



**Branch
MacMaster.**
Barristers & Solicitors

Reply to: Luciana P. Brasil
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File No: X01-029

June 08, 2022

VIA COURIER

Cosmetics Alliance Canada
420 Britannia Road East, Suite 102
Mississauga, ON L4Z 315

Attention: Darren Praznik
President and CEO

Dear Mr Praznik:

Re: Credit Cards Fees Class Actions

We are counsel for the plaintiffs in a number of class actions commenced in British Columbia, Alberta, Saskatchewan, Ontario and Quebec in respect of interchange fees paid by Canadian merchants in connection with Visa and MasterCard credit cards. While the Class Actions were commenced in five provinces, they collectively are brought on behalf of a national class of Canadian merchants who have, since at least May 16, 2001, accepted Visa or MasterCard credit cards as payment for goods or services.

We write to provide an update further to our correspondence of October 20, and November 16, 2021 when we informed you of a proposed settlement reached with the five remaining defendants in the litigation and of a hearing to approve the settlement taking place on December 6, 2021. We also requested distribution of the court-approved notices to your membership.

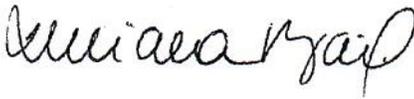
We are pleased to inform you that following the Courts' approval of the settlement agreement and distribution plan, eligible merchants can now begin to submit claims to the settlement fund.

Enclosed are copies of the Court approved Long-Form and Short-Form notices. Although there is no obligation for you to do so, we would appreciate if you would consider distributing these to your membership as we believe many are likely to be class members. The Notice and Distribution plan referenced therein provide more information on the claims process. More information and a list of important documents are also available at www.creditcardsettlements.ca.

To the extent that you or your members have additional questions, or would like to talk to one of the Class Lawyers, please let us know.

Yours truly,

BRANCH MACMASTER LLP

A handwritten signature in black ink, appearing to read "Luciana Brasil". The signature is written in a cursive, flowing style.

Luciana P. Brasil
LPB/cgk
Encl.

**Did you accept Visa or Mastercard credit cards between
March 23, 2001 and September 2, 2021?
If so, apply now to receive money from class action settlements**

WHAT IS A CLASS ACTION?

A class action is a lawsuit filed by one person on behalf of a large group of people with the same legal claims.

**WHAT IS THIS CLASS
ACTION ABOUT?**

Class actions were started in Canada claiming certain banks and Visa and Mastercard conspired to set higher interchange fees and to impose rules restricting merchants' ability to surcharge or refuse higher cost Visa and Mastercard credit cards. Interchange fees are charges that merchants have to pay in order to accept Visa and Mastercard credit cards.

Settlements totaling CDN\$131 million in net compensation were reached with Capital One, Citigroup, Bank of America, Desjardins, National Bank, Visa, Mastercard, CIBC, Royal Bank, Bank of Montreal, TD Bank, and Bank of Nova Scotia. The settlements have received court approval. The settlements are a compromise of disputed claims and are not admissions of liability.

CAN I RECEIVE MONEY?

You are eligible to receive money if you accepted Visa or Mastercard credit cards between March 23, 2001 and September 2, 2021.

HOW MUCH MONEY WILL I GET?

The settlement funds (plus any costs awards and accrued interest and less approved fees and expenses) are available for distribution to eligible claimants.

Subject to further orders from the courts:

If you are a small merchant (your average yearly revenue is under \$5 million), you are eligible to receive \$30 for each year that you accepted Visa or Mastercard credit cards. Small merchants do not need to provide any documents proving payment of interchange fees.

If you are a medium merchant (your average yearly revenue is \$5 million to \$20 million), you are eligible to receive \$250 for each year that you accepted Visa or Mastercard credit cards. Medium merchants must provide proof that they had at least one agreement with an acquirer (also known as a payment processor) since March 23, 2001.

If you are a large merchant (your average yearly revenue is over \$20 million), you are eligible to receive \$250 for each year that you accepted Visa or Mastercard credit cards. Large merchants must provide proof that they had at least one agreement with an acquirer (also known as a payment processor) since March 23, 2001. To be eligible to receive more than \$250 per year, large merchants must provide documents showing credit card sales volume or payment of interchange fees. Large merchant claims made with documentary proof will be paid proportionally relative to the value of all approved large merchant claims.

Visit www.creditcardsettlements.ca for more information.

**HOW DO I MAKE A CLAIM
TO GET A PAYMENT?**

Claims can be submitted online at www.creditcardsettlements.ca. If you do not have internet access, call the Claims Administrator at 1 (877) 283-6548.

**WHAT IS THE DEADLINE
TO MAKE A CLAIM?**

Claims must be made **no later than September 30, 2022**.

WHEN WILL I GET MY MONEY?

