

NOTICE OF PROPOSED SETTLEMENT & SETTLEMENT APPROVAL HEARING
ALGO CENTRE MALL COLLAPSE CLASS ACTION

TO: ALL CLASS MEMBERS

**Please read this Notice carefully. It describes how the Proposed Settlement may affect your rights.*

1. Overview/Summary

Subject to Court approval at a hearing to take place on April 10, 2026, the Parties have agreed to settle this class action for all-inclusive amount of **\$10 million**. The Court will approve the settlement if the Court finds that, in all of the circumstances, it is fair, reasonable and in the best interests of the Class as a whole. The Plaintiffs and Class Counsel recommend the \$10 million settlement as a reasonable compromise at this time based on the potential damages identified by Class Members over many years of litigation.

If the \$10 million settlement is not approved by the Court, the Parties will return to litigating the case for what is likely to be years. The outcome of continuing to fight this case is unknown and there is no guarantee that any potential damages recovered would total in excess of \$10 million.

If the \$10 million settlement is approved, the Court will then consider a plan to distribute to the Class Members the net settlement funds available (after the deduction of fees, expenses and taxes from the \$10 million). The Plaintiffs and Class Counsel have proposed a distribution plan (the “**Distribution Plan**”) that is based on a third party adjudicator valuing each Class Member’s claim for damages (with the possibility of an appeal of that valuation), with the net settlement funds then being paid out based on the proportion of each claim compared to the total value of all claims (the “**Proportionate Payment**”). The Court can approve or not approve that Distribution Plan at the April 10th hearing. If it is not approved and if modifications to the Plan are not accepted at the hearing itself, another distribution plan will need to be designed and put before the Court to determine if it is fair, reasonable and in the best interests of the Class.

The full terms of the Settlement Agreement and Distribution Plan can be found at: <http://royoconnor.ca/cases/elliott-lake-algo-centre-mall-collapse-class-action/>. On or before March 6th, affidavit evidence and written submissions in support of the \$10 million settlement, the Distribution Plan, and Class Counsel fees and disbursements will be posted on the same webpage¹.

2. Background

On June 23, 2012, the Algo Centre Mall (“**Mall**”) collapsed (the “**Collapse**”). In 2014, the Court certified this class action to proceed against the Defendants. Elaine and Jack Quinte were appointed as the Representative Plaintiffs. The settlement was reached late last year after years of litigation, including various hearings and an extended mediation before two former Court of Appeal Judges.

¹ This notice contains a summary of some of the terms of the Settlement Agreement and the Distribution Plan. If there is a conflict between the provisions of this Notice and the Settlement Agreement or that Plan, the terms of the Settlement Agreement and Distribution Plan, as applicable, shall prevail.

3. Who Does the Settlement Apply To?

The Class is defined as all individuals or businesses (except the Defendants) who were, at the time of the Collapse: (a) occupants in the Mall (or their parents, spouses, children and siblings); (b) tenants in the Mall; or (c) employed in the Mall (even if they were not working on the day of the Collapse).

4. What are Some Features of the Proposed Settlement?

The Defendants will pay a total all-inclusive amount of \$10 million in exchange for all claims against them relating to the Collapse being released and dismissed. If the Settlement Agreement is approved, the total amount available to be distributed to the Class Members will be the net amount available after the court-approved legal fees, expenses, disbursements, taxes and/or charges are deducted from the \$10 million.

The Court does not need to approve the Distribution Plan (or any particular distribution plan) in order to approve the \$10 million settlement. For clarity, the Defendants will not be involved in any settlement distribution process, will have no further role in evaluating or challenging the claims by Class Members, and are not taking any position on the nature or terms of any distribution process.

If the Court rejects the Distribution Plan at this time (or if adjustments to that Distribution Plan that are acceptable to the Court are not agreed to prior to or at the April 10th hearing), the Court may direct if, when and how any alternative distribution plan will subsequently be considered by the Court.

