

No: 500-06-000076-980

PROVINCE DE QUÉBEC
DISTRICT DE MONTRÉAL

COUR SUPÉRIEURE
(Chambre des actions collectives)

CONSEIL QUÉBÉCOIS SUR LE TABAC ET
LA SANTÉ et JEAN-YVES BLAIS

Demandeurs

c.

JTI-MACDONALD CORP.
IMPERIAL TOBACCO CANADA LIMITEE
ROTHMANS, BENSON & HEDGES INC.

Défendeurs

-et-

FTI CONSULTING CANADA INC.
ERNST & YOUNG INC.
DELOITTE RESTRUCTURING INC.

Intervenants

Court File No. CV-19-615862-00CL

Court File No. CV-19-616077-00CL

Court File No. CV-19-616779-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES'*
CREDITORS' ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF THE PLANS OF
COMPROMISE OR ARRANGEMENT OF:

JTI-MACDONALD CORP.

-and-

IMPERIAL TOBACCO CANADA
LIMITED AND IMPERIAL TOBACCO
COMPANY LIMITED

-and-

ROTHMANS, BENSON & HEDGES INC.

AIDE-MEMOIRE OF THE QUEBEC CLASS ACTION PLAINTIFFS (“QCAPs”)

(Re: Amended and Restated Claims Administrator Order Motion and Epiq’s Budget
Approval Motion returnable September 9, 2026)

1. The present Aide-Memoire is filed in response to the Aide-Memoire of the Attorney General of Quebec (“**Quebec**”) dated September 4, 2026, in connection with the CCAA Plan Administrators’ and Monitors’ Motions for Amended and Restated Claims Administrator Orders and the motion of Epiq Class Action Services Canada Inc. (“**Epiq**” or the “**Claims Administrator**”) for Budget Approval (collectively, the “**Motions**”) solely as the Motions relate

to the Quebec Administration Plan and the related budget for which approval is being sought (the “**First Quarterly Budget**”).¹

2. Respectfully, throughout the CCAA process and during the twenty years that preceded, Quebec Class Counsel have been the party advocating for and looking out for the interests of the *Blais* Class Members. For the reasons summarily set out herein, the QCAPs support the conclusions sought in the two Motions and request that they be granted in accordance with the draft Orders submitted.

3. The QCAPs strongly disagree with Quebec’s request to adjourn the Motion for Budget Approval. The QCAP claims process is at a particularly sensitive time now that the Claims Deadline has occurred and any delays in budget approval can only add to delays in the completion of the claims process, with resulting prejudice to class members. It cannot be emphasized enough that *Blais* Class Members and even their heirs are dying due to their fragile condition or advanced age and it is imperative that the focus be squarely placed on finishing the evaluation of claims and getting compensation to class members without additional delay. As Chief Justice Morawetz stated when he approved the CCAA Plans:

*[171] The Claimants, who will be receiving meaningful compensation as a result of the sanctioning of the CCAA Plans, have waited long enough. Litigation was commenced in 1998. Judgment was obtained in 2015 and confirmed on appellate review in 2019. The CCAA Proceedings were commenced in 2019 and are before this court today to be sanctioned. **Thousands of Claimants have sadly passed away during this period. The QCAPs and the PCCs have waited long enough to receive compensation.** The wait, for many, has been intolerable. **That wait ends today.***

A. The Global Claims Administration Costs Framework was not a Budget

4. The Claims Administrator Order approved the Global Claims Administration Costs Framework (the “**Framework**”).² The Framework was not an approved budget and, for example,

¹ Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Quebec Class Action Administration Plan.

²Exhibit D to the Proposed Amended and Restated Claims Administration Order, page 153 of the Motion Record dated August 28, 2026, of FTI-Consulting Canada Inc., in its capacity as Monitor and CCAA Plan Administrator of Imperial Tobacco Canada Limited and Imperial Tobacco Company Limited.

did not include third-party costs, such as Epiq's legal counsel costs, or sales taxes. The Framework was intended to be a rough estimate and to provide a template for the types of information that would ultimately be included in the annual budgets to be approved by the two Courts.

5. In its Aide-Memoire, Quebec incorrectly conflates the Framework with a Court-approved annual budget and then tries to suggest that the non-existent budget was exceeded.³

6. The process put in place in the Claims Administrator Order was that Epiq would be given time to familiarize itself with the compensation plans that it was charged with administering, before being required to produce an annual budget for approval by the CCAA Court and the Quebec Superior Court.

7. This process was predicated on the understanding that Epiq was not in a position at the outset of its mandate to provide a concrete annual budget and would only be able to do so once it gained sufficient familiarity with the compensation plans and had a better understanding of the issues that it would be facing in the administration of claims thereunder.

