

C A N A D A

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

S U P E R I O R C O U R T
(Class Action)

N° 500-

JENNIFER BALABANIAN, residing and domiciled at 41 Promenade des Isles, Apartment 2, in the city of Laval, province of Quebec, H7W 5J6

Plaintiff

v.

PAYPAL CANADA CO., a legal person having its head office at Suite 900, 1959 Upper Water Street, in the City of Halifax, Province of Nova Scotia, B3J 3N2

-and-

PAYPAL CA LIMITED, a legal person having its head office at Brunswick House, 44 Chipman Hill, Suite 1000, Saint John, New Brunswick, E2L 2A9

-and-

PAYPAL HOLDINGS INC., a legal person having its head office at 211 North First Street, in the city of San Jose, State of California, 95131

Defendants

**APPLICATION FOR AUTHORIZATION TO INSTITUTE A CLASS ACTION AND TO
APPOINT THE STATUS OF REPRESENTATIVE PLAINTIFF**
(Articles 574 and following CCP)

IN SUPPORT OF ITS APPLICATION, THE PLAINTIFF STATES AS FOLLOWS:

INTRODUCTION

1. The Plaintiff is seeking the Court's authorization to institute a class action on behalf of the following classes of persons:

All Quebec residents who, from the date upon which the Defendants began performing currency conversions in Quebec, purchased goods or services using the Defendants' payment

system in a currency other than the currency in which the goods or services were offered for sale (the “**Transaction Class**”); and

All Quebec consumers who, from the date upon which the Defendants began performing currency conversions in Quebec, purchased goods or services using the Defendants’ payment system in a currency other than the currency in which the goods or services were offered for sale (the “**Transaction Consumer Sub-Class**”); and

All Quebec residents who held accounts with PayPal Canada, who, from the date upon which the Defendants began performing currency conversions in Quebec, withdrew funds from their accounts that the Defendants converted to Canadian dollars before transferring the funds to the individuals’ linked bank accounts and credit cards (the “**Withdrawal Class**”); and

All Quebec consumers who held accounts with PayPal Canada, who, from the date upon which the Defendants began performing currency conversions in Quebec, withdrew funds from their accounts that the Defendants converted to Canadian dollars before transferring the funds to the individuals’ linked bank accounts and credit cards (the “**Withdrawal Consumer Sub-Class**”).

Collectively, the “**Class Members**”.

2. As a result of the facts set out below, the Plaintiff is seeking the reimbursement of:

- i) undisclosed fees charged by the Defendants in connection with the exchange of currency in transactions effected using the Defendants’ payment systems (the “**Undisclosed FX Transaction Fees**”);
- ii) undisclosed fees in connection with the exchange of foreign currency upon withdrawal of funds from accounts held with the Defendants (the “**Undisclosed FX Withdrawal Fees**”);

Or, in the alternative:

- iii) an accounting and disgorgement of all profits the Defendants earned in connection with foreign exchange transactions in respect of the Class Members.

3. In addition, on behalf of all Class Members who are “consumers” within the meaning of the Quebec *Consumer Protection Act* (“**CPA**”), the Plaintiff is seeking

\$2 million in punitive damages, or such other amount as the Court considers appropriate.

THE PARTIES

4. The Plaintiff is a consumer within the meaning of the CPA who is an accountholder (as that term is described below) and has been using the PayPal system to make online payments since 2008.
5. The Defendant, PayPal Holdings Inc. ("**PayPal Holdings**") is a corporation organized pursuant to the laws of Delaware whose shares trade on the NASDAQ Stock Market. Its head office is in San Jose, California, the whole as appears from the PayPal Combined 2016 Annual Report and 2017 Proxy Statement, communicated in support hereof as **Exhibit P-1**.
6. PayPal Holdings and its affiliates, including the other Defendants, operate a global technology platform known as "**PayPal**" which processes online payment transactions around the world and facilitates online global commerce.
7. PayPal Holdings and its affiliates, including the other Defendants, provide online payment services for over 250 million PayPal account holders in over 200 countries and enable users to receive money in more than 100 currencies, withdraw funds in 56 currencies and hold balances in their PayPal accounts in 25 currencies. There are more than 7 million registered PayPal Canada accounts, hundreds of thousands of which are in Quebec.
8. The Defendant, PayPal CA Limited, is a corporation organized pursuant to the laws of the Province of New Brunswick that carried on business in Quebec from 2012 until 2016, and operated under the business names PayPal, PayPal Canada, www.paypal.ca and www.paypal.com/ca, the whole as appears from the CIDREQ for PayPal CA Limited, communicated in support hereof as **Exhibit P-2**.
9. The Defendant, PayPal Canada Co., is an unlimited liability corporation organized pursuant to the laws of the Province of Nova Scotia that has carried on business in Quebec since 2016, the whole as appears from the CIDREQ for PayPal Canada Co., communicated in support hereof as **Exhibit P-3**.
10. PayPal CA Limited and PayPal Canada Co., with which Quebec residents are directed to deal, are the affiliates of PayPal Pte. Ltd. which is a wholly-owned subsidiary of PayPal Holdings Inc., the whole as appears from Exhibit P-1.
11. PayPal CA Limited and PayPal Canada Co. will collectively be known as "**PayPal Canada**" for the purposes of these proceedings.

12. The Defendants operate the PayPal payments system used by the Class Members, perform currency conversions on that platform, and obtain the fees in respect of such conversions charged to the Class Members.

THE PAYPAL PAYMENTS SYSTEM

13. The PayPal payments system is an online payment system designed to facilitate online commerce transactions including transactions across international borders and in different currencies. Sellers using the system must hold accounts with the Defendants and their affiliates, while buyers may use the system whether or not they are accountholders.

ACCOUNTHOLDERS

14. In order to operate a PayPal Canada account, accountholders must link a Canadian dollar bank account or a Canadian dollar credit card to their PayPal Canada account. Accountholders may then deposit Canadian currency into their PayPal Canada account from the linked account or credit card for use in PayPal transactions.
15. Accountholders can carry out transactions with other PayPal accountholders, merchants that accept PayPal as a form of payment, or purchasers (who may or may not be accountholders). Those transactions need not be conducted in Canadian currency.
16. The Defendants charge sellers a commission based on the sale price of goods or services paid for using the PayPal payments system.
17. The Defendants charge various fees to accountholders related to currency conversions which are the subject of this Application. For example, when the PayPal payments system is used for transactions involving different currencies, the Defendants perform a currency conversion in order to complete the transaction and systemically charge an undisclosed fee to the buyer, the Undisclosed FX Transaction Fees.
18. In addition, given the volume of international transactions undertaken by PayPal Canada users, many transactions are effected in foreign currencies with the result that PayPal Canada accountholders routinely obtain foreign currency (typically U.S. dollars). PayPal Canada accountholders may hold foreign currency in their accounts.
19. Accountholders may withdraw funds from their PayPal Canada accounts and have that amount applied directly to their linked bank account or credit card at any time the account has a positive balance. The Defendants pay no interest on funds held in a PayPal Canada account; therefore, it is in an accountholder's interest to withdraw such funds.