As noted above, the Plaintiffs and Class Counsel have put forward a Distribution Plan. The overarching premise of that Plan is that the net settlement fund available for distribution to (or on behalf of) the Class Members should be grounded in a proportionate and independent consideration of the damages that each of them have suffered as a result of the Collapse. The damages evaluation process in the Distribution Plan is designed to be summary and efficient in nature, all in an effort to reduce the time and expense spent on administrative expenses (including the fees of those adjudicating the valuing of the Class Member claims, which fees are paid out of the settlement funds) and thus leave more money to be distributed to the Class Members. The more complicated the design of the claims evaluation process becomes, the more money and time will be spent on administrative costs, and less money will be available to be paid to the Class Members, with greater delays.

Under the Distribution Plan, an application or claim for damages can be made by each Class Member to a third-party claim adjudicator (the “**Adjudicator**”). The Adjudicator will have to be approved by the Court. The Adjudicator will independently evaluate the damages claimed and whether they were caused by the Collapse based on materials already provided by, or to be provided by or on behalf of, each Class Member. Most Class Members have already provided information regarding their alleged damages to Class Counsel in the context of the extensive mediation process. The Distribution Plan will allow those materials to be used as part of each Class Member’s claim for damages, but each Class Member will also be permitted to supplement those materials if appropriate. None of Defendants, Class Counsel and/or the Plaintiffs will have a role in the assessment of any Class Member’s claim.

Broadly stated, Class Members have the following general types of alleged damages potentially caused by the Collapse that correspond generally to the three groups set out in the Class definition above:

1. *Physical and Psychological Injury* – Each occupant Class Member who suffered physical or psychological injuries (and any medical or other expenses) as a result of the Collapse may have a claim for those injuries (and expenses). Medical and other records or reports may be required to support such claims.

Each occupant Class Member will first be asked to determine if their claim falls within set categories or thresholds of physical or psychiatric injury as set out in charts in the Distribution Plan, and the Adjudicator will confirm the Class Member's choice of category or decide which other category is appropriate. If a Class Member believes that his/her injuries exceed the highest threshold in the charts, he/she can make an Extraordinary Claim as set out in the Distribution Plan, which the Adjudicator will evaluate individually.

2. *Loss of Wages/Employment Income* – Class Members who were employed in the Mall at the time of the Collapse (although they may not have been actively working the day of the Collapse) may have a claim for wages lost. Various records will be required to support such claims. The maximum length of time for which a claim for lost wages is 2 years post Collapse, with one exception. The exception is that employees who owned (or their spouses or immediate family owned) the business that employed them will be able to make a claim for lost wages for up to 5 years post Collapse.

3. *Damages to Business or Property* – Class Members who had a business in the Mall (or possessions in the Mall) may have claims for damage to their business or possessions (including loss of property and net profits, and/or various expenses or costs) resulting from the Collapse. For any claims for lost net profits, such claims can be made for a maximum period of 5 years post Collapse. For those who suffered loss of property or possessions, the amount recoverable for such losses is limited to the actual cash value of the property at the time (not replacement value). Records will be required to support business or property losses, with some accommodation made for records lost in the Collapse.

Some other elements of the Distribution Plan are briefly noted below (please refer to the Distribution Plan for complete and more detailed particulars of that Plan):

- a. The wage, business or property losses are subject to reduction based on the Adjudicator determining if Class Member mitigated losses or took reasonable steps to mitigate the losses.
- b. For those who incurred an insurance deductible, that deductible will be added to their damages.
- c. Class Members have a limited right to appeal the Adjudicator's valuation within 30 days. An independent Appeal Officer will decide whether the valuation by the Adjudicator was reasonable. The Appeal Officer will make the determination based on the evidence before the Adjudicator and that appeal determination will be final (with no further right of appeal).
- d. Any Class Member may have obligations to advance, pursue or cooperate with subrogated claims by other persons or entities who have paid amounts, insurance, expenses or other financial assistance to (or for the benefit of) the Class Member (excluding OHIP, whose subrogated claim is paid out of the \$10 million). The subrogation rights or obligations may vary depending on the individual circumstances or arrangements between Class Members and such subrogated entities.

