

# SUPERIOR COURT

(Class action)

CANADA  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL

No.: 500-06-001081-203

DATE: May 18, 2023

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**BY THE HONOURABLE MARTIN F. SHEEHAN, J.S.C.**

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**STEVE HOLCMAN**  
Applicant

v.  
**RESTAURANT BRANDS INTERNATIONAL INC.**  
and  
**RESTAURANT BRANDS INTERNATIONAL LIMITED PARTNERSHIP**  
and  
**THE TDL GROUP CORP.**  
Defendants

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## JUDGMENT

(On the Application to Approve Class Counsel Fees)

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[1] On September 22, 2022, the Court approved a national settlement agreement (the “**Settlement Agreement**”)<sup>1</sup> reached between Plaintiff and the defendants Restaurant Brands International Inc., Restaurant Brands International Limited Partnership and The TDL Group Corp. (collectively, the “**Defendants**” or “**Tim Hortons**”).<sup>2</sup>

[2] The Settlement Agreement provided benefits to “All Canadian Resident users of the Tim Hortons® application with registered accounts in Canada whose geolocation information was collected by any of the Defendants between April 1, 2019 and September 30, 2020” who did not exclude themselves in accordance with the Right of Exclusion.<sup>3</sup>

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<sup>1</sup> Exhibit R-1.

<sup>2</sup> *Holcman c. Restaurant Brands International Inc.*, 2022 QCCS 3428 (the “**Settlement Approval Judgment**”).

<sup>3</sup> All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Settlement Agreement.

[3] The Settlement Agreement resolves national and provincial class actions which had been filed in Quebec,<sup>4</sup> Ontario<sup>5</sup> and British-Columbia.<sup>6</sup>

[4] The Quebec Action was authorized and settled on a national basis whereas the Ontario and B.C. actions were discontinued.<sup>7</sup>

[5] At the time, the Court noted that Class Counsel intended to file an application for the approval of class counsel fees (the “**Fee Application**”) which would be heard at a later date.

[6] The Court is now seized with this Fee Application that Class counsel filed on May 15, 2023.

## **ANALYSIS**

### **1. Applicable Law**

[7] Article 593 C.C.P. imposes a duty on the court to ensure that the fees of class counsel are in the interests of the class members, fair and reasonable, justified by the circumstances and commensurate with the services rendered. “If the fee is not reasonable, the court may determine it”.<sup>8</sup>

[8] Thus, while the existence of an agreement between the representative and his or her counsel remains relevant to the issue and benefits from a presumption of validity, that agreement is not binding on the court, who assumes the to ensure that the fees of the class counsel remain reasonable.<sup>9</sup> Indeed, while it is true that the fee agreement signed by the representative is binding on the class members,<sup>10</sup> the class members did not consent to it and the court must exercise its supervisory role and act as a guardian of the interests of absent class members.<sup>11</sup>

[9] Thus, the court should not hesitate to review these fees in light of their real value, to arbitrate them and to reduce them if they are unnecessary, excessive, or out of proportion to what the class is receiving under the settlement.<sup>12</sup> In particular, the court must be concerned with preserving the integrity and credibility of class actions, both in the eyes of class members and in the eyes of public observers. In doing so, it must avoid decisions that would tend to lend credence to the profit motive and commercialism that some people

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<sup>4</sup> Superior Court of Quebec No. 500-06-001081-203.

<sup>5</sup> Ontario Superior Court of Justice Nos. CV-20-00643263-00CP and CV-20-00648562-00CP.

<sup>6</sup> British Columbia Supreme Court No. VLC-S-S-207985.

<sup>7</sup> Exhibits R-2 and R-3.

<sup>8</sup> Art. 593 C.C.P.; *A.B. c. Clercs de Saint-Viateur du Canada*, 2023 QCCA 527, para. 50; *Option Consommateurs c. Banque Amex du Canada*, 2018 QCCA 305, para. 60.

<sup>9</sup> *A.B. c. Clercs de Saint-Viateur du Canada*, *supra*, note 8, para. 51; *Option Consommateurs c. Banque Amex du Canada*, *supra*, note 8, paras. 61 and 66; article 32 of the *Act respecting the fonds d’aide aux actions collectives*, RLRQ, c. F-3.2.0.1.1.

