

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**

THE HONOURABLE ) FRIDAY, THE 22<sup>ND</sup>  
 )  
JUSTICE E.M. MORGAN ) DAY OF MARCH, 2019

B E T W E E N:



JB & M WALKER LTD.

Plaintiff

- and -

THE TDL GROUP CORP.

Defendant

Proceeding under the *Class Proceedings Act*, 1992, S.O. 1992, c.6

**ORDER**  
**(Conditional Certification Order)**

**THIS MOTION** made by the Plaintiff, on consent of the Defendant, for an order conditionally certifying the within action (the "Action") as a class proceeding for the purposes of implementing a national settlement agreement dated March 6, 2019 (the "Settlement Agreement"), was heard on March 21, 2019 at Osgoode Hall, 130 Queen Street West, Toronto, Ontario with judgment being reserved until March 22, 2019.

**ON READING** all materials filed on this motion, and on hearing the submissions of Class Counsel and counsel for the Defendants:

1. **THIS COURT ORDERS** that the definitions in the Settlement Agreement are incorporated into and shall be applied in interpreting this Order.

5 of the *Class Proceedings Act, 1992*, S.O. 1992, c. 6 (the "*Class Proceedings Act*") on behalf of the Class.

3. **THIS COURT ORDERS** that the Class be collectively defined as all persons who have carried on business as Tim Hortons' franchisees in Canada under a franchise agreement or other form of operating agreement with The TDL Group Corp. at any time on or after December 15, 2014 (the "Class" or "Class Members").

4. **THIS COURT ORDERS** that JB & M Walker Ltd. is hereby appointed as the representative plaintiff for the Class.

5. **THIS COURT DECLARES**, for settlement purposes, that the common issues certified in this Action are:

- a) Is the Defendant a "franchisor" within the meaning of the Arthur Wishart Act (Franchise Disclosure), 2000, S.O. 2000, c. 3 ("Wishart Act") or other common law provincial franchise statutes?
- b) Did the Defendant breach the duty of fair dealing under section 3 of the Wishart Act and other common law provincial franchise statutes owed to Class Members in those provinces in its use and administration of the Ad Fund at any time prior to the Opt-Out Deadline?
- c) Did the Defendant breach the Civil Code of Quebec, S.Q. 1991, c. 64 with Class Members located in the province of Quebec in its use and administration of the Ad Fund at any time prior to the Opt-Out Deadline?
- d) Did the Defendant breach the common law duty of good faith in performance and enforcement of the franchise agreements to the Class Members in the exercise of the discretionary rights affecting the use and administration of Ad Fund contributions at any time prior to the Opt-Out Deadline?
- e) Were Ad Fund moneys used or administered in breach of the Class Members' franchise agreements, at any time prior to the Opt-Out Deadline?

6. **THIS COURT ORDERS** that if the Settlement Agreement is not approved by this Court, then the within Order certifying this class proceeding for settlement purposes is hereby set aside, without further Order of this Court.

7. **THIS COURT ORDERS** that within five (5) days of the date of this Order, the Class shall be given notice of the certification of the Action in the following manner (the "Notice Plan"):

- a) The Defendant shall send the First Notice to all Class Members that are currently franchisees by e-mail where such addresses are known and by posting the First Notice in the Defendant's intranet (known as TimZone);
- b) Class Counsel shall send the First Notice to all Class Members that are no longer franchisees (i) by e-mail where such e-mail addresses are known, and (ii) by regular mail, to their last known address known to the Defendant, where such e-mail addresses are not known; and
- c) Class Counsel shall cause the First Notice to be published on a dedicated website.

8. **THIS COURT ORDERS** that the First Notice and the Second Notice in the forms attached hereto as Schedule 1 and Schedule 2, respectively, are hereby approved.

9. **THIS COURT DECLARES** that the Notice Plan satisfies the requirements of section 17 of the *Class Proceedings Act*, and that the Notice Plan shall be deemed to be notice to the Class.

10. **THIS COURT ORDERS** that by April 26, 2019 Class Counsel and the Defendant shall serve and file affidavits with this Court confirming compliance with their obligations under the Notice Plan.

11. **THIS COURT ORDERS** that any Class Member may opt out of the Action by April 18, 2019 (the "Opt Out Deadline") by sending an election to opt out in the form attached as Schedule 3 by regular mail to Class Counsel, signed by the Class Member or by the authorized

representative of the Class Member, stating that he, she or it opts out of the Ad Fund Action and also stating his, her or its full name and Tim Hortons store address.

12. **THIS COURT ORDERS** that no Class Member may opt out of the Ad Fund Action after the Opt Out Deadline.

