SETTLEMENT AGREEMENT BETWEEN THE UNITED STATES OF AMERICA,

CINEPLEX ODEON CORPORATION, AND PLITT THEATRES, INC.

UNDER THE AMERICANS WITH DISABILITIES ACT

DEFINITIONS

1. The definitions of the following terms, which are not defined elsewhere, shall apply to this settlement agreement only:

A."Alteration," when used with respect to an audio-

amplification system in a motion picture theater auditorium, means the replacement of speakers and/or other components that are made a part of the facility's physical structure by the use of electrical wiring or other means.

B."Assistive Listening System" means the equipment that

augments a motion picture theater's audio-amplification system for persons with hearing impairments. It includes a "transmitter," "receivers," and either headsets or "neck loop coupling devices."

C. "Auditorium" means a room within a "theater" that has

seats and a screen and is used for the exhibition of motion pictures.

D. "Multi-Screen Cinema Complex" means a single facility

containing more than one "auditorium."

E. "Neck Loop Coupling Device" means a device attached to

a "receiver" that is worn around the neck of a person with a hearing impairment (as opposed to a headset) and allows the signal emitted from a "transmitter" to be received directly through certain types of hearing aids.

F. "Receiver" means the component of an "assistive

listening system" which a person with a hearing impairment uses (either with or without a hearing aid) to receive signals, usually in the form of "FM" radio or infra-red waves, emitted from a "transmitter."

G."Theater" means the facility in which one or more

"auditoriums" are located, or may refer to an auditorium"

that is not located within a "multi-screen cinema complex."

H. "Transmitter" means the component of an "assistive

listening system" that converts sound from an

audio-amplification system into either "FM" or infra-red waves and transmits these signals to individual "receivers" used by persons with hearing impairments.

01-06774

SUBJECTS OF THE AGREEMENT

2. The subjects of this settlement agreement are:

A. the acquisition, of receivers for assistive listening

systems for all existing, altered, and newly-constructed

motion picture theater auditoriums in the United States owned and/or operated by Cineplex Odeon Corporation ("Cineplex Odeon") and its wholly-owned subsidiary, Plitt Theatres, Inc.("Plitt Theatres"); and

B. the maintenance and promotion of the use of assistive

listening systems by Cineplex Odeon and Plitt Theatres.

BACKGROUND

3. This matter was commenced when a complaint was filed with the United States Department of Justice ("the Department"), on September 22, 1993. The complaint included allegations that eighteen motion picture theaters located in New York City and operated by Cineplex Odeon were in violation of title III of the Americans with Disabilities Act ("ADA" or "the Act"), 42 U.S.C. 12181-12189, and the Department of Justice title III implementing regulation, 28 C.F.R. Pt. 36, because they had no assistive listening systems necessary to provide effective communication to persons with hearing impairments. The Department investigated the complaint pursuant to 42 U.S.C. 12188(b).

4. On December 23, 1993, the Department received correspondence from Cineplex Odeon's Executive Vice-President for North American Operations indicating that all of the twenty-seven auditoriums located in the eighteen New York City theaters had been equipped with assistive listening systems, and that each auditorium's system had four receivers. The auditoriums ranged in size from a 79 seat auditorium in a two- screen complex, to a theater that was not part of a multi-screen cinema and had more than 1,100 seats.

5. The Department informed Cineplex that it believed that the number of receivers available in its New York City theaters should equal four percent of the number of available seats in each auditorium, unless providing this many receivers would result in an "undue burden" (i.e., significant difficulty or cost) to the company. See 28 C.F.R. 36.303(a); ADA Standards for Accessible Design ("the Standards"), 28 C.F.R. Pt. 36, Appendix A, 4.1.3(19)(b). The Department believes that the number of receivers required by the Standards is based on the best available evidence of the number of people in the general population who can benefit from using assistive listening systems.

6. In response, Cineplex Odeon agreed to provide additional

receivers in the New York City theaters, so that the number for each

auditorium equaled at least four percent of available seats. However, during the course of the investigation, the Department learned that, in addition to the eighteen theaters in New York City, Cineplex Odeon owned and/or

- 2 -

01-06775

operated more than 1,000 screens in more than 250 theaters throughout the

nation, that many of these screens had not been equipped with assistive

listening systems as of the end of 1993, and that Cineplex Odeon provided a minimum of four receivers for every auditorium in which it did have an assistive listening system.

