

**SUPERIOR COURT
(Class Action Chamber)**

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

N° 500-06-001076-203

DATE : OCTOBER 6, 2021

BY : THE HONOURABLE STÉPHANE LACOSTE, J.C.S.

MOUVEMENT D'ÉDUCATION ET DE DÉFENSE DES ACTIONNAIRES

Plaintiff

v.

BANQUE LAURENTIENNE DU CANADA
FRANÇOIS DESJARDINS
FRANÇOIS LAURIN
VALEURS MOBILIÈRES TD INC.
BMO NESBITT BURNS INC.
RBC DOMINION VALEURS MOBILIÈRES INC.
VALEURS MOBILIÈRES BANQUE LAURENTIENNE INC.
MARCHÉS MONDIAUX CIBC INC.
FINANCIÈRE BANQUE NATIONALE INC.
VALEURS MOBILIÈRES DESJARDINS INC.
SCOTIA CAPITAUX INC.
CORPORATION CANACCORD GENUITY
VALEURS MOBILIÈRES CORMARK INC.
BARCLAYS CAPITAL CANADA INC.
ERNST & YOUNG S.R.L./S.E.N.C.R.L.

Defendants

JUDGMENT**(STAY OF PROCEEDINGS AGAINST THE UNDERWRITER DEFENDANTS)**

- [1] **CONSIDERING** that the Plaintiff initially filed a *Demande pour autorisation d'exercer une action collective (art. 574 et suivants C.p.c.) et Demande pour autorisation d'intenter une action en dommages-intérêts en vertu de l'article 225.4 de la Loi sur les valeurs mobilières* on June 9, 2020 against, *inter alia*, Defendants, Banque Laurentienne du Canada ("**Banque Laurentienne**") and Valeurs Mobilières TD Inc., BMO Nesbitt Burns Inc., RBC Dominion Valeurs Mobilières Inc., Valeurs Mobilières Banque Laurentienne Inc., Marchés Mondiaux CIBC Inc., Financière Banque Nationale Inc., Valeurs Mobilières Desjardins Inc., Scotia Capitaux Inc., Corporation Canaccord Genuity, Valeurs Mobilières Cormark and Barclays Capital Canada Inc. (the "**Underwriters**"), advancing *inter alia* various primary market claims pursuant to section 217 and following of the *Quebec Securities Act*, CQLR c V-1.1 (the "**Primary Market Claims**");
- [2] **CONSIDERING** that the Plaintiff filed a *Demande modifiée pour autorisation d'exercer une action collective et pour autorisation d'intenter une action en dommages-intérêts en vertu de la section II du chapitre II du titre VIII de la Loi sur les valeurs mobilières (art. 574 et suivants C.p.c. et art. 225.4 LVM)* on October 26, 2020, which added an additional Defendant to the proceedings, namely Ernst & Young S.R.L./S.E.N.C.R.L.;
- [3] **CONSIDERING** that pursuant to Underwriting Agreements dated May 18, 2017 and January 9, 2018, Banque Laurentienne notably covenants and agrees to protect, indemnify and save harmless each of the Underwriters against all losses (other than loss of profits), claims, damages, suits, liabilities, costs, damages or expenses caused or incurred (including, without limitation, reasonable expenses of investigation and defending any claims or litigation as the same are incurred), whether directly or indirectly, by reason of any information or statement (except any Underwriters' Information as defined in the Underwriting Agreements) contained notably in the prospectus supplements dated May 18, 2017 and January 9, 2018, being or being alleged to be a misrepresentation;
- [4] **CONSIDERING** that the Underwriters' participation in this class action is not essential to the resolution of the dispute, and rather would complicate the debate and increase judicial burden;
- [5] **CONSIDERING** that all Parties wish to simplify the handling of this class action, and consequently, reduce costs and delays;
- [6] **CONSIDERING** that all Parties agree to have the proceedings in Court File No. 500-06-001076-203 (the "**Class Action**") immediately, permanently and forever stayed

(the “**Stay of Proceedings**”) against the Underwriters, subject only to the Plaintiff’s right to seek the Superior Court’s approval to lift the Stay of Proceedings, which right may only be exercised in the event that the Class Action against Banque Laurentienne has been stayed pursuant to a Court Order rendered as a result of proceedings under the *Companies’ Creditors Arrangement Act*, R.S.C., 1985, c. C-36, the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, or other insolvency-related proceedings;