20. When accountholders wish to withdraw foreign currency from their PayPal Canada accounts, the Defendants unilaterally and automatically convert those funds to Canadian dollars.
21. The conversions are not authorized by contract or otherwise. The Defendants charge accountholders an undisclosed fee to convert foreign currency on withdrawal, the Undisclosed FX Withdrawal Fees, as well as a percentage fee added to the exchange rate charged to the Class Members.
22. Accountholders can be members of both the Transaction Class and the Withdrawal Class.

NON-ACCOUNTHOLDERS

23. Many e-commerce websites use the PayPal payments system to process transactions for those websites' customers, regardless of whether those customers have a PayPal account. Accordingly, millions of non-accountholders end up using PayPal to purchase goods online.
24. Many online commerce businesses require all of their customers to use PayPal to process transactions. For such websites, individuals and businesses may transact using PayPal's payments system without opening an account, or, if they have an account, without using it for those transactions.
25. Non-accountholders whose transactions involve foreign currencies are charged the Undisclosed FX Transaction Fees. They are members of the Transaction Class.

THE USER AGREEMENTS

26. All transactions using the PayPal payments system, whether by accountholders or non-accountholders, are subject to a user agreement, as is the use of a PayPal account.
27. PayPal Canada has had at least three different versions of the user agreement as it relates to currency conversions since it began operating in Quebec.¹ PayPal Canada and the Class Members are the parties to the user agreements. Some or all of the Defendants are involved in carrying out PayPal Canada's obligations under the user agreements.
28. Each of the user agreements is a standard form contract of adhesion that the Defendants imposed on those who use its system and/or hold accounts. There was and is no opportunity for any Class Member to negotiate its terms.

¹ There have been other amendments to the user agreement between those reviewed below. As far as the Plaintiff is currently aware, those amendments did not affect the currency conversion provision.

29. The user agreement effective between September 4, 2013 and October 8, 2014 (the “**2013 User Agreement**”) provided as follows concerning currency conversions:

8.8 Additional Fees.

Activity	Fee															
<p>Currency Conversion</p>	<p>2.5% added to the exchange rate</p> <p>The Currency Conversion Fee applies whenever a currency conversion is required to complete your payment, except as set out below. The exchange rate is determined by a financial institution and is adjusted regularly based on market conditions. Adjustments may be applied immediately and without notice to you.</p> <p>When your payment is funded by a debit or credit card and requires a currency conversion, you consent to and authorize PayPal to convert the currency in place of your debit or credit card issuer.</p> <p>The Currency Conversion Fees below apply to the conversion of U.S. Dollar Balance to Canadian Dollars before you withdraw it to your bank account if you qualify for Merchant rates.</p> <table border="1" data-bbox="393 1087 1437 1457"> <thead> <tr> <th data-bbox="393 1087 678 1213">Merchant Rates*</th> <th data-bbox="678 1087 1049 1213">Monthly Sales Volume</th> <th data-bbox="1049 1087 1437 1213">Currency Conversion Fee</th> </tr> </thead> <tbody> <tr> <td data-bbox="393 1213 678 1266"></td> <td data-bbox="678 1213 1049 1266">\$0.01 - \$3,000.00</td> <td data-bbox="1049 1213 1437 1266">2.5%</td> </tr> <tr> <td data-bbox="393 1266 678 1318"></td> <td data-bbox="678 1266 1049 1318">\$3,000.01 - \$12,000.00</td> <td data-bbox="1049 1266 1437 1318">1.5%</td> </tr> <tr> <td data-bbox="393 1318 678 1404"></td> <td data-bbox="678 1318 1049 1404">\$12,000.01 - \$125,000.00</td> <td data-bbox="1049 1318 1437 1404">1.5%</td> </tr> <tr> <td data-bbox="393 1404 678 1457"></td> <td data-bbox="678 1404 1049 1457">Over \$125,000.00</td> <td data-bbox="1049 1404 1437 1457">1.0%</td> </tr> </tbody> </table> <p>*To qualify for our Merchant rates you must submit a one-time application, have qualifying monthly sales volume, and have an Account in good standing.</p>	Merchant Rates*	Monthly Sales Volume	Currency Conversion Fee		\$0.01 - \$3,000.00	2.5%		\$3,000.01 - \$12,000.00	1.5%		\$12,000.01 - \$125,000.00	1.5%		Over \$125,000.00	1.0%
Merchant Rates*	Monthly Sales Volume	Currency Conversion Fee														
	\$0.01 - \$3,000.00	2.5%														
	\$3,000.01 - \$12,000.00	1.5%														
	\$12,000.01 - \$125,000.00	1.5%														
	Over \$125,000.00	1.0%														

A copy of the 2013 User Agreement is communicated in support hereof as **Exhibit P-4**.

30. The user agreement effective between October 8, 2014 and October 10, 2017 (the “**2014 User Agreement**”) provided:

8.8 Additional Fees.

Activity	Fee		
Currency Conversion	<p>The Currency Conversion Fee applies whenever a currency conversion is required to complete your transaction. The exchange rate is determined by a financial institution and is adjusted regularly based on market conditions. Adjustments may be applied immediately and without notice to you.</p>		
	<p>Activity</p>	<p>Currency Conversion Fee</p>	
	<p>Converting Balance within your Account and not as part of a sending or withdrawal transaction</p>	<p>2.5% added to the exchange rate</p>	
	<p>Withdrawing Balance to your bank account and a currency conversion is required</p>	<p>2.5% added to the exchange rate</p>	
	<p>Any other transaction requiring a currency conversion to Canadian or U.S. Dollars</p>	<p>2.75% added to the exchange rate</p>	
	<p>Any other transaction requiring a currency conversion to a currency other than Canadian or U.S. Dollars</p>	<p>3.5% added to the exchange rate</p>	
	<p>When your payment is funded by a debit or credit card and requires a currency conversion, you consent to and authorize PayPal to convert the currency in place of your debit or credit card issuer. You have the right to have your card issuer perform the currency conversion and can choose this option during checkout on your transaction review page before you complete the transaction.</p>		
	<p>The Currency Conversion Fees below apply to the conversion of U.S. Dollar Balance to Canadian Dollars before you withdraw it to your bank account if you qualify for Merchant rates.</p>		
	<p>Merchant Rates*</p>	<p>Monthly Sales Volume</p>	<p>Currency Conversion Fee</p>
		<p>\$0.01 - \$3,000.00</p>	<p>2.5%</p>
	<p>\$3,000.01 - \$12,000.00</p>	<p>1.5%</p>	
	<p>\$12,000.01 - \$125,000.00</p>	<p>1.5%</p>	
	<p>Over \$125,000.00</p>	<p>1.0%</p>	
<p>*To qualify for our Merchant rates you must submit a one-time application, have qualifying monthly sales volume, and have an Account in good standing.</p>			
<p>Withdrawing your Balance</p>	<p>No Fee to withdraw to a bank account. If a currency conversion is required to complete your withdrawal, the Currency Conversion Fee will apply.</p>		

A copy of the 2014 User Agreement is communicated in support hereof as **Exhibit P-5**.

