SUPREME COURT OF BRITISH COLUMBIA VANCOUVER REGISTRY MAR () 9 2023

S 231679

No.

Vancouver Registry



Between

TREVOR SILVERWOOD

PLAINTIFF

and

ADASTRA HOLDINGS LTD., ADASTRA LABS INC. AND MICHAEL FORBES

DEFENDANTS

Brought under the Class Proceedings Act, R.S.B.C. 1996, c. 50

NOTICE OF CIVIL CLAIM

This action has been started by the plaintiff for the relief set out in Part 2 below.

If you intend to respond to this action, you or your lawyer must

- (a) file a response to civil claim in Form 2 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim on the plaintiff.

If you intend to make a counterclaim, you or your lawyer must

- (a) file a response to civil claim in Form 2 and a counterclaim in Form 3 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim and counterclaim on the plaintiff and on any new parties named in the counterclaim.

JUDGMENT MAY BE PRONOUCED AGAINST YOU IF YOU FAIL to file the response to civil claim within the time for response to civil claim described below.

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Time for response to civil claim

A response to civil claim must be filed and served on the plaintiff,

(a) if you reside anywhere in Canada, within 21 days after the date on which a copy of the filed notice of civil claim was served on you,

- (b) if you reside in the United States of America, within 35 days after the date on which a copy of the filed notice of civil claim was served on you,
- (c) if you reside elsewhere, within 49 days after the date on which a copy of the filed notice of civil claim was served on you, or
- (d) if the time for response to civil claim has been set by order of the court, within that time.

THE PLAINTIFF'S CLAIM

Part 1: STATEMENT OF FACTS

Overview

1. Adastra manufacturers and supplies pharmaceutical products, including cannabis, psilocybin and psilocin. On February 22, 2023, Adastra announced publicly that it had been granted a license by Health Canada to possess, produce, sell and distribute cocaine for commercial purposes. The market reacted quickly to these representations and the share price of Adastra Holdings Ltd.'s stock more than doubled. Then, on March 3, 2023, Adastra corrected these inaccurate public representations, which in turn caused the company's share price to plummet approximately 50 percent by market close on March 6, 2023, the next trading day. This action seeks to hold the Defendants responsible for their inaccurate and careless representations, and to compensate individuals who purchased shares of Adastra Holdings Ltd. at artificially inflated share prices after the Defendants' misleading statements about Adastra's ability to legally sell cocaine.

The Parties

- 2. The Plaintiff, Trevor Silverwood, is a resident of British Columbia. On March 3, 2023 the Plaintiff purchased 220 shares of Adastra Holdings Ltd. on the Canadian Stock Exchange ("CSE") at a price of \$1.45.
- 3. The Plaintiff brings this action on his own behalf and on behalf of the following class:

all persons and entities, other than Excluded Persons, wherever they may be resident or domiciled, who purchased or otherwise acquired common shares of Adastra Holdings Ltd. between and inclusive of February 22, 2023 and March 3,

2023 and held onto some or all of those common shares as of March 3, 2023 (the "Class", "Class Period", and "Class Members").

"Excluded Persons" means: the Defendants; past or present subsidiaries, officers, directors, affiliates, legal representatives, heirs, predecessors, successors and assigns of Adastra Holdings Ltd. and of Adastra Labs Inc.; all members of the immediate families of Adastra Holdings Ltd. and/or Adastra Labs Inc.'s directors and officers; and any entity in which any of Adastra Holdings Ltd. and/or Adastra Labs Inc.'s officers, directors or their immediate families have or had a controlling interest.

- 4. The Defendant Adastra Holdings Ltd. ("Adastra Holdings") is a company that produces products, including cannabis, psilocybin and psilocin, which are designed for sale in Canada for personal and therapeutic use. Adastra Holdings is a company incorporated pursuant to the British Columbia *Business Corporations Act*, SBC 2002, c 57, and has a registered office address of 800-885 West Georgia Street, Vancouver, British Columbia, V6C 3H1.
- 5. Adastra Holdings is a responsible issuer within the meaning of the *Securities Act*, RSBC 1996, c 416 (the "*BC Securities Act*"), and is a reporting issuer in British Columbia, Alberta, and Ontario. The British Columbia Securities Commission is Adastra Holdings' principal securities regulator. Adastra Holdings is a publicly traded company with the stock symbol "XTRX" on the CSE and "XTXXF" on U.S. over-the-counter trading markets and "D2E" on German stock exchanges.
- 6. The Defendant Adastra Labs Inc. ("Adastra Labs") is a wholly-owned subsidiary of Adastra Holdings. Adastra Labs is a company incorporated pursuant to the British Columbia *Business Corporations Act*, SBC 2002, c 57, and has a registered office address of 800-885 West Georgia Street, Vancouver, British Columbia, V6C 3H1.
- 7. Adastra Holdings wholly owns additional subsidiaries, and reference to Adastra Holdings includes its additional subsidiaries, unless the context indicates otherwise.
- 8. Adastra Holdings and Adastra Labs are collectively "Adastra".

