

CANADA  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL  
No.: 500-06-000859-179

**SUPERIOR COURT**  
(Class Action)

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**DENIS GAUTHIER**, residing at 427 Savard, in the city of St-Jean-sur-Richelieu, District of Iberville, Province of Quebec J2W 1Y7

*Plaintiff*

v.

**DAVID BAAZOV**, residing at 258 rue Einstein, in the City of Dollard-des-Ormeaux, District of Montreal, Province of Quebec H9A 3J4

*Defendant*

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**MOTION FOR AUTHORIZATION OF A CLASS ACTION AND  
FOR AUTHORIZATION TO BRING AN ACTION PURSUANT TO  
ARTICLE 225.4 OF THE *QUEBEC SECURITIES ACT***

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**IN SUPPORT OF ITS MOTION FOR AUTHORIZATION, THE PLAINTIFF RESPECTFULLY  
SUBMITS AS FOLLOWS:**

**I. DEFINITIONS**

- a) **"Board of Directors"** means Amaya Inc.'s board of directors;
- b) **"Class"** and **"Class Members"** are comprised of the following, other than **Excluded Persons**:  
  
All persons and entities who purchased Amaya Inc. securities during the **Class Period** and held all or some of those securities until after the **Corrective Disclosure**;
- c) **"Class Period"** means the period from February 1, 2016 to November 21, 2016, inclusively;
- d) **"Corrective Disclosure"** means the Globe & Mail's article entitled "Dubai firm denies backing Amaya deal; files SEC complaint" published on November 22, 2016, communicated herewith as **Exhibit P-1**;
- e) **"Defendant"** means Mr. David Baazov;
- f) **"Excluded Persons"** means the Defendant and members of the Defendant's immediate family;

- g) **"First Impugned Document"** means the *Early Warning Report Filed Under National Instrument 62-103*, signed by the Defendant and filed on **SEDAR** on February 1, 2016 by the Defendant and communicated herewith as **Exhibit P-2**;
- h) **"Impugned Documents"** means collectively the **First** and **Second Impugned Document**;
- i) **"MD&A"** means Amaya Inc.'s management's discussion and analysis;
- j) **"Plaintiff"** refers to Denis Gauthier;
- k) **"Second Impugned Document"** means the Form 62-103F1 *Required Disclosure under the Early Warning Requirements* signed by the Defendant and filed on **SEDAR** on November 14, 2016 by the Defendant and communicated herewith as **Exhibit P-3**; and
- l) **"SEDAR"** means the system for electronic document analysis and retrieval of the Canadian Securities Administrators;

## II. INTRODUCTION AND BACKGROUND

1. Amaya Inc. ("Amaya") provides technology-based products and services in the online gaming industry;
  2. Its securities are listed on the Toronto Stock Exchange ("TSX") and NASDAQ under the symbol "AYA";
  3. Amaya is incorporated pursuant to the laws of Quebec and the *Autorité des marchés financiers* ("AMF") is its principal securities regulator, the whole as appears from Amaya's SEDAR profile, communicated herewith as **Exhibit P-4**;
  4. Amaya's headquarters are located in Quebec;
  5. In 2004, the Defendant founded Amaya and has acted as Amaya's president, CEO, chairman of the Board, secretary and treasurer since January 1, 2006, the whole as appears from p.43 of Amaya's 2013 Annual Information Form, communicated herewith as **Exhibit P-5**;
  6. In 2014, the Defendant unlawfully shared privileged and confidential information about the company's confidential takeover talks in order to initiate a buying frenzy of Amaya's stock and artificially inflate its stock price, thus making the acquisition of Oldford Group Limited, one of the largest online gambling companies, plausible;
  7. In March 2016, the AMF filed cease trade orders against individuals that had allegedly participated and profited from the insider trading scheme implemented by the Defendant;
  8. On March 22, 2016, the *Tribunal administratifs des marchés financiers* ("TMF") (known as the *Bureau de décision et révision* prior to July 18, 2016) rendered a judgment in which it concluded that there existed a systematic *modus operandi* of insider trading led by the
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Defendant, as appears from a copy of the TMF's decision 2016 QCBDR 32, communicated herewith as **Exhibit P-6**;