8. Quebec Class Counsel received copies of all the weekly and monthly reporting required under the Claims Administrator Order and have furthermore received copies of all invoices issued by Epiq related to the administration of the Quebec Administration Plan. Quebec Class Counsel were charged with reviewing these invoices and approving them, after which the CCAA Plan Administrators provided their approvals as well. In order to inform their decision to approve these invoices, Quebec Class Counsel carefully reviewed the claimed costs, made numerous queries to Epiq and received satisfactory explanations, and compared the work being performed and the amounts charged by Epiq with comparable work being performed by its own agent, Proactio, the costs of which Quebec Class Counsel have been incurring from their own funds.

³ Even if the Framework would be viewed as a rough best-guess estimate put forward in August 2025, insofar as the administration of the Quebec Administration Plan over Year 1 (September 1, 2025 to August 31, 2026) is concerned, even that estimate has not been materially exceeded. In fact, actual Year 1 administration costs for the QCAP program (comparing the Framework and actuals on an apples-to-apples basis), reveal that the costs for the first year are within a very reasonable range of what was estimated.

9. To date, and in conformity with the Claims Administrator Order, Quebec Class Counsel have approved payment of the invoices issued by Epiq up to June 30, 2026. Quebec Class Counsel considered such invoices to be reasonable in the circumstances.

10. These invoices, once approved by Quebec Class Counsel, were paid from the QCAP Trust Accounts. As opposed to the PCC Compensation Plan, the costs of the administration of the QCAP plan are borne entirely from the monies allocated to the QCAPs and are not funded by the Tobacco Companies.

B. The proposed Quebec Administration Plan Budget for September to November 2026 is \$6,781,134, excluding third-party costs and sales tax

11. The First Quarterly Budget for the Quebec Administration Plan is \$6,781,134, excluding third-party costs and sales taxes.

12. This is the first budget for which approval of the Courts is being sought, and there is no “First Annual Global Claims Administration Costs Budget” against which the First Quarterly Budget can be compared, as Quebec purports to have done in its analysis.

13. What Quebec has done, and respectfully we submit incorrectly, is compare the Year 2 Framework amount to the First Quarterly Budget, when these are not comparable documents, given that the Framework was not informed by the experience of administering the Quebec Administration Plan for the first year, whereas the First Quarterly Budget has specifically been prepared with that in mind.

C. The Complexities in the Quebec Administration Plan must be considered

14. The First Quarterly Budget must be assessed in light of the actual experiences to date with the administration of the Quebec Administration Plan and the expected volume of work ahead to bring the program across the finish line and to finally pay compensation to the Eligible *Blais* Class Members.

15. Because Quebec Class Counsel have been working tirelessly with Proactio over the past 12 months to assist claimants in the preparation, compilation and completion of their claims (and paying Proactio for these services), Quebec Class Counsel are in a particularly privileged position to assess whether Epiq's First Quarterly Budget appears to be reasonable in the circumstances and to provide our opinion to the Courts that it is.

16. Indeed, there are a number of complexities in the administration of the Quebec Administration Plan, which were not fully appreciated at the time the Framework was prepared, and which may explain why the costs reflected in the First Quarterly Budget are higher than those contemplated by the Framework for Year 2. These elements, among others, will be more fully detailed in a Motion that will be made shortly by the Quebec Class Action Plaintiffs seeking authorization for an interim distribution payment to Eligible *Blais* Class Members, which will be filed as soon as there is a clearer understanding of the total number of claims and the potential maximum amount required to satisfy those claims. However, these complexities are summarized hereafter, as they provide some context for the consideration of the reasonableness of the First Quarterly Budget as well:

- a. **The number of claimants:** As a result of tremendous efforts on the part of Proactio and Quebec Class Counsel, there has been an unprecedented number of claims filed in the Quebec Administration Plan – well beyond anyone's expectations. The total claims filed in the QCAP program by the Claims Deadline exceed 80,000, not including the likely fraudulent claims referred to in the O'Connor Affidavit that were filed directly with Epiq in its role as Claims Administrator.⁴ Justice Riordan in his seminal judgment condemning the Tobacco Companies determined that the total projected class size was approximately 100,000 class members. The remarkable success of the claims process should be celebrated, but there are additional costs associated therewith.
- b. **The number of claimants requiring health records:** One of the reasons that QCAP claims were filed more slowly than expected was that more than half of the claimants required medical records to complete their claims (i.e., the claimants without an Official

⁴ Affidavit of Michael O'Connor dated September 1, 2026 (the "O'Connor Affidavit") at para 27.