7. In June of 1994, the Department received a complaint from

XX XXXX, a resident of the state of Idaho who has a hearing impairment. Ms. XXXX alleged that on or about March 25, 1994, she attempted to see a film at Cineplex Odeon's 8th Street Cinema, located at 8th and Front

Streets in Boise, Idaho, but was unable to do so because none of the theater's auditoriums was equipped with an assistive listening system. Cineplex Odeon has informed the Department that an assistive listening system was installed in each auditorium at the 8th Street Cinema by July 1, 1994, and four receivers were purchased for each system.

8. Cineplex Odeon has now informed the Department that it owns and/or operates 183 theaters with 840 screens, making the company one of the largest exhibitors of motion pictures in the United States. Most of these theaters and auditoriums are "existing facilities" within the meaning of the ADA, having been designed and constructed for first occupancy prior to January 26, 1993. Cineplex Odeon has confirmed that, since January 26, 1992, it has performed "alterations" on some of its existing theaters within the meaning of the ADA by replacing audio-amplification systems.

9. Cineplex Odeon has represented to the Department that it now has an assistive listening system in each of its motion picture theater auditoriums throughout the United States and the Department relies upon this representation in entering into this agreement. Presently, Cineplex Odeon provides four receivers in most of its existing auditoriums that are equipped with assistive listening systems, including those auditoriums in which it has replaced audio-amplification systems since January 26, 1992. Cineplex Odeon has represented to the Department that it provides receivers for assistive listening systems at the rate of four percent of seats in all newly-constructed motion picture theater auditoriums, in strict compliance with the Standards for Accessible Design.

10. Cineplex Odeon contends that it is now and has always been in compliance with the requirements of the ADA, and that an average of four receivers per auditorium in existing facilities is sufficient to meet the needs of its patrons. Cineplex Odeon has submitted data to the Department that the company believes supports this position.

11. The Department believes that the failure of most motion

picture theaters to provide assistive listening systems until at least January 26, 1992, the effective date of the ADA, and the fact that some Cineplex Odeon theaters had no assistive listening systems at all until 1994 have resulted in customer usage that under-represents the number of individuals who would actually benefit front using assistive listening systems. The Department also believes that, as a matter of law, current customer demand for assistive listening systems is

- 3 -

01-06776

not a sufficient basis upon which to determine the appropriate number of

receivers that existing theaters should provide.

12. The parties have decided to resolve this matter as set forth below without adjudication of this dispute. This agreement is for settlement purposes only. It does not constitute an admission of guilt or an admission by Cineplex that it engaged in any acts or practices, including the acts or practices described above, that constitute a violation of the ADA.

THE PARTIES

13. The parties to this agreement are the United States of

America, Cineplex Odeon Corporation, and Plitt Theatres, Inc. a wholly-owned subsidiary of Cineplex Odeon. Cineplex Odeon Corporation and Plitt Theatres, Inc. are referred to collectively throughout this settlement agreement as "Cineplex Odeon."

14. Cineplex Odeon Corporation is incorporated under the laws of Ontario, Canada. Plitt Theatres, Inc. is incorporated under the laws of the State of Delaware, and does business in 13 states and the District of Columbia using the registered trademark "Cineplex Odeon." Both Cineplex Odeon Corporation and Plitt Theatres, Inc. have their principal place of business at 1303 Yonge Street, Toronto, Ontario, Canada. Both corporations are "private entities" within the meaning of 42 U.S.C. 12181(6) and 28 C.F.R. 36.104.

AGREEMENT

15. Cineplex Odeon is a public accommodation and is thus subject to the requirements of title III of the ADA, because it owns and/or operates motion picture theaters and auditoriums throughout the United States. 42 U.S.C. 12182(7)(C); 28 C.F.R. 36.104.

16. Cineplex Odeon has an obligation to provide auxiliary aids and services necessary for effective communication, including assistive listening systems, in all of its existing motion picture auditoriums, provided that doing so would not fundamentally alter the nature of the goods or services being provided and would not have resulted in an undue burden (i.e., significant difficulty or cost). 42 U.S.C. 12182(b)(2)(A)(3); 28 C.F.R. 36.303(a) and (c).