Please note that all valuations and appeals will need to be completed before any Class Member's Proportionate Payment will be known. It is not possible for Class Counsel to know or estimate at this time the amount of compensation that any Class Member will receive from the net settlement funds.

5. When and where will the hearing be?

The Court settlement approval hearing will be held via video (Zoom) on **April 10, 2026**, starting at 10 a.m. (Eastern). Class Members and the public may attend the hearing but are not required to do so. Anyone wishing to attend the hearing should contact mallinfo@royoconnor.ca to obtain a link to the virtual hearing. Anyone wishing to attend the hearing must log in with their real name 30 minutes prior to the hearing. Please note that cameras and microphones must remain off for anyone not speaking during the hearing and that it is a criminal offence to electronically record a video Court hearing.

6. If I want to, how do I comment on the Settlement?

Class Members are entitled, but not obliged, to express their views on the \$10 million Settlement Agreement, the Distribution Plan and/or the fees and disbursements of Class Counsel, and whether they support or oppose any of them. Class Members should review the materials filed in support of the settlement before making any submissions. If you wish to make a submission to the Court supporting or objecting to the settlement or any relief requested at the hearing, you must send your submissions in writing (by mail or email) – no later than April 3, 2026 - to Class Counsel at the address below in section 8. Any written submissions from Class Members should include the Class Member's name (and his/her email and postal mailing address & telephone number), a brief statement of his/her views and reasons for their views, and an indication whether he/she plans to attend at the hearing. Please note that Class Counsel will provide copies of all submissions to the Court and Defendants before the hearing.

7. What happens to the money paid under the settlement?

As noted above, compensation for the Class will be paid from the net amount available after deducting from the \$10 million: (a) various costs and expenses (including the costs of administering the settlement and the OHIP subrogated claim); (b) the amounts owing to the Class Proceedings Fund (as described below); and (c) the legal fees, disbursements and taxes (as discussed further below).

In this case, the Plaintiffs have received financial support from the Class Proceedings Fund (the "Fund"), which is a body created by statute and designed to allow access to the courts through class actions in Ontario. The Fund agreed to support this action and provide reimbursement for some disbursements incurred in pursuing this action. The Fund would also have been responsible for costs that may have been awarded against the Plaintiffs. In exchange for its support, the Fund is entitled to recover any disbursements it has paid plus a 10% levy of net settlement funds payable to the Class Members.

Legal fees incurred in class actions are typically only recovered if the lawyers are successful for the Class and are only recoverable from the payments made by defendants. The amounts of such legal fees and disbursements in class actions are always subject to Court review and approval. In this case, Class Counsel will be requesting from the Court, pursuant to the terms of their retainer in this case, a contingency fee of 25% of the total \$10 million settlement fund (or \$2.5 million), plus disbursements and taxes. The actual fees that Class Counsel have incurred in this case to date exceed \$2.5 million.

8. Who are the lawyers for the Class and How can they be reached?

The law firms of Roy O'Connor LLP, Broadbent Law and Aubé Law Office are Class Counsel and represent members of this class action in Canada. As noted above, the Settlement Agreement, the Distribution Plan and supporting materials are or will be available at the following webpage update from Class Counsel: <http://royoconnor.ca/cases/elliott-lake-algo-centre-mall-collapse-class-action/>. For further information about the class proceeding, please contact Jack Stebbing of Roy O'Connor LLP by email at mallinfo@royoconnor.ca or by phone at 1-888-330-8815, or by regular mail at 1920 Yonge Street, Suite 300, Toronto, ON, M4S 3E2.

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PLEASE DO NOT CALL THE DEFENDANTS OR THE COURT ABOUT THIS ACTION. THEY WILL NOT BE ABLE TO ANSWER YOUR QUESTIONS ABOUT THE LAWSUIT

This notice is published pursuant to s. 17 of the *Class Proceedings Act* and was approved by the Court.

March 2, 2026