9. On March 23, 2016, the AMF announced that it had filed charges against the Defendant, including a charge of influencing or attempting to influence the market price of Amaya's stock by unfair, improper or fraudulent practices as per art. 195.2 of the *Quebec Securities Act*, CQLR C V-1.1 ("QSA"), the whole as appears from the redacted "*Constats d'infractions*" issued by the AMF, communicated herewith as **Exhibit P-7** and the AMF's press release, communicated herewith as **Exhibit P-8**;
10. On March 29, 2016, less than a week after the AMF announced that it had filed charges against the Defendant, the latter took an indefinite paid leave of absence as Amaya's CEO and Chairman, the whole as appears from the news release, communicated herewith as **Exhibit P-9**;
11. During his indefinite leave, the Defendant nonetheless remained a member of Amaya's Board of Directors, the whole as appears from Exhibit P-7;
12. On or about May 16, 2016, Amaya's Board of Directors was advised that the Defendant would not be standing for re-election as a director at the upcoming annual shareholders meeting, the whole as appears from a news release issued on May 16, 2016, communicated herewith as **Exhibit P-10**;
13. The Defendant's resignation from all positions at Amaya was effective on August 11, 2016, the whole as appears from a Material Change Report, communicated herewith as **Exhibit P-11**;

### III. FACTS

14. At all material times, the Defendant was Amaya's second largest shareholder, the whole as appears from an excerpt from the *Registre des Entreprises du Québec*, communicated herewith as **Exhibit P-12**;
  15. During his term as Amaya's president, CEO and Chairman of the Board, the Defendant was involved in the day-to-day activities and operations of Amaya;
  16. The Defendant also oversaw the acquisitions of the following corporations: Cryptologic Limited, Chartwell Technology Inc. and Oldford Group Limited as well as the attempted acquisition of bwin.party Digital Entertainment plc;
  17. The Defendant is well-aware of security trading practices and regulations, internal controls over financial reporting ("ICFR") and disclosure controls and procedures ("DC&P") as well as the role that these important procedures play in providing the investing public with confidence in the company's financial reporting and in the integrity of the financial markets;
  18. As a result, since 2015, Amaya's MD&As contain the following statements regarding DC&P:
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The CEO and CFO have designed DC&P, or have caused them to be designed under their supervision, in order to provide reasonable assurance that:

- material information relating to the Corporation is made known to them by others, particularly during the period in which the annual filings are being prepared; and
- information required to be disclosed in the annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation.

The CEO and CFO have evaluated, or caused to be evaluated under their supervision, the effectiveness of Amaya's DC&P at the financial year end December 31, (...). Based on that evaluation, the CEO and CFO concluded that DC&P are effective.

the whole as appears from pp.31-32 of the MD&A dated March 30, 2015 and p.38 of the MD&A dated March 14, 2016, communicated herewith as **Exhibit P-13 en liasse**;

19. In June, 2015, Amaya's shares reached a high of CDN \$37 on the TSX and US \$30 on the NASDAQ. Since that time, Amaya's share price then began a steady decline, reaching a record low in January, 2016, of CDN \$14.33 on the TSX and US \$10 on the NASDAQ;
  20. Notwithstanding the steady decline in the company's share price prior to January 2016, the Defendant tipped off certain third-parties about non-public material facts about Amaya;
  21. These third-parties communicated with each other and shared information about Amaya's performance. As such:
    - i) On January 19, 2016, Earl Levett ("Earl") purchased 500 AYA shares in his Dundee account at \$15.32 per share for a total of \$7,660, the whole as appears from Exhibit D-170 filed in support of the AMF's *Demande introductive d'instance ex parte ré-amendée*, communicated herewith as **Exhibit P-14**;
    - ii) On January 20, 2016, Isam Mansour ("Isam") purchased 10,000 AYA shares in his BMO account at \$14.25 per share for a total of \$142,850, the whole as appears from p.3 of Exhibit D-171 filed in support of the AMF's *Demande introductive d'instance ex parte ré-amendée*, communicated herewith as **Exhibit P-15**;
    - iii) On January 21, 2016, Isam purchased an additional 5150 AYA shares in his Dundee account at an average price of \$14.79 per share for a total of \$76,215.51, the whole as appears from pp.1-2 of Exhibit D-171 filed in support of the AMF's *Demande introductive d'instance ex parte ré-amendée*, communicated herewith as Exhibit P-15;
    - iv) On that same day, Allie Mansour ("Allie"), Isam's brother, purchased 500 AYA shares in his TD account at \$14.81 per share for a total of \$7,405, the whole as appears from
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Exhibit D-172 filed in support of the AMF's *Demande introductive d'instance ex parte ré-amendée*, communicated herewith as **Exhibit P-16**;