17. Providing assistive listening systems does not fundamentally alter the nature of the goods and services offered in a motion picture theater, and providing additional receivers at this time in accordance with the terms of this agreement will not result in an undue burden for Cineplex Odeon.

- 4 -

01-06777

18. In each existing auditorium where alterations to audio-

amplification systems have been performed by or on its behalf, including

auditoriums where audio-amplification systems have been replaced since

January 26, 1992, Cineplex Odeon has an obligation to provide an assistive listening system with receivers equal in number to four percent of available seats, in strict compliance with the ADA Standards for Accessible Design and without regard to cost. 42 U.S.C. 12183(a)(2); 28 C.F.R. 36.402 and 36.406(a), and Standards, 4.1.3(19)(b) and 4.1.6(b).

Acquisition of Receivers

19. Cineplex Odeon agrees that by December 31, 1997, it will:

A. provide receivers for assistive listening systems

equal in number to two percent (2%) of the available seats in all motion picture theater auditoriums where alterations have not been made to an audio-amplification system since January 26,1992;

B. provide receivers for assistive listening systems

equal in number to four percent (4%) of the available seats in all auditoriums where such alterations have been made since January 26, 1992; and

C. ensure that at least one of the receivers in each

auditorium shall have a neck loop coupling device, provided that a multi-screen cinema complex with six or more auditoriums need only have a number of neck loop coupling devices equaling one-half the number of auditoriums if each of said devices can be relocated for use in any of the auditoriums in the complex, on an as-needed basis.

20. Cineplex Odeon agrees that within 10 days from the date on which an audio- amplification system is replaced in an existing auditorium in the future, it will increase the number of available receivers from two percent of seats to four percent of seats.

21. By December 31, 1997, Cineplex Odeon will submit to the

Department a report indicating those auditoriums at which receivers for

assistive listening systems have been provided in accordance with the

provisions of paragraph 19.

22. The provisions of paragraph 19 do not affect Cineplex Odeon's obligation to provide receivers equal in number to at least four percent of available seats in all newly- constructed auditoriums. See Standards, 4.1.3(19)(b).

23. Cineplex Odeon may relocate receivers from one auditorium to another in order to comply with paragraph 19(C). Nothing in this agreement, however, shall be construed as allowing Cineplex Odeon to reduce the total number of receivers currently available at any auditorium.

- 5 -

01-06778

24. While this settlement agreement is in effect, Cineplex Odeon shall provide a sufficient number of receivers (including receivers that have neck loop coupling devices) to meet customer demand for each auditorium at which demand exceeds the number of receivers required by paragraphs 19 and 22. In order to comply with the foregoing obligation, Cineplex Odeon shall develop an appropriate method for tracking demand for assistive listening systems in all of its theaters.

25. At the same time it submits the report required by paragraph 28 of this agreement, Cineplex Odeon shall inform the Department in writing of those auditoriums, if any, for which it has purchased additional receivers in accordance with the previous paragraph. The information shall include the total number of receivers purchased for each auditorium and the number of such receivers that have neck loop coupling devices.

Employee Training and Customer Service

26. Cineplex Odeon shall take all steps necessary, which may

include providing staff training, to ensure that appropriate staff at all

theaters:

A. are informed of the availability of assistive listening

systems;

B. know where receivers are located on the premises, so that

requests for them can be honored promptly; and

C. are familiar with how the assistive listening systems

operate, so that they are able to provide basic instruction to customers who are unfamiliar with them, respond to customer questions or complaints, including inquiries by telephone, and conduct testing as required by paragraph 29(A).

27. Within no more than 180 days of the effective date of this agreement, Cineplex Odeon will distribute to all of its theaters throughout the United States a revised version of its "Guest Comment Card," which allows patrons to provide information to Cineplex Odeon about general conditions at its theaters. The revised version of this document will include questions about the accessibility of Cineplex Odeon theaters to persons with disabilities, including persons with hearing impairments who use assistive listening systems. The revised version will include a request that customers provide comments and complaints regarding assistive listening by telephone to their local theater manager.

28. Beginning one year from the date on which the revised "Guest Comment Card" is distributed and every year thereafter until this agreement has terminated, Cineplex Odeon shall submit a report to the Department detailing all complaints that the company received about assistive listening systems from patrons who completed the card, as well as the manner in which these complaints were resolved.