- 9. Adastra Holdings conducts its operations at a 13,500 square foot Health Canada licensed facility through its wholly owned subsidiary Adastra Labs in Langley, British Columbia (the "Langley Facility"). Adastra Labs is the operator of the Langley Facility and is the corporate entity that receives Controlled Drug and Substances Dealer Licenses from Health Canada.
- 10. The Defendant Michael Forbes ("Forbes") is a Director and the Chief Executive Officer of Adastra Holdings. Forbes is a director and officer of Adastra Holdings within the meaning of the *Securities Act*. Forbes certified the press releases and material change reports that contained the misrepresentations.

Health Canada and the Regulation of Controlled Substances

- 11. Health Canada strictly monitors and enforces all conduct in relation to different controlled substances, including cocaine, via statutory and regulatory authority.
- 12. The Controlled Drugs and Substances Act, SC 1996, c 10 (the "CDSA") prohibits certain activities involving and related to controlled substances. The complete list of controlled substances in Canada are listed in Parts G and J of the Food and Drug Regulations, CRC, c 870 (the "Food and Drug Regulations") and in Schedules I-IX of the CDSA (the "Controlled Substances").
- 13. The Office of Controlled Substances ("OCS"), a department of Health Canada, works to develop legislation, regulations, policies and operations to support the control of illicit drugs and other substances. The OCS is the governing body that issues Controlled Drug and Substances Licenses.
- 14. A Health Canada exemption through the OCS is required to work with, possess and/or distribute any of the Controlled Substances. To legally possess and conduct activities with the Controlled Substances in Canada, companies are required to first obtain a Controlled Drug and Substances License. This license authorizes a company to possess the Controlled Substance(s) and to conduct a narrow set of prescribed activities. A Controlled Drug and Substance License is also site-specific, and an inspection of the proposed site by Health Canada is conducted prior to the issuance of a license.

15. Part G of the *Food and Drug Regulations* governs, *inter alia*, the advertisement, labelling, packaging, preparation and prescription of the Controlled Drugs in Canada. Any company that wishes to possess and/or conduct activities related to one of the Controlled Substances must be licensed pursuant to Division 2 – Licensed Dealers, Section G.02 of the *Food and Drug Regulations*. Controlled Drug and Substance Licenses are amended pursuant to Section G.02.015.

Exemption on Controlled Substances Does Not Extend to Commercial Sales of Cocaine

- 16. Section 56(1) of *CDSA* allows Canada's Minister of Mental Health and Addictions (the "Minister") to grant exemptions regarding the possession or use of the Controlled Substances if the exemption is necessary for a medical or scientific purposes or is otherwise in the public interest.
- 17. On May 31, 2022, the Minister announced that the Province of British Columbia had been granted an exemption under s. 56(1) of the *CDSA* due to the ongoing overdose crisis in the Province.
- 18. Under this exemption, adults in British Columbia will not be subject to criminal charges for possession of 2.5 grams or fewer of opioids, cocaine, methamphetamine and MDMA. However, it is still a criminal offence to traffic, import, export, produce, possess for purposes other than personal use, or possess over 2.5 grams for personal use of any of these substances. This exemption does not allow individuals or companies to sell cocaine or any of the Controlled Substances to the general public.

The Defendants are Experienced with the Exemption and Dealer's License Regime

- 19. On March 25, 2022, the Defendants announced by press release that they had completed submission of a Controlled Drugs and Substances Dealer's License application.
- 20. On August 24, 2022, the Defendants acquired a Controlled Drug and Substances Dealer's License from Health Canada that allowed Adastra to possess psilocybin and psilocin (the "Dealer's License").