Accurate processing takes time. Depending on the number of claims filed, it could be up to one year before you receive compensation. Please check www.creditcardsettlements.ca for regular updates.

CAN I APPLY A SURCHARGE?

In addition to money, the class actions also secured the ability for merchants to apply a surcharge when accepting credit cards. The rules affecting surcharging are set to change in October 2022. You cannot impose surcharges before October 2022. For details of how and when you can implement surcharges, check for updates on www.creditcardsettlements.ca.

WHO ARE THE LAWYERS?

You are represented by: Camp Fiorante Matthews Mogeran LLP (Vancouver, BC), Branch MacMaster LLP (Vancouver, BC) and Consumer Law Group (Montréal, QC).

**Questions? Visit www.creditcardsettlements.ca,
Email info@CreditCardSettlements.ca or call 1 (877) 283-6548**

SETTLEMENT NOTICE (LONG FORM)

**DID YOU ACCEPT VISA OR MASTERCARD CREDIT CARDS
BETWEEN MARCH 23, 2001 AND SEPTEMBER 2, 2021?**

**IF SO, APPLY NOW TO RECEIVE MONEY FROM CLASS ACTION SETTLEMENTS
THE DEADLINE TO MAKE A CLAIM IS SEPTEMBER 30, 2022.**

CREDIT CARD CLASS ACTIONS SETTLEMENT

1. WHAT ARE THE CLASS ACTIONS ABOUT?

Class actions were started in Canada claiming certain banks and Visa and Mastercard (the “Defendants”) conspired to set higher interchange fees and to impose rules restricting merchants’ ability to surcharge or refuse higher cost Visa and Mastercard credit cards.

“Interchange Fees” are fees paid by merchants and collected by banks for transactions involving Visa and/or Mastercard credit cards in Canada.

2. WHAT SETTLEMENTS HAVE BEEN ACHIEVED?

Settlements were reached with the following Defendants:

Defendants	Settlement Amount
Bank of America Corporation	\$7,750,000
Capital One Bank (Canada Branch)	\$4,250,000
Citigroup Inc.	\$1,630,000
Fédération des caisses Desjardins du Québec	\$9,900,000
Mastercard International Incorporated	\$19,500,000
Visa Canada Corporation	\$19,500,000
National Bank of Canada Inc.	\$6,000,000
Canadian Imperial Bank of Commerce, Royal Bank of Canada, Bank of Montreal, Bank of Nova Scotia, and Toronto-Dominion Bank	\$120,000,000

These settlements have all received court approval. The Defendants do not admit any wrongdoing or liability. The settlements resolve the class actions.

Questions? Visit www.CreditCardSettlements.ca,
Email info@CreditCardSettlements.ca, or call toll-free 1 (877) 283-6548

3. DISTRIBUTION OF SETTLEMENT FUNDS

A. How much money is available for distribution?

The settlements total approximately CDN \$188 million. The settlement funds, plus any costs awards and interest, and less court-approved legal fees, disbursements, administration expenses, and applicable taxes (the "Net Settlement Amount"), are available for distribution to eligible claimants (set out below under "who can make a claim?"). The Net Settlement Amount is approximately CDN \$131 million.

The courts approved a distribution plan for distributing the Net Settlement Amount. A copy of the distribution plan is available at www.CreditCardSettlements.ca.

B. Who can make a claim?

"Settlement Class Members" are eligible to file a claim to receive a share of the Net Settlement Amount. Settlement Class Members are all persons in Canada who accepted payments by Visa or Mastercard credit cards between March 23, 2001, and September 2, 2021 (the "Class Period"), except the Defendants and certain parties related to the Defendants.

C. How will the settlement funds be distributed?

The Net Settlement Amount will be divided into three funds:

Merchant Fund	Amount of Net Settlement Amount Allocated
Small Merchant Fund Settlement Class Members who collect less than \$5 million in average yearly revenue over the Class Period	40%
Medium Merchant Fund Settlement Class Members who collect \$5 million to \$20 million in average yearly revenue over the Class Period	10%
Large Merchant Fund Settlement Class Members who collect more than \$20 million in average yearly revenue over the Class Period	50%

Settlement Class Members will be paid from the fund that corresponds to their average yearly revenue.

D. How much money will Settlement Class Members get?

Settlement Class Members, who are Small Merchants, may file “undocumented claims” (claims that do not require any supporting documents). Small Merchants are eligible to receive \$30 for each year they accepted Visa or Mastercard credit cards during the Class Period.

Settlement Class Members, who are Medium Merchants, may file “simplified claims” (claims that require proof of at least one agreement entered into with an acquirer or payment processor). Medium Merchants are eligible to receive \$250 for each year they accepted Visa or Mastercard credit cards during the Class Period.

