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August 18, 2010

**For the Attention of:
Chief Executive Officers and Chief Human Resource Officers
of Participating Employers**

**From: Terry Siriska, Director
Organizational Health Management Services**

Demutualization Update

The hearing to certify the class and approve the settlement took place on Tuesday August 17, 2010. We are pleased to announce that the court certified the class and approved the settlement.

Under the Settlement Agreement a second Notice needs to be posted. Please arrange for the **immediate** publication of the attached Notice on your organization's website. A French version of the notice will be available shortly which can be posted along with the English notice. If you are going to post the French version, we ask that you do please post the English notice immediately and then post the French version when it becomes available.

The OHA has made arrangements for the publication of this Notice in the August 20, 2010 edition of the Globe and Mail.

In the next few days we will send out another bulletin outlining the next steps for each Participating Employer to enable the OHA to determine your share of the proceeds.

If you have any questions, please do not hesitate to contact Joanne Philipose at 416-205-1414 or jphilipose@oha.com

**Notice to Employees and Former Employees of Member Organizations
of the Ontario Hospital Association as of December 29, 1997
This Notice May Affect Your Rights - Please Read Carefully**

To: All current and former employees of member organizations of the Ontario Hospital Association ("OHA") who paid a share of premiums and were covered by the OHA's long-term disability policy (Policy No 2100) as of December 29, 1997.

Purpose of this Notice

This is the Second Notice in these proceedings. You can find the first Notice on the web pages listed below.

The OHA and representatives of its members' unionized and non-unionized employees have entered into a Settlement Agreement to distribute the proceeds arising from the demutualization of certain insurance policies that Mutual Life had issued to the OHA (the "Proceeds"). An application was brought in the Ontario Superior Court of Justice to obtain court approval of the Settlement Agreement for the proposed distribution of the Proceeds, as a class proceeding. At a hearing on August 17, 2010, the Ontario Superior Court of Justice certified the application as a class proceeding, appointed representative Respondents and approved the Settlement Agreement.

The purpose of this Second Notice is to provide members of the Class with information on how to opt out of this class proceeding and, if eligible, how to apply for funds under the Cash Recipients Fund. For further details with respect to the Settlement itself, please see the first Notice and the Settlement Agreement found at the web pages listed below.

The Class

The Court certified the application under the *Class Proceedings Act, 1992* for the purpose of effecting the Settlement on behalf of the following class:

All current and former employees of Participating Employers who were employed by a Participating Employer, paid a share of premiums and were covered under its LTD Policy as of December 29, 1997.

The following individuals were named as the representative Respondents on behalf of the Class: Andy Summers, Lee Rogano, Yves Shank, Mike Tracey, Carol McDowell, Katha Fortier, and Nelia Cabral. There are approximately 41,000 employees and former employees who are members of the Class. For full details of the definition of the class, please review the Settlement Agreement and Court Orders found at the website below.

The Terms of the Settlement Agreement

As of June 1, 2010, there are approximately \$22.5 million in Proceeds being held in trust. The Settlement provides for these Proceeds to be distributed in two parts. As described in the first Notice, \$17.2 million will be allocated to a Premium Holiday for eligible employees and Participating Employers. To be eligible for the Premium Holiday you must:

1. be actively employed with a Participating Employer as of the date the Proceeds are distributed;
2. pay a share of premiums under your employer's LTD policy as of the date the Proceeds are distributed; and
3. be employed with the same Participating Employer that you were employed with on December 29, 1997 and have participated in the LTD policy as of December 29, 1997 that Mutual Life had issued to the OHA at the time.

If you are eligible to receive the Premium Holiday, you do not need to take any action.

The remaining Proceeds (approximately \$5.3 million) will be used to pay for legal and other fees and as a Cash Recipients Fund for Class members who are not eligible for the Premium Holiday. See below for details about the Cash Recipients Fund and how to apply if you are eligible.

After the payment of legal and other fees, and the payment of claims against the Cash Recipients Fund, if there are Proceeds remaining, 50% will be distributed to the OHA and the remaining 50% will be used to provide an additional premium holiday. Please review the Settlement Agreement for details as to who would be entitled to the second premium holiday.