- v) On January 27, 2016, Allie purchased an additional 500 AYA shares in his TD account at \$14.33 per share for a total of \$7,165, the whole as appears from Exhibit D-172 filed in support of the AMF's *Demande introductive d'instance ex parte ré-amendée*, communicated herewith as Exhibit P-16;
  - 22. All of the individuals referred to above are subject to the TMF's cease trade order;
  - 23. On January 29, 2016, AYA closed at CDN \$14.99 on the TSX and at US \$10.56 on the NASDAQ, the whole as appears from Yahoo! Finance's Historical Data from January 28 to February 3, 2016, communicated herewith as **Exhibit P-17 en liasse**;
  - 24. On February 1, 2016, within two (2) weeks of the recent share purchases of these third-parties, the Defendant filed the First Impugned Document on SEDAR, pursuant to his obligation to file an early warning report as established by *Regulation 62-103 Respecting The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* ("*Regulation 62-103*"), in which he announced his intention to make an all-cash proposal to acquire Amaya at a price of CDN \$21 per share ("*Acquisition Offer*") which represented a 40% premium to the previous day's closing price, as appears from Exhibit P-2;
  - 25. At that time, the Defendant owned approximately 18.6% of Amaya's common shares ("*Common Shares*"), as appears from Exhibit P-2;
  - 26. As will be demonstrated below, the Defendant released the First Impugned Document to commence a market manipulation scheme to drive up the price of Amaya's shares to increase the value of the Defendant's substantial stake in Amaya through a phantom offer;
  - 27. The Defendant released the First Impugned Document knowing that it contained a misrepresentation because he did not have the requisite financing to make the Acquisition Offer and never intended to go through with the purported transaction;
  - 28. Following the publication of the First Impugned Document, Amaya's share price increased 16.7% on the TSX to close at CDN \$18 on a high trading volume of 3,430,600 and increased 18.33% on the NASDAQ to close at US \$12.93 on a high trading volume of 2,026,200, as appears from Exhibit P-17 *en liasse*;
  - 29. This market manipulation scheme materially increased Amaya's share price and thereby increased the value of the Defendant's holdings in Amaya by over \$73 million;
  - 30. Although Amaya's special committee of independent directors ("*Special Committee*") had previously asked the Defendant to confirm the terms of his proposal, by March 2, 2016, Amaya had not yet received a formal acquisition offer from the Defendant, the whole as appears from the news release communicated herewith as **Exhibit P-18**;
  - 31. On October 18, 2016, Amaya published yet another news release stating that although the Defendant had still not sent a formal offer to the Special Committee, the Defendant
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was nonetheless interested in purchasing all of Amaya's outstanding stock, the whole as appears from the news release communicated herewith as **Exhibit P-19**;

32. On November 11, 2016, AYA closed at CDN \$18.34 on the TSX on a trading volume of 171,900 and at US \$13.60 on the NASDAQ on a trading volume of 112,300, the whole as appears from Yahoo! Finance's Historical Data from November 11 to 23, 2016, communicated herewith as **Exhibit P-20 en liasse**;
33. On November 14, 2016, the Defendant filed the Second Impugned Document on SEDAR in which he purported to make a non-binding all-cash offer to acquire 100% of Amaya's Common Shares, on behalf of himself and others identified as the Equity Financing Sources ("Acquisition Proposal"), the whole as appears from a news release dated November 14, 2016 communicated herewith as **Exhibit P-21**;
34. Amaya confirmed its receipt of the Acquisition Offer that same day;
35. The Second Impugned Document particularized the following:
  - i) The document updated the information contained in the First Impugned Document;
  - ii) Each AYA share would be acquired at CDN \$24;
  - iii) The Defendant is deemed to be acting jointly or in concert with Head and Shoulders Global Investment - HS Special Event Segregated Portfolio, Goldenway Capital SPC- Special Event SP, Ferdyné Advisory Inc. and KBC Aldini Capital Limited (collectively, the "Equity Financing Sources");
  - iv) The Defendant entered into binding equity commitment letters with each of the Equity Financing Sources for comprised aggregate commitments of US \$3.65 billion which represents 100% of the funds required to complete the proposed transaction;
  - v) Each Equity Financing Source has committed to contribute capital to a "to-be-formed" entity led by the Defendant for the purpose of acquiring Amaya ("BidCo");
  - vi) BidCo is prepared to provide a US \$200 million deposit into escrow upon execution of a definitive agreement; and
  - vii) In the event that Amaya's US \$400 million deferred payment obligations to the previous owners of Oldford becomes due prior to the closing of the proposed transaction, BidCo will cause the deposit to be released from escrow and converted into a one-year structurally subordinated debt obligation to fund the deferred payment and to be convertible into equity following the closing of the proposed transaction;