- 6 -

01-06779

Maintenance

29. Cineplex Odeon agrees that within 60 days of the effective date of this agreement it will take the following steps to ensure that assistive listening systems are maintained in proper working order at all theaters:

A. implement a plan according to which theaters will be required to test all receivers and transmitters at least once every month, and immediately test any receiver and/or transmitter about which a customer complaint is received;

B. establish a formal requirement that appropriate staff at all theaters keep records of such testing and, whenever necessary, report any problems with equipment to Cineplex Odeon; and

C. establish procedures requiring that, by the next

business day when repair facilities are open after the need for repair or replacement of assistive listening systems is discovered, actions will be initiated to ensure that repairs are made or new equipment will be obtained as soon as is practicable.

30. Within 60 days of the effective date of this agreement,

Cineplex Odeon will establish policies requiring all theaters that become

inaccessible for more than 48 hours because of assistive listening systems that are in need of replacement or repair to provide the following information through their pre-recorded telephone messages:

A. that assistive listening systems are not functioning at the theater;

B. the estimated date by which repair or replacement of assistive listening systems will be completed.

31. Also within 60 days of the effective date of this agreement, Cineplex Odeon will establish a policy requiring all of its theaters to issue free movie passes to a future showing of any film at any Cineplex Odeon theater, along with a full refund of any money actually paid and a written or verbal apology, to any person with a hearing impairment and his or her companion(s), who cannot attend a particular showing of a film because an assistive listening is not in proper working order, if there was no notice of said fact included in the theaters prerecorded telephone message.

32. At the same time as the policies required by paragraphs 30 and 31 of this agreement are adopted, Cineplex Odeon shall issue a memorandum to all of its theater managers (or other appropriate theater staff) outlining the policies and indicating that failure to comply with them may result in disciplinary action. The memorandum shall also direct that the policies be conveyed to all theater staff.

-7-

01-06780

Promotion, Outreach, and Advertising

33. In addition to its current practice of providing information concerning the availability of assistive listening systems as part of printed advertisements for its theaters, Cineplex Odeon agrees to take the following actions in order to advertise the availability and promote the use of assistive listening systems at its theaters:

A. within 60 days of the effective date of this

agreement, install signage complying with 4.1.3(19)(b) and 4.30 of the Standards for Accessible Design at any theater that currently has no such

signage;

B. beginning 60 days from the effective date of this

agreement, include information about the availability of assistive listening systems in each theater's pre-recorded telephone announcements;

C. prior to every feature film (except 70 mm and I-MAX films) shown in every Cineplex Odeon auditorium in the United States on and after January 1, 1997, display a "trailer" indicating that the auditorium has an assistive listening system for persons with hearing impairments;

D. within 180 days of the effective date of this

agreement, develop a brief document providing information about assistive listening systems and indicating that assistive listening systems are

available in all of Cineplex Odeon's theaters, and distribute this document to audiologists in those areas of the country where Cineplex Odeon owns and/or

operates movie theaters; and

E. ensure that within 90 days from the effective date of this agreement, each theater will have in its files printed operating instructions for the use of the particular type of assistive listening system

available.

Settlement for XX XXXX

34. Cineplex Odeon agrees that at the time of the execution of this agreement, it will pay to XX XXXX the sum of $1,000 in full

settlement of any claims by Ms. XXXX arising from the allegations recited in paragraph 7 above, in return for an executed release in the form attached hereto.

ENFORCEMENT

35. The Attorney General is authorized, pursuant to 42 U.S.C. 12188(b)(1)(B), to bring a civil action enforcing the ADA in any situation where a pattern or practice of discrimination is believed to exist or a matter of general public importance is raised. In consideration of the terms of this agreement set forth above, the Attorney General agrees to

-8-

01-06781

refrain from taking more formal enforcement action in this matter during the pendency of this agreement, as long as Cineplex Odeon complies with all terms of this agreement.

36. The Department may monitor compliance with this agreement at any time. If the Department believes that this agreement or any

requirement(s) thereof has been violated, it will inform Cineplex Odeon of this fact, and the parties will negotiate in good faith to resolve any issue(s) raised. If the parties cannot resolve any issue(s) raised by the Department within thirty (30) days of Cineplex Odeon's having received notification of the issue(s) in dispute, the Department may institute a civil action in Federal district court.