13. **THIS COURT ORDERS** that Class Counsel shall, within seven (7) days after the Opt Out Deadline, report to the Court and the Defendant by affidavit to be filed under seal and advise as to the names and store addresses of those Class Members, if any, who have opted out of the Ad Fund Action and attach the opt out documents.

14. **THIS COURT ORDERS** that there shall be no costs of this motion.

15. **THIS COURT ORDERS** that the settlement approval hearing is scheduled to be heard on April 26, 2019.

ENTERED AT / INSCRIPT A TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO:

MAR 28 2019

PER/PAR

*Q*

  
Morgan J.

## Schedule 1

### NOTICE OF CERTIFICATION AND PROPOSED SETTLEMENT OF TIM HORTONS FRANCHISEE AD FUND CLASS ACTION

#### PLEASE READ CAREFULLY. IGNORING THIS NOTICE WILL AFFECT YOUR LEGAL RIGHTS

#### NOTICE OF CERTIFICATION AND PROPOSED SETTLEMENT

A Canada-wide settlement has been reached in the proposed class action *JB & M Walker Ltd. v. The TDL Group Corp.* (formerly styled *1523428 Ontario Inc. v. The TDL Group Corp.*), in the Ontario Superior Court of Justice (Toronto Registry), Court File No. CV-17-577371-00CP (the "Ad Fund Action").

The Ad Fund Action alleged that The TDL Group Corp. ("Tim Hortons") breached its contractual obligations to the Class Members through its administration of the Tim Hortons national advertising fund which was created by the Franchisees' contractually mandated contributions from revenues (the "Ad Fund"). Tim Hortons denies the allegations made in the Ad Fund Action, makes no admission as to the truth of these allegations and denies any wrongdoing.

This Notice advises you of certification of the Ad Fund Action as a class action, the proposed Settlement Agreement (the "Ad Fund Settlement") and of the hearings that will be held to decide whether the Ad Fund Settlement should be approved.

#### WHO IS INCLUDED?

If the Ad Fund Settlement is approved, it will apply to all persons who have carried on business as Tim Hortons' Franchisees in Canada under a franchise agreement or other form of operating agreement with The TDL Group Corp. at any time on or after December 15, 2014 (the "Class" or "Class Members").

#### WHAT IS THE PROPOSED SETTLEMENT?

Given that Tim Hortons® is an iconic, Canadian brand – anchored by its restaurants and Franchisees in every community across Canada, Tim Hortons will work with Franchisees to enhance local marketing initiatives to build the Tim Hortons® brand, including programs such as the Smile Cookie, Timbits® sports, and Tim Hortons® coffee trucks at community events. Tim Hortons will pay for funding, in addition to the Ad Fund, for these types of regional initiatives in the amount of \$10,000,000 over the next two years (the "Advertising Supplement"). Exact regional and community brand building expenditures will be determined by current regional marketing process. Tim Hortons will remit \$2,000,000 to Class Counsel to pay legitimate and reasonable costs of legal, administrative, operational, organizational, logistical, expert, consultant, disbursements, and other expenses related to the common issues raised in this action and the Association Action (defined below) including preliminary investigations related thereto (collectively the "Background Expenses"). Additionally, Tim Hortons and the Tim Hortons Franchisee Advisory Board have amended the Franchisee Advisory

Board Governance Handbook to increase the visibility of Ad Fund expenditures to Franchisees.

The Ad Fund Settlement was reached at the same time as settlement of another class action titled *JB & M Walker Ltd. v. The TDL Group Corp.*, commenced in the Ontario Superior Court of Justice (Toronto Registry), bearing Court File No. CV-17-584058-00CP (the "Association Action" and the "Association Settlement"). The Ad Fund Settlement is contingent on the Association Settlement receiving Court approval, and vice versa. The Ad Fund Settlement and Association Settlement may be reviewed at <https://www.himprolaw.com/class-actions>.

#### OPTING OUT

If you are a member of the Class and do not wish to be bound by future orders made in the Ad Fund Action, and/or by the Ad Fund Settlement, should it be approved, you must take active steps by "Opting Out". To Opt Out, you must fully complete and submit an Opt Out Form to Class Counsel by the Opt Out Deadline of April 18, 2019. Opt Out Forms are at <https://www.himprolaw.com/class-actions> or may be requested by mail or telephone from Class Counsel. If you Opt Out, you will NOT be able to enforce rights under the Ad Fund Settlement.

#### THE SETTLEMENT REQUIRES COURT APPROVAL

In order for the Ad Fund Settlement to become effective, it must be approved by the Court. The Court must be satisfied that the Ad Fund Settlement is fair, reasonable and in the best interest of the Class. The Settlement Approval Hearing has been scheduled for April 26, 2019 at 9:00am at the Ontario Superior Court of Justice, 130 Queen Street West, Toronto, Ontario.