Settlement Class Members, who are Large Merchants, have two options for filing a claim:

- Large Merchants may file simplified claims (claims that require proof of at least one agreement entered into with an acquirer or payment processor). Large Merchants who make simplified claims are eligible to receive \$250 for each year they accepted Visa or Mastercard credit cards during the Class Period.
- To be eligible to receive more than \$250 per year, Large Merchants may file documented claims (claims that require documents showing credit card sales volume or payment of interchange fees).

For the purpose of documented claims, the Interchange Fees that a Large Merchant paid will be calculated based on the actual Interchange Fees paid, or by applying an average interchange rate of 1.5% to credit card sales volume. Large Merchants will be able to rely on:

- merchant statements, historical accounting records, or other records that show the Interchange Fees they paid or their credit card sales volume; or
- a declaration attesting to the Interchange Fees they paid or their credit card sales volume, together with substantiating documentation that is acceptable to the Claims Administrator (see the Distribution Plan for more detailed requirements).

Where a Large Merchant does not have all records for the period between March 23, 2001 and September 2, 2021, it can extrapolate based on existing records. The Large Merchant must provide the basis of the extrapolation and proof that it was fully operational during the period in which the records are being extrapolated.

The funds remaining in the Large Merchant Fund after paying simplified claims will be distributed to eligible Large Merchants *pro rata* (proportionately) based on the Interchange Fees they paid over the Class Period, as compared to the Interchange Fees paid by all qualifying Large Merchants. Because settlement benefits are being distributed *pro rata*, the amount payable to individual Large Merchants will not be known until after the claims process is complete.

Sample Calculation

\$1,000,000 (Credit Card Sales Volume) x 1.5% (Average Interchange Rate)
= \$15,000 (qualifying Interchange Fees paid).

Assuming the value of all qualifying Large Merchants' Interchange Fees paid is \$500 million, this Large Merchant would be entitled to 0.003% (\$15,000/\$500,000,000) of the portion of the Net Settlement Amount in the Large Merchant Fund remaining after simplified claims are paid out.

4. APPLYING TO RECEIVE A PAYMENT

Settlement Class Members who want to receive compensation must file a claim no later than September 30, 2022. Claims that are not made before the deadline may not be eligible for compensation. You can make a claim online at www.CreditCardSettlements.ca. If you do not have internet access, but wish to apply to receive a payment, please contact the Claims Administrator at 1-877-283-6548.

5. SURCHARGING

In addition to money, the class actions also secured the ability for Settlement Class Members to apply a surcharge when accepting credit cards. The rules affecting surcharging are set to change in October 2022. Settlement Class Members cannot impose surcharges before October 2022. For details of how and when Settlement Class Members can implement surcharges, check for updates on www.CreditCardSettlements.ca.

6. CLAIMS ADMINISTRATOR

The courts have appointed Epiq Class Action & Claims Solutions, Inc. (an independent third party) to receive and review claims, determine eligibility for payments, and issue payments to eligible Settlement Class members.

Questions regarding the claims process should be directed to Epiq Class Action Services Canada, Inc. at info@CreditCardSettlements.ca or call 1 (877) 283-6548.

7. CLASS COUNSEL AND LEGAL FEES

Settlement Class Members are represented by Camp Fiorante Matthews Mogerman LLP, Branch MacMaster LLP and Consumer Law Group Inc.

Camp Fiorante Matthews Mogerman LLP can be reached at:

Telephone: 604-689-7555
Email: swong@cfmlawyers.ca
Mail: #400 - 856 Homer Street, Vancouver, BC V6B 2W5
Attention: Sharon Wong

Questions? Visit www.CreditCardSettlements.ca,
Email: info@CreditCardSettlements.ca, or call toll-free 1 (877) 283-6548

Branch MacMaster LLP can be reached at:

Telephone: 604-654-2999
Email: lbrasil@branmac.com
Mail: 1410 – 777 Hornby Street, Vancouver, BC V6Z 1S4
Attention: Luciana P. Brasil

Consumer Law Group Inc. can be reached at:

Telephone: 1-888-909-7863 x2
Email: jorenstein@clg.org
Mail: 1030 rue Berri, Suite 102, Montreal, QC H2L 4C3
Attention: Jeff Orenstein

You can also reach the lawyers by email at lawyer@CreditCardSettlements.ca. You do not need to pay out-of-pocket for the lawyers working on the class actions. The lawyers were paid from the settlement funds in the amount approved by the courts.

8. QUESTIONS ABOUT THE SETTLEMENTS

More information about the settlements, the distribution of the settlement funds and the claims process is available online at www.CreditCardSettlements.ca, by email at info@CreditCardSettlements.ca or by calling toll-free 1-877-283-6548.

9. INTERPRETATION

This notice contains a summary of some of the terms of the settlement agreements and the distribution plan. If there is a conflict between the provisions of this notice and the settlement agreements (including the appendices) and/or the distribution plan, the terms of the settlement agreements and/or distribution plan will apply.