37. The parties agree that in the event the Department seeks

enforcement of this agreement in Federal district court, the United States District Court for the District of Columbia shall have personal and subject matter jurisdiction over the agreement, the matters set forth in it, and the parties to it.

NOTICE

38. Any notice required or permitted herein shall be given as

follows:

A. If by the Department to Cineplex Odeon by certified

mail, return receipt requested, to:

Irwin Cohen

Executive Vice President

Cineplex Odeon Corporation

1303 Yonge Street

Toronto, Ontario

CANADA

with a copy to:

Steven John Fellman, Esq.

Galland, Kharasch, Morse & Garfinkle, P.C.

1054 31st Street, N.W., Suite 200

Washington, D.C. 20007

B. If by Cineplex Odeon to the Department, by certified mail,

return receipt requested to:

John L. Wodatch

Chief

Disability Rights Section

Civil Rights Division

U.S. Department of Justice

P.O. Box 66738

Washington, D.C. 20035-6738

with a copy to:

Christopher J. Kuczynski,

Trial Attorney

Disability Rights Section

Civil Rights Division

U.S. Department of Justice

P.O. Box 66738

Washington, D.C. 20035-6738

PUBLIC AGREEMENT

39. This agreement is a public document. A copy of this agreement or any information contained herein may be made available to any person. Cineplex Odeon or the Department of Justice shall provide a copy of this agreement to any person upon request.

EFFECTIVE DATE/TERMINATION DATE

40. This agreement shall become effective as of the date of the last signature below, and shall terminate four years thereafter.

SCOPE OF AGREEMENT

41. This agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise or agreement, either written or oral, made by either party or agents of either party, that is not contained in this written agreement shall be enforceable. This agreement is limited to the allegations set forth in paragraphs 3 through 11, and it does not purport to remedy any other potential violations of the ADA or any other federal law. This agreement does not affect Cineplex Odeon's continuing responsibility to comply with all aspects of the ADA not covered by the agreement.

-10-

01-06783

42. A signor of this document in a representative capacity for a partnership, corporation, or other such entity, represents that he or she is authorized to bind such partnership, corporation or other entity to this agreement.

FOR THE UNITED STATES:

DEVAL L. PATRICK,

Assistant Attorney General

Civil Rights Division

Date: 8-29-96

JOHN L. WODATCH, Chief

L. IRENE BOWEN, Deputy Chief

CHRISTOPHER J. KUCZYNSKI,

Trial Attorney

Disability Rights Section

Civil Rights Division

U.S. Department of Justice

P.O. Box 66738

Washington, D.C. 20035-6738

(202) 307-0663

FOR CINEPLEX ODEON

CORPORATION AND

PLITT THEATERS, INC.:

Date: August 20, 1996

IRWIN A. COHEN

Executive Vice President

North American Operations

-11-

01-06784

RELEASE

For and in consideration of receipt of a check made payable to me in the amount of $1,000.00 from Cineplex Odeon Corporation ("Cineplex Odeon"), pursuant to the provisions of the foregoing settlement agreement between the United States of America, Cineplex Odeon, and Plitt Theatres, Inc. ("Plitt Theatres"), I, XXX XXXX hereby release and forever discharge

Cineplex Odeon and Plitt Theatres of and from all legal and equitable

claims arising out of complaint #DJ 202-22-9, which I filed with the United States Department of Justice on or about April 6, 1994 (described in paragraph 7 of the settlement agreement).

I understand that the relief granted to me in consideration for this Release does not constitute an admission by the parties released of the validity of any claim raised by me or on my behalf.

This Release constitutes the entire agreement between Cineplex Odeon, Plitt Theatres, and myself, without exception or exclusion.

I acknowledge that a copy of the settlement agreement in this action has been made available to me.

I HAVE READ THIS RELEASE AND I UNDERSTAND THE CONTENTS

THEREOF AND I EXECUTE THIS RELEASE OF MY OWN FREE ACT AND DEED.

Signed this \_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_ 1995.

XX XXXX

Sworn and subscribed to before me this \_\_\_\_\_\_ day of \_\_\_\_\_\_ 1995.

NOTARY PUBLIC

My commission expires:

01-06785