31. The user agreement effective from October 10, 2017 to present (the “**2017 User Agreement**”) provides:

8.4 Additional Fees.

- a. Currency conversion. A Currency Conversion Fee applies whenever a currency conversion is required to complete your transaction, including if a currency conversion is required to complete a withdrawal. The exchange rate is adjusted regularly based on market conditions. Adjustments may be applied immediately and without notice to you.

Activity	Currency Conversion Fee
Converting Balance within your Account and not as part of a sending or withdrawal transaction	2.5% added to the exchange rate
Withdrawing Balance to your bank account and a currency conversion is required	2.5% added to the exchange rate
Any other transaction requiring a currency conversion to Canadian or U.S. Dollars	3.0% added to the exchange rate
Any other transaction requiring a currency conversion to a currency other than Canadian or U.S. Dollars	3.5% added to the exchange rate

- b. When your payment is funded by a debit or credit card and requires a currency conversion, you consent to and authorize PayPal to convert the currency in place of your debit or credit card issuer. You have the right to have your card issuer perform the currency conversion and can choose this option during checkout on your transaction review page before you complete the transaction.

The Currency Conversion Fees below apply to the conversion of U.S. Dollar Balance to Canadian Dollars before you withdraw it to your bank account if you qualify for Merchant rates.

Seller Rates	Monthly Sales Volume	Currency Conversion Fee
	\$0.01 - \$3,000.00	2.5%
	\$3,000.01 - \$12,000.00	1.5%
	\$12,000.01 - \$125,000.00	1.5%
	Over \$125,000.00	1.0%

A copy of the 2017 User Agreement is communicated in support hereof as **Exhibit P-6**.

32. The 2013 User Agreement, the 2014 User Agreement and the 2017 User Agreement are referred to collectively as the “**User Agreements**”. The user agreement(s) effective prior to September 4, 2013 is/are not available to the Plaintiff.

THE UNDISCLOSED FEES

1. The Undisclosed FX Transaction Fees

33. While the Defendants represented in the 2014 User Agreement and the 2017 User Agreement that Class members have “the right to have [their] credit card issuer[s] perform ... currency conversion[s] and can choose this option during checkout on [their] transaction review page before [they] complete the transaction,” no such option was or is present during checkout.
34. In breach of this contractual provision, the Defendants have unilaterally undertaken the currency conversion in respect of all purchases involving different currencies, and charged the buyers the Undisclosed FX Transaction Fees, from the date upon which the Defendants began operating in Canada until this date (the “**Class Period**”).
35. The full extent of the Defendants’ disclosure concerning the fees they charge on foreign exchange transactions is as follows:
- a. In the 2013 User Agreement and the 2014 User Agreement: “The exchange rate is determined by a financial institution and is adjusted regularly based on market conditions.”
 - b. On top of that exchange rate, the Defendants disclosed that they added a currency conversion fee between 2.5% and 3.5%, depending on the type of transaction (the “**Currency Conversion Fee**”).
 - c. The 2017 User Agreement’s disclosure of the rate to which the Currency Conversion Fee is added is even more vague: “The exchange rate is adjusted regularly based on market conditions.”
36. Under each of the User Agreements it is impossible to discern the exchange rate the Defendants applied to the foreign exchange transactions and, therefore, it is impossible to determine the total fees the Defendants charged the Class Members.
37. In fact, the Defendants did not disclose the exchange rate upon which they calculated the Currency Conversion Fee charged to Class Members. The foreign exchange process described in the User Agreements does not accurately describe the actual exchange rates applied to Class Member’s transactions.

38. In addition, the exchange rate the Defendants applied to the Class Members' transactions (the "**Inflated Class Rate**") was higher than the effective exchange rate the Defendants obtained for foreign exchange transactions (the "**PayPal Rate**").
39. The Defendants did not disclose to the Class Members:
 - a. the Inflated Class Rate;
 - b. the PayPal Rate;
 - c. The difference between the Inflated Class Rate and the PayPal Rate; or
 - d. The total cost of the foreign exchange transactions.
40. The Defendants charged Class Members:
 - a. undisclosed foreign exchange transaction fees;
 - b. a higher exchange rate for foreign exchange transactions than was disclosed in or authorized by the User Agreements; and
 - c. a higher Currency Conversion Fee than was disclosed in or authorized by the User Agreements.
41. Among other transactions, the Plaintiff purchased numerous items in a foreign currency using the PayPal payments system between 2015 and 2017², the whole as appears from the transaction records communicated *en liasse* in support hereof as **Exhibit P-7**.
42. The exchange rates applied to these transactions were not those disclosed in the User Agreements or elsewhere by the Defendants. Furthermore, PayPal's 'fee' on these transactions was not limited to the Currency Conversion Fee disclosed in the User Agreements.
43. In each instance:
 - a. The Defendants did not disclose to the Plaintiff the Inflated Class Rate or how it was determined;
 - b. The Defendants imposed an exchange rate that materially exceeded the PayPal Rate;

² The Plaintiff was not able to locate any records from her transactions prior to 2015.

- c. The Defendants charged the Plaintiff a hidden fee, being the undisclosed spread between the PayPal Rate and the Inflated Class Rate;
 - d. The Defendants charged the Plaintiff an inflated Currency Conversion Fee that was not authorized by the User Agreements because of the undisclosed spread in the exchange rates; and
 - e. The Defendants charged the Plaintiff a total foreign exchange fee that materially exceeded the total foreign exchange fee that would have been charged by the Plaintiff's credit card issuer for precisely the same transactions.
44. Throughout the Class Period, the Defendants have and continue to systematically charge the Class Members the Undisclosed FX Transaction Fees to the Transaction Class on all transactions using the PayPal payments system involving a currency conversion.
 45. In the result, the Defendants' disclosure is grossly inadequate, intentionally vague, deceptive and misleading.
 46. By failing to disclose the PayPal Rate and the Inflated Class Rate to which they added the Currency Conversion Fee, the Defendants concealed the Undisclosed FX Transaction Fees from the Class Members.
 47. As a consequence, the Class Members were not in a position to discover the existence of the Undisclosed FX Transaction Fees.
- 2. Automatic Conversions on Withdrawal and the Undisclosed FX Withdrawal Fees**
48. Throughout the Class Period, the Defendants unilaterally and automatically convert any foreign currency held in an accountholder's PayPal Canada account upon withdrawal, and charge the accountholder the Undisclosed FX Withdrawal Fees.
 49. Like transactions involving foreign currency, the Defendants failed to disclose:
 - a. The Inflated Class Rate upon which the foreign exchange fee for withdrawals is based;
 - b. the hidden fee or spread added to the PayPal Rate; and
 - c. the degree to which the Inflated Class Rate increases the Currency Conversion Fee.