<sup>10</sup> *Pellemans c. Lacroix*, 2011 QCCS 1345, para. 48.

<sup>11</sup> *Option Consommateurs c. Banque Amex du Canada*, *supra*, note 8, para. 67; *Option Consommateurs c. Infineon Technologies, a.g.*, 2013 QCCS 1191, para. 65.

<sup>12</sup> *A.B. c. Clercs de Saint-Viateur du Canada*, *supra*, note 8, para. 51; *Apple Canada Inc. c. St-Germain*, 2010 QCCA 1376, para. 36.

albeit perhaps erroneously, attribute to class actions<sup>13</sup>. Class actions must not merely become a source of enrichment for plaintiffs' lawyers and a source of funding for non-profit organizations.<sup>14</sup>

[10] The court must strike a balance that allows class counsel to obtain a sum sufficient to incite them to file the next action, while keeping in mind that the members must be the primary beneficiaries of the amounts paid by the defendants.<sup>15</sup>

[11] In assessing the fairness and proportionality of fees, the court may be guided by the criteria set out in section 102 of the *Rules of Professional Conduct for Advocates*:<sup>16</sup>

- (1) experience;
- (2) the time and effort required and expended on the matter;
- (3) the difficulty of the matter;
- (4) The importance of the matter to the client;
- (5) The responsibility assumed;
- (6) The provision of professional services that are unusual or require special skill or exceptional promptness;
- (7) the result achieved;
- (8) fees provided for by law or regulation; and
- (9) disbursements, fees, commissions, rebates, expenses or other benefits that are or will be paid by a third party in connection with the client's mandate.

[12] The judge must also consider the risk faced by class counsel. This risk should be assessed at the time counsel accepted the retainer rather than at the time of the fee approval application.<sup>17</sup> Once a settlement has been concluded, courts should be wary to decide, with the benefit of the 20/20 vision provided by hindsight, that a settlement was easily within reach.

[13] Finally, in a class action context, given the role of the court to act as a guardian of the interests of class members, the views of those members must also be considered.

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<sup>13</sup> *A.B. c. Clercs de Saint-Viateur du Canada*, *supra*, note 8, para. 55; *Option Consommateurs c. Infineon Technologies, a.g.*, *supra*, note 11, para. 68.

<sup>14</sup> *Option Consommateurs c. Banque Amex du Canada*, 2017 QCCS 200, para. 110 (confirmed by the Court of Appeal, 2018 QCCA 305).

<sup>15</sup> *A.B. c. Clercs de Saint-Viateur du Canada*, *supra*, note 8, para. 51 quoting Catherine PICHÉ, *L'action collective : ses succès et ses défis*, Montréal, Les Éditions Thémis, 2019, p. 227.

<sup>16</sup> *Code of Professional Conduct of Lawyers*, RLRQ, c. B-1, r. 3.1, art. 101 and 102.

<sup>17</sup> *A.B. c. Clercs de Saint-Viateur du Canada*, *supra*, note 8, para. 54; *Skarstedt c. Corporation Nortel Networks*, 2011 QCCA 767, para. 16; *Pellemans c. Lacroix*, *supra*, note 10, para. 52.

### 1.1 Contingency Agreement Percentage and Use of Multipliers

[14] While there are some exceptions, contingency fee agreements are generally valid in Quebec.<sup>18</sup> In class actions, they are not only valid, but common and should be encouraged.<sup>19</sup>

[15] Such agreements promote access to justice since members would rarely agree to pay the hundreds of thousands of dollars in fees, disbursements and expert fees required to bring such actions to fruition. Achieving the social goals of class action proceedings (facilitating access to justice, changing harmful behaviour, and conserving judicial resources) depends in large part on the willingness of lawyers to undertake litigation at the risk that the expenses incurred in time and disbursements will never be recovered. Without a contingency agreement, many class actions would never see the light of day.<sup>20</sup>

[16] In 2011, after an exhaustive review of the case law, Justice Prévost concluded that the reasonable standard was somewhere between 20% and 25%.<sup>21</sup> This range remains relevant today although some have since approved higher<sup>22</sup> or lower<sup>23</sup> percentages. With regard to higher percentages, although some cases involving significant risk could justify them, one wonders what could justify a generalized inflation, given that since 2011, the procedure at the authorization stage has been considerably simplified.