- 21. On August 31, 2022, the Defendants issued a press release announcing their acquisition of the Dealer's License.
- 22. On September 6, 2022, the Defendants filed a material change report with System for Electronic Document Analysis and Retrieval ("SEDAR"), Canada's electronic filing system for securities-related information, announcing its acquisition of this license (the "September 2022 Material Change Report"). Under Item 5, Full Description of Material Change, the Defendants stated the following regarding the Dealer's License:

Under the Dealer's License, Adastra can possess up to 1,000 grams of psilocybin and psilocin at any time and can transfer the extracted material to other companies who hold a valid Dealer's License.

[Emphasis added]

23. The Defendant Forbes signed off on the September 2022 Material Change Report.

Adastra and Forbes' Public Misrepresentations

- 24. As particularized in paragraphs 25-40 below, the Plaintiff alleges that the February 2023 Press Release and Material Change Report misstated material facts that were required to be stated in a manner that would not mislead the Plaintiff and Class Members in light of the circumstances in which they were made. These statements constituted misrepresentations that caused the price of Adastra Holdings shares to trade at artificially inflated prices during the Class Period, thus directly resulting in damages to the Plaintiff and other Class Members.
- 25. On February 22, 2023, the Defendants issued a press release announcing that Health Canada had approved amendments to the Dealer's License permitting Adastra to possess, produce, sell and distribute cocaine (the "Amended Dealer's License", and the "February 2023 Press Release"). The February 2023 Press Release stated:

[Adastra] is pleased to announce that Adastra Labs received approval from Health Canada on February 17, 2023, for its amendment to include cocaine as a substance that the Company can legally possess, produce, sell and distribute.

[...]

The amended license allows Adastra to interact with up to 250 grams of cocaine and to import coca leaves to manufacture and synthesize the substance.

26. The February 2023 Press Release also quoted Forbes who stated:

We proactively pursued the amendment to our Dealer's License to include cocaine back in December 2022. We will evaluate how the commercialization of this substance fits in with our business model at Adastra in an effort to position ourselves to support the demand for a safe supply of cocaine.

27. On February 23, 2023, the Defendants filed a material change report with SEDAR announcing the Amended Dealer's License allegedly permitting the company to legally possess, produce, sell and distribute cocaine (the "February 2023 Material Change Report"). In Item 4, Summary of Material Change, the Defendants stated the following:

The Company announced it has received approval from Health Canada on February 17, 2023 for its amendment to include cocaine as a substance that the Company can legally possess, produce, sell and distribute. The Company received its Controlled Drug and Substances Dealer's License ("Dealer's License") on August 24, 2022. The Dealer's License also allows the Company to possess, produce, sell and distribute up to 1,000 grams of psilocybin and psilocin. The amended license allows the Company to interact with up to 250 grams of cocaine and to import coca leaves to manufacture and synthesize the substance.

28. In Item 5, Full Description of Material Change, the Defendants emphasized that the material change was "fully described" in Item 4. The Defendant Forbes approved the February 2023 Material Change Report.

29. The February 2023 Press Release and the February 2023 Material Change Report are collectively the "Impugned Documents".

Adastra Holdings' Share Price Spiked Because of the Impugned Documents

30. Markets reacted quickly to the Defendants' February 2023 public disclosure. Shares of XTRX on the CSE rose from \$0.75 CAD per share on February 22, 2023 to an intraday high of \$2.00 CAD per share on March 3, 2023 closing at \$1.33 CAD per share on March 3, 2023.

The Defendants' Public Correction of its Misrepresentations

- 31. Health Canada issued a statement on March 3, 2023 that Adastra's Amended Dealer's License does not permit Adastra to sell cocaine to the general public. Health Canada also stated that it has reached out to Adastra to "reiterate the very narrow parameters of their license".
- 32. Also on March 3, 2023, the Defendants issued a press release retracting their statements contained in the February 2023 Press Release (the "March 2023 Press Release"). The March 2023 Press Release clarified, *inter alia*, that the Amended Dealer's License does not permit Adastra to sell coca leaf, psilocybin or cocaine to the general public:

The Dealer's Licence issued to Adastra Labs does not permit Adastra Labs to sell coca leaf, psilocybin or cocaine to the general public. For cocaine, and under the Dealer's Licence, Adastra Labs is only permitted to sell to other licensed dealers who have cocaine listed on their licence including pharmacists, practitioners, hospitals, or the holder of a section 56(1) exemption for research purposes under the Controlled Drugs and Substances Act (CDSA).