50. Moreover, currency conversions are not “required” in order to withdraw foreign currencies from accountholders’ PayPal Canada accounts. Rather, accountholders’ funds can be, and should be, transferred directly to their linked bank accounts or credit cards without the Defendants’ performing any foreign currency conversion and charging foreign exchange-related fees, including the Undisclosed FX Withdrawal Fees and the inflated Currency Conversion Fee.
51. Once the foreign currency is transferred to the linked bank account or credit card, the bank or credit card issuer may, if authorized, convert the funds to Canadian dollars.
52. By unilaterally converting foreign currency in Withdrawal Class members’ accounts and by charging such Class members fees on the currency exchange, the Defendants are acting contrary to the User Agreements and without lawful authority.
53. Among others, the Plaintiff withdrew U.S. dollars from her PayPal Canada account on numerous occasions between 2015 and 2017³, the whole as appears from the transaction records communicated *en liasse* in support hereof as **Exhibit P-8**.
54. The exchange rates applied to these withdrawals were not those disclosed in the User Agreements. Furthermore, PayPal’s ‘fee’ on these withdrawals was not limited to the Currency Conversion Fee disclosed in the User Agreements.
55. In every case, the Defendants automatically converted those funds to Canadian dollars upon withdrawal despite no requirement to do so. As with the purchase transactions involving foreign currency:
 - a. The Defendants did not disclose to the Plaintiff the Inflated Class Rate they used for the withdrawal or how it was determined;
 - b. The Defendants imposed an exchange rate that materially exceeded the PayPal Rate;
 - c. The Defendants charged the Plaintiff a hidden fee, being the undisclosed spread between the PayPal Rate and the Inflated Class Rate; and
 - d. The Defendants charged the Plaintiff an inflated Currency Conversion Fee that was not authorized by the User Agreements because of the undisclosed spread in the exchange rates.
56. In addition, in effecting these foreign exchange transactions upon withdrawal throughout the Class Period, the Defendants have and are acting without lawful

³ The Plaintiff was not able to locate any records from her transactions prior to 2015.

authority and are unnecessarily and impermissibly charging the Withdrawal Class members fees associated with currency conversions.

57. Given the hidden nature of such fees, the Class Members were not in a position to discover their existence.

THE CONDITIONS REQUIRED TO AUTHORIZE THIS CLASS ACTION ARE MET

1. The Facts Alleged Appear to Justify the Conclusions Sought

A. The contractual claims

58. The Defendants have systematically breached their contracts with the Class Members, including by:
- a. charging the Undisclosed FX Transaction Fees and the Undisclosed FX Withdrawal Fees;
 - b. failing to permit Class Members' using the PayPal payments system to elect, on checkout, to have their credit card issuers and not the Defendants, perform currency conversions for transactions using their system; and
 - c. automatically converting currency whenever PayPal Canada accountholders withdraw funds not denominated in Canadian dollars and charging foreign exchange fees.
59. The Defendants fail to disclose the total fees they charge for foreign currency conversions and the basis on which the total fees for currency conversions are calculated and charged to the Class members.
60. The rate the Defendants applied to the Class Members' transactions was higher than the PayPal Rate.
61. It was an express or implied term of the User Agreements that the exchange rate to which the Defendants added the Currency Conversion Fee they charged the Class Members was the PayPal Rate.
62. In fact, the base exchange rate the Defendants use was and is materially higher than the PayPal Rate and/or the Defendants charge an additional, hidden fee, in respect of every foreign exchange transaction. In the result, the Defendants charge the Class Members a total fee that is not authorized by and is in breach of the User Agreements.
63. Contrary to the express terms of the User Agreements that Class members have "the right to have [their] card issuer[s] perform the currency conversion and can

choose this option during checkout on [their] transaction review page before [they] complete the transaction,” no such option exists.

64. As a result, the Defendants require the Transaction Class members to have the Defendants effect currency conversions and thereby ensure that the Defendants obtain the Undisclosed FX Transaction Fees and the inflated Currency Conversion Fee.
65. Contrary to the express terms of the User Agreements, the Defendants charge the Withdrawal Class members the Undisclosed FX Withdrawal Fees and the inflated Currency Conversion Fee when no currency conversion is “required” upon withdrawal of foreign currency from their accounts.
66. The Defendants also breached their obligation to perform the User Agreements honestly and in good faith by:
 - a. failing to disclose all of their charges to users;
 - b. failing to ensure that users could avail themselves of their rights under the User Agreements; and
 - c. performing currency conversions when no such conversions were required for the purpose of obtaining both the inflated Currency Conversion Fee and the Undisclosed FX Withdrawal Fee upon withdrawal of funds from Withdrawal Class members’ accounts.
67. In so doing, the Defendants charged the Undisclosed FX Transactions Fees, the Undisclosed FX Withdrawal Fees and the inflated Currency Conversion Fee in contravention of art. 1554 of the *Civil Code of Quebec* (“**CCQ**”) that requires that “every payment presupposes an obligation”.
68. Moreover, given the Defendants’ failure to disclose, the Class Members were not in a position to discover that the Defendants were charging them fees that they had no right to charge under the User Agreements.
69. As a result, the Class Members made payments to the Defendants in error and are entitled to recover the payments that they made as a result, the whole in accordance with Articles 1554 and 1491 CCQ. In particular:
 - a. members of the Transaction Class are entitled to the reimbursement of all of the Undisclosed FX Transaction Fees they paid the Defendants; and
 - b. members of the Withdrawal Class are entitled to the reimbursement of all of the Undisclosed FX Withdrawal Fees and the Currency Conversion Fees they paid the Defendants.

70. The precise quantum of the Class Members' losses is within the knowledge of the Defendants.

B. The Competition Act and Consumer Protection Act claims

71. By engaging in the conduct set out above, the Defendants also breached the *Competition Act*, R.S.C. 1985, c. C-34, as amended, as well as the CPA, because, among other things, the Defendants:

- a. made false, misleading and untrue representations;
- b. failed to disclose the fees they charged on foreign exchange transactions;
- c. failed to permit users to designate their credit card issuers to perform currency conversions; and
- d. effected currency conversions upon withdrawals from accounts when such conversions were not required.

i. The Breach of the Competition Act

72. More particularly, the Defendants breached Section 52 of the *Competition Act* by making "representations to the public" that were "false or misleading in a material respect".

73. In this respect, the Class Members reasonably relied on the Defendants' representations to enter into transactions using the PayPal payments system for which the Defendants charged Undisclosed FX Transaction Fees and to withdraw funds from accounts held with the Defendants for which the Defendants charged the Undisclosed FX Withdrawal Fees and all other fees.

