

NOTICE OF PROPOSED SETTLEMENT AND SETTLEMENT APPROVAL HEARING

DID YOU PURCHASE RANDOM-ITEM LOOT BOXES IN *ROCKET LEAGUE* OR *FORTNITE*?

THIS NOTICE MAY AFFECT YOUR LEGAL RIGHTS

A class action settlement has been reached between the parties in *Johnston v Epic Games Inc et al*, S.C.B.C. No. VLC-S-S-220088. The Supreme Court of British Columbia has certified the class action for the purposes of implementing the proposed settlement. The proposed settlement is a compromise of disputed claims and is not an admission of liability, wrongdoing, or fault by the defendants. The settlement is subject to the approval of the court.

The court has appointed Glenn Johnston as representative plaintiff. Class Counsel are Slater Vecchio LLP and Mathew P Good Law Corporation.

The defendants are Epic Games Inc. and Epic Games Canada ULC ("**Epic**").

This class action settlement also resolves the claims against Epic in the Quebec action *Gabriel Bourgeois c. Electronic Arts et al.*, Court File No. 500-06-001132-212.

- **WHAT IS THE CASE ABOUT?**

The plaintiff alleges that the defendants breached various consumer protection laws in their offering and operation of random-item loot boxes in the video games *Rocket League* and *Fortnite*. From July 25, 2017 to February 5, 2019, players in *Fortnite: Save the World* could purchase "V-Bucks" to spend on "Loot Llamas". From September 8, 2016 to December 4, 2019, players in *Rocket League* could purchase "Keys" to spend on "Crates". The plaintiff sought to recover damages for himself and Class Members for alleged losses as a result of this conduct. The defendants deny the allegations.

- **WHO ARE IN THE CLASS AND AFFECTED BY THE SETTLEMENT?**

The Class consists of all natural persons in Canada, and their guardians or estates, who purchased random-item loot boxes in *Rocket League* or *Fortnite*. If you had an account in *Rocket League* or *Fortnite*, you should have received an email confirming your membership in the Class.

- **WHAT ARE THE TERMS OF THE SETTLEMENT?**

The settlement provides for the payment of CDN \$2,750,000 by Epic in exchange for a full release of all claims raised in the legal proceedings against it by the Class. The payment of the settlement amount is not an admission of liability, wrongdoing, or fault by the defendants.

A further hearing will be held on **February 15, 2023** to seek approval of the Settlement Agreement by the court. The hearing will take place in at 800 Smithe Street, Vancouver, B.C., before the Honourable Justice Majawa.

If approved, the settlement will be binding on all members of the Class who do not opt out of the proceeding. The full settlement terms are available at www.epiclootboxsettlement.ca.

- **HOW DO I BECOME A MEMBER?**

If you want to be a **member of this class action** and **participate in the settlement**, **you do not need to do anything**. You are automatically included as a member of the Class, *unless* you opt out of the applicable proceeding.

- **WHAT IF I DO NOT WANT TO PARTICIPATE?**

If you do **not** want to participate in the class action, **you may exclude yourself** (“opt-out”). To opt-out, you must complete and sign an opt-out form and deliver it to Class Counsel by mail, courier, or email no later than **Wednesday January 11, 2023**. The opt-out form is available at www.epiclootboxsettlement.ca. Details on how to submit the opt-out form can be found in section 12 of the settlement agreement and on the opt-out form. The opt-out form must be completed and be emailed to, or mailed or couriered to Class Counsel at:

<p>SLATER VECCHIO LLP C/O SEAN TWEED PO Box 10445 Pacific Centre North 18th Floor, 777 Dunsmuir Street Vancouver BC V7Y 1K4</p> <p>Email: epicsettlement@slatervecchio.com.</p>
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- **WILL I RECEIVE COMPENSATION FROM THIS SETTLEMENT?**

Class Members who made in-game purchases, and who contend that any aspect of these purchases gives rise to a claim of consumer fraud, breach of contract, or other legal claim for damages regarding those purchases, will be able to submit claim forms for additional compensation.

To qualify for compensation, a Class Member is required to:

- (a) provide a **valid email address** to the Settlement Administrator within 30 days from the publication of this notice, namely by **Wednesday January 11, 2023**;

- (b) timely submit a **valid and complete Claim Form** which will be sent to the Class Member by the Settlement Administrator at the address provided in step (a), by or before the date indicated in that Claim Form.

Each Class Member may submit only one (1) Claim Form.

Each Class Member who timely submits a valid Claim Form will receive **an equal amount up to a maximum of \$25.00 per Class Member** regardless of the number of lootboxes purchased by such Class Member. Under the terms of the settlement, certain conditions may lead to Class Members with valid claims receiving less than this amount. For example, the compensation available to Class Members will be reduced proportionately among all Class Members with valid claims if the total amount of eligible claims exceeds the Settlement Fund minus the costs and expenses of the settlement described in the Settlement Agreement and summarized herein.

To receive any compensation from the settlement, a Settlement Class Member must have a valid e-mail address and a bank account capable of receiving payments via Interac e-transfer, as e-transfer is the only method through which compensation will be sent. Compensation can only be collected for a period of thirty (30) days after the e-transfer is sent.

Any remaining funds after distribution to eligible Class members and payment of expenses will be donated to the Law Foundation of British Columbia and one or more charitable organizations whose mission relates to promoting the wellbeing of those who consume video games, as agreed to by the Parties, and subject to the approval of the Court.

- **IMPORTANT DATES – WHEN TO MAKE A CLAIM:**

Email Due Date: Class Members must transmit a valid e-mail address to the Claims Administrator by the E-Mail Due Date, no later than 5:00 PM Eastern on **Wednesday January 11, 2023**.

Claim Form Deadline: To seek compensation from the settlement, a Settlement Class Member must complete and submit a Claim Form transmitted by the Settlement Administrator to the email address provided by the Class Member no later than 5:00 PM Eastern on **or before the date indicated in the Claim Form**.

- **WHAT ARE THE FEE ARRANGEMENTS?**

Under the terms of their retainer agreement with the representative plaintiff, Class Counsel will seek approval of a fee of up to 25% of the settlement amount, plus disbursements and applicable taxes. Class Counsel will also seek payment of up to \$1500 as honourarium for the B.C. representative plaintiff.

Class Counsel fees, disbursements, and any payments to the representative plaintiff are subject to court approval.

- **OBJECTIONS**

All members of the Class have the right to let the court know of any objection they have to the approval of the Settlement Agreement, Distribution Protocol, Class Counsel fees or honorarium to the representative plaintiff by delivering a letter or written objection to Class Counsel on or before **Wednesday January 11, 2023**.

If a class member wishes to object, the following information must be included in the letter or written objection delivered to Class Counsel:

- (a) The objector's full name, current mailing address, telephone number and email address;
- (b) A brief statement of the nature and reasons for the objection;
- (c) That the objector is a member of the Class;
- (d) Whether the objector intends to appear at the court hearing on their own behalf or through a lawyer, and if by a lawyer, the name, address, telephone number and email address of the lawyer; and
- (e) A statement that the foregoing information is true and correct.

FOR MORE INFORMATION OR A COPY OF THE SETTLEMENT AGREEMENT, go to <https://www.epiclootboxsettlement.ca>.

You may also contact Class Counsel at:

<p>SLATER VECCHIO LLP PO Box 10445 Pacific Centre North 18th Floor, 777 Dunsmuir Street Vancouver BC V7Y 1K4</p> <p>Tel: 1 855-916-4748 (toll free) Email: epicsettlement@slatervecchio.com.</p>

This notice has been authorized by the Supreme Court of British Columbia.