If more than 25 persons opt out of the Class, as set out below, under the terms of the Settlement Agreement, these proceedings can be terminated and the funds may not be distributed in accordance with the Settlement, even if the Settlement has been approved by the Court.

Costs to You

One of the terms of the Settlement is that the legal fees and other costs related to this application are to be paid from the Proceeds. None of the fees of legal counsel involved in this proceeding will be based on a contingency fee arrangement. Fees and other costs related to this application, including the process of reaching the settlement, to August 17, 2010, are estimated at \$1.5 million. The amount of the Proceeds available under the Cash Recipients Fund (and any Remaining Funds) will be reduced by the legal fees or other expenses incurred in advancing this matter.

Opting Out

If you wish to remain a member of the Class, you do not need to do anything. If you wish to opt out of the Class, you must ensure a written notice to this effect is received by registered mail or fax before 5:00 p.m. on **Thursday, September 16, 2010** by either Class Counsel at the addresses below. Please ensure that you include your full name and contact information with your notice to opt-out.

You are entitled to seek independent legal advice with respect to this Settlement and Opting Out. You may contact your own lawyer, at your own expense. The Court Order approving the proposed Settlement will bind all members of the Class unless they opt out.

How to Apply for Payment From the Cash Recipients Fund

If you are a Class member but are not eligible to receive the Premium Holiday (for example, you are currently on LTD, you are retired, or you are no longer employed with the same employer that you worked for on December 29, 1997), you are entitled to apply for a cash payment from the Cash Recipients Fund.

Class members who have valid claims against the Cash Recipients Fund will receive \$100.00. This amount may be reduced if there is not enough money in the Cash Recipient Fund to provide \$100.00 to each class member who makes a valid claim against that Fund.

To receive a payment from the Cash Recipients Fund, you must submit your **name, current home address and proof** that, as of December 29, 1997, you participated in the LTD policy that Mutual Life issued to the OHA at the time to:

Ontario Hospital Association: Demutualization Claims Processing

Attention: Joanne Philipose
200 Front Street West
Suite 2800
Toronto, ON
M5V 3L1
1-866-834-2353
demutualizationclaims@oha.com

The following proof will be accepted:

- a statement of earnings which covers the period of December 29, 1997;
- your T4 for 1997;
- an approved LTD claim which covers the period of December 29, 1997;
- a pay cheque stub which covers the period of December 29, 1997;
- a letter from a participating Employer confirming that you were a full-time employee on December 29, 1997; or
- other satisfactory documentary evidence of full-time employment with a Participating Employer on December 29, 1997.

If you are applying on behalf of a deceased Class member, you must also submit proof of death and proof of your appointment as executor and trustee of the Class member's estate.

You have until Monday, October 18, 2010 to submit your name, current home address and proof of your eligibility. If your application is not received by 5 pm on Monday, October 18, 2010 or is incomplete, you will not be entitled to any payment from the Cash Recipients Fund.

Questions and Additional Information

For further information, including the full Settlement Agreement, the list of Participating Employers, and any questions concerning these proceedings you can contact the Class Counsel as follows:

Contact information for Class Counsel to Class Members represented by (or formerly represented by) a Union:

Cavalluzzo Hayes Shilton McIntyre & Cornish LLP

Barristers & Solicitors

474 Bathurst Street, Suite 300

Toronto, ON M5T 2S6

Fax: (416) 964-5895

Please direct inquiries to:

Telephone: 1-877-398-5711

Email: moconnor@cavalluzzo.com

Web site for Class Members: www.cavalluzzo.com/Class-Actions.aspx (click on OHA class proceeding)

Contact information for Class Counsel to Class Members who are (or were) non-unionized employees:

Koskie Minsky LLP

Barristers & Solicitors

P.O. Box 52

20 Queen Street West, Suite 900

Toronto, ON M5H 3R3

Fax: (416) 977-3316

Please direct inquiries to:

Telephone: 1-866-777-6341

Email: ohaclassproceeding@kmlaw.ca

Web site for Class Members: www.kmlaw.ca/case-central (click on OHA class proceeding)