when, the Class Member was in care of the CFS Agencies.
- Manitoba confirms that, subject to applicable law, amounts paid to a Class Member from the Settlement Amount will not be deemed to be a form of income replacement or compensation for loss income, and will not affect eligibility for, the amount, nature and/or duration of social assistance programs administered by or on behalf of Manitoba.
- As part of the approval of the Settlement, Class Counsel will be requesting Court approval that a portion of Settlement funds be used to pay the legal fees, disbursements and applicable taxes relating to the prosecution of the Flette/Lavallee Class Actions and related constitutional challenges. The legal fees are detailed in the "Legal Counsel and Legal Fees" section below.

Class Member Legal Rights and Options at this Stage

Do Nothing	If a Class member supports or is indifferent to the proposed Settlement, they do not have to do anything right now. When the claims administration period opens, the Class member will be able to file a Claims Form to receive compensation, subject to assessment by the Claims Administrator.
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GET MORE INFORMATION:

Object to the Proposed Settlement	If a Class Member disagrees with the proposed Settlement offering compensation to Class Members, they can voice their objection to the Court by completing and submitting the Objection Form attached as Schedule "B" <u>no later than August 26, 2024.</u>
Object to the Proposed Fees	If a Class member disagrees with the legal fees allocated to Class Counsel, they can voice their objection to the Court by completing and submitting the Objection Form attached as Schedule "B" <u>no later than August 26, 2024.</u>
Opt-Out of the Class Proceedings	If a Class member does not want to participate in the Class Actions, they must formally "opt out" by completing and submitting the opt-out form attached as Schedule "A" <u>no later than August 26, 2024.</u>

Important Information

Basic Information

(1) Why is there a Notice?

The Court has approved this Notice to let Class members know about the certification of the Flette/Lavallee Class Actions and the Settlement Approval Hearing, and to explain their rights as Class members.

(2) What is this lawsuit about?

From January 1, 2005 to March 31, 2019, Manitoba took Children's Special Allowances (CSA) Benefits from Child and Family Service Agencies in Manitoba, the legal guardians of children in care (the "CSA Policy").

This CSA Benefit is the equivalent to the Canda Child Benefit received by parents of children who are not in care, and should have been used exclusively for the benefit of the child for whom it was owed to under the Federal *Children's Special Allowances Act*. In total, Manitoba wrongfully took approximately \$290 million from the Class during this time.

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In 2020, Manitoba passed legislation which deemed lawsuits regarding its CSA Policy to be dismissed, and retroactively legitimized its CSA Policy during the claim period. In 2022, the Court found Manitoba's actions to be unconstitutional and discriminatory. Afterwards, three class actions were certified to pursue recovery of the money taken by Manitoba, including the Flette/Lavallee Class Actions.

(3) Who is a member of the Class, or a Guardian or an estate representative of a Class member?

If a person was a provincially funded child in the care of a CFS Agency, except the Métis Agencies, at any time between January 1, 2005, and March 31, 2019, that person is likely a member of the Class and likely entitled to compensation.

A legal guardian of a Class Member, or a person legally responsible for the estate of a Class Member, is responsible for making decisions on behalf of the Class Member with respect to the class actions, including opting out or making an objection.

One other related class action has also been certified with a **different** class definition:

- The Lafontaine Class Action: All children in the care of either of the Metis Agencies between January 1, 2005 and March 31, 2019.

It is possible a person may be a member of more than one class and entitled to compensation from more than one class action. For example, if a person was in the care of one of the Métis Agencies for a certain period of time, and in the care of a different child and family service agency for another period of time, and both periods of time were between 2005 and 2019, that person may be a member of more than one class and is likely entitled to compensation from more than one class action.

If you believe you may be a member of more than one class action, please inquire with the Claims Administrator who can assist you, or contact class counsel for the Lafontaine Class Action or the administrator for the Lafontaine Class Action at the contact information provided below under the title "Learning More".

(4) What is the status of the lawsuit?

The Flette/Lavallee Class Actions were certified as class actions on December 13, 2023. Now, the parties have agreed to settle the case and Manitoba has agreed to provide compensation to the Class members.

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The Court must approve the proposed Settlement before it is effective. At a Court hearing on September 5 and 6, 2024, the parties will be asking the Court to approve the Settlement. Once the Settlement is approved, the Claims Administrator will initiate the process for distributing the Settlement funds to Class members.

Settlement Proposal

(1) What does the Settlement offer?

The proposed Settlement offers total compensation to the Class in the Flette/Lavallee Actions of \$445,200,000. From that amount, approximately 9% will be used for (1) legal fees; and (2) administration of the Settlement.