[7] **CONSIDERING** that the Underwriters agree that, should the Stay of Proceedings against them be lifted after a judgment authorizing the Class Action against Banque Laurentienne (the “**Authorization Judgment**”) with respect to the Primary Market Claims has been rendered, they will immediately and irrevocably consent that a decision with the same effect as the Authorization Judgment be rendered against them, subject to its scope being solely limited to the Primary Market Claims (the “**Underwriters’ Authorization Judgment**”);

[8] **CONSIDERING** that the rights and interests of the class members will be protected;

[9] **CONSIDERING** that a stay against the Underwriters is in the circumstances consistent with the principles of proportionality and judicial economy;

FOR THESE REASONS, THE COURT:

[10] **STAYS** the Class Action immediately, permanently and forever against the Underwriters;

[11] **RESERVES** the Plaintiff’s right to seek the Superior Court’s approval to lift the Stay of Proceedings against the Underwriters, which right may only be exercised in the event that the Class Action against Banque Laurentienne has been stayed pursuant to a Court Order rendered as a result of proceedings under the *Companies’ Creditors Arrangement Act*, R.S.C., 1985, c. C-36, the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 or other insolvency-related proceedings;

[12] **PRAYS ACT** of Banque Laurentienne’s agreement not to allege fault on the part of the Underwriters as a ground of defence in the Class Action;

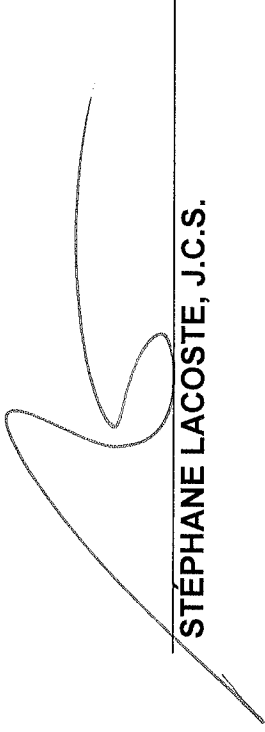
[13] **PRAYS ACT** that the Underwriters agree that should the Stay of Proceedings against them be lifted following the rendering of an Authorization Judgment with respect to the Primary Market Claims, they shall immediately and irrevocably consent to the Underwriters’ Authorization Judgment;

[14] **RESERVES**, should the Stay of Proceedings be lifted in accordance with paragraph 11 above, any and all of the rights the Underwriters could have had or may have in the Class Action that could have been brought by the Underwriters as from immediately after the Authorization Judgment, including any proceedings, interlocutory or other, and discoveries;

- [15] **PRAYS ACT** that should the Stay of Proceedings be lifted as described in paragraph 11 above, the lifting of the Stay of Proceedings shall not be construed or deemed to be an admission of any liability by the Underwriters to anyone, an admission of the existence of facts upon which liability could be based, or an indication of the merits of any defences, or lack thereof, which could be asserted by the Underwriters;
- [16] **RESERVES**, notwithstanding the Stay of Proceedings, if the bringing of the Class Action against Banque Laurentienne for the Primary Market Claims is authorized, the Plaintiff's same discovery rights against the Underwriters as if they were Defendants in the Class Action, but such discovery rights, including but not limited to the right to examine the Underwriters' representatives and seek document production from them, will only be exercised by the Plaintiff in accordance with the principle of proportionality once it has exhausted all discovery rights against the remaining Defendants in the Class Action, including but not limited to by way of pre-undertakings, discoveries and written statements, and only to the extent necessary for the conduct of the Primary Market Claims Class Action;
- [17] **PRAYS ACT** that the Parties' consent to the Stay of Proceedings does not constitute, and cannot be construed as, an admission that any Party is liable to any other Party or to any other person not presently a Party;
- [18] **THE WHOLE**, without costs.

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Mobilières Inc., Marchés Mondiaux
CIBC Inc., Financière Banque
Nationale Inc., Valeurs Mobilières
Desjardins Inc., Socia Capitaux Inc.,
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