

Auto Dealer Advertising Class Action Settlement

PLEASE READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS

PURPOSE OF THIS NOTICE

This notice is directed to all automotive dealerships in Canada who purchased advertising inventory listings (“Advertisements”) on AutoCatch.com and/or Wheels.ca (the “Websites”) **between April 30, 2013, and April 17, 2018** (the “Class” or “Class Members”), which contained links to the Canada Drives website related to financing applications perceived to be within the body of the advertisement as opposed to visibly outside the advertisement (the “Embedded Financing Links”).

A proposed class action lawsuit has been commenced pertaining to Digital Auto Ventures Partnership’s (“DAV”) inclusion of Embedded Financing Links in the Advertisements. A proposed settlement has now been reached, and the class action has been certified on consent for settlement purposes, for a claim against DAV for breach of contract, and against 1005199 B.C. Ltd. for inducing breach of contract.

THE PROPOSED SETTLEMENT

The parties have entered into a settlement agreement dated January 2, 2018. In order for the settlement to become effective, it must be approved by the Ontario Superior Court of Justice. If the Court approves the settlement agreement, the defendants will pay \$1,000,000.00 CAD (one million dollars) (the “Settlement Fund”) to settle the claims of the Class Members, including legal fees, HST and disbursements, in return for a release and a dismissal of the class action. The defendants will also fund the costs to administer the settlement. If you would like a copy of the settlement agreement, it is available at **www.autodealeradvertisingclaim.ca** or a copy can be obtained by contacting Class Counsel as listed below.

The defendants do not admit wrongdoing or liability. This settlement is a compromise of disputed claims.

COMPENSATION FOR CLASS MEMBERS

Class Members shall submit claims forms to the Claims Administrator, who will determine the amounts to be distributed to class members from the Settlement Funds, in full and final settlement of their claims, on the basis of the total amount paid by the class member to DAV for advertising inventory listings on the Websites that included Embedded Financing Links **between April 30, 2013, and April 17, 2018** (the “Class Period”).

For those Class Members (**Group 1**) whose advertising inventory listings on the Websites **included Embedded Financing Links at some point after April 30, 2013, but the Embedded Financing Links were no longer included in the Class Members’ advertising inventory listings, if any, by January 30, 2017**, the claims administrator shall assess those Class Members’ claims at **50%** of the total payments made by the Class Member for advertising inventory listings on the Websites during the Class Period.

For those Class Members (**Group 2**) whose advertising inventory listings on the Websites **included the Embedded Financing Links at some point after April 30, 2013 and continued to include the Embedded Financing Links after January 30, 2017**, the claims administrator shall assess those Class Members’ claims at **100%** of the total payments made by the Class Member for advertising inventory listings on the Websites during the Class Period.

In the event that the total of the approved exceeds the total amount of the Settlement Funds less the honoraria (if any), legal fees, HST and disbursements, then the approved claims shall be recovered from the Settlement Funds *pro rata*. In the event that the total of the approved claims is less than the total amount of the Settlement Funds less the honoraria (if any), legal fees, HST and disbursements, then the remaining monies in the Settlement Funds shall be applied to reimburse the defendants for the costs of administration. In the event that there are further monies remaining in the Settlement Funds after the defendants have been

fully reimbursed for the costs of administration, then the remaining monies shall be distributed to the Class Member claimants *pro rata*.

OPTING OUT

If the Settlement Agreement is approved by the Court, everyone who falls within the class definition will automatically be included in the Class unless they exclude themselves by “opting out”. If you choose to opt out, you give up your rights in relation to the Settlement Agreement because you are no longer part of the class action, but you would retain any rights you may currently have to sue the defendants over the legal issues in the lawsuit.

A Class Member who wishes to opt out of the class action must indicate their intention to opt out by completing an Opt-Out Form and delivering it to the Claims Administrator via email or at the address below:

Canadian Auto Dealer Advertising Class Action Claims Administrator
Nelson P.O. Box 20187 – 322 Rideau Street
Ottawa, ON K1N 5Y5
Email: info@autodealeradvertisingclaim.ca

The Opt-Out Form is available at **www.autodealeradvertisingclaim.ca** or a copy can be obtained by contacting the Claims Administrator as listed above.

The deadline for Class Members to opt out of the class action is September 10, 2018 at 5 p.m. EST. If the completed Opt-Out Form is not received by September 10, 2018 at 5 p.m. EST the Class Member shall remain a member of the Class.

SETTLEMENT APPROVAL HEARING

The Ontario Superior Court of Justice will hold a hearing at the courthouse at 130 Queen Street West, Toronto, Ontario on **September 21, 2018 at 10 a.m. EST** to consider whether the proposed settlement is fair, reasonable and in the best interests of the Class. Class Members who do not oppose the proposed settlement do not need to appear at the hearing or take any other action at this time to indicate their intention to participate in the proposed settlement. If the settlement is approved, there will be a further detailed notice to Class Members providing instructions about making a claim for compensation.

ADMINISTRATION COSTS AND LEGAL FEES

At the settlement approval hearing, the Court will also be asked to approve a contingency fee agreement and the payment of legal fees in the amount of \$300,000.00 plus HST thereon, plus disbursements of approximately \$9,120.85, out of the Settlement Fund. Class Counsel has entered into a contingency fee agreement with the representative plaintiffs whereby class counsel will recover thirty percent of the Settlement Fund, plus HST thereon, and disbursements.

FOR FURTHER INFORMATION

For questions regarding this notice or the proposed settlement, please contact Class Counsel as follows:

Charney Lawyers PC
151 Bloor St. W., Suite 602
Toronto, ON M5S 1S4
Tel: (416) 964-7950
Email: info@charneylawyers.com

INTERPRETATION

This Notice has been approved by the Court and is a summary of some of the terms of the proposed settlement. If there is a conflict between the provisions of this Notice and the terms of the Settlement Agreement, the Settlement Agreement prevails.

THIS NOTICE HAS BEEN AUTHORIZED BY THE ONTARIO SUPERIOR COURT OF JUSTICE.