

SUPERIOR COURT
(Class Action)

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

N° : 500-06-000868-170

DATE : April 23, 2020

PRESIDING: HONOURABLE SYLVAIN LUSSIER, J.S.C.

JULIE TREMBLAY

Plaintiff

v.

VOLKSWAGEN GROUP CANADA INC.

-and-

THE VOLKSWAGEN GROUP OF AMERICA INC.

-and-

AUDI CANADA INC.

-and-

AUDI OF AMERICA LLC.

Defendants

-and-

FONDS D'AIDE AUX ACTIONS COLLECTIVES

Mis-en-cause

JUDGMENT ON APPROVAL OF SETTLEMENT AND CLASS COUNSEL FEES

JL4908

[1] **WHEREAS** on or about June 12, 2017, the Plaintiff, Ms. Julie Tremblay, filed a *Motion to Authorize the Bringing of a Class Action and to Ascribe the Status of*

Representative against the Defendants (the "**Motion**" or the "**Quebec Class Action**") regarding a Timing Chain problem with alleged vehicles;

- [2] **WHEREAS** the Motion concerns an alleged defect in the timing chain system of certain Volkswagen vehicles with EA888 engines that were designed, engineered, developed, researched, manufactured, marketed, distributed, sold and leased throughout Canada by the Defendants (collectively "**Volkswagen**");
- [3] **WHEREAS** after conducting arm's length negotiations, and notwithstanding that the Defendants deny these allegations and any fault or liability attributed to them in these proceedings, the Parties have entered into a national Settlement Agreement as per said Settlement Agreement;
- [4] **WHEREAS** a *Motion for the Approval of a Settlement Agreement and Class Counsel Fees* has been filed by the Plaintiff's attorneys;
- [5] **WHEREAS** The *Fonds d'aide aux actions collectives* has been notified about this settlement, but given the nature of the compensation (warranty extensions and refunds of previously paid repair bills), will not impose a levy pursuant to the *Regulation respecting the percentage withheld by the Fonds d'aide aux actions collectives*, and has informed the Court that it will not contest the present Motion;
- [6] **AND WITHOUT ADMISSION OF LIABILITY** on the part of the Defendants;
- [7] **AND UPON HEARING** the consent of the Defendants, the submission of counsel for the Plaintiff and Defendants;
- [8] **AND UPON HEARING** from objectors, and deciding that notwithstanding serious personal situations, which could well have justified opting-out of the class to pursue individual claims, it is in the interest of the class members, which total approximately 87 000 in Canada, to weigh the benefits globally;
- [9] **AND UPON CONSIDERING** that a transaction necessarily involves mutual concessions or reservations;
- [10] **AND UPON CONSIDERING** the materials filed, including the written objections;
- [11] **WHEREAS** as of the date of this present Motion the COVID-19 crisis is ongoing. By order in council 222-2020 dated March 20, 2020, the Government of Quebec extended the declaration of a state of health emergency for a further period of 10 days, until March 29, 2020. In accordance with order no. 2020-4251 adopted jointly by the Chief Justice of Quebec and the Minister of Justice on March 15, 2020, civil procedure time limits are therefore suspended until March 29, 2020. This suspension might be extended, subject to the discretion of the Court responsible for the appeal;
- [12] **WHEREAS** the Parties have agreed to the wording of this Order to avoid any delays in the implementation of the settlement between the Parties;

[13] **WHEREAS** the Parties have undertaken not to appeal the judgement approving the settlement;

FOR THESE REASONS, THE COURT:

[14] **GRANTS** the present *Motion for the Approval of a Settlement Agreement and Class Counsel Fees*;

[15] **DECLARES** that for the purposes of this Judgment, the definitions set out in the Settlement Agreement, shall apply and are incorporated by reference;

[16] **APPROVES** the Settlement Agreement of the Quebec Class Action in accordance with its terms, pursuant to article 590 of the *Code of Civil Procedure*;

[17] **DECLARES** that the Settlement Agreement is fair, reasonable and in the best interests of Plaintiff and the Class Members;

[18] **DECLARES** that the Settlement Agreement constitutes a transaction within the meaning of articles 2631 and following of the *Civil Code of Quebec*, binding all Parties, including those persons who are under a disability, and all Settlement Class Members who have not opted-out in a timely manner;

[19] **DECLARES** the present proceedings settled in accordance with the terms of article 220 of the *Code of Civil Procedure*;

[20] **DECLARES** that the Settlement Agreement is an integral part of the present Judgment and has the same enforceability as a decision from this Court;

[21] **ORDERS** that the Settlement Agreement be implemented in accordance with its terms;

[22] **ORDERS** the Parties and the Settlement Class Members, with the exception of those who are excluded in accordance with the terms and conditions of the Settlement Agreement to abide by its terms and conditions;

[23] **DECLARES** the Released Parties forever released from the Released Claims, in accordance with the Settlement Agreement;

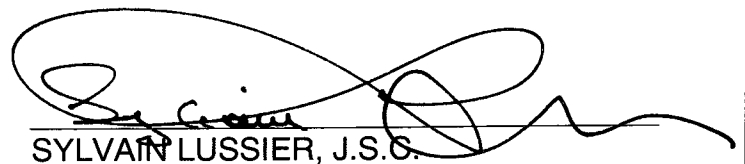
[24] **APPOINTS** Epiq Class Action Services Inc. (Services d'actions collectives Epiq Canada) as Claims Administrator in accordance with the Settlement Agreement;

[25] **ORDERS** the Claims Administrator to perform its obligations as provided in the Settlement Agreement;

[26] **APPROVES** the form and content of the Settlement Notice that shall be distributed to Class Members as described in the Settlement Agreement, substantially in the

form attached to this judgment, as **Appendix 1** (the "**Notice**"), or substantially in the same form thereof;

- [27] **DECLARES** that if the Settlement Agreement is terminated in accordance with its terms, then, without restricting the application of the provisions of the Settlement Agreement:
- a) the Orders included in the present Judgment shall be set aside and be of no further force or effect and without prejudice to any party; and
 - b) all negotiations, statements and proceedings relating to the Settlement Agreement shall be deemed to be without prejudice to the rights of the Parties with respect to Quebec, and the Parties shall be deemed to be restored to their respective positions with respect to the Quebec Class action existing immediately before the Settlement Agreement was executed, which includes, for the Defendants, the right to contest authorization;
- [28] **GRANTS** the right of the Parties to ask the Court to adjudicate any dispute arising from the Settlement Agreement;
- [29] **DECLARES** that the Court remains seized with any issues that may arise with respect to the Quebec Class Action or the administration, interpretation, implementation and enforcement of the Settlement Agreement;
- [30] **DECLARES** that the fees to be paid to Class Counsel are fair and reasonable;
- [31] **GRANTS** to the Class Counsel fees in the amount of \$2,131,884.21, on a national basis, and to be distributed between co-counsel in conformity with their agreements, inclusive of all disbursements, legal fees, taxes, and other applicable charges, as outlined in paragraphs 82 and 83 of the Motion;
- [32] **ORDERS** that this judgement shall come into force and effect when the present Motion is granted.
- [33] **THE WHOLE**, without costs.



SYLVAIN LUSSIER, J.S.C.