[17] The fact that a percentage is within or outside this range is not decisive since it is on the basis of each class action that a judge must determine the reasonableness of class counsel fees.<sup>24</sup>

[18] Indeed, the reasonableness of the percentage depends on several other factors.

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<sup>18</sup> *Montgrain c. Banque Nationale du Canada*, 2006 QCCA 557, para. 53.

<sup>19</sup> *A.B. c. Clercs de Saint-Viateur du Canada*, *supra*, note 8, para. 57; *Pellemans c. Lacroix*, *supra*, note 10, para. 49; *Bouchard c. Abitibi Consolidated*, J.E. 2004-1503 (C.S.), para. 52.

<sup>20</sup> *Allen c. Centre intégré universitaire de santé et de services sociaux de la Capitale-Nationale*, 2018 QCCS 5313, paras. 135 and 136; Peter W. KRYWORUK and Jacob DAMSTRA, «Revisiting Class Counsel Fee Approvals: Towards Presumptive Validity of Contingency Fee Agreements», (2021) 17 *Canadian Class Action Review* 109, pp. 117 and following; Pierre-Claude Lafond, *Libres propos sur la pratique de l'action collective*, Montréal, Éditions Yvon Blais, 2020, p. 274.

<sup>21</sup> *Abihisira c. Stubhub inc.*, 2020 QCCS 2593, para. 70; *Marcil c. Commission scolaire de la Jonquière*, 2018 QCCS 3836, para. 80 (request for revocation of judgment dismissed, 2020 QCCS 412).

<sup>22</sup> *F. c. Frères du Sacré-Coeur*, 2021 QCCS 3621 at para 172 (30%); *Bouchard c. Audi Canada inc.*, 2021 QCCS 10, paras. 38 and 43 (33% based on a multiplier of 0.9); *Chetrit c. Société en commandite Touram*, 2020 QCCS 51, para 37 (30-35%); *Girard c. Vidéotron*, 2019 QCCS 2412, para. 33 (30%) (motion for leave to appeal denied, 2019 QCCA 1531); *Jacques c. 189346 Canada inc. (Pétroles Therrien inc.)*, 2017 QCCS 4020, at para. 93 (39%).

<sup>23</sup> *Dorval c. Industrielle Alliance, assurances et services financiers inc.*, 2021 QCCS 139, para. 23 (12%); *Abihisira c. Stubhub inc.*, *supra*, note 21, para. 76 (15%); *Regroupement des citoyens du secteur des Constellations c. Ville de Lévis*, 2020 QCCS 1986, para. 89 (11%); *Allen c. Centre intégré universitaire de santé et de services sociaux de la Capitale-Nationale*, *supra*, note 20, para. 210 (18.2%); *Marcil c. Commission scolaire de la Jonquière*, *supra*, note 21, para. 122 (12%) (Application for revocation of judgment dismissed, 2020 QCCS 412), *Schachter c. Toyota Canada inc.*, 2014 QCCS 802, para. 113 (5%).

<sup>24</sup> *A.B. c. Clercs de Saint-Viateur du Canada*, *supra*, note 8, para. 57 quoting *Skarstedt c. Corporation Nortel Networks*, *supra*, note 17, para. 31.

[19] For example, where the amount of the settlement or judgment is very large or where the settlement occurs quickly,<sup>25</sup> a high percentage could lead to an unreasonable result. Similarly, when the value of the settlement is low, for example when the number of class members is less than expected, applying a higher percentage may be warranted to avoid undercompensating class counsel.<sup>26</sup>

[20] For this reason, courts have often suggested that percentages should be adjusted according to the stage of the proceeding and be degressive once certain financial milestones have been reached<sup>27</sup> even though there is no magical formula that can at all times and in all situations guarantee that the fees should ultimately be considered reasonable.<sup>28</sup>

[21] In addition, in many instances, the monetary value of the settlement may not be the most important benefit to the class members. For example, in some cases, an agreement by the defendant to modify its practice, to cease causing damages or an acknowledgement of harm or an apology may be more important to class members than the monetary award. The evaluation of a fair and reasonable compensation for class counsel should take this into account.