74. Such reliance may be inferred, *inter alia*, from the fact of the Withdrawal Class members' withdrawals.

75. Moreover, given the false and misleading statements of the Defendants, the Class Members were not in a position to discover that the Defendants were charging them fees that they had no right to charge under the User Agreements.

76. The Class Members have suffered damages as a result of the Defendants' breach of the *Competition Act*.

77. The precise quantum of the Class Members' losses is within the knowledge of the Defendants.

ii. The Breach of the CPA

78. A significant subset of the Class Members are “consumers” within the meaning of the CPA.
79. The Defendants are “merchants” within the meaning of the CPA.
80. Article 12 CPA states that: “No cost may be claimed from a consumer unless the amount thereof is precisely indicated in the contract.”
81. The Defendants have clearly breached this obligation since neither the Undisclosed FX Transaction Fee nor the Undisclosed FX Withdrawal Fees were precisely indicated in the contract.
82. In addition, the CPA also prohibits false and misleading claims in Section 219.
83. As explained above, the Defendants made false and misleading claims in the User Agreements.
84. As a result, the Class Members are entitled to claim that their obligations be reduced in accordance with Section 272 (c) CPA and that they be reimbursed those amounts. In particular:
 - a. members of the Transaction Consumer Sub-Class are entitled to the reimbursement for all of the Undisclosed FX Transaction Fees they paid the Defendants; and
 - b. members of the Withdrawal Consumer Sub-Class are entitled to the reimbursement for all of the Undisclosed FX Withdrawal Fees and the Currency Conversion Fees they paid the Defendants.
85. Moreover, given the false and misleading statements of the Defendants and their failure to disclose the fees in the User Agreements, the Class Members were not in a position to discover that the Defendants were charging them fees that they had no right to charge under the User Agreements.
86. The quantum of the amounts due is within the knowledge of the Defendants.
87. In addition, the Class Members are entitled to claim punitive damages in accordance with Section 272 CPA.
88. Punitive damages are justified in the circumstances given, *inter alia*, the gravity of the breach, the length of time of the breach and the deliberate nature of the misleading disclosure that was provided to the Class Members.

89. The Defendants have knowingly collected the Undisclosed FX Transaction Fees and the Undisclosed FX Withdrawal Fees from the Class Members on a systemic basis and structured their payments system to require, or in the alternative, effectively require, currency conversions on a massive scale by preventing users from availing themselves of alternatives.
90. Such conduct flagrantly breaches their obligations under the CPA and justifies an award of punitive damages.
91. In the circumstances, the Transaction Consumer Sub-Class and the Withdrawal Consumer Sub-Class are entitled to \$2 million in punitive damages or such other amount as the Court considers appropriate.

C. The Plaintiff's Claim

92. The Plaintiff became a PayPal accountholder of paypal.com on July 21, 2008, the whole as appears from the email of July 21, 2008 from service@paypal.com communicated in support hereof as **Exhibit P-9**.
93. On July 27, 2010, the Plaintiff became a PayPal accountholder of service@intl.paypal.com, the whole as appears from the email of July 27, 2010 from service@intl.paypal.com communicated in support hereof as **Exhibit P-10**.
94. The Plaintiff is currently a PayPal accountholder of PayPal Canada since at least June 1, 2017 and likely earlier, the whole as appears from the email of June 1, 2017 from paypal@mail.paypal.ca communicated in support hereof as **Exhibit P-11**.
95. The Plaintiff used PayPal regularly both to shop for online purchases in foreign currency and also to receive funds in other currencies than Canadian dollars from friends and family throughout the Class Period.
96. The Plaintiff has withdrawn foreign currency from her PayPal account and deposited it into her linked bank account in Canada.
97. Accordingly, the Plaintiff has paid both the Undisclosed FX Transaction Fees and the Undisclosed FX Withdrawal Fees.
98. However, the Plaintiff was unaware that the fees that were being charged to her when she used her PayPal account or withdrew money from that account were not those authorized in the User Agreements, nor could she have been aware since those fees were not disclosed in the User Agreements and/or were disclosed in a misleading manner.

iii. Alternative Remedy

99. In the alternative, if restitution is inadequate or impracticable, the Class Members are entitled to an accounting and disgorgement of the Defendants' profits derived from foreign exchange transactions in respect of the Class Members.

2. The Claims of the Members Raise Identical, Similar or Related Issues of Law or Fact

100. The claims of the Class Members raise identical, similar or related issues of law or fact, namely:

For the Transaction Class:

- a. Did the Defendants adequately disclose the Undisclosed FX Transaction Fees to the Class Members?
- b. Did the Defendants breach the User Agreements when they charged the Undisclosed FX Transaction Fees to the Class Members?
- c. Did the Defendants have a right under the User Agreements to charge the Undisclosed FX Transaction Fees to the Class Members?
- d. Did the Defendants breach the User Agreements by failing to permit the Transaction Class Members to elect, on checkout, to have their credit card issuers perform currency conversions?
- e. Are the Class Members entitled to the restitution of the aggregate of the Undisclosed FX Transaction Fees paid to the Defendants?
- f. Was it impossible for the Class Members to be aware that they had a cause of action against the Defendants as a result of the Defendants' failure to disclose and/or the misleading manner in which they disclosed the fees charged to the Class Members?
- g. Did the Defendants make false and misleading statements regarding the Undisclosed FX Transaction Fees in their User Agreements thereby violating the *Competition Act*?
- h. Are the Class Members entitled to damages in respect of the above-mentioned breaches?

For the Transaction Consumer Sub-Class:

- i. Did the Defendants violate either or both of Sections 12 and 219 CPA?
- j. Are the Class Members entitled to the reduction of their obligations in accordance with Section 272 (c) CPA?
- k. Are the Class Members entitled to the restitution of the aggregate of the Undisclosed FX Transaction Fees paid to the Defendants?
- l. Was it impossible for the Class Members to be aware that they had a cause of action against the Defendants as a result of the Defendants' failure to disclose and/or the misleading manner in which they disclosed the fees charged to the Class Members?
- m. Do the Defendants' actions justify awarding punitive damages to the Class Members?
- n. Should the Defendants be condemned to pay \$2 million in punitive damages?

For the Withdrawal Class:

- o. Did the Defendants adequately disclose the Undisclosed Withdrawal Fees to the Class Members?
- p. Did the Defendants breach the User Agreements when they charged the Undisclosed FX Withdrawal Fees and the Currency Conversion Fee to the Class Members?
- q. Did the Defendants have a right under the User Agreements to charge the Undisclosed FX Withdrawal Fees and the Currency Conversion Fee to the Class Members?
- r. Are the Class Members entitled to the restitution of the aggregate of the Undisclosed FX Withdrawal Fees and the Currency Conversion Fee paid to the Defendants?
- s. Was it impossible for the Class Members to be aware that they had a cause of action against the Defendants as a result of the Defendants' failure to disclose and/or the misleading manner in which they disclosed the fees charged to the Class Members?
- t. Did the Defendants make false and misleading statements regarding the Undisclosed FX Withdrawal Fees and the Currency Conversion Fee in their User Agreements thereby violating the *Competition Act*?