#### OBJECTING TO THE PROPOSED SETTLEMENT AND OPPORTUNITY TO APPEAR

If you wish to object to the Ad Fund Settlement, you must submit a written objection to Class Counsel by no later than April 18, 2019 at the address listed in this Notice. Class Counsel will file copies of all objections with the Court. Do NOT send an objection directly to the Court. You may also attend the Settlement Approval Hearing, and if you submitted a written objection to Class Counsel, you may make oral submissions to the Court.

#### PARTICIPATING IN THE SETTLEMENT

If the Ad Fund Settlement is approved by the Court, the benefits from the settlement will automatically be attributed to you. You will not need to submit a claim for compensation.

**LEGAL FEES**

At or following the Settlement Approval Hearing, Class Counsel will request approval of the Funder's Return and Lawyers' Return as defined in the litigation funding agreement dated November 15, 2018 (the "LFA"). The LFA received Court approval on February 11, 2019. The LFA establishes the Funder's Return to be between 22-26% and the Lawyer's Return to be 2-3% of the litigation proceeds, each depending on when settlement or award is reached. The Lawyers' Return is a top-up in addition to Class Counsel's billed hours. The Funder's Return and the Lawyers' Return are payable from the Advertising Supplement only and is in addition to the Background Expenses. A copy of the LFA can be obtained from Class Counsel.

**FOR MORE INFORMATION**

If you have questions about the Ad Fund Settlement and/or would like to obtain more information and/or copies of the Ad Fund Settlement and related documents, please visit <https://www.himprolaw.com/class-actions> or contact Class Counsel:

Himelfarb Proszanski  
480 University Avenue, Suite 1401  
Toronto, ON M5G1V2  
Attn: Tom Arndt

Phone: 416.599.8080  
Fax: 416.599.3131

[tom@himprolaw.com](mailto:tom@himprolaw.com)

This Notice contains a summary of some of the terms of the Ad Fund Settlement. If there is a conflict between this Notice and the Ad Fund Settlement, the terms of the Ad Fund Settlement shall prevail.

*This notice has been approved by the Court. Questions about matters in this notice should NOT be directed to the Court.*

## Schedule 2

### NOTICE OF SETTLEMENT APPROVAL IN TIM HORTONS FRANCHISEE AD FUND CLASS ACTION

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##### NOTICE OF SETTLEMENT APPROVAL

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This Notice advises you that, following publication of a notice program, a hearing was held on April 26, 2019 in the Ontario Superior Court of Justice, 130 Queen Street West, Toronto, Ontario (the "Approval Hearing"). The Court issued orders (the "Approval Orders") approving the Ad Fund Settlement Agreement (the "Ad Fund Settlement") as being fair, reasonable and in the best interest of Class Members. The approved Ad Fund Settlement therefore settles all litigation in Canada relating to the Ad Fund Action. The Approval Orders can be reviewed at <https://www.himprolaw.com/class-actions> or by contacting Class Counsel.

##### WHO IS INCLUDED?

The Ad Fund Settlement applies to all persons who have carried on business as Tim Hortons' franchisees in Canada under a franchise agreement or other form of operating agreement with The TDL Group Corp. at any time on or after December 15, 2014 (the "Class" or "Class Members").

##### TERMS OF THE SETTLEMENT AGREEMENT

Given that Tim Hortons® is an iconic, Canadian brand – anchored by its restaurants and franchisees in every community across Canada, Tim Hortons will work with franchisees to enhance local marketing initiatives to build the Tim Hortons® brand, including programs such as the Smile Cookie, Timbits® sports, and Tim Hortons® coffee trucks at community events. Tim Hortons will pay for funding, in addition to the Ad Fund, for these types of regional initiatives in the amount of \$10,000,000 over the next two years (the "Advertising Supplement"). Exact regional and community brand building expenditures will be determined by current regional marketing process. Tim Hortons will also remit \$2,000,000 to Class Counsel to pay legitimate and reasonable costs of legal, administrative, operational, organizational, logistical, expert, consultant,

disbursements, and other expenses related to the common issues raised in this action and the Association Action (defined below) including preliminary investigations related thereto (collectively the "Background Expenses"). Additionally, Tim Hortons and the Tim Hortons Franchisee Advisory Board have amended the Franchisee Advisory Board Governance Handbook to increase the visibility of Ad Fund expenditures to franchisees.