Confirmation). At this time, certain claims still remain incomplete, as more than 19,000 claimants are waiting for Santé Québec to provide the medical records required to prove their claims. This also means that the Claims Administrator is reviewing far more medical evidence than originally anticipated.

- c. **Succession claims:** The sad reality of a case that has gone on for 28 years is that approximately 75% of the claims submitted under the Quebec Administration Plan are Succession Claims (with about 90% of cancer claimants having already died). Unlike many claims processes that require all compensation to flow through an estate, the Quebec Administration Plan was designed to permit compensation to reach heirs directly where possible. While this promotes greater access to compensation and is in the interests of *Blais* Class Members and their families, it also requires the collection and review of detailed succession information that often spans multiple generations and frequently involves individuals with very large families, many of whom died intestate. The review and validation of these claims is considerably more complex and time-consuming than originally anticipated for the QCAP Agent, and naturally, will also be so for the Claims Administrator. The delay in finding and compiling the required succession documents is a further explanation as to why many claims were filed in incomplete form, as noted in the O'Connor Affidavit.
- d. **Confusion between the two programs:** Many PCC Claimants filed their claims with the QCAP Agent, which only ascertained this once the medical records were received and after all the work had been done to complete the claim. This means that the Claims Administrator will have to internally transfer many claims to the correct program.
- e. **Frustration amongst claimants:** Claimants have been waiting an inordinately long time for their compensation and are understandably frustrated and upset by the delays. This results in claimants calling many times for status updates, especially in view of the advanced age of so many of the claimants. Each time any written communication is sent out, the QCAP Agent receives thousands of calls from claimants asking for explanations. As responsibility for claimant communications shifts from the Quebec Agent to the Claims

Administrator, it is expected that the volume of calls and e-mails directed to the Claims Administrator will increase.

THE WHOLE RESPECTFULLY SUBMITTED.

September 8, 2026

FISHMAN FLANZ MELAND PAQUIN LLP

Place du Canada

1010 de la Gauchetière St. W., Suite 1600

Montreal, Quebec H3B 2N2

Tel: 514-932-4100 Fax: 514-932-4170

Mark E. Meland

Email : mmeland@ffmp.ca

Tina Silverstein

Email : tsilverstein@ffmp.ca

ANDRÉ LESPÉRANCE

Email: lesperance.andre@gmail.com

TRUDEL JOHNSTON & LESPÉRANCE SENC

750 Côte de la Place d'Armes, Suite 90

Montreal, Quebec H2Y 2X8

Tel: 514-871-8385 Fax: 514-871-8800

Philippe H. Trudel

Email: philippe@tjl.quebec

Lawyers for the Quebec Class Action Plaintiffs

No. : 500-06-000076-980

C O U R S U P É R I E U R E
(Chambres des actions collectives)
DISTRICT DE MONTRÉAL

CONSEIL QUÉBÉCOIS SUR LE TABAC ET LA SANTÉ et JEAN-YVES BLAIS

Demandeur

JTI MACDONALD CORP. -et- IMPERIAL TOBACCO CANADA LIMITED -et- ROTHMANS, BENSON & HEDGES INC.

Défenderesses

FTI CONSULTING CANADA INC. -et- ERNST & YOUNG INC. et DELOITTE RESTRUCTURING INC.

Intervenants

Court File No. CV-19-615862-00CL - Court File No. CV-19-616077-00CL - Court File No. CV-19-616779-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF THE PLANS OF COMPROMISE OR ARRANGEMENT OF: JTI-MACDONALD CORP.-and-IMPERIAL TOBACCO CANADA LIMITED AND IMPERIAL TOBACCO COMPANY LIMITED -and- ROTHMANS, BENSON & HEDGES INC.

**AIDE-MEMOIRE OF THE QUEBEC CLASS ACTION PLAINTIFFS (“QCAPs”)
(Re: Amended and Restated Claims Administrator Order Motion and Epiq’s Budget
Approval Motion returnable September 9, 2026)**

FISHMAN FLANZ MELAND PAQUIN LLP
Place du Canada
1010, rue de la Gauchetière Ouest, Bureau 1600
Montréal, Québec, H3B 2N2
Tél. : 514-932-4100
BM-0309

ANDRÉ LESPÉRANCE
Avocat-Conseil

TRUDEL JOHNSTON & LESPÉRANCE,
s.e.n.c.
750, Côte de la Place d’Armes, bureau 90
Montréal (Québec) H2Y 2X8
Tél. : 514 871-8385
Fax : 514 871-8800
BT-1415