- u. Are the Class Members entitled to damages in respect of the above-mentioned breaches?

For the Withdrawal Consumer Sub-Class:

- v. Did the Defendants violate either or both of Sections 12 and 219 CPA?
- w. Are the Class Members entitled to the reduction of their obligations in accordance with Section 272 (c) CPA?
- x. Are the Class Members entitled to the restitution of the aggregate of the Undisclosed FX Withdrawal Fees and the Currency Conversion Fee paid to the Defendants?
- y. Was it impossible for the Class Members to be aware that they had a cause of action against the Defendants as a result of the Defendants' failure to disclose and/or the misleading manner in which they disclosed the fees charged to the Class Members?
- z. Do the Defendants actions justify awarding punitive damages to the Class Members?
- aa. Should the Defendants be condemned to pay \$2 million in punitive damages?

3. The Composition of the Class

- 101. The composition of the class makes it difficult or impracticable to apply the rules for mandates to sue on behalf of others or for consolidation of proceedings.
- 102. There are hundreds of thousands of Quebecers who are PayPal accountholders and/or who have used PayPal to effect purchases in foreign currencies.
- 103. The Plaintiff would not be in a position to contact the Class Members to obtain a mandate to sue on behalf of others. In fact, the names and contact information of the Class Members is known to the Defendants, but not the Plaintiff.
- 104. Given the volume of potential claims, consolidation of proceedings would also be impracticable.
- 105. Additionally, each individual claim is likely to be small in terms of dollar amount.
- 106. Accordingly, a class action is the appropriate procedure to adjudicate the claims in order to ensure adequate access to justice.

4. The Class Member Requesting to Be Appointed as Representative Plaintiff is in a Position to Properly Represent the Class Members

107. The Plaintiff requests that she be ascribed the status of representative for the Class Members for the following reasons:
- a. In light of the foregoing, she is a member of all four proposed groups of the proceeding, namely, the Transaction Class, the Transaction Consumer Sub-Class, the Withdrawal Class, and the Withdrawal Consumer Sub-Class;
 - b. She has indicated to her attorney that she would be willing to act as representative on behalf of all the Class Members;
 - c. She is well-informed of the facts alleged in this motion;
 - d. She has the required time, determination and energy to bring this matter to a conclusion and adequately represent the Class Members;
 - e. She cooperates with her attorneys and responds diligently and articulately to requests they make and she fully comprehends the nature of the class proceeding;
 - f. She is not aware of any conflict of interest with other of the Class Members; and
 - g. She is represented by the undersigned law firms which specialize in litigation and which areas of expertise include class actions.

THE NATURE OF THE ACTION AND THE CONCLUSIONS SOUGHT

108. The Plaintiff is seeking to bring the following class action:
- a. An action for the reimbursement of the Undisclosed FX Transaction Fees, the Undisclosed FX Withdrawal Fees and the Currency Conversion Fees paid by the Class Members on the basis that the Defendants did not disclose but rather hid the existence and rate of such fees and/or made false and misleading statements in respect thereof, the whole contrary to the provisions of User Agreements, the *Civil Code of Quebec*, the *Competition Act* and the *Consumer Protection Act*; and
 - b. An action for punitive damages to sanction the Defendants' abusive practices towards the consumer class members which constitute a breach or failure by the Defendants to conform to the *Consumer Protection Act*.
109. In that respect, the Plaintiff is seeking authorization to ask for the following conclusions:

GRANT the action against the Defendants;

DECLARE that the Defendants must reimburse the Undisclosed FX Transaction Fees, the Undisclosed FX Withdrawal Fees and the Currency Conversion Fees paid by the Class Members;

CONDEMN the Defendants to pay to the Class Members an amount to be determined in reimbursement of the Undisclosed FX Transaction Fees, the Undisclosed FX Withdrawal Fees and the Currency Conversion Fees paid by the Class Members;

ORDER collective recovery of these amounts;

IN THE ALTERNATIVE:

DECLARE that the Defendants must give an accounting and disgorgement of all profits the Defendants earned in connection with foreign exchange transactions in respect of the Class Members;

CONDEMN the Defendants to pay an amount representing the profits the Defendants earned in connection with foreign exchange transactions in respect of the Class Members;

ORDER collective recovery of these amounts;

IN ALL CASES:

ORDER the Defendants to pay \$2 million in punitive damages to the consumer sub-classes and **ORDER** collective recovery of these amounts;

ORDER the Defendants to deposit at Court the totality of the amounts which form the collective recovery award, including interest and costs;

DESIGNATE the Plaintiff Jennifer Balabanian as representative of the following groups:

All Quebec residents who, from the date upon which the Defendants began performing currency conversions in Quebec, purchased goods or services using the Defendants' payment system in a currency other than the currency in which the goods or services were offered for sale (the "**Transaction Class**"); and

All Quebec consumers who, from the date upon which the Defendants began performing currency conversions in Quebec, purchased goods or services using the Defendants' payment system in a currency other than the currency in which the goods or services were offered for sale (the "**Transaction Consumer Sub-Class**"); and

All Quebec residents who held accounts with PayPal Canada, who, from the date upon which the Defendants began performing currency conversions in Quebec, withdrew funds from their accounts that the Defendants converted to Canadian dollars before transferring the funds to the individuals' linked bank accounts and credit cards (the "**Withdrawal Class**"); and

All Quebec consumers who held accounts with PayPal Canada, who, from the date upon which the Defendants began performing currency conversions in Quebec, withdrew funds from their accounts that the Defendants converted to Canadian dollars before transferring the funds to the individuals' linked bank accounts and credit cards (the "**Withdrawal Consumer Sub-Class**").

Collectively, the "**Class Members**".

ORDER that the claims of the individual Class Members will be the object of a collective liquidation of their claims if the proof permits and, alternatively, that they proceed by way of individual liquidation;

CONDEMN the Defendants to pay the costs of the present action, including expert costs, the cost of notices, and the cost of the management of the claims if required;

THE WHOLE with interest and the additional indemnity provided for at article 1619 of the *Civil Code of Quebec* from the date of service of the present Application;

110. The Plaintiff submits that the Superior Court of Montreal should assume jurisdiction in the present matter given that:
- a. The majority of the class members reside in the district of Montreal;
 - b. The Defendants conduct business in the district of Montreal;
 - c. The Plaintiff's attorney practices in the district of Montreal;
 - d. All of the Class Members have entered into their contracts with the Defendants in the Province of Quebec;
 - e. All of the Class Members have been deprived of the sums claimed herein in the Province of Quebec.

