

Town Hall Meeting

June 3, 2009

Proposed Settlement of TCE Class Action
Northstar Aerospace Companies

Introductions

- Class Counsel

- David Thompson, Scarfone Hawkins LLP
- Matthew Baer & Michael Eizenga,
Siskinds LLP
- P.A. Neena Gupta, Gowling Lafleur
Henderson LLP

Introductions

- Representative Plaintiffs
 - Derek Ashley Wamboldt
 - Craig Denby
 - Assad Kamal
 - Mark Phelan
 - Linda Watson

Background to the Litigation

- August, 2005, Northstar Aerospace and MOE advise of TCE Contamination from 695 Bishop Street North into adjacent areas
- Northstar and MOE work on monitoring and remediation (on-going)
- Litigation commences in January 2006

Background to the Litigation

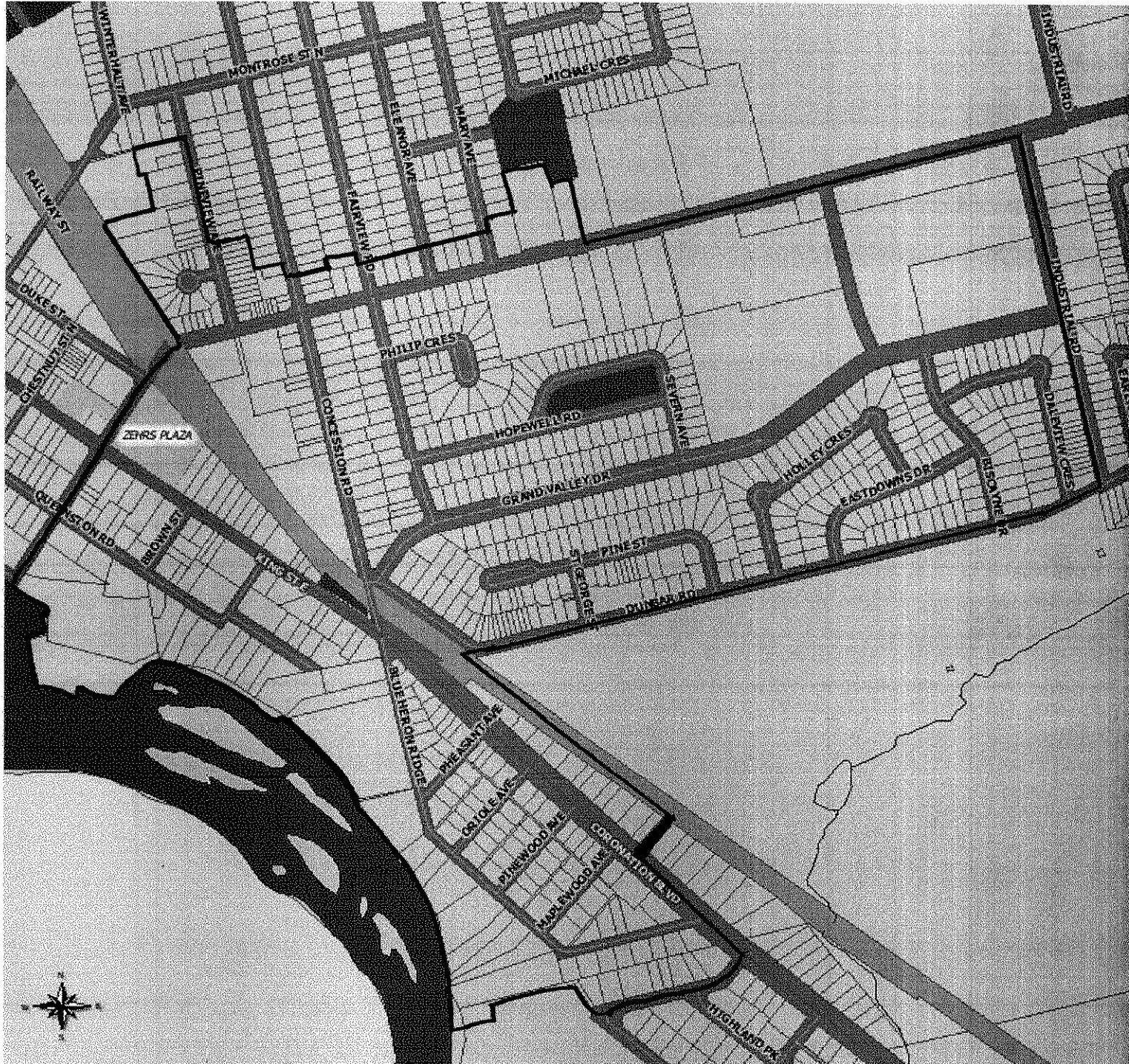
- 4 law firms agree to cooperate
- Experts retained to advise Class Counsel
 - Expert Appraiser on the impact of TCE Contamination on property values
 - Expert Engineer on:
 - the nature of TCE contamination
 - its likely trajectory
 - Appropriate remediation steps

Background to the Litigation

- Affidavits and material drafted to certify class
- Served on Northstar Aerospace's counsel
- Lengthy negotiations ensued, culminating in the Proposed Settlement Agreement

Proposed Settlement

- Property owners within Settlement Area may submit a claim to the Claims Administrator
- Tenants and family members are not eligible to claim



Proposed Settlement

- Northstar funds thirty days after settlement becomes final:
 - \$1,000,000 after settlement becomes finalized
 - \$500,000 for Extraordinary Property Claims
 - \$550,000 towards legal fees and disbursements

Proposed Settlement

- Northstar executes a promissory note for \$3,000,000 bearing interest at 3.3% and payable within three years of the date of issuance
- These monies fund the balance of the settlement funds

Proposed Settlement

- All legal fees, disbursements and administration costs come out of settlement funds
- Proposed Settlement does not release:
 - Northstar's obligations to remediate
 - Northstar's obligation to pay for increased utility costs
 - Your right to make a separate claim for health or personal injury

Advantages of Settlement

- Avoidance of litigation risks
 - Requirement of proving damages
 - Expense in proving damages when property is not actually sold
 - The concern regarding the TCE contamination becoming the “new normal”
- Avoidance of litigation delays
 - Complex court cases routinely take 3 to 5 years and are subject to appeal

Advantages of Settlement

- Plan of Distribution
 - Avoids need to prove every single property owner claim
 - Points system that addresses major factors
 - Levels of TCE contamination
 - Disruption due to remediation
 - Types of remediation required
 - Existence of Extraordinary Damage Fund for matters that are not captured by Point System

What Happens Next?

- Court approval required and hearing set by June 18, 2009 in Toronto
- Objections must be received in writing by June 12, 2009
- Mass mailing of Court Hearing and the Plan of Distribution

What Happens Next?

- Class Members have until late summer, 2009 to opt-out, if they wish to hire their own lawyer to pursue litigation
- Settlement becomes finalized only when it is not terminated due to excessive opt-outs

What Happens Next?

- Claims submissions will be due sometime in late fall, 2009
- First payments will be made in late 2009

What happens next?

- Subsequent payments depend on promissory note
- Final payments cannot be later than 2012

Questions?

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