[22] Finally, the circumstances under which the class counsel fees were negotiated and how these fees are paid may also impact on the reasonableness. For example, when the negotiation of the fees is done in parallel with the negotiation of the settlement, members may suspect that defendants attempted to purchase a release or that class counsel negotiated a lower settlement in exchange for a higher fee. Thus, a sequential negotiation, where the class counsel fees are negotiated after the settlement has been reached can reassure the court that the amount is reasonable. Moreover, when class counsel fees are paid to class counsel “in addition to” the amount payable to class members as opposed to “as part of” the amount paid to class members, the court can take into consideration that the fees were agreed upon after serious arm’s length negotiations.

[23] For these reasons, the reasonableness of the percentage is also often considered in light of the actual time spent on the case. Where the application of a percentage results in a multiplier that is out of proportion to the norm (usually between 2 and 3),<sup>29</sup> it may be advisable to reduce the percentage although a mechanical application of this method and

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<sup>25</sup> See the comments of Justice Samson in *Allen c. Centre intégré universitaire de santé et de services sociaux de la Capitale-Nationale*, *supra*, note 20, paras. 129 to 132.

<sup>26</sup> *Chetrit c. Société en commandite Touram*, *supra*, note 22, para. 37.

<sup>27</sup> *Allen c. Centre intégré universitaire de santé et de services sociaux de la Capitale-Nationale*, *supra*, note 20, paras. 129 to 132; *Option Consommateurs c. Banque Amex du Canada*, *supra*, note 14.

<sup>28</sup> *A.B. c. Clercs de Saint-Viateur du Canada*, *supra*, note 8, para. 58.

<sup>29</sup> *Sony BMG Musique (Canada) inc. c. Guilbert*, 2009 QCCA 231 (multiplier of 2.5); *Abihira c. Stubhub inc.*, *supra*, note 21, para. 78 (multiplier of 1.82); *Hurst c. Air Canada*, 2019 QCCS 4614, paras. 42 and 47 (multiplier of 1.15); *Allen c. Centre intégré universitaire de santé et de services sociaux de la Capitale-Nationale*, *supra*, note 20, paras. 175 and 209 (multiplier of 1.5); *Lépine c. Société canadienne des postes*, 2017 QCCS 1407, para. 30 (multiplier of 2.5); *Schachter c. Toyota Canada inc.*, *supra*, note 23 (multiplier of 2); *Sonogo c. Danone inc.*, 2013 QCCS 2616, para. 102 (multiplier of 3.2); *Association de protection des épargnants et investisseurs du Québec (APEIQ) c. Corporation Nortel Networks*, 2009 QCCS 2407, para. 196 (multiplier of 2) (Appeal dismissed, 2011 QCCA 767).

the establishment of rigid floors or ceilings should be avoided. The assessment of the reasonableness of fees should not be reduced to a simple mathematical operation.<sup>30</sup>

[24] The multiplier approach has itself been subject to criticism. For example, it has been said that it encourages lawyers to expend excessive hours engaging in duplicative and unjustified work, inflating their normal billing rates, even including fictitious hours and that it creates a disincentive for the early settlement of cases.<sup>31</sup> These concerns are valid. Nonetheless, when used properly, the multiplier method is a useful tool for measuring or controlling the reasonableness of fees.<sup>32</sup>

[25] In order to avoid giving undue weight to the time spent of the file, the Court of Appeal suggests that the process of analysis should begin with an assessment of the other criteria set out in the *Code of Conduct* and a consideration of the risk assumed by counsel. If the court concludes that the amount (not the percentage) of fees payable is reasonable, the analysis can stop there. If, on the other hand, the class counsel fee appears to be unreasonable, it is appropriate to take into account the hours spent on the case and to apply a multiplier to adjust the amount of fees to make it reasonable.<sup>33</sup>

[26] The use of a multiplier is also useful when the number of members is unknown, making it impossible to determine the amount which will be collected.<sup>34</sup>

## 2. Discussion

[27] The mandate between Representative Plaintiff and LPC Avocat Inc. provides for compensation on the basis of a percentage of 30% of the amounts recovered or on the basis of a 3.5 times multiplier, whichever is higher. The mandate with Tyr LLP was for 33.3%.