33. On March 3, 2023, the Defendants also filed a further material change report explicitly retracting the statements from their February 2023 Press Release and the February 2023 Material Change Report regarding the scope of the Amended Dealer's License (the "March

2023 Material Change Report"). In Item 4, Summary of Material Change, the Defendants stated:

The Company retracted the statements in its news release dated February 22, 2023. Such statements should not be relied upon. The Company received its Controlled Substances Licence ("Dealer's Licence") on August 24, 2022 and an amendment on February 17, 2023. The Company's wholly-owned subsidiary Adastra Labs Inc. ("Adastra Labs") is licensed to conduct the following regulated activities: possession, production, assembling, sale/provision and sending, transportation and delivery with coca leaf, cocaine, and psilocybin. Adastra Labs may only produce 1,000 grams of psilocybin and 250 grams of cocaine in 2023. The Dealer's Licence issued to Adastra Labs does not permit Adastra Labs to sell coca leaf, psilocybin or cocaine to the general public. For cocaine, and under the Dealer's Licence, Adastra Labs is only permitted to sell to other licensed dealers who have cocaine listed on their licence including pharmacists, practitioners, hospitals, or the holder of a section 56(1) exemption for research purposes under the Controlled Drugs and Substances Act (CDSA). The Company is not currently undertaking any activities with cocaine under the Dealer's Licence and before doing so, it will only undertake such activities legally permitted by the Dealer's Licence and after consultation with applicable Provincial Governments.

34. The March 2023 Press Release and the March 2023 Material Change Report are collectively the "Corrective Disclosure".

Adastra Holdings' Stock Plummeted After the Corrective Disclosure

- 35. The Defendants issued the March 2023 Press Release at 3:25pm EST on Friday, March 3, 2023. At this time, XTRX was trading at approximately \$1.38 CAD per share.
- 36. When the stock market opened on Monday, March 6, 2023, the price of XTRX dropped significantly, closing the day at \$0.74 CAD per share.

37. At the close of markets on March 8, 2023, shares of XTRX were priced at \$0.70 CAD.

Harm to the Plaintiff and Class Members

- 38. At all material times, common shares of Adastra Holdings traded in an efficient market that reacted to and incorporated publicly available information about Adastra Holdings into the prices at which these shares were bought and sold.
- 39. The Defendants knew and intended that the market price at which common shares of Adastra Holdings were sold reflected the information, including the misrepresentations alleged by the Plaintiff, that the Defendants communicated to the market through the Impugned Documents.
- 40. The Plaintiff and Class Members suffered losses and damages as a result of purchasing shares of Adastra Holdings after the publication of one or both of the Impugned Documents and before the Corrective Disclosure was released on March 3, 2023 at a price that was inflated compared to its true value as a result of the misrepresentation(s) in each of the Impugned Documents.

Part 2: RELIEF SOUGHT

- 41. The Plaintiff claims, on their own behalf and on behalf of the Class Members:
 - a. an order certifying this action as a class proceeding and appointing the Plaintiff as the representative for the class under the Class Proceedings Act, R.S.B.C. 1996, c. 50 (the "Class Proceedings Act");
 - b. an order under section 140.8 of the *BC Securities Act* granting the Plaintiff leave to proceed with a claim against the Defendants for misrepresentation in the secondary market under section 140.3(1);
 - c. an order granting the Plaintiff leave under the equivalent provisions in securities legislation of the other Canadian provinces and territories to proceed with a claim against the Defendants for misrepresentation in the secondary market, if necessary;

- d. a declaration that the Impugned Documents each contained one or more misrepresentations within the meaning of section 140 of the *BC Securities Act*;
- e. statutory damages under section 140.5 of the BC Securities Act;
- f. statutory damages under the equivalent provisions in securities legislation of the other Canadian provinces and territories, if necessary;
- g. general damages, as against Adastra and Forbes;
- h. a declaration that Adastra is vicariously liable for the acts and/or omissions of Forbes and, as may be applicable, of its other officers, directors or employees;
- i. an order directing a reference or giving such other directions as may be necessary to determine the issues, if any, not determined at a trial of the common issues;
- j. pre-judgment and post-judgment interest under the *Court Order Interest Act*, RSBC 1996, c 79; and
- k. such further and other relief as this Honourable Court may deem just.