Each Class member will receive a proportionate payment, based on how long the Class member was in care, when the Class member was in care, and potentially a second payment if there are sufficient amounts remaining in the Settlement fund after the claims registration period.

Legal Counsel and Legal Fees

(1) Do Class members have a lawyer?

Yes. The Court has appointed the following law firms to represent Class members as "Class Counsel". Class Members will not be charged for contacting these lawyers with questions:

Cochrane Saxberg LLP for the Lavallee Class Action.
Email: CSA@cochranesaxberg.com

DD West LLP for the Flette/Lavallee Actions.
Email: CSA@ddwestllp.com

(2) How will Class counsel be paid?

At the hearing on September 5 and 6, 2024, Class Counsel will seek Court approval that a portion of the Settlement funds be used to pay the legal fees, disbursements and applicable taxes relating to the prosecution of the Flette/Lavallee Class Actions. Class Counsel are being paid on a contingency basis and are seeking to be paid approximately 5.6% (or \$25,000,000), plus disbursements and taxes, of the overall Settlement Amount.

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If Class Members object to the proposed Settlement or legal fees, they are responsible for paying the legal fees of any lawyer or other professional or person who they retain to assist in advancing any such objections.

(3) Other legal counsel and legal fees

Several Indigenous CFS Authorities and Agencies, as well as the Southern Chiefs' Organization have incurred \$1,042,276.62 in legal costs, together with the Flette Plaintiffs, to challenge the constitutional validity of Manitoba's actions and policies relating to the administration of CSA Benefits. In addition to its portion of the previously mentioned legal costs, Peguis Child and Family Services has incurred and expects to incur additional legal costs (\$125,000.00 plus disbursements and taxes) regarding its intervention in the Flette/Lavallee Actions. At the hearing on September 5 and 6, 2024, those parties will seek Court approval that a portion of the Settlement funds be used to reimburse the parties for those legal costs.

Learning More

The Court office will not be able to answer questions about matters in this Notice. If Class members have any questions regarding the proposed Settlement or making a Claim, information is available at CSASettlement.com, or by contacting the Claims Administrator at the following:

Flette/Lavallee Class Action Claims Administrator

Exchange Solutions Inc.

Email: info@csasettlement.com

Phone: 1-204-947-7101

Class members may also be a member of the Lafontaine Class Action. For more information on the Lafontaine Class Action, Class members can contact the following law firm:

Lax O'Sullivan Lisus Gottlieb LLP

Suite 2750, 145 King St W

Toronto ON M5H 1J8 Canada

Telephone: 1-416-645-5079

E-mail: metisclassaction@lolg.ca

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Important Dates

**Deadline to Provide an Objection to Oppose the Proposed Settlement and/or Fees:
August 26, 2024**

Settlement Approval Hearing: September 5 and 6, 2024

Deadline to Opt-Out of Class Proceeding: August 26, 2024.

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SCHEDULE "A"

OPT-OUT FORM

****ONLY SUBMIT THIS FORM IF YOU WISH TO OPT-OUT OF THE CLASS PROCEEDINGS****

MAIL YOUR OBJECTION FORM TO: 1 – 554 St. Mary's Road, Winnipeg, MB, R2M 3L5 or e-mail the form as an attachment to info@CSAsettlement.com.

YOUR OPT-OUT MUST BE DELIVERED BY: **August 26, 2024, 5:00 P.M. CST**

First Name		Last Name	
Mailing Address			
City	Province		Postal Code
Telephone Number		Email Address:	

If you are acting on behalf of a Class Member, please provide your authority to act:

I confirm that I wish to opt-out of the Flette/Lavallee Class Actions.

By opting-out, I understand that:

- I will not be entitled to participate in the Class Actions;
- I will not be bound by any judgment in the Class Actions; and
- I will not be eligible for any recovery in the Class Actions.

Signature of Class Member (or Representative)

Date (dd/mm/yy)

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SCHEDULE "B"

OBJECTION FORM

****ONLY SUBMIT THIS FORM IF YOU WISH TO OBJECT TO THE PROPOSED SETTLEMENT AND/OR LEGAL FEES OF CLASS COUNSEL OR OTHER LEGAL FEES****

MAIL YOUR OBJECTION FORM TO: 1 – 554 St. Mary's Road, Winnipeg, MB, R2M 3L5 or e-mail the form as an attachment to info@CSAsettlement.com

YOUR OBJECTION MUST BE DELIVERED BY: **August 26, 2024, 5:00 P.M. CST**

Objector's Contact Information:

First Name		Last Name	
Mailing Address			
City	Province	Postal Code	
Telephone Number		Email Address:	

Brief Statement of the Nature and Reasons for Objection:

I am objecting to the Proposed Settlement or legal fees for the following reasons:

GET MORE INFORMATION:

