

CANADA

**SUPERIOR COURT OF QUÉBEC
(CLASS ACTION)**

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

No.: 500-06- 000670-139

PATRICK BERGERON, residing and
domiciled at [REDACTED]

The Petitioner

vs.

BLACKBERRY LIMITED, a legal person duly
constituted, with its principal establishment
located at [REDACTED]

and

THORSTEN HEINS, BlackBerry Limited, [REDACTED]

and

BRIAN BIDULKA, BlackBerry Limited, [REDACTED]

The Respondents

**MOTION TO AUTHORIZE THE BRINGING OF A CLASS ACTION AND TO ASCRIBE
THE STATUS OF REPRESENTATIVE
(Art. 1002 C.C.P. and following)**

**TO ONE OF THE HONOURABLE JUSTICES OF THE SUPERIOR COURT OF
QUÉBEC, SITTING IN AND FOR THE DISTRICT OF MONTRÉAL, THE PETITIONER
STATES THE FOLLOWING:**

GENERAL PRESENTATION:

1. The Petitioner wishes to institute a class action on behalf of the following Group, of which he is a member, namely:

all persons or entities domiciled in Québec (other than the Defendants, their past and present subsidiaries, affiliates, officers, directors, senior employees, partners, legal representatives, heirs, predecessors, successors and assigns, and any individual who is an immediate member of the families of the individual named defendants) who purchased or otherwise acquired BlackBerry Limited shares (through the TSX or NASDAQ exchanges) from and including September 27, 2012 to September 20, 2013 inclusively (hereinafter the "Class Period");

(hereinafter referred to as the "Class", "Group Members" or the "Group");

2. The relief that the Petitioner seeks includes the following:

- a) A declaration that all or some of the core documents (as defined in the Securities Act, RSQ, c V-1.1 (the "Securities Act")) issued by BlackBerry Limited ("BlackBerry") during the Class Period (the "Impugned Documents") contained one or more misrepresentations;
- b) Damages in an amount equal to the losses that it and the other Members of the Group suffered as a result of purchasing or acquiring the securities of BlackBerry at inflated prices during the Class Period; and
- c) A declaration that BlackBerry is vicariously liable for the acts and/or omissions of the Individual Respondents;

THE RESPONDENTS

3. The Respondent BlackBerry is a legal corporation incorporated pursuant to the laws of Canada, with its principal office located in Waterloo, Ontario. BlackBerry is a designer, manufacturer and marketer of wireless products and solutions, through the development of integrated hardware, software, and services, for the worldwide mobile communications market. BlackBerry provides platforms and solutions for access to email, voicemail, instant messaging, short message service, Internet and Intranet-based applications, and browsing. BlackBerry is a publicly traded company whose shares are traded on the TSX and NASDAQ;

3. At all material times, BlackBerry was a reporting issuer in Québec and in all other provinces of Canada;

4. The Respondent, Thorsten Heins ("**Heins**") is and was, during the Class Period, the President and Chief Executive Officer of BlackBerry. Heins is an 'officer' and 'director' within the meaning of the *Securities Act*, RSQ c V-1.1 (the "Securities Act"). Heins also served as a member of the Board of Directors since January 2012. Heins personally certified all financial reports during the Class Period.

5. The Respondent, Brian Bidulka ("**Bidulka**") is and was, during the Class Period, Chief Financial Officer ("**CFO**") of BlackBerry. Bidulka is an 'officer' and 'director' within the meaning of the *Securities Act*. Amongst other things, Bidulka personally certified all financial reports during the Class Period;

6. Collectively herein, BlackBerry, Heins, and Bidulka are referred to as the "Defendants".

BLACKBERRY'S CONTINUOUS DISCLOSURE OBLIGATIONS:

7. As a reporting issuer in Québec and elsewhere, BlackBerry was required throughout the Class Period to issue and file with SEDAR:

- Within 60 days of the end of each quarter, quarterly interim financial statements prepared in accordance with GAAP including a comparative statement to the end of each of the corresponding periods in the previous financial year;
- Within 140 days of the end of the fiscal year, annual financial statements prepared in accordance with GAAP, including comparative financial statements relating to the period covered by preceding financial year; and
- Contemporaneously with each of the above, management's discussion and analysis ("MD&A") of each of the above financial statements;

8. The Respondents issued the Impugned Documents referenced herein pursuant to their statutory obligation to do so, and also for the specific purpose of attracting investment in BlackBerry securities, and in order to induce members of the public to purchase those securities;

RESPONDENTS FAULT:

9. The Respondents owed a duty to the Petitioner and Group Members at law and under provisions of the Securities Act, to disseminate promptly, or to ensure that prompt dissemination of truthful, complete and accurate statements regarding BlackBerry's business and affairs, and promptly to correct previously-issued, materially inaccurate information, so that the price of BlackBerry's publicly-traded securities was based on complete, accurate and truthful information;

10. At all material times, each of the Respondents knew or ought reasonably to have known that the trading price of BlackBerry's publicly-traded securities was directly

influenced by the statements disseminated by the Respondents concerning the business and affairs of BlackBerry;

11. The Respondents knew or ought reasonably to have known that a failure to ensure that BlackBerry's disclosures referenced herein were materially accurate and materially complete would cause BlackBerry's securities to become inflated, and thus would cause damage to persons who invested in BlackBerry's securities while their price remained inflated by such false statements;

12. On September 27, 2012, near the beginning of the Class Period, BlackBerry issued a news release announcing its second quarter fiscal 2013 results. The report included a quote from the Respondent Heins:

"Despite the significant changes we are implementing across the organization, our second quarter results demonstrate that RIM is progressing on its financial and operational commitments during this major transition," said Thorsten Heins, President and CEO. **"Subscribers grew to approximately 80 million global users, revenue grew sequentially from the first quarter, cash, cash equivalents, short-term and long-term investments increased by approximately \$100 million to \$2.3 billion, and carriers and developers are responding well to previews of our upcoming BlackBerry 10 platform. Make no mistake about it, we understand that we have much more work to do, but we are making the organizational changes to drive improvements across the company, our employees are committed and motivated, and BlackBerry 10 is on track to launch in the first calendar quarter of 2013."**

[Emphasis added.];

13. The statements made by the Respondent Heins in BlackBerry's September 27, 2012 news release, *supra*, were materially false and misleading when made because inter alia the Respondents either knowingly or negligently misrepresented that the

changes made by BlackBerry, particularly with regard to BlackBerry 10, would "drive improvements across the Company";

14. The Company also held a conference call on September 27, 2012, in which the Respondent Heins made the following comments regarding BlackBerry on behalf of the Respondents:

- "RIM continues to be a financially strong company, and we're executing and delivering on our commitments."
- "At the heart of the BlackBerry user experience is a keyboard our customers can type on. The BlackBerry keyboard has always been the best in the industry. And with BlackBerry 10, it just keeps getting better."
- "We are in the midst of building a leaner and stronger organization."
- "With approximately 80 million subscribers and upcoming launch of the new and unique mobile computing platform and unmatched reputation for security and growing support for BlackBerry 10 from carriers and developers, companies I meet with understand that RIM remains a strong, innovative and relevant player in the mobile computing world";

15. The foregoing statements from Heins were materially false and misleading when made because inter alia the Respondents knowingly or negligently misrepresented that BlackBerry 10 would revitalize the Company, and that BlackBerry was "financially strong";

16. The next day, on September 28, 2012, BlackBerry filed an interim financial report with its consolidated financial statements and an interim MD&A. The interim financial report with its consolidated financial statements discussed, among other things, BlackBerry's Cost Optimization and Resource Efficiency ("**CORE**") Program:

In March 2012, the Company commenced the CORE program with

the objective of improving the Company's operations and increasing efficiency. The program includes, among other things, the streamlining of the BlackBerry smartphone product portfolio, the optimization of the Company's global manufacturing footprint, the outsourcing of global repair services, the alignment of the Company's sales and marketing teams and a reduction in the number of layers of management. **The Company is currently targeting the CORE program to drive at least \$1.0 billion in savings by the end of fiscal 2013 based on RIM's fourth quarter of fiscal 2012 run rate.**

[Emphasis added];

17. Within the interim MD&A titled "MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE AND SIX MONTHS ENDED SEPTEMBER 1, 2012" the Company further discussed the CORE program:

The Company is currently targeting the CORE program to drive at least \$1.0 billion in savings by the end of fiscal 2013 based on RIM's fourth quarter of fiscal 2012 run rate. To date, the Company has launched CORE-related actions that it expects will result in savings of approximately \$800 million of this target, of which approximately \$350 million has already been realized in the first six months of this fiscal year;

18. The interim MD&A also discussed the Company's operations and positioning for the future:

The Company is in the ongoing process of completing the largest platform and organizational transition in its history, with a view to better position the Company to achieve growth and to continue to be a leading company in the wireless communications industry. The Company's second quarter results reflect the product and platform transition underway, ongoing market challenges and the competitive dynamics across many markets.

[Emphasis added.]

19. The Respondents also stated in the interim MD&A:

"RIM expects that the anticipated launch of BlackBerry 10 smartphones in the first quarter of calendar 2013 will strengthen its position in the BYOD [bring your own device] enterprise segment and the Company will also continue to seek partnerships that will further enable RIM to have a complete BYOD offering";

20. The Respondents' statements in the September 28, 2012 interim financial report with its consolidated financial statements and an interim MD&A were materially false and misleading when made because, among other things, the Respondents knowingly or negligently misrepresented that BlackBerry 10 would "strengthen its position," and that the CORE program delivered meaningful cost savings to the Company.

21. On December 11, 2012, BlackBerry issued a news release emphasizing growing interest around BlackBerry 10 and BlackBerry's improved outlook:

Developer Interest Growing

With the BlackBerry 10 launch event less than two months away, developer interest and excitement for the BlackBerry 10 platform continues to grow. Top application developers have already committed to BlackBerry 10 in key categories including games, multimedia, business and productivity, published media and social networking. For example, at the recent BlackBerry Jam Asia conference in Bangkok, RIM showcased over 70 new top application partners and demoed several on the BlackBerry 10 platform including apps from Fox Sports, MTV India, Picstory, Viki Video, and Hot Remit.

Over the past few months, developer outlook toward RIM has improved broadly and significantly. According to a recent Pivot Point Research survey commissioned by RIM*, 58% of developers surveyed would recommend BlackBerry 10 as a development platform, a 123% increase from May to October, 2012. The survey also found a steady increase in satisfaction with the BlackBerry 10 platform among developers, growing by 56% over the same period.

"We have been actively engaged with developers from around the

world for many months and as we near the final weeks toward the launch of BlackBerry 10, the growing dedication and commitment we see from our developer community is truly outstanding," said Alec Saunders, Vice President, Developer Relations and Ecosystems at Research in Motion. "The focus we have had on building a true developer ecosystem and community is clearly working."

[Emphasis added];

22. The Respondents' statements in the December 11, 2012 news release were materially false and misleading when made because, among other things, the Respondents knowingly or negligently misrepresented the extent of developer interest and outlook towards BlackBerry and BlackBerry 10;

23. Then, on December 20, 2012, BlackBerry issued a news release and filed an interim financial report with its consolidated financial statements and an interim MD&A on December 21, 2012 announcing that the Company had reported its third quarter fiscal 2013 financial results. The news release quoted the Respondent Heins:

"RIM continued to execute on its product roadmap plans and to deliver on key financial metrics as it gets set for the global launch of BlackBerry 10," said Thorsten Heins, President and CEO; **"During the third quarter, we continued to demonstrate our strong financial position,** generating \$950 million in cash flow from operations, and increasing our cash position significantly to more than \$2.9 billion. More than 150 carriers are currently completing technical acceptance programs for the first BlackBerry 10 products, and beta trials of BlackBerry Enterprise Service 10 are underway at more than 120 enterprises including 64 Fortune 500 companies. This is an exciting time and our carrier partners, application developers and employees are all looking forward to unveiling the innovation and excitement of BlackBerry 10 to our customers on January 30, 2013."

[Emphasis added];

24. The Respondent Heins' statements in the December 20, 2012 news release were materially false and misleading when made because, among other things, the

Respondents knowingly or negligently misrepresented the financial strength of BlackBerry and that the BlackBerry was on a path to recovery;

25. The Company also held an earnings call on December 20, 2012, in which the Respondent Heins made the following statements regarding BlackBerry on behalf of the Respondents:

- "Q3 result continued to reflect the successful transition the company is making as it moves towards the launch event for our BlackBerry 10 mobile computing platform on January 30. We sold just under 7 million smartphones this quarter and generated revenue of \$2.7 billion. Gross margin strengthened, cash flow was strong and our cash position increased significantly. We continued to deliver a very strong cash flow from operations and maintained a very strong balance sheet at quarter end. Cash grew by more than \$600 million in the quarter to \$2.9 billion, even after the funding of all of our restructuring activities."
- "We are now nearing the end of our headcount reduction"
- "While our customers, partners and employees are very excited about our BlackBerry 10 launch, I also want to be clear that the management team remains laser-focused on continuing to make the necessary changes to return the company back to stable profitability. We've made great progress in the past month in demonstrating our financial strength, with cash growing to \$2.9 billion, and we will continue to implement plans and make decisions and changes that allow us to demonstrate steady progress as we work back towards profitability. We are committed to an amazing launch for BlackBerry 10 and we, in conjunction with our carrier partners, will be showcasing the redesigned innovation of reengineered, reinvented BlackBerry to the world. We have demonstrated how efficiently we have been able to convert working capital into cash as we become a leaner organization over the past few months, and we are now in a very strong position to reinvest into our launch and into our new platform, which I know Frank Boulben and his market team will do an amazing job with."

- "[W]e believe the company has stabilized and will turn the corner in the next year";

26. The foregoing statements made by the Respondent Heins' in the December 20, 2012 earnings call were materially false and misleading when made because, among other things, the Respondents knowingly or negligently misrepresented that (a) the Company was in a "successful transition", (b) that the Company was nearing end of its headcount reduction, and (c) that the Company was stable and on the path to recovery.

27. On December 21, 2012, BlackBerry filed an interim MD&A titled "MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED DECEMBER 1, 2012". In this interim MD&A the Company stated,

"RIM continues to expect that the launch of BlackBerry 10 smartphones, in respect of which the launch event is expected to occur on January 30, 2013, will strengthen its position in the BYOD enterprise market and the Company will also continue to seek partnerships that will further enable RIM to have a complete BYOD offering";

28. Furthermore, the December 21, 2012 interim MD&A reviewed the Company's operations and strategy going forward:

The Company is in the ongoing process of completing the largest platform and organizational transition in its history, with a view to better position the Company to achieve growth and to continue to be a leading company in the wireless communications industry. The Company's third quarter results reflect the product and platform transition underway, ongoing market challenges and the competitive dynamics across many markets.

* * *

The Company plans to exit this transition as a leaner and more

nimble organization that can act quickly and is aligned with RIM's growth opportunities.

29. The December 21, 2012 interim MD&A also stated:

"RIM expects that the launch of BlackBerry 10 smartphones, in respect of which the launch event is expected to occur on January 30, 2013, will strengthen its position in the BYOD enterprise segment and the Company will also continue to seek partnerships that will further enable RIM to have a complete BYOD offering";

30. The Respondents also reiterated in the December 21, 2012 interim MD&A that:

"the Company is in the process of completing the largest platform and organizational transition in its history, with a view to better position the Company to achieve growth and to continue to be a leading company in the wireless communications industry. As part of the ongoing efforts, the Company is also re-evaluating its product portfolio, operations, manufacturing and research and development strategy";

31. The Respondents' statements in the December 21, 2012 interim MD&A were materially false and misleading when made because, among other things, the Respondents knowingly or negligently misrepresented that BlackBerry 10 would "strengthen its position" and lead to a re-emergence in the wireless communications industry;

32. Shortly after BlackBerry 10's official launch in January 2013, Heins offered the following statement on behalf of BlackBerry, which was submitted to SEDAR on February 6, 2013:

"In Canada, yesterday was the best day ever for the first day of a launch of a new BlackBerry smartphone. In fact, it was more than 50% better than any other launch day in our history in Canada," said Thorsten Heins, President & CEO of BlackBerry. "In the UK, we have seen close to three times our best performance ever for the first week of sales for a BlackBerry smartphone";

33. The foregoing statements made by Heins' in the February 6, 2013 news release were materially false and misleading when made because, among other things, the Respondents knowingly or negligently misrepresented the sales success of the BlackBerry 10 and its impact on the growth of the Company;

34. On March 13, 2013, BlackBerry filed another news release on SEDAR again emphasizing consumer interest in BlackBerry 10 smartphones. The Company stated:

Largest ever single purchase order in BlackBerry's history

WATERLOO, ONTARIO - BlackBerry(R) (NASDAQ:BBRY)(TSX:BB) announced today that one of its established partners has placed an order for one million BlackBerry 10 smartphones, with shipments starting immediately. This order marks the largest ever single purchase order in BlackBerry's history.

"An order for one million devices is a tremendous vote of confidence in BlackBerry 10," said Rick Costanzo, EVP Global Sales, BlackBerry. "Consumers are ready for a new user experience, and BlackBerry 10 delivers. With strong partner support, coupled with this truly re-invented new platform, we have a powerful recipe for success";

35. The Respondents' statements made in the March 13, 2013 news release were materially false and misleading when made because, among other things, the Respondents knowingly or negligently misrepresented the sales success of the BlackBerry 10 and its impact on the growth of the Company;

36. On March 28, 2013, BlackBerry filed its Annual Information Form for the fiscal year ended March 2, 2013 with SEDAR. In the Annual Information Form, BlackBerry informed investors of the state of the Company and its direction as follows:

Successfully transitioning to BlackBerry 10, the Company's next generation BlackBerry platform.

The Company is focused on building upon its successful BlackBerry 10 introduction and establishing the BlackBerry 10 platform amongst the top 3 mobile platforms. The launch of BlackBerry 10 in January 2013 marked the beginning of the organization's transition to becoming a leading mobile computing organization. The Company expects the BlackBerry 10 OS will transition the organization from mobile communications into true mobile computing and will power BlackBerry smartphones, tablets and embedded solutions such as those found in advanced automotive electronics, including entertainment, communications and navigation applications.

[Emphasis Added];

37. On March 28, 2013, BlackBerry filed an MD&A with SEDAR titled "MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE MONTHS AND FISCAL YEAR ENDED MARCH 2, 2013" prepared with reference to *National Instrument 51-102* "Continuous Disclosure Obligations" of the Canadian Securities Administrators. The MD&A included the following statements:

- The Company expects that with the introduction of BlackBerry 10 smartphones, which began in certain markets in the fourth quarter of fiscal 2013 and will continue in the first quarter of fiscal 2014, its position in the BYOD enterprise market will strengthen and the Company will also continue to seek partnerships that will further enable the Company to have a complete BYOD offering.
- The Company is in the ongoing process of completing the largest platform and organizational transition in its history, with a view to better position the Company to achieve growth and to continue to be a leading company in the wireless communications industry. The Company's fiscal 2013 results reflect the product and platform transition underway...
- During fiscal 2013, the Company also implemented major changes throughout the organization, which it believes have made the Company leaner and more nimble and are

intended to provide a solid foundation for continued innovation and execution;

38. The Respondents' statements made in the March 28, 2013 MD&A were materially false and misleading when made because, among other things, the Respondents knowingly or negligently misrepresented that (a) the BlackBerry 10 would help re-establish the Company as "a leading mobile computing organization"; (b) BlackBerry 10 would "strengthen" the Company's position "to achieve growth and be a leading company in the wireless communications industry"; and (c) the Company's changes had "provide[d] a solid foundation for continued innovation and execution";

39. The Company also filed a news release on March 28, 2013 announcing that the Company had reported its fourth quarter and year-end results for fiscal 2013. The news release included the following statement from Heins on behalf of the Respondents:

"We have implemented numerous changes at BlackBerry over the past year and those changes have resulted in the Company returning to profitability in the fourth quarter," said Thorsten Heins, President and CEO. "With the launch of BlackBerry 10, we have introduced the newest and what we believe to be the most innovative mobile computing platform in the market today. Customers love the device and the user experience and our teams and partners are now focused on getting those devices into the hands of BlackBerry consumer and enterprise customers."

Heins added, "As we go into our new fiscal year, we are excited with the opportunities for the BlackBerry 10 platform, and the commitments we are seeing from our global developers and partners. We are also excited about the new, dynamic culture at BlackBerry, where we are laser-focused on continuing to drive efficiency and improve the Company's profitability while driving innovation. We have built an engine that is able to drive improved financial performance at lower volumes, which should allow us to generate additional benefits from higher volumes in the future";

40. Heins' statements made in the March 28, 2013 news release were materially false and misleading when made because, among other things, the Respondents knowingly or negligently misrepresented that the Company was on the road to recovery, and specifically that the BlackBerry 10 platform was received well by the public and driving profitability for BlackBerry;

41. BlackBerry also held an earnings call on March 28, 2013 on which Heins discussed the state of the Company. Amongst other things, Heins stated on behalf of the Respondents:

- BlackBerry has gone through a major and exciting transformation this year, and it has been exciting. It was a year for change and we delivered significant positive change. So let me recap what we have accomplished in the first days of our transition, which has enabled us to return to an operating profit this quarter and given us great momentum as we go into fiscal '14.
- Over the past year, we have also regained the confidence and excitement of our carrier distribution partners with the introducing of the amazing BlackBerry 10 platform for consumers and enterprises. The BlackBerry 10 platform has been worth the wait.
- And finally, our financial transformation over the past 12 months has been outstanding. To say it was a very challenging environment to deliver improved financial results could well be the understatement of the year. In the face of numerous challenges this past year, BlackBerry has gone from a significant operating loss in the first quarter of the year to an operating profit in the fourth quarter.
- To recap, we started the year with a GAAP loss of \$518 million and an adjusted operating loss of \$192 million. And here we are, three quarters later, after implementing all these numerous changes and benefitting from a reenergized organization. We returned BlackBerry to an operating profit despite a 26% decline in units shipped versus the first

quarter. That said, in terms of financial strength, we are very well-positioned.

- We've made great progress, and we're proud of it.
- As mentioned at our launch in January, availability of Q10 will commence in April. The initial early global demand for the 10 has been better than anticipated, and our recent announcement of the largest single purchase order in our history, for 1 million units, is also indicative of a strong initial support and demand.
- We have significantly transformed the company over this period, and today we have an exciting new mobile computing platform. We are profitable, and we have a healthy balance sheet. We are looking to leverage the early success of BlackBerry 10 and our strategic review initiatives will be intensifying their focus on opportunities in mobile computing verticals such as automotive, industrial, networking, healthcare, security, and defense, leveraging our secure network infrastructures for uses beyond those currently deployed by BlackBerry and potential licensing opportunities.
- This is a very exciting time to be a part of BlackBerry, and I want to thank our employees for the amazing job they have done in the transition accomplished to date. And I would also like to thank our loyal customers, partners, and developers for the passionate support of the communities where we operate. You have also been huge contributors to our turnaround;

42. Heins' statements made during the March 28, 2013 earnings call were materially false and misleading when made because, among other things, the Respondents knowingly or negligently misrepresented that BlackBerry was on the road to recovery, making "great progress," and specifically that the BlackBerry 10 platform was leading the Company towards stronger financial results and profit;

43. On April 12, 2013, BlackBerry filed a news release on SEDAR addressing claims that BlackBerry Z10 phones were being returned in unusually high numbers:

"Sales of the BlackBerry® Z10 are meeting expectations and the data we have collected from our retail and carrier partners demonstrates that customers are satisfied with their devices," said BlackBerry President and CEO Thorsten Heins. "Return rate statistics show that we are at or below our forecasts and right in line with the Industry. To suggest otherwise is either a gross misreading of the data or a willful manipulation. Such a conclusion is absolutely without basis and BlackBerry will not leave it unchallenged.

* * *

BlackBerry Chief Legal Officer Steve Zipperstein said: "These materially false and misleading comments about device return rates in the United States harm BlackBerry and our shareholders, and we call upon the appropriate authorities in Canada and the United States to conduct an immediate investigation. Everyone is entitled to their opinion about the merits of the many competing products in the smartphone industry, but when false statements of material fact are deliberately purveyed for the purpose of influencing the markets a red line has been crossed";

44. The Respondents' statements made in the April 12, 2013 news release were materially false and misleading when made because the Respondents knowingly or negligently misrepresented that the BlackBerry 10 smartphones were received well by the public.

45. On June 28, 2013, the Company filed an interim financial report with its consolidated financial statements and an interim MD&A. The interim MD&A titled "MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED JUNE 1, 2013" included the following statements:

Throughout the remainder of fiscal 2014, the Company will invest in BlackBerry 10 smartphone launches, and the roll out of BlackBerry Enterprise Service ("BES") 10, to continue to establish the new BlackBerry 10 platform in the marketplace.

The Company expects that with the introduction of BlackBerry 10 smartphones, which began in certain markets in the fourth quarter of fiscal 2013 and continued in the first quarter of fiscal 2014, its position in the BYOD enterprise market will strengthen and the Company will also continue to seek partnerships that will further enable the Company to have a complete BYOD offering;

46. BlackBerry's statements made in the interim MD&A filed with SEDAR were materially false and misleading when made because, among other things, the Respondents knowingly or negligently misrepresented that the BlackBerry 10 would strengthen the Company's position in the wireless communication marketplace when it had not been received well by the market;

47. The Company also held an earnings call on June 28, 2013 regarding its first quarter fiscal 2014 results. Heins made the following statements on that call on behalf of the Respondents:

- We are five months into our platform transformation that we anticipate will drive future smartphone devices, greater enterprise efficiencies, and new mobile computing opportunities for many years to come.
- The BlackBerry 10 smartphone portfolio is just starting to fill out. We're only five months in, and have since achieved significant numbers of technical acceptances globally.
- The BlackBerry Z10 has been an effective launch product to showcase the renewed and reengineered BlackBerry 10 experience to both consumers and enterprises.
- And another way we look at the strong interest in BES 10 is by vertical markets, which demonstrates the broad enterprise appeal of our platform.
- The fourth piece I want to discuss is financial strength, which remains a key asset during our transition year. Strong products alone are not good enough to ensure solid long term turnaround, so we have been intensely focused on maintaining a strong balance sheet and delivering efficiency.

- We will continue to focus on our financial strength and believe we are well-positioned to continue to invest in our platform and compete in a highly competitive market.
- In terms of our outlook, this is an exciting and important transition year for the company. We are still early in our launch cycle, and have yet to see all BlackBerry 10 products and full deployment of BES 10 contribute to revenue.
- As we work towards our products and service launches throughout this year, I view fiscal 14 as our year of investment, where we will look to position ourselves appropriately for sustained growth in fiscal year 15.
- The decisions we make are particularly important to us this year, given that the changes in investment we implement will be the foundation for innovation, quality, cost base, and growth of BlackBerry 10 in the coming years.
- BlackBerry has made a lot of steady progress in the past year. Just one year ago, the world was totally different, not only for BlackBerry, but for the whole smartphone industry. Things change quickly in our industry, and we have embraced the concept of change and agility, and this has allowed us to move forward quite dramatically.
- Let's remember, one year ago none of these products existed, and today they are just launching, and have been well-received, because of the performance and quality of BlackBerry 10. It has been very exciting and challenging for our teams, and we are looking forward to the next stage of our transition this year.
- With strong and steady execution, we will be able to capitalize on what we have created over the past year. We are one year smarter, one year tougher, and one year more successful than we were at this call last year. And we are confident in the ongoing success of our transformation in the coming year;

48. Heins' statements made during the June 28, 2013 earnings call were materially false and misleading when made because, among other things, the Respondents knowingly or negligently misrepresented that a) the BlackBerry 10 launch was "effective" given that it was not well received by the market; b) that the Company had made "steady progress in the past year; and c) that the Company was on the road to recovery, when in fact, the Company was in worse shape than the previous year;

49. On August 12, 2013 the Company issued a news release filed with SEDAR announcing that BlackBerry's Board of Directors was exploring strategic alternatives. The news release included the following statement from Heins:

"We continue to see compelling long-term opportunities for BlackBerry 10, we have exceptional technology that customers are embracing, we have a strong balance sheet and we are pleased with the progress that has been made in our transition. As the Special Committee focuses on exploring alternatives, we will be continuing with our strategy of reducing cost, driving efficiency and accelerating the deployment of BES 10, as well as driving adoption of BlackBerry 10 smartphones, launching the multi-platform BBM social messaging service, and pursuing mobile computing opportunities by leveraging the secure and reliable BlackBerry Global Data Network";

50. Heins' statements included in the August 12, 2013 news release were materially false and misleading when made because, among other things, Respondents knowingly or negligently misrepresented that the BlackBerry 10 smartphone launch was successful and had "compelling long-term opportunities," and that the Company had made progress as a result of the BlackBerry 10;

51. On September 20, 2013 the true situation of BlackBerry's circumstances were revealed in a news release in which the Company announced its preliminary second quarter fiscal 2014 results. BlackBerry disclosed that:

[The Company] expects to report a primarily non-cash, pre-tax charge against inventory and supply commitments in the second quarter of approximately \$930 million to \$960 million, which is primarily attributable to BlackBerry Z10 devices.

The current quarter will also include a pre-tax restructuring charge in the approximate amount of \$72 million reflecting ongoing cost efficiency initiatives.

* * *

As part of the Company's focus on enhancing its financial results, and in response to the increasing competition in the smartphone market, BlackBerry also announced plans to transition its future smartphone portfolio from six devices to four. The portfolio will focus on enterprise and prosumer-centric targeted devices, including 2 high-end devices and 2 entry-level devices in all-touch and QWERTY models. With the launch of the BlackBerry Z30 - the next generation high-tier smartphone built on the BlackBerry 10 platform - this week, the Company will re-tier the BlackBerry Z10 smartphone to make it available to a broader, entry-level audience. At the same time, the Special Committee of the Company's Board of Directors continues to evaluate all strategic alternatives for the Company.

Furthermore, the Company also announced that it is targeting an approximate 50% reduction in operating expenditures by the end of the first quarter of Fiscal 2015. **As part of this, BlackBerry will implement a workforce reduction of approximately 4,500 positions or approximately 40% of the Company's global workforce resulting in a total workforce of approximately 7,000 full-time global employees.**

Thorsten Heins, President and Chief Executive Officer of BlackBerry said, "We are implementing the difficult, but necessary operational changes announced today to address our position in a maturing and more competitive industry, and to drive the company toward profitability. Going forward, we plan to refocus our offering on our end-to-end solution of hardware, software and services for enterprises and the productive, professional end user. This puts us squarely on target with the customers that helped build BlackBerry into the leading brand today or enterprise security, manageability and reliability"

[Emphasis added];

52. As a result of the foregoing disclosure, BlackBerry stock plummeted from a closing price of \$10.82 per share on September 19, 2013 to a close of \$9.08 per share on September 20, 2013, after experiencing an intra-day low of \$8.25, on heavy trading volume. The value of BlackBerry stock continued to slide on heavy trading volume over the next few days as investors digested the bad news, and closed at \$8.26 on September 25, 2013;

53. On Monday, September 23, 2013, the next trading day following BlackBerry's announcement of its approximate \$1 billion BlackBerry 10 charge and the layoffs of 4,500 employees, Blackberry announced that it entered into a letter of intent agreement under which a consortium led by Fairfax Financial Holdings Limited would acquire BlackBerry. Pursuant to the proposed transaction, BlackBerry shareholders would receive \$9.00 in cash for each share of Blackberry held;

54. Then, on October 1, 2013, BlackBerry filed an interim financial report with its consolidated financial statements and an interim MD&A with SEDAR which noted that the Company was in even worse financial shape than previously reported. In light of the 4,500 employee reduction, the October 1, 2013 MD&A titled "MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE AND SIX MONTHS ENDED AUGUST 31, 2013" indicated that the Company's cost optimization program would incur \$400 million in charges, which is four times the \$100 million in charges BlackBerry had projected in the first quarter of fiscal 2014;

55. The Individual Respondents certified that certain of the various filings containing materially false and misleading statements, namely, the interim financial reports with their consolidated financial statements and interim MD&A's filed with SEDAR during the Class Period, did "not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the

period covered by the interim filings." This statement was false for reasons asserted in this Statement of Claim;

56. Accordingly, the Respondents have violated their duties to the Petitioner and Group Members;

57. The price of BlackBerry's securities was directly affected during the Class Period by the issuance of the Impugned documents and the misrepresentations made by the Respondents, thereby causing damage to the Petitioner and Group Members;

FACTS GIVING RISE TO AN INDIVIDUAL ACTION BY THE PETITIONERS

58. The Petitioner, Patrick Bergeron, is one of thousands of investors who purchased shares of BlackBerry during the Class Period and continued to hold shares of BlackBerry when the price of BlackBerry's securities declined due to the correction of the misrepresentations alleged herein;

59. During the Class period, the Petitioner purchased 100 shares for Research in Motion Limited (now called BlackBerry Limited) shares. The Petitioner purchased 20 shares of Research in Motion Limited on October 4th, 2012 at \$7.51 per share, 30 shares on November 23, 2012 at \$9.88 per share, and 50 shares on January 24, 2013 at \$17.00 per share, the whole as more fully appears in a copy of the Petitioner's TD Waterhouse statement, filed herewith as **Exhibit P-1**;

FACTS GIVING RISE TO AN INDIVIDUAL ACTION BY EACH OF THE MEMBERS OF THE GROUP

60. Each Member of the Group purchased or otherwise acquired BlackBerry shares during the Class Period, being from and including September 27, 2012 to September 20, 2013 inclusively. Thus, each Group Member have common claims that are founded

on the same underlying facts as the Petitioner's as they pertain to the acts and omissions of the Respondents

61. Each Member of the Group suffered damages directly related to the acts and omissions of the Respondents;

CONDITIONS REQUIRED TO INSTITUTE A CLASS ACTION

62. The composition of the Group makes the application of Articles 59 or 67 C.C.P. impracticable for the following reasons:

- a) The number of persons included in the group is unknown to the Petitioner at the time, but is estimated to be several thousand;
- b) The Petitioner does not possess the names and addresses of potential Group Members (but are likely known to the Respondents);
- c) In addition, given the costs and risks inherent in an action before the Courts, many people will hesitate to institute an individual action against the Respondents. Even if the Group Members themselves could afford such individual litigation, the Court system could not as it would be overloaded. Furthermore, individual litigation of the factual and legal issues raised by the conduct of the Respondents would increase delay and expense to all parties and to the judicial system;

63. The recourses of the Group Members raise identical, similar, or related questions of fact or law, namely:

- a) Did the Respondents' acts or omissions violate the Securities Act;
- b) Did the Respondents make materially untrue and/or misleading statements/omissions during the Class Period;

- c) Did the Respondents' misrepresentation cause the share price of BlackBerry's securities to be artificially inflated during the Class Period;
- d) Did the Respondents therefore commit a fault towards the Petitioner and the Group Members, thereby engaging their liability; and
- e) What damage was sustained by the Petitioner and the Group Members as a result of the Respondents' faults;
- f) Are the Respondents jointly and severally responsible for the damages sustained by the Petitioner and the Group Members;

64. The interests of justice favour that this motion be granted in accordance with its Conclusions;

NATURE OF THE ACTION AND CONCLUSIONS SOUGHT

65. The action that the Petitioner wishes to institute for the benefit of the Group Members is an action in damages;

66. The conclusions that Petitioner wishes to introduce by way of a motion to institute proceedings are for the Court to:

GRANT the Petitioners' action against the Respondents;

DECLARE that the Respondents made misrepresentations negligently during the Class Period;

DECLARE that BlackBerry is vicariously liable for the acts and/or omissions of the Individual Respondents;

CONDEMN the Respondents to pay an amount in compensatory damages to every Group Member, in an amount to be determined by the

Court, plus interest as well the additional indemnity;

ORDER the treatment of individual claims of each Group Member in accordance with Articles 1037 to 1040 C.C.P.;

THE WHOLE with interest and additional indemnity provided for in the *Civil Code of Québec* and with full costs and expenses including experts' fees and publication fees to advise members;

44. The Petitioners suggest that this class action be exercised before the Superior Court in the District of Montréal for the following reasons:
 - a) The Petitioner resides in the District of Montréal;
 - b) Many Group Members are domiciled or work in the District of Montréal;
 - c) The Petitioners' legal counsel practise law in the District of Montréal;

45. The Petitioner, who is requesting to obtain the status of representative, will fairly and adequately protect and represent the interest of the members of the Group since the Petitioner:
 - a) purchased or otherwise acquired BlackBerry shares from and including September 27, 2012 to September 20, 2013 inclusively;
 - b) understand the nature of the action and has the capacity and interest to fairly and adequately protect and represent the interests of the Group Members;
 - c) is available to dedicate the time necessary for the present action before the Courts of Quebec and to collaborate with class attorneys in this regard;

- d) is ready and available to manage and direct the present action in the interest of the Group Members that the Petitioner wishes to represent, and is determined to lead the present file until a final resolution of the matter, the whole for the benefit of the Group;
- e) does not have interests that are antagonistic or in conflict to those of other Group Members;
- f) has given the mandate to the undersigned attorneys to obtain all relevant information to the present action and intends to keep informed of all developments;
- g) is, with the assistance of the undersigned attorneys, ready and available to dedicate the time necessary for this action and to collaborate with other Group Members and to keep them informed;

46. The present motion is well founded in fact and in law.

FOR THESE REASONS, MAY IT PLEASE THE COURT:

GRANT the present Motion;

AUTHORIZE the bringing of a class action in the form of a motion to institute proceedings in damages;

ASCRIBE the Petitioners the status of representative of the persons included in the Group herein described as:

all persons or entities domiciled in Québec (other than the Defendants, their past and present subsidiaries, affiliates, officers, directors, senior employees, partners, legal representatives, heirs, predecessors, successors and assigns, and any individual who is an immediate member of the families of the individual named defendants) who purchased or

otherwise acquired BlackBerry Limited shares (through the TSX or NASDAQ exchanges) from and including September 27, 2012 to September 20, 2013 inclusively (hereinafter the "Class Period";

IDENTIFY the principle questions of fact and law to be treated collectively as the following:

- a. Did the Respondents' acts or omissions violate the Securities Act;
- b. Did the Respondents make materially untrue and/or misleading statements/omissions during the Class Period;
- c. Did the Respondents' misrepresentation cause the share price of BlackBerry's securities to be artificially inflated during the Class Period;
- d. Did the Respondents therefore commit a fault towards the Petitioner and the Group Members, thereby engaging their liability; and
- e. What damage was sustained by the Petitioner and the Group Members as a result of the Respondents' faults;
- f. Are the Respondents jointly and severally responsible for the damages sustained by the Petitioner and the Group Members;

IDENTIFY the conclusions sought by the class action to be instituted as being the following:

GRANT the Petitioners' action against the Respondents;

DECLARE that the Respondents made misrepresentations negligently during the Class Period;

DECLARE that BlackBerry is vicariously liable for the acts and/or omissions of the Individual Respondents;

CONDEMN the Respondents to pay an amount in compensatory damages to every Group Member, in an amount to be determined by the Court, plus interest as well the additional indemnity;

ORDER the treatment of individual claims of each Group Member in accordance with Articles 1037 to 1040 C.C.P.;

THE WHOLE with interest and additional indemnity provided for in the *Civil Code of Québec* and with full costs and expenses including experts' fees and publication fees to advise members;

DECLARE that all Group Members that have not requested their exclusion from the Group in the prescribed delay to be bound by any judgment to be rendered on the class action to be instituted;

FIX the delay of exclusion at 30 days from the date of publication of the notice to the Group Members;

ORDER the publication of a notice to the Group Members in accordance with article 1006 C.C.P.;

THE WHOLE with costs, including all publication fees.

MONTREAL, October 15, 2013

MERCHANT LAW GROUP LLP
Attorneys for the Petitioners

NOTICE OF PRESENTATION

TO: **BLACKBERRY LIMITED**
2200 University Avenue East,
Waterloo, Ontario, N2K 0A7;

and

THORSTEN HEINS
BlackBerry Limited,
2200 University Avenue East,
Waterloo, Ontario, N2K 0A7;

and

BRIAN BIDULKA
BlackBerry Limited,
2200 University Avenue East,
Waterloo, Ontario, N2K 0A7;

TAKE NOTICE that the Petitioner has filed this MOTION TO AUTHORIZE THE BRINGING OF A CLASS ACTION AND TO ASCRIBE THE STATUS OF REPRESENTATIVE in the office of the Superior Court of the Judicial District of Montréal.

The Motion will be presented before one of the Honourable Judges of the Superior Court of Québec, District of Montréal, on **December 4, 2013 at 9:00 AM**, in room **2.16** of the Courthouse of Montréal situated at 1 Notre Dame East, Montréal, Québec. On that date, the Court may exercise such powers as are necessary to ensure the orderly progress of the proceeding or the Court may hear the case.

MONTREAL, October 15, 2013

MERCHANT LAW GROUP LLP
Attorneys for the Petitioners