Part 3: LEGAL BASIS

Statutory Secondary Market Liability

- 42. Adastra Holdings is a "responsible issuer" under section 140.1 of the BC Securities Act.
- 43. The February 2023 Press Release and the February 2023 Material Change Report are each a "document" under section 140.1 of the *BC Securities Act*.
- 44. The February 2023 Material Change Report filed by Adastra Holdings was a disclosure required under section 85(b) of the *BC Securities Act* and therefore constitutes a "core document" under section 140.1.
- 45. The Defendants made statements in both of the Impugned Documents that constitute misrepresentations for the purpose of section 140.3 of the *BC Securities Act*.
- 46. The Defendants stated that the granting of the Amended Dealer's License permitted Adastra to "legally possess, produce, sell and distribute" cocaine. This representation was false and

- misleading, as the granting of the Amended Dealer's License only permitted Adastra to sell cocaine to: 1) other licensed dealers who had cocaine listed on their license; or 2) the holder of a research purposes exemption under section 56(1) of the *Controlled Drugs and Substances Act*, SC 1996, c 19 (the "*Controlled Drugs and Substances Act*").
- 47. Further, the totality of the Defendants' representations in the Impugned Documents implied that the Amended Dealer's License permitted Adastra to sell cocaine commercially to the public when this was false.
- 48. The Defendants knew, at the time they released the Impugned Documents, that they contained a misrepresentation; or alternatively, at or before the time that they were released, the Defendants were, through action or failure to act, guilty of gross misconduct in connection with the Impugned Documents containing a misrepresentation.
- 49. Forbes authorized, permitted or acquiesced in the making of a misrepresentation in the Impugned Documents while knowing it to be a misrepresentation, and/or influenced the making of a misrepresentation in the Impugned Documents while knowing that it was a misrepresentation.
- 50. The Defendants in the March 2023 Press Release explicitly retracted statements made in the February 2023 Press Release and in the March 2023 Material Change Report corrected statements made in both of the Impugned Documents. The Defendants' release of the Corrective Disclosure constitutes a public correction.
- 51. That the Defendants' misrepresentations contained in the Impugned Documents, or any of them, and the Defendants' public correction of the misrepresentations, caused the Plaintiff and Class Members' losses, and that the Plaintiff and Class Members relied on the misrepresentations in the Impugned Documents, is presumed.
- 52. The Plaintiff and other Class Members who purchased securities of Adastra in the secondary market during the Class Period are entitled to damages assessed in accordance with section 140.5 of the *BC Securities Act*, and the equivalent securities legislation in other Canadian provinces, if necessary.

Negligent Misrepresentation

- 53. At all material times, the Defendants had a duty of care to exercise due care and diligence to ensure that the Impugned Documents fairly and accurately disclosed information about the Amended Dealer's License.
- 54. The Defendants were responsible for the preparation of the Impugned Documents and the representations therein and did so for the benefit of, and to be relied upon by, the Plaintiff and Class Members.
- 55. The Impugned Documents were prepared and disseminated by the Defendants in order to:
 1) provide material information to the Plaintiff and Class Members regarding Adastra and shares of Adastra Holdings; and 2) induce the Plaintiff and Class Members to purchase shares of Adastra Holdings.
- 56. At all material times, the Defendants had exclusive access to information regarding the parameters, scope and limitations of the Amended Dealer's License and were therefore the Plaintiff and Class Members' primary source of information relating to the Amended Dealer's License.
- 57. At all material times, information regarding the parameters, scope and limitations of the Amended Dealer's License was relevant and material to each class member's decision to acquire shares of Adastra Holdings and the price at which they would acquire these shares.
- 58. At all material times, the Defendants intended and were aware that the Plaintiff and Class Members would reasonably rely to their detriment on the information contained in the Impugned Documents in purchasing shares of Adastra Holdings. The Defendants also intended and were aware at all material times that the information contained in the Impugned Documents would be incorporated into the share price of Adastra Holdings such that the price at which these shares sold would at all material times reflect the information contained in the Impugned Documents.
- 59. The Plaintiff and Class Members directly or indirectly replied upon the misrepresentations in the Impugned Documents in deciding to purchase shares of Adastra Holdings and the price at which they purchased these shares.

- 60. In the alternative, the Plaintiff and Class Members relied upon the misrepresentations in the Impugned Documents by the act of purchasing shares of Adastra Holdings in an efficient market that promptly incorporated all publicly available information, including the misrepresentations, regarding Adastra and the price at which shares of Adastra Holdings sold.
- 61. The Defendants breached this duty by:
 - a. failing to state in the Impugned Documents that the Amended Dealer's License only permitted Adastra to sell cocaine to:
 - i. other licensed dealers who had cocaine listed on their license; or
 - ii. the holder of a research purposes exemption under section 56(1) of the Controlled Drugs and Substances Act.
 - b. making representations in the Impugned Documents which implied that the Amended Dealer's License permitted Adastra to sell cocaine commercially to the public.
- 62. The misrepresentations contained in the Impugned Documents caused the price of the shares of Adastra Holdings to artificially inflate during the Class Period.
- 63. The Plaintiff and Class Members suffered loss or damages when the misrepresentations in the Impugned Documents were publicly corrected on March 3, 2023 through the Corrective Disclosure.
- 64. For class members resident in Québec, the Plaintiff specifically pleads that the Defendants committed a fault which caused immediate and direct injury to Québec-resident class members within the purview of articles 1457 and 1607 of the Civil Code of Québec.

