

PRE-APPROVAL NOTICE

**Crayola 2011 Washable Coloured Bubbles
Settlement Program in Canada**

**NOTICE OF UPCOMING COURT HEARING ON THE APPROVAL OF A CLASS ACTION
SETTLEMENT AGREEMENT**

PLEASE READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS

THE CLASS:

A proposed settlement has been reached with respect to the class action commenced against Crayola Properties, Inc., Hallmark Cards, Inc. and William E. Coultts Company Limited (collectively, "**Crayola**") by Samuel Chagnon on behalf of the Class defined as:

All Persons residing in Canada who have purchased or acquired (including by gift) in Canada 2011 Washable Colored Bubbles, through to September 12, 2013.

SUMMARY:

Crayola has agreed to provide for three types of compensation, as follows:

A. Direct Compensation

Crayola will provide to each Class Member that qualifies Compensation in the following manner, via the Claims Program.

The Claims Program shall continue until 30 days after the judgment approving the settlement becomes final.

In order to qualify, Class Members must have purchased or acquired (including by gift) in Canada 2011 Washable Colored Bubbles, through to September 12, 2013.

1. Compensation for 2011 Washable Colored Bubble Purchase Costs

Crayola will compensate Class Members for product purchase costs as follows:

a. Category A (No Proof of Purchase):

If a Class Member does not have proof(s) of purchase in the form of a receipt or UPC, Crayola will offer the Class Member the value of the 2011 Washable Colored Bubbles product(s) in the form of Crayola Vouchers in an amount not to exceed \$12.00, depending on the 2011 Washable Colored Bubbles product(s) purchased or acquired;

b. Category B (Proof of Purchase or UPC):

If a Class Member has proof of purchase or a UPC for 2011 Washable Colored Bubbles, Crayola will offer the Class Member his/her choice of:

(i) Cash Option

The cash value of the 2011 Washable Colored Bubbles product(s) (plus any shipping, handling and tax paid in connection with original purchase, as recorded on receipt) in the form of a cheque; or

(ii) Voucher Option

The value of the 2011 Washable Colored Bubbles product(s) (plus any shipping, handling and tax paid in connection with original purchase, as recorded on receipt) plus \$5.00, all in the form of Crayola Vouchers.

Under both Category A and Category B, compensation or vouchers will not be given to more than one person for the same product.

2. Compensation for Cleaning Costs:

For properly substantiated out-of-pocket costs for cleaning supplies or services to remediate stains caused by 2011 Washable Colored Bubbles, Crayola will provide the cash value of such costs.

3. Compensation for Property Damage:

For properly substantiated out-of-pocket costs to remediate damage to real or personal property caused by 2011 Washable Colored Bubbles, Crayola will provide the reasonable cash value of such costs provided the Class Member has receipts or other reliable documentation.

4. Compensation to Class Members who Received Some Compensation Prior to Implementation of the Claims Program:

Class Members who received compensation from Crayola prior to the implementation of the Settlement Agreement and believe that the compensation they received was less than what they would have received under the terms of this Settlement Agreement may contact the Crayola Consumer Affairs Department to receive the difference in value by way of cheque, credit or voucher.

The percentage of the Fonds d'aide aux recours collectifs

For Quebec residents only, any Compensation in cash given for the 4 categories above, it is understood that the *Fonds d'aide aux recours collectifs* will be entitled to claim a percentage of the claims.

B. Indirect Compensation

Crayola has agreed that it shall, in addition to the relief provided above, perform indirect forms of compensation, including discontinuing its original 2011 Washable Colored

Bubbles, redesigning its bottle, revising its promotional materials, re-labelling its packaging and correcting its stain-removal guide.

CLASS COUNSEL FEES:

In addition, Crayola has agreed to pay the legal fees and disbursements of class counsel (plus taxes) as more described in the Settlement Agreement. This amount is paid over and above any compensation to Class Members and will not come out of or in any way reduce the settlement payments to Class Members under the proposed settlement.

IMPORTANT DATES – APPROVAL, OPT OUT AND OBJECTION:

A motion to approve the settlement will be heard by the Québec Superior Court, 1 Notre Dame Street East, Montréal, Québec on September 12, 2013 at 2:15 P.M. in room 2.08.

If the proposed settlement is approved, it will be binding on all Class Members except those who timely and properly opt out.

If you wish to opt out, you must no later than November 10, 2013 complete and submit by mail the Opt Out Form. Class Members who want to opt out and who are residents of Quebec must IN ADDITION give notice to the Clerk of the Superior Court of Quebec. The Opt Out Form will be available at www.2011washablecolouredbubblessettlement.ca.

If you wish to object to the proposed settlement, you must send a written notice of objection to Class Counsel and Defence Counsel by no later than September 2, 2013. Your written objection should include (a) your name, address, e-mail address and telephone number; (b) a brief statement of the reasons for your objection; and (c) whether you plan to attend at the hearing in person or through a lawyer, and if by lawyer, the name, address, e-mail address and telephone number of the lawyer.

IMPORTANT DATES – WHEN TO MAKE A CLAIM:

A Claim Form must be postmarked no later than 60 days after the date the Superior Court of Quebec has approved the settlement agreement i.e. at the earliest **November 11, 2013**.

FURTHER INFORMATION:

A complete copy of the Settlement Agreement, and detailed information on how to obtain or file a Claim are available on Class Counsel's website at www.clg.org, on Crayola's website www.2011washablecolouredbubblessettlement.ca. To obtain a paper copy, please call Crayola at 1-866-436-6933.

The Class Counsel, or law firm representing the petitioner, is the following:

Jeff Orenstein, Esq.
Consumer Law Group Inc.
4150, Ste.-Catherine St. W., Suite 330
Montreal, Quebec H3Z 2Y5
Phone: 1-888-909-7863
514-266-7863
416-479-4493

613-627-4894
Fax: 514-868-9690
jorenstein@clg.org
www.clg.org

If there is a conflict between the provisions of this Notice and the Settlement Agreement and any of its Schedules, the terms of the Settlement Agreement shall prevail.

This notice has been approved by the Québec Superior Court.