[28] These percentages are on the high end of the percentage scale, but they need not be discussed here.

[29] Indeed, under the Settlement Agreement, Defendants agreed to pay \$1.5 million plus applicable taxes to be shared equally between Quebec Class Counsel and the Rest of Canada (“**ROC**”) Class Counsel. This fee includes costs and disbursements.<sup>35</sup>

[30] In accordance with what is now common practice, the Parties agreed that an eventual reduction of the Class Counsel Fees would not affect the validity of the

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<sup>30</sup> *A.B. c. Clercs de Saint-Viateur du Canada*, *supra*, note 8, para. 62.

<sup>31</sup> *A.B. c. Clercs de Saint-Viateur du Canada*, *supra*, note 8, paras. 60 and 67; *F. c. Frères du Sacré-Coeur*, *supra*, note 22, paras. 163, 168 and 169; *Endean v. The Canadian Red Cross Society*, 2000 BCSC 971, para 16 (Affirmed by the Court of Appeal, 2000 BCCA 638).

<sup>32</sup> *A.B. c. Clercs de Saint-Viateur du Canada*, *supra*, note 8, para. 59; *Option Consommateurs c. Banque Amex du Canada*, *supra*, note 8, para. 65; *Skarstedt c. Corporation Nortel Networks*, *supra*, note 17, para. 35; *Association de protection des épargnants et investisseurs du Québec (APEIQ) c. Corporation Nortel Networks*, *supra*, note 29, para. 151; Bruce JOHNSTON and Yves LAUZON, *Traité pratique de l'action collective*, Montréal, Éditions Yvon Blais, 2021, p. 493.

<sup>33</sup> *A.B. c. Clercs de Saint-Viateur du Canada*, *supra*, note 8, para. 64.

<sup>34</sup> *Leung c. DoorDash Technologies Canada Inc.*, 2022 QCCS 1083, para. 70.

<sup>35</sup> Section 4 of the Settlement Agreement.

Settlement Agreement.<sup>36</sup> In fact, the Fee Application was filed after the Settlement Agreement had already been approved.

[31] Applying the above criteria, the Court finds that the proposed Class Counsel Fees are reasonable and should be approved.

## 2.1 Experience and the Provision of Professional Services that Are Unusual or Require Special Skill or Exceptional Promptness

[32] Class actions require particular skills and experience. There are only a small number of attorneys who take on class action matters in Quebec and in Canada.

[33] Each of Class Counsel has extensive experience in class action matters. Consumer Law Group Inc. specializes in class action litigation since 2010.<sup>37</sup> LPC Avocats Inc. specializes in class actions since 2016.<sup>38</sup> Applicants also filed extracts from Tyr LLP's and Bates Barrister P.C.'s website.<sup>39</sup>

[34] Class Counsel and Counsel for the Defendants also confirm that Class Counsel Fees were only negotiated after all other material terms of the Settlement were reached. This practice is also to be commended as it eliminates the possibility of any trade-off of a lower merit settlement for a higher fee. No such trade-off was possible here which enhances the integrity of the process.

[35] Furthermore, given that Class Counsel Fees are paid by the Defendants in addition to the Credits, the separation of the fee and merits negotiation introduces protections of the adversarial system into the negotiation of the class counsel fee. Given that the settlement benefits had already been finalized, Class Counsel states that Counsel for the Defendants had every reason to – and did – bargain aggressively in order to minimize the cost of the Class Counsel Fees.

[36] The Court considers that the process followed in this case: separating the negotiation of the settlement and class counsel fee, the arm's-length negotiation of the fee and Defendants' agreement to the Class Counsel Fees is a strong indicator of the reasonableness of the amounts claimed in the Fee Application.

## 2.2 The Difficulty of the Matter, the Responsibility Assumed and the Risk Involved

[37] Class Counsel prosecuted this litigation on a contingency-fee basis, incurring 100% of the risk. No request for any funding was made to the *Fonds d'aide aux actions collectives*.

[38] Privacy class actions are inherently risky. Indeed, it is not always easy to prove a breach. When one is proven, in the absence of actual pecuniary damages which result

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<sup>36</sup> Section 4 of the Settlement Agreement.

<sup>37</sup> Exhibit R-5.

