

PRESS RELEASE

### **Class action suit launched against Wal-Mart Canada**

**Montréal, April 21, 2005** – Today, Montréal law firm Adams Gareau filed a request in Superior Court for authorization to file a class action suit against Wal-Mart Canada Corp., which announced the closing of its store in Jonquière, Québec in February, after its employees received union certification.

The claimant is Mr. Alain Pednault of Jonquière, who is an employee of that town's Wal-Mart store. Like the other members of the group – some 180 store associates – Mr. Pednault will be laid off when the store closes on May 6. He alleges that Wal-Mart exercised practices that violate fundamental rights that are guaranteed by the Quebec Charter of Human Rights and Freedoms.

#### **Details of the lawsuit**

Each member of the group has been aggrieved by the closing of the store, which is taking place under a false economic pretext. In an effort to improve working conditions, the applicant participated in a unionization process involving the employees of the respondent. An application for certification was filed with the Quebec Labor Relations Commission in October 2004 that would enable the employees to join the United Food and Commercial Workers Canada Union (UFCW Canada). The Commission granted the group's application for certification in January 2005. In early February, Wal-Mart announced to the members of the group, and to the media across Québec, that it planned to close the Jonquière store. The reason given by the respondent was – and remains – the poor performance of the store. According to the text of the class action suit, the real reason for the store closing is the unionization of its employees, which was a first, in light of the fact that no other North-America Wal-Mart store had ever been successfully unionized.

The class action suit alleges that the store closing violates the freedom of association granted to the applicant and the other group members. Freedom of association is a fundamental right that is guaranteed by Section 3 of the Québec Charter of Human Rights and Freedoms, and Wal-Mart is not respecting this right. The respondent is also violating the right to dignity of the members of the group, which is guaranteed by Section 4 of the Charter, because the exercise of their freedom of association is resulting in their loss of employment under false pretenses.

The closing of the store is an event that violates fundamental rights, and therefore, it entitles those affected to redress for the resulting moral and material damage. The store's closing means that the members of the group lose their jobs, and constitutes a source of stress and anxiety for them. This damage was illicitly and intentionally caused by the respondent, in light of the fact that the sole purpose for closing the store is to force the members of the group to waive their right to unionize, and to intimidate the employees of all other Wal-Mart stores who have already initiated the unionization process or are

considering it. The reason given by Wal-Mart, namely the store's profitability, is only a pretense.

The applicant is entitled to demand that the respondent pay compensation to the members of the group that is equivalent to the period during which each member will be unemployed, from which employment insurance benefits received will be deducted. He is also requesting the payment of damages for himself and for all members of the group, specifically a lump sum of \$10,000 in damages for the stress inflicted since the closing of the store was announced, and until each group member finds another job. He is also claiming for himself and for all members of the group a lump-sum amount of \$10,000 for exemplary damages, because the closing of the store, if it occurs, will be unlawful, intentional, and in violation of the Charter, and will have the sole purpose of causing the unionization effort to fail.

Attorney Gilles Gareau concluded: "Wal-Mart has implemented an effective system for preventing the exercising of a fundamental right, as is clear from the recent decisions reached by the Quebec Labor Relations Commission to the effect that Wal-Mart is guilty of harassment and intimidation of its employees."

According to a survey conducted by POLLARA, the largest Canadian public opinion and marketing research firm, between February 19 and 23, 2005, "Canadians do not believe the reasons that Wal-Mart has put forth for closing this store. This reaction is most intense in Québec: nearly 9 out of 10 people (89%) believe that unionization is the reason for closing the store. "