

NOTICE OF SETTLEMENT OF CLASS ACTION INVOLVING UNCORRECTED UNDERPAYMENT OR RECOVERY OF OVERPAYMENT OF CERTAIN SOCIAL BENEFITS

PLEASE READ CAREFULLY. THIS NOTICE MAY AFFECT YOUR RIGHTS.

TO:

OVERPAYMENT RECOVERY CLASS - Persons resident in Alberta and elsewhere in Canada whom the Government of Alberta required (1) between December 1, 1979 and May 1, 1983 to repay income support overpayments exceeding a total of \$500, or (2) between May 1, 1983 and April 29, 2004 to repay income support overpayments exceeding a total of \$1000, in a manner other than that provided in an Income Support Repayment Agreement or Income Support Recovery Agreement or a Court order; and,

AND TO:

UNDERPAYMENT CLASS - Persons resident in Alberta and elsewhere in Canada who, between December 1, 1979 and March 1, 2005, were found to have been underpaid the income support to which they were entitled for longer than six months, and whose retroactive correction payment was limited to only six months' time.

This Notice of Settlement is published by order of the Honourable Mr. Justice Frans F. Slatter of the Court of Queen's Bench of Alberta.

REPRESENTATIVES OF THE CLASSES

On September 21, 2004, Curtis Roth and Donald Fifield, as Plaintiffs, filed a proposed class action lawsuit in the Court of Queen's Bench of Alberta against the Government of Alberta on their own behalf and as representatives on behalf of all members of the above classes. The action was amended on January 26, 2005.

NATURE OF THE ACTION

The lawsuit alleged that the Government wrongfully withheld benefits the Overpayment Recovery Class members were entitled to receive under Alberta's Assured Income for the Severely Handicapped Act, the Social Development Act and the Widows' Pension Act in the manner that it recovered overpayments from them. The lawsuit further alleged that the Government wrongfully withheld benefits from the Underpayment Class members under a policy that limited the correction of underpayments identified in the administration of their benefits to six months. The lawsuit sought damages and other relief in relation to the withholdings.

The Government was not required to file a statement of defence, but denied the allegations made by the Plaintiffs and disputed that the lawsuit should receive the Court's approval to proceed as a class action lawsuit. The Plaintiffs and the Government entered into a Settlement Agreement, which was approved by the Court.

TERMS OF THE SETTLEMENT

This is intended as a summary only. If there is any conflict between this Notice and the terms of the Settlement Agreement (which is available from the Claims Administrator at their address or website below) the Settlement Agreement prevails.

Under the settlement, class members (or their legal representatives) are entitled to claim benefits by delivering a claim form to the independent Claims Administrator appointed by the Court. All claims must be supported by the claimant's statutory declaration that they are eligible as a class member, but claimants have a choice between two methods of establishing the amount of settlement benefits they are entitled to receive:

Summary claim form - this form of claim will entitle Overpayment Recovery Class members to the following fixed amounts: \$2,323 for recipients under the Assured Income for the Severely Handicapped Act, \$1,105 for recipients under the Social Development Act, and \$698 for recipients under the Widows' Pension Act.

Detailed claim form - this form of claim asks the Claimant to provide their best information to assist in processing their claim, and gives them the further option of stating the amount they are claiming. This form of claim will entitle class members to be paid the amount that is established they were not paid (in the case of Underpayment Class members) or that they repaid (in the case of Overpayment Class members) multiplied by a multiplier.

The claims forms are designed so that a claimant can complete them without the assistance of a lawyer.

The Government will be entitled to dispute a claimant's eligibility (in response to a summary claim), and both the claimant's eligibility and the amount claimed (in response to a detailed claim stating the amount claimed) by delivering to the Claims Administrator a Response within a specified time. A Response will require the Government to produce all of the records in its possession relating to the disputed issue, so that the Claims Administrator can then decide the claim on all of the available information. If the Government does not deliver a Response to a summary claim or a detailed claim stating the amount claimed, the Claims Administrator will accept the amounts claimed. The Claims Administrator may also require the Government to deliver a Response to a detailed claim that does not state the amount claimed, so that the Claims Administrator can then decide the claim on all of the available information. The settlement also provides claimants with a right to appeal the decision of the Claims Administrator to an independent appeal adjudicator appointed by the Court.

Finally, the Government agreed to pay Class Counsel's fees and disbursements, instead of the Class Members having to pay Class Counsel out of their settlement benefits.

DO I NEED A LAWYER?

The Claim forms have been designed so that an individual can complete them without assistance. If you wish to hire your own lawyer, you will have to hire that lawyer at your own expense.

HOW DO I MAKE A CLAIM?

You can participate in the settlement of the Action by delivering a Claim to the Claims Administrator by January 12, 2007. You may contact the Claims Administrator using the contact information below to obtain additional information concerning the Settlement Agreement and a claims package.

WHAT IF I DON'T WANT TO PARTICIPATE?

Alberta Residents: if you resided in Alberta on January 11, 2006, you are bound by the settlement unless you notify the Claims Administrator you wish to opt out. If you do not wish to participate or be bound by the dismissal of the lawsuit, you must complete an Opt Out Notice form and deliver it to the Claims Administrator no later than January 12, 2007. The form is available from the Claims Administrator.

Other Canadian Residents: If you resided in Canada but outside Alberta on January 11, 2006, and you do not wish to participate or be bound by the dismissal of the lawsuit, you do not need to do anything. You cannot participate in or be bound by the settlement unless you opt in to the lawsuit by delivering a Claim Form.

ADDITIONAL INFORMATION AND QUESTIONS

You can contact your nearest Canada Alberta Service Centre/Alberta Service Centre or AISH office and request a "Statement of Debt", which may prove useful in submitting a claim.

Do not contact the Court about this notice or proceeding. Additional information concerning the Settlement Agreement and how to advance a claim can be obtained from the Claims Administrator at the following address:

Crawford Class Action Service

101 – 505 Riverbend Drive
Kitchener, Ontario N2K 3S3
Telephone: (Toll Free) 1-877-507-7706
Facsimile: (Toll Free) 1-888-842-1332
Website: www.incomesupportsettlement.ca

Claims forms can be obtained by mail, or at the Class Action website, or by calling toll-free at 1-877-507-7706.

Alternatively, you may contact Class Counsel at the following address:

Philip S. Tinkler

Fraser Milner Casgrain LLP
Barristers and Solicitors
2900 Manulife Place
10180 -101 Street Edmonton, AB T5J 3V5

THE TIME LIMIT FOR SUBMITTING CLAIMS TO THE CLAIMS ADMINISTRATOR IS JANUARY 12, 2007