as appears from Exhibit P-3;

36. The Defendant signed the Second Impugned Document and certified that all of the information it contained was "true and complete in every respect", as appears from Exhibit P-3;
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37. At that time, the Defendant owned 17.2% of Amaya's Common Shares, as appears from Exhibit P-3;
  38. At the time the Acquisition Proposal was made, the Defendant neither had the intention or the financing to complete the transaction;
  39. The filing of the Second Impugned Document and the Acquisition Proposal were further steps taken by the Defendant in furtherance of the scheme noted above to raise Amaya's share price for the benefit of the Defendant and his associates;
  40. Subsequent to the Acquisition Proposal, Amaya's share price increased by CDN \$2.64 on the TSX to close at CDN \$20.98, on a high trading volume of 2,807,700, whereas it increased by US \$1.90 on the NASDAQ to close at US \$15.50, on a high trading volume of 997,900, as appears from Exhibit P-20 *en liasse*. This represents an increase of approximately 12% on both the TSX and NASDAQ;
  41. Upon reading the Second Impugned Document, the Plaintiff purchased 250 AYA shares at CDN \$21.41 per share, the whole as appears from an email entitled *Notification - Exécution d'une transaction (Achat)*, communicated herewith as **Exhibit P-22**;
  42. On November 21, 2016, Amaya's share price closed at CDN \$19.86 on the TSX and at US \$14.85 on the NASDAQ, as appears from Exhibit P-20 *en liasse*;
  43. On November 22, 2016, the Corrective Disclosure was released and it revealed that one of the Defendant's alleged Equity Financing Sources had "no involvement" whatsoever in the privatization offer for Amaya, as appears from Exhibit P-1 and from KBC's news release dated November 22, 2016, communicated herewith as **Exhibit P-23**;
  44. On that same day, AYA's value dropped approximately 6.4% to close at CDN \$18.67 on the TSX on a trading volume of 1,813,700 and dropped approximately 7.2% to close at US \$13.85 on the NASDAQ on a trading volume of 1,011,700 as appears from Exhibit P-20 *en liasse*;
  45. On November 23, 2016 the Defendant confirmed that:
    - i) the equity commitment letter purported to be delivered to the Defendant on behalf of KBC was delivered without KBC's knowledge or consent; and,
    - ii) KBC had not committed to providing financing for the proposed acquisition of Amaya;the whole as appears from the news release dated November 23, 2016, communicated herewith as **Exhibit P-24**;
  46. That same day, the Globe and Mail published an article entitled "Investor denies backing Amaya deal; 'I don't know who Amaya is,' says CEO of Dubai firm that was named as one of the four funds behind the proposed takeover bid", the whole as appears from a Globe and Mail article, communicated herewith as **Exhibit P-25**;
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47. Upon reading the Defendant's news release, the Plaintiff sold his shares in Amaya at a loss, thus suffering monetary damages, the whole as appears from emails entitled *Notification - Exécution d'une transaction (Vente)*, communicated *en liasse* herewith as **Exhibit P-26**;
48. On November 25, 2016, the Defendant published a new Form 62-103F1 ("New Early Warning Form") as required by *Regulation 62-103*, the whole as appears from the Form 62-103F1, communicated herewith as **Exhibit P-27**;
49. The New Early Warning Form identified Global Investment - HS Special Event Segregated Portfolio