FOR THESE REASONS, MAY IT PLEASE THE COURT TO:

GRANT the present Application;

AUTHORIZE the bringing of a class action in the form of an Originating Application;

APPOINT the Plaintiff as the representative for the following classes of persons:

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

For the Transaction Class:

- a. Did the Defendants adequately disclose the Undisclosed FX Transaction Fees to the Class Members?
- b. Did the Defendants breach the User Agreements when they charged the Undisclosed FX Transaction Fees to the Class Members?
- c. Did the Defendants have a right under the User Agreements to charge the Undisclosed FX Transaction Fees to the Class Members?
- d. Did the Defendants breach the User Agreements by failing to permit the Transaction Class Members to elect, on checkout, to have their credit card issuers perform currency conversions?
- e. Are the Class Members entitled to the restitution of the aggregate of the Undisclosed FX Transaction Fees paid to the Defendants?
- f. Was it impossible for the Class Members to be aware that they had a cause of action against the Defendants as a result of the Defendants' failure to disclose and/or the misleading manner in which they disclosed the fees charged to the Class Members?
- g. Did the Defendants make false and misleading statements regarding the Undisclosed FX Transaction Fees in their User Agreements thereby violating the *Competition Act*?
- h. Are the Class Members entitled to damages in respect of the above-mention breaches?

For the Transaction Consumer Sub-Class:

- i. Did the Defendants violate either or both of Sections 12 and 219 CPA?
- j. Are the Class Members entitled to the reduction of their obligations in accordance with Section 272 (c) CPA?

- k. Are the Class Members entitled to the restitution of the aggregate of the Undisclosed FX Transaction Fees paid to the Defendants?
- l. Was it impossible for the Class Members to be aware that they had a cause of action against the Defendants as a result of the Defendants' failure to disclose and/or the misleading manner in which they disclosed the fees charged to the Class Members?
- m. Do the Defendants actions justify awarding punitive damages to the Class Members?
- n. Should the Defendants be condemned to pay \$2 million in punitive damages?

For the Withdrawal Class:

- o. Did the Defendants adequately disclose the Undisclosed Withdrawal Fees to the Class Members?
- p. Did the Defendants breach the User Agreements when they charged the Undisclosed FX Withdrawal Fees and the Currency Conversion Fee to the Class Members?
- q. Did the Defendants have a right under the User Agreements to charge the Undisclosed FX Withdrawal Fees and the Currency Conversion Fee to the Class Members?
- r. Are the Class Members entitled to the restitution of the aggregate of the Undisclosed FX Withdrawal Fees and the Currency Conversion Fee paid to the Defendants?
- s. Was it impossible for the Class Members to be aware that they had a cause of action against the Defendants as a result of the Defendants' failure to disclose and/or the misleading manner in which they disclosed the fees charged to the Class Members?
- t. Did the Defendants make false and misleading statements regarding the Undisclosed FX Withdrawal Fees and the Currency Conversion Fee in their User Agreements thereby violating the *Competition Act*?
- u. Are the Class Members entitled to damages in respect of the above-mentioned breaches?

For the Withdrawal Consumer Sub-Class:

- v. Did the Defendants violate either or both of Sections 12 and 219 CPA?
- w. Are the Class Members entitled to the reduction of their obligations in accordance with Section 272 (c) CPA?
- x. Are the Class Members entitled to the restitution of the aggregate of the Undisclosed FX Withdrawal Fees and the Currency Conversion Fee paid to the Defendants?
- y. Was it impossible for the Class Members to be aware that they had a cause of action against the Defendants as a result of the Defendants' failure to disclose and/or the misleading manner in which they disclosed the fees charged to the Class Members?
- z. Do the Defendants actions justify awarding punitive damages to the Class Members?
- aa. Should the Defendants be condemned to pay \$2 million in punitive damages?

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

GRANT the action against the Defendants;

DECLARE that the Defendants must reimburse the Undisclosed FX Transaction Fees, the Undisclosed FX Withdrawal Fees and the Currency Conversion Fees paid by the Class Members;

CONDEMN the Defendants to pay to the Class Members an amount to be determined in reimbursement of the Undisclosed FX Transaction Fees, the Undisclosed FX Withdrawal Fees and the Currency Conversion Fees paid by the Class Members;

ORDER collective recovery of these amounts;

IN THE ALTERNATIVE:

DECLARE that the Defendants must give an accounting and disgorgement of all profits the Defendants earned in connection with foreign exchange transactions in respect of the Class Members;

CONDEMN the Defendants to pay an amount representing the profits the Defendants earned in connection with foreign exchange transactions in respect of the Class Members;

ORDER collective recovery of these amounts;

IN ALL CASES:

ORDER the Defendants to pay \$2 million in punitive damages to the consumer sub-classes and **ORDER** collective recovery of these amounts;

ORDER the Defendants to deposit at Court the totality of the amounts which form the collective recovery award, including interest and costs;

DESIGNATE the Plaintiff Jennifer Balabanian as representative of the following groups:

All Quebec residents who, from the date upon which the Defendants began performing currency conversions in Quebec, purchased goods or services using the Defendants' payment system in a currency other than the currency in which the goods or services were offered for sale (the "**Transaction Class**"); and

All Quebec consumers who, from the date upon which the Defendants began performing currency conversions in Quebec, purchased goods or services using the Defendants' payment system in a currency other than the currency in which the goods or services were offered for sale (the "**Transaction Consumer Sub-Class**"); and

All Quebec residents who held accounts with PayPal Canada, who, from the date upon which the Defendants began performing currency conversions in Quebec, withdrew funds from their accounts that the Defendants converted to Canadian dollars before transferring the funds to the individuals' linked bank accounts and credit cards (the "**Withdrawal Class**"); and

All Quebec consumers who held accounts with PayPal Canada, who, from the date upon which the Defendants began performing currency conversions in Quebec, withdrew funds from their accounts that the Defendants converted to Canadian dollars before transferring the funds to the individuals' linked bank accounts and credit cards (the "**Withdrawal Consumer Sub-Class**");

Collectively, the "**Class Members**";

ORDER that the claims of the individual Class Members will be the object of a collective liquidation of their claims if the proof permits and, alternatively, that they proceed by way of individual liquidation;

CONDEMN the Defendants to pay the costs of the present action, including expert costs, the cost of notices, and the cost of the management of the claims if required;

THE WHOLE with interest and the additional indemnity provided for at article 1619 of the *Civil Code of Quebec* from the date of service of the present Application.

DECLARE that all Class Members who have not requested their exclusion from the class be bound by any judgment to be rendered in the class action that will be instituted as a result of this judgment;

FIX the delay for the exclusion of Class Members at thirty days from the date of publication of notice to the Class Members;

ORDER the publication of a notice to the members of the Class in accordance with article 579 CCP within sixty days from the judgment to be rendered herein:

- i. by way of an email to all current and former accountholders with a Quebec address; and
- ii. by way of public notification, including placement of notices in newspapers, on the PayPal Canada website, through a press release and through PayPal's social media accounts by way of promoted posts.

