

Schedule “A” – Preliminary Notice

Notice of Proposed Resolution of the Class Action Regarding the Reduction of Long Term Disability Benefits for disabled RCMP Veterans

Estate of A. Gerard Buote and David White v. Her Majesty the Queen, Court File No.: T-889-08

What is this action about?

Under the terms of the Great West Life Long Term Disability Plan, a disabled former RCMP member’s benefits were reduced by the amount of their *Pension Act* disability pension (the “Offset”). The Plaintiffs, David White and the late Gerard Buote, brought this proposed class action to challenge the legality of the Offset.

Following extensive negotiations, the Plaintiffs and the Defendant have entered into a Settlement of this action (“Settlement”).

Why am I getting this notice?

You have been identified by Great West Life as a potential class member. The Settlement affects your rights.

We are writing to let you know about the Settlement and an upcoming court hearing. The Settlement has to be approved by the Federal Court as fair and reasonable to the Class. You are entitled to support, or object to, the Settlement if you choose.

Who are the Class Members?

The Settlement defines the Class as “All former members of the Royal Canadian Mounted Police whose long-term disability benefits under Great West Life Assurance Company Group Policy Number 24892GM (“GWL-LTD Plan”) were reduced by the amount of their Veterans Affairs Canada disability benefits received pursuant to the Pension Act from October 1, 1975 to the date of this Order.”

What are the terms of the Settlement?

In summary, the Settlement provides for the following:

- The Defendant will cease the Offset.
- The Defendant will repay 82% of all amounts offset going back to October 1, 1975, the date the Offset began.
- The Defendant will pay simple interest on the Offset at the following rates:
 - 6% per year from February 1, 1992 to December 31, 1995;
 - 5% per year from January 1, 1996 to December 31, 2008; and

- 3% per year from January 1, 2009 to the date the amount is paid to McInnes Cooper in Trust.

The aggregate of the above amounts shall be referred to as the Gross Refund.

- Any disputes over the amounts payable to Class Members or their medical eligibility will be handled by an independent adjudicator.
- Members whose benefits were reduced to zero due to the offset will be required to establish their medical eligibility as “totally disabled” by showing that they were previously determined to meet a similar definition, including CPP disability, during the same period.

The full terms of the Settlement are available at rcmpltdclassaction.com. The website will be updated by March 31, 2014 to contain Affidavits explaining the settlement, as well as Class Counsel’s reasons for recommending the settlement.

What will I have to do to make a claim?

You don’t have to do anything right now.

If the Settlement is approved, most Class Members will receive their refund automatically.

If your benefits under the GWL LTD Plan were reduced to zero because of the Offset, you may have to submit certain information to show that you were eligible for benefits beyond the initial 24 month “own occupation” period. Under the Settlement, much of the collection of the required information will be automatic. However, you may have to submit a declaration providing information required to prove you are eligible.

Will there be deductions from the refund?

There will be an amount withheld from your payment for taxes. When you file your return, your tax payable may be less than the amount withheld, in which case you could receive a tax refund.

Counsel will propose that there will be a deduction for legal fees, taxes and expenses, but these amounts may be tax deductible.

Finally, if you owe GWL money for any other reason, this amount will be deducted.

What are the proposed fees?

Class Counsel will be asking the Court to approve a legal fee of 8% applied only to the Gross Refund.

There will be an approximate 1.5% deduction for taxes on legal fees and out of pocket expenses incurred by Class Counsel. This percentage may vary slightly depending on the tax rate in your home province.

No fee will be applied to any increased future payment due to the termination of the Offset.

Class Counsel are proposing to donate \$5,000 of their fees to both David White and the family of Gerard Buote for all their work in advancing this case on behalf of all disabled RCMP veterans.

Any fees or payments to the lawyers or the representative plaintiffs will have to be approved by the Court as fair and reasonable.

What happens now?

A hearing for final approval of the Settlement will be held at 9:30 am on June 20, 2014, at The Law Courts Building at 1815 Upper Water Street, Halifax, Nova Scotia. The Court will be asked to find that the Settlement is fair, reasonable, and in the best interests of the Class Members, and to approve the percentage proposed to be paid for legal fees, expenses and taxes.

If you are satisfied with the Settlement and the proposed legal fee percentage, then you do not have to do anything. You will receive further notice after the hearing.

If you want to show your support for the Settlement or the proposed or the proposed fee percentage, you can email rcmp-ltdclassaction@mcinnescooper.com.

If you want to formally object to the Settlement, you can email rcmp-ltdclassaction@mcinnescooper.com. You must include your reasons for objecting to the Settlement so the Court can understand your concerns.

You must provide your name with either your support or objection. Anonymous comments will not be submitted to the Court.

All support or objections must be sent no later than June 3, 2014. You can also appear at the hearing with or without legal counsel to make an oral presentation to the Court, but that is not necessary. If you submit your comments, those comments will be brought to the attention of the Court. If you plan to appear at the June 20, 2014 hearing, please state that in an email to rcmp-ltdclassaction@mcinnescooper.com so that the Court will know how much time to allocate to that stage of the hearing. If you intend to be represented by legal counsel, please advise of his or her name and contact information.

I want more information.

For more information, please contact McInnes Cooper at:

rcmp-ltdclassaction@mcinnescooper.com

(902) 444-8417 (English)

(506) 877-0831 (French)

RCMP Class Action

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