

CLASS ACTIONS AGAINST JTI MACDONALD, IMPERIAL TOBACCO AND ROTHMANS, BENSONS & HEDGES

MOST RECENT DEVELOPMENTS

18 November 2016

Start of the appeal of the judgment against cigarette manufacturers

From November 21 to 25, 2016, before the Court of Appeal of Quebec, three Canadian tobacco companies will attempt to overturn the June 2015 judgment sentencing them to pay \$15 billion to 100,000 Quebecers victimized by tobacco. Once again, Imperial Tobacco (ITL), Rothmans, Benson & Hedges and JTI-MacDonald will seek to be relieved of their obligations towards victims of their own products. Representing the victims of this class action, lawyers and the Quebec Council on Tobacco and Health will vigorously contest the arguments tabled by the companies.

Click on the following link to consult the press release issued on November 21 2016 (French version only): [Start of the appeal of the judgment against cigarette manufacturers](#). The judgement is expected in 2018.

In addition, as part of the Court of Appeal's judgment on October 27, 2015, Imperial Tobacco and Rothmans, Benson & Hedges have begun to pay the Court registrar security deposits that will total \$984 million by the end of this proceeding, which represents part of the indemnity claimed from tobacco manufacturers. These sums serve to guarantee compensation for the victims of the class action in the event that the judgment in their favour is upheld in appeal.

29 October 2016

Tobacco companies ordered to pay a guarantee deposit of close to \$1 billion

On October 27th, the Quebec Court of Appeal ruled in favour of the plaintiffs (tobacco victims) in the class actions by ordering two tobacco companies to pay a guarantee deposit of \$984 million while waiting for the courts to rule on the merits of the case. "We're satisfied with the decision handed down by the Honourable Mark Schragar, who has recognized the victims' right to compensation. The Court of Appeal has recognized that it is unacceptable to allow the tobacco companies to transfer abroad the hundreds of millions in profits they record each year, which made them unable to pay an eventual compensation to the 100,000 Quebec victims concerned," said a delighted Mario Bujold, executive director of the Québec Council on Tobacco and Health, the organization that secured a monetary condemnation of \$15 billion against the tobacco manufacturers in May 2015.



The court sentenced Imperial Tobacco and Rothmans, Benson & Hedges to pay the registrar of the Court guarantee deposits of \$758 million and \$226 million, respectively, which may be paid in six equal quarterly instalments, starting in December 2015.

This decision comes after the class actions, on appeal last July, lost their request for a provisional execution sentencing the companies to pay \$1 billion of the \$15 billion awarded under the Superior Court ruling. “This is an important moral victory, one that will allow us, eventually, to recover in full the sum awarded under the ruling on May 27, 2015. We can now be certain that the victims will receive compensation,” added Mr. Bujold.

6 October 2016

Guarantee deposit of \$4.3 billion demanded from tobacco companies to prevent them from escaping justice

After winning its case against three tobacco companies, the Québec class actions today argued before the Québec Court of Appeal that a guarantee deposit of \$4.3 billion should be remitted, while waiting for the courts to rule on the merits of this file. “We’re asking for this guarantee deposit in order to avoid a scenario whereby the victims end up nothing because the tobacco companies transfer abroad the hundreds of millions of dollars in profits they record each year,” explained Mario Bujold, executive director of the Québec Council on Tobacco and Health, the organization representing the 100,000 Quebecers living with lung or throat cancer, or emphysema.

The motion defended comes four months after the Superior Court of Québec awarded \$15 billion to two class actions, with the first deposit of \$1.131 billion due within 60 days. In July, the Québec Court of Appeal rescinded the order to pay the initial deposit, accepting the argument on the part of the tobacco companies that they would not be able to recover this sum if they won their appeal. The tobacco companies had also pleaded an inability to make the billion-dollar first payment, providing financial statements in support of their argument.

Lawyers for the victims are demanding that Imperial Tobacco and Rothmans, Benson & Hedges provide, within 30 days of the ruling, letters of credit totalling \$4.3 billion issued by a chartered Canadian bank, or letters of credit totalling \$217 million for each quarter, up to a total amount of \$4.3 billion. In either case, the amounts will have to be placed in a trust account so that they can be recovered by the party that wins the appeal

June 1, 2015

Canadian tobacco companies sentenced to pay \$15 billion to tobacco victims

Historical victory for the two Quebec class actions in the Quebec Superior Court. Justice Riordan sentenced Imperial Tobacco, Rothmans, Benson & Hedge and JTI-Macdonald to pay \$15 billion to almost 100 000 Quebec tobacco victims.