RENDER any other order that this Court shall determine;

THE WHOLE with costs, including the cost of the notices.

TORONTO, February 28, 2018

MONTREAL, February 28, 2018

PALIAIRE ROLAND ROSENBERG ROTHSTEIN LLP IMK LLP

M^e Odette Soriano
odette.soriano@paliaroland.com
M^e Jeffrey Larry
jeff.larry@paliaroland.com
M^e Paul Davis
paul.davis@paliaroland.com
**PALIAIRE ROLAND ROSENBERG
ROTHSTEIN LLP**
155 Wellington Street West, 35th Floor
Toronto, Ontario M5V 3H1
T: 416.646-4300 | F : 416.646-4301
Attorneys for the Plaintiff
JENNIFER BALABANIAN

M^e Catherine McKenzie
cmckenzie@imk.ca
M^e Mouna Aber
maber@imk.ca
IMK LLP
3500 De Maisonneuve Boulevard West
Suite 1400
Montreal, Quebec H3Z 3C1
T : 514 934-7727 | F : 514 935-2999
Attorneys for the Plaintiff
JENNIFER BALABANIAN
Our file: 4814-1
BI0080

NOTICE OF PRESENTATION

TO: Paypal Canada Co.
1959 Upper Water Street
Suite 900
Halifax, Nova Scotia B3J 3N2

Paypal CA. Limited
Brunswick House
44 Chipman Hill, Suite 1000
Saint John, New Brunswick E2L 2A9

Paypal Holdings Inc.
211 North First Street,
San Jose, State of California, 95131

TAKE NOTICE that the *Application for Authorization to Institute a Class Action and to Appoint the Status of Representative Plaintiff* will be presented before one of the Honourable Judges of the Superior Court of Quebec, at the Montreal courthouse, located at 1 Notre-Dame Street East, Montreal, Quebec, on the date set by the coordinator of the class actions chamber.

DO GOVERN YOURSELF ACCORDINGLY.

TORONTO, February 29, 2018

MONTREAL, February 28, 2018

PALMÉR ROLAND ROSENBERG ROTHSTEIN LLP

M^e Odette Soriano
odette.soriano@paliareroland.com

M^e Jeffrey Larry
jeff.larry@paliareroland.com

M^e Paul Davis
paul.davis@paliareroland.com

**PALIARE ROLAND ROSENBERG
ROTHSTEIN LLP**

155 Wellington Street West, 35th Floor
Toronto, Ontario M5V 3H1
T: 416.646-4300 | F : 416.646-4301
Attorneys for the Plaintiff
JENNIFER BALABANIAN

IMK LLP

M^e Catherine McKenzie
cmckenzie@imk.ca

M^e Mouna Aber
maber@imk.ca

IMK LLP

3500 De Maisonneuve Boulevard West
Suite 1400

Montreal, Quebec H3Z 3C1

T : 514 934-7727 | F : 514 935-2999

Attorneys for the Plaintiff

JENNIFER BALABANIAN

Our file: 4814-1

BI0080

C A N A D A

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

S U P E R I O R C O U R T
(Class Action)

N° 500-

JENNIFER BALABANIAN

Plaintiff

v.

PAYPAL CANADA CO.
-and-
PAYPAL CA LIMITED
-and-
PAYPAL HOLDINGS INC.

Defendants

LIST OF EXHIBITS

- Exhibit P-1:** PayPal Combined 2016 Annual Report and 2017 Proxy Statement;
- Exhibit P-2:** CIDREQ for PayPal CA Limited;
- Exhibit P-3:** CIDREQ for PayPal Canada Co.;
- Exhibit P-4:** Copy of PayPal 2013 User Agreement;
- Exhibit P-5:** Copy of PayPal 2014 User Agreement;
- Exhibit P-6:** Copy of PayPal 2017 User Agreement;
- Exhibit P-7:** Transaction records for Plaintiff's purchases between 2015 and 2017, *en liasse*;
- Exhibit P-8:** Transaction records for Plaintiff's withdrawals between 2015 and 2017, *en liasse*;
- Exhibit P-9:** Email from service@paypal.com dated July 21st, 2008;
- Exhibit P-10:** Email from service@intl.paypal.com dated July 27th, 2010;
- Exhibit P-11:** Email from paypal@mail.paypal.ca dated of June 1st, 2017.

TORONTO, February 28, 2018

MONTREAL, February 28, 2018

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

IMK LLP

M^e Odette Soriano
odette.soriano@paliareroland.com

M^e Jeffrey Larry
jeff.larry@paliareroland.com

M^e Paul Davis
paul.davis@paliareroland.com

**PALIARE ROLAND ROSENBERG
ROTHSTEIN LLP**

155 Wellington Street West, 35th Floor
Toronto, Ontario M5V 3H1

T: 416.646-4300 | F : 416.646-4301

Attorneys for the Plaintiff

JENNIFER BALABANIAN

M^e Catherine McKenzie

cmckenzie@imk.ca

M^e Mouna Aber

maber@imk.ca

IMK LLP

3500 De Maisonneuve Boulevard West
Suite 1400

Montreal, Quebec H3Z 3C1

T : 514 934-7727 | F : 514 935-2999

Attorneys for the Plaintiff

JENNIFER BALABANIAN

Our file: 4814-1

BI0080

N° 500-06-000910-188

SUPERIOR COURT
(CLASS ACTION)
DISTRICT OF MONTREAL
PROVINCE OF QUEBEC

JENNIFER BALABANIAN

Plaintiff

v.

PAYPAL CANADA CO.
and
PAYPAL CA LIMITED
and
PAYPAL HOLDINGS INC.

Defendants

**APPLICATION FOR AUTHORIZATION TO INSTITUTE
A CLASS ACTION AND TO APPOINT THE STATUS
OF REPRESENTATIVE PLAINTIFF**
(Articles 574 and following CCP), SUMMONS, NOTICE
OF PRESENTATION AND EXHIBITS P-1 TO P-11

Nature of claim: Class action
Amount claimed: Not yet determined

ORIGINAL

imk
avocats • advocates

M^e Catherine McKenzie
cmckenzie@imk.ca
514 934-7727
M^e Mouna Aber
maber@imk.ca
4814-1

IMK s.e.n.c.r.l./LLP

Place Alexis Nihon • Tour 2
3500, boulevard De Maisonneuve Ouest • bureau 1400
Montréal (Québec) H3Z 3C1

T : 514 935-4460 F : 514 935-2999

BI0080

Me Paul Davis

paul.davis@paliareroland.com

M^e Odette Soriano

odette.soriano@paliareroland.com

M^e Jeffrey Larry

jeff.larry@paliareroland.com

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

155 Wellington Street West, 35th Floor
Toronto, Ontario M5V 3H1

T: 416.646-6311 | F: 416.646-4301

194017d