<sup>38</sup> Exhibit R-6.

<sup>39</sup> Exhibits R-7 and R-8.

from the privacy breach, the amount of damages awarded by the courts can be significantly reduced or inexistent.<sup>40</sup>

[39] Punitive damages were uncertain here given that Defendants had not used or shared the collected data.

[40] Defendants also raised preliminary matters involving the jurisdiction of the courts.

[41] Thus, success was far from guaranteed.

[42] Moreover, it would be unfair to all parties involved for this court to decide that the result was easily achieved. One must be mindful that defendants often settle because they wish to avoid a precedent or a finding that they did something reprehensible. without having heard any evidence. Furthermore, because of the confidentiality that covers settlement discussions, the reasons for the parties' compromise are not always shared with the court.

[43] Thus, this criterion supports approval of the Class Counsel Fees.

### 2.3 The Importance of the Matter to the Client

[44] In today's connected world, the protection of consumers' privacy is crucially important.

[45] Privacy laws are in place to protect Canadian citizens. Unfortunately, privacy commissioners do not always have the time and resources to prosecute offenders.

[46] Privacy breach claims often involve complicated evidentiary and technical issues.

[47] Proving damages and a causal connection between the damages and the breach remains difficult.

[48] For these reasons, in the absence of counsel willing to take on privacy class actions, many breaches would remain uncompensated. More importantly, in the absence of class actions, there could be fewer concrete actions to remedy or prevent breaches.

[49] The present case is a good example as in the absence of this class action, Class Members would not have filed individual actions to recover damages.

[50] To safeguard the important societal benefit provided by class actions in the area of privacy protection, it is important that Class Counsel receive fair compensation for their work.

### 2.4 The Result Achieved

[51] As a result of the Settlement Agreement, approximately 1.9 million Eligible Class Members were eligible to receive Credits entitling them to claim one free Hot Beverage

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<sup>40</sup> See as an example *Li c. Equifax inc.*, 2019 QCCS 4340, paras. 24 to 34.



(maximum retail value of \$6.19) and one free Baked Good (maximum retail value of \$2.39). Unless renewed, the Credits expire 12 months after the issue.<sup>41</sup>

[52] The Settlement Agreement also provides for the permanent deletion of any and all geolocation information about Class Members.<sup>42</sup> While the monetary value of this benefit is difficult to quantify, it is undoubtedly a very important benefit to Class Members which must be considered when assessing the reasonableness of the Class Counsel Fees.

[53] Defendants assumed the costs of distributing the settlement notices and distributing the Credits.<sup>43</sup>

[54] Class counsel estimates that there are approximately 1.9 million Eligible Class Members and that the total potential value of the Settlement Agreement is over \$16,000,000.<sup>44</sup>

[55] As of May 12, 2023 (3.5 months into the potential 24-month claim period), Defendants disclosed the following statistics relating to the take-up rate of Eligible Class Members:

	Hot Beverages	Baked Goods	Totals
Redemptions	610,500	516,200	1,126,700
Retail Value	\$1,361,000	\$849,000	\$2,210,000

[56] Sales figures do not include applicable sales taxes.

[57] Thus, in the past 3.5 months between 610,500 and 1,126,700 Eligible Class Members (i.e. approximately one third) have already redeemed their Credits. A one-third redemption rate at this early stage is evidence that the compensation was meaningful to Class Members and, more importantly, that the claims' process was well designed.

[58] The claim period will run for another 8.5 months which may be extended upon request to a total of 24 months.

[59] If the above numbers are prorated over a twelve-month period one can assume that the payout value of the Credits will be around \$7,575,000<sup>45</sup> for a total settlement value of over 9 million.<sup>46</sup>

[60] The Class Counsel Fees represent 8.9% of the total potential settlement value.<sup>47</sup>

<sup>41</sup> Sections 7 and 35 to 37 of the Settlement Agreement.

<sup>42</sup> Section 41 of the Settlement Agreement.

<sup>43</sup> Sections 8, 13(a), 29 (a), 29(b) and 29(c) of the Settlement Agreement.

<sup>44</sup> 1.9 million x \$8.58 = \$16,302,000. The exact amount will depend on the number of Eligible Class Members who redeem their Credits as well as the value of the Hot Beverage and Baked Good that they chose.

<sup>45</sup> \$2,210,000 x 12 ÷ 3.5 = \$7,577,143.

<sup>46</sup> \$7,577,143 + \$1,440,302 (Class Counsel Fee exclusive of disbursements) = \$9,017,445.

<sup>47</sup> \$1,440,302 (Class Counsel Fee exclusive of taxes) ÷ \$16,302,000 = 8.8%.

[61] It represents approximately 16% of the prorated settlement value of \$9,017,445.<sup>48</sup>

[62] While, it is likely that the take-up rate will reduce as the months go by, the percentage remains well within reasonable norms.

## 2.5 Objections by Class Members

[63] The settlement approval notices<sup>49</sup> mentioned that the Settlement Agreement provided for Class Counsel Fees of \$1.5 million plus taxes.

[64] No one objected to the Class Counsel Fees although some members objected to the compensation to class members being in the form of a credit. They suggested that Class Counsel Fees should be in the same form.<sup>50</sup>

[65] These tongue-in-cheek comments do not deter from approving the Class Counsel Fees.

## 2.6 Other Criteria

[66] There are no fees provided for by law or regulation. No disbursements, fees, commissions, rebates, expenses or other benefits will be paid by a third party in connection with the mandate.

[67] Therefore, those criteria are inapplicable here.

[68] The *Fonds d'aide aux actions collectives* supports the Fee Application.

[69] Given the above, a Class Counsel fee of \$1.5 million is reasonable and, as suggested by the Court of Appeal, the analysis could stop here.

[70] However, the analysis of the time spent on the matter also supports the approval of the Class Counsel Fees.

## 2.7 The Time and Effort Required and Expended on the Matter

[71] In the aggregate, Class Counsel spent a total of \$1,100,155.29 in fees and \$59,698.14 in disbursements to date.

Firm	Fees	Disbursements
LPC Avocat Inc.	\$116,200.00	\$4,434.61
Consumer Law Group Inc.	\$297,825.00	\$3,314.03
Tyr LLP	\$433,474.50	\$48,084.39
Diamond & Diamond Lawyers	\$174,555.79	\$2,609.61

<sup>48</sup> \$1,440,302 (Class Counsel Fee exclusive of taxes) ÷ \$9,017,445 = 15.9%.

<sup>49</sup> Exhibit R-9.

<sup>50</sup> Exhibit R-10.

Bates Barristers P.C.	\$78,100.00	\$1,255.50
TOTAL:	\$1,100,155.29	\$59,698.14

[72] The hourly rates, while high, remain reasonable when compared to the hourly rates charged by attorneys of comparable experience, reputation, and ability for similar litigation.<sup>51</sup>

[73] The number of hours will likely increase given counsel's duty to assist Eligible Class members during the settlement administration phase.

[74] Nonetheless, taking the current numbers, the proposed Class Action Fee represents a multiplier of 1.3<sup>52</sup> which is well within the norm.

### **CONCLUSION**

[75] Analysis of the relevant criteria confirms that the Class Counsel Fees, negotiated at arm's length between the parties in the Settlement Agreement, are reasonable.

[76] The Court approves them.

<b>POUR CES MOTIFS, LE TRIBUNAL :</b>	<b>FOR THESE REASONS, THE COURT:</b>
[77] <b>ACCUEILLE</b> la Demande pour approuver les honoraires des avocats du groupe;	<b>GRANTS</b> the Application to Approve Class Counsel Fees;
[78] <b>APPROUVE</b> le paiement aux Avocats du Groupe de leurs honoraires extrajudiciaires et autres frais comme prévu au paragraphe 43 de la Convention de Règlement;	<b>APPROVES</b> the payment to Class Counsel of its extrajudicial fees and other costs as provided for in section 43 of the Settlement Agreement;
[79] <b>LE TOUT</b> sans frais de justice.	<b>THE WHOLE</b> without legal costs.

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MARTIN F. SHEEHAN, J.S.C.

<sup>51</sup> Exhibit R-4.

<sup>52</sup>  $\$1,440,302 \div \$1,100,155 = 1.3$ .

Mtre Joey Zukran

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Mtre Jeffrey Orenstein

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Hearing date: May 18, 2023