Vicarious Liability

- 65. Adastra is vicariously liable for the acts and omissions of Forbes particularized herein.
- 66. At all material times, Forbes was a director and officer of Adastra.

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67. The misrepresentations alleged to have been made by Adastra were authorized, ordered and

done by Forbes and other agents, employees and representatives of Adastra, while these

persons were managed, directed, controlled and/or transacted the business and affairs of

Adastra.

68. By virtue of the relationship between Adastra and Forbes, such acts and omissions are

therefore not only the acts and omissions of Forbes, but are also the acts and omissions of

Adastra.

69. As Forbes' acts and omissions are independently tortious, Forbes is personally liable for

same to the Plaintiff and Class Members.

Real and Substantial Connection with British Columbia

70. There is a real and substantial connection between the Plaintiff and Class Members' claims

and British Columbia for the following reasons:

a. Adastra Holdings is regulated by the British Columbia Securities Commission;

b. Adastra Holdings and Adastra Labs are both incorporated in British Columbia;

c. Adastra Holdings and Adastra Labs' headquarters are located in British Columbia;

d. Adastra Holdings and Adastra Labs both carry on business in British Columbia;

and

e. the Impugned Documents were prepared and the representations therein made in

British Columbia.

Plaintiff's address for service:

Slater Vecchio LLP 1800 - 777 Dunsmuir Street

Vancouver, BC V7Y 1K4

Fax number for service: 604.682.5197

Email address for service: service@slatervecchio.com

Place of trial: Vancouver, BC

The address of the registry is:

800 Smithe Street Vancouver, BC V6Z 2E1

Date: March 9, 2023

Signature of lawyer for plaintiff

Saro Turner

Sam Jaworski

Justin Giovannetti

Slater Vecchio LLP

Rule 7-1 (1) of the Supreme Court Civil Rules states:

- (1) Unless all parties of record consent or the court otherwise orders, each party of record to an action must, within 35 days after the end of the pleading period,
 - (a) prepare a list of documents in Form 22 that lists
 - (i) all documents that are or have been in the party's possession or control and that could, if available, be used by any party at trial to prove or disprove a material fact, and
 - (ii) all other documents to which the party intends to refer at trial, and
 - (b) serve the list on all parties of record.

Appendix

[The following information is provided for data collection purposes only and is of no legal effect.]

Part 1: CONCISE SUMMARY OF NATURE OF CLAIM:

This is a securities class proceeding on behalf of investors in common shares of Adastra Holdings Ltd. The Plaintiff pleads on his own behalf and on behalf of the other Class Members that the Defendants made misrepresentations in a press release and material change report. The Plaintiff seeks to recover on his own behalf and on behalf of the other Class Members compensation for the damages and losses that the Plaintiff and Class Members have suffered as a result of the Defendants' misrepresentations.

Part 2: THIS CLAIM ARISES FROM THE FOLLOWING:

| [Check one box below for the case type that best describes this case.] |
|----------------------------------------------------------------------------|
| A personal injury arising out of: |
| [] a motor vehicle accident |
| [] medical malpractice |
| [] another cause |
| A dispute concerning: |
| [] contaminated sites |
| [] construction defects |
| [] real property (real estate) |
| [] personal property |
| [] the provision of goods or services or other general commercial matters |
| [] investment losses |
| [] the lending of money |
| [] an employment relationship |
| [] a will or other issues concerning the probate of an estate |

[] a matter not listed here

RSBC 1996, c 318.

| Part 3: THIS CLAIM INVOLVES: |
|--------------------------------------------------------------------------------------------|
| [Check all boxes below that apply to this case] |
| [x] a class action |
| [] maritime law |
| [] aboriginal law |
| [] constitutional law |
| [] conflict of laws |
| [] none of the above |
| [] do not know |
| Part 4: |
| Limitation Act, SBC 2012, c 13, Court Order Interest Act, RSBC 1996, c 79, Negligence Act, |