The Ad Fund Settlement was reached at the same time as settlement of another class action titled *JB & M Walker Ltd. v. The TDL Group Corp.*, commenced in the Ontario Superior Court of Justice (Toronto Registry), bearing Court File No. CV-17-584058-00CP (the "Association Action" and the "Association Settlement Agreement"). The Ad Fund Settlement is contingent on the Association Settlement receiving Court approval, and vice versa. The Ad Fund Settlement and the Association Settlement may be reviewed at <https://www.himprolaw.com/class-actions> or by contacting Class Counsel.

##### PARTICIPATING IN THE SETTLEMENT

The benefits from the Ad Fund Settlement will automatically be attributed to you if you did not opt-out. You do not need to submit a claim for compensation.

##### LEGAL FEES

At the Approval Hearing, the Funder and Class Counsel requested and received the Court's approval for payment of the Funder's Return of \$XX and the Lawyers' Return of \$XX. The Funder's Return and Lawyers' Return are to be paid out of the Advertising Supplement. The Lawyers' Return is a top-up in addition to Class Counsel's billed hours.

##### FOR MORE INFORMATION

If you have questions about the Ad Fund Settlement and/or would like to obtain more information and/or copies of the Ad Fund Settlement and related documents, please visit the settlement website at <https://www.himprolaw.com/class-actions> or by contacting Class Counsel:

Himelfarb Proszanski  
480 University Avenue, Suite 1401  
Toronto, ON M5G1V2  
Attn: Tom Arndt

Phone: 416.599.8080  
Fax: 416.599.3131  
[tom@himprolaw.com](mailto:tom@himprolaw.com)

This Notice contains a summary of some of the terms of the Ad Fund Settlement. If there is a conflict between this Notice and the Ad Fund Settlement, the terms of the Ad Fund Settlement shall prevail.

*This notice has been approved by the Court. Questions about matters in this notice should NOT be directed to the Court.*



# TIM HORTONS FRANCHISEE AD FUND CLASS ACTION SETTLEMENT

**IF YOU ARE CONTENT WITH THE TERMS OF THE SETTLEMENT, DO NOT USE THIS FORM. IF YOU ARE CONTENT WITH THE TERMS OF THE SETTLEMENT, YOU DO NOT NEED TO DO ANYTHING.**

This form is not a registration form or a claim form. This form excludes you from participation in the Tim Hortons Ad Fund Settlement Agreement of the Ontario class action with Court File No. CV-17-577371-00CP. Do not use this form if you want to participate under the settlement.

NAME \_\_\_\_\_

TIM HORTONS' \_\_\_\_\_

STORE ADDRESS \_\_\_\_\_

EMAIL \_\_\_\_\_

TELEPHONE \_\_\_\_\_  
(Area Code / Phone No. (Ext. if applicable))

Total Number of Tim Hortons restaurants operated during the Class Period (on or after December 15, 2014) 

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If more than one store, attach a schedule listing all store addresses for which you are opting out.

I understand that if I opt-out through completion and submission of this form, I will not participate in this class action and agree to be excluded from it, not being bound by the result.

I understand that I will not be entitled to any benefits that I may otherwise be entitled to under settlement of this class action.

I understand that if I intend to proceed with my own legal action, I must commence my lawsuit within a specified limitation period or my claim will be legally barred. I take full responsibility for obtaining legal advice about the applicable limitation period and for taking all necessary steps to protect my individual claim.

DATE: \_\_\_\_\_

\_\_\_\_\_  
WITNESS SIGNATURE

\_\_\_\_\_  
CLASS MEMBER SIGNATURE OR  
THEIR REPRESENTATIVE ON THEIR BEHALF

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

**Completed Opt-Out Forms should be sent to: Tim Hortons Ad Fund Action Settlement, c/o Himelfarb Proszanski 1401-480 University Avenue, Toronto, Ontario M5G 1V2**

**The deadline to submit an Opt-Out Form is April 18, 2019. Opt-Out Forms must be received by Himelfarb Proszanski by the close of business on April 18, 2019 to be effective.**

**JB & M WALKER LTD.**

-and-

**THE TDL GROUP CORP.**

**PLAINTIFF**

**DEFENDANT**

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceedings commenced at **TORONTO**

**ORDER  
(Conditional Certification Order)  
Ad Fund Action**

**HIMELFARB PROSZANSKI**  
Barristers & Solicitors  
480 University Avenue, Suite 1401  
Toronto, ON M5G 1V2

**Peter Proszanski (274660)**  
peter@himprolaw.com  
**Richard P. Quance (18939U)**  
richard@himprolaw.com  
**Tom Arndt (43417K)**  
tom@himprolaw.com  
**Emily Dubis (74532R)**  
edubis@himprolaw.com

Tel: 416-599-8080  
Fax: 416-599-3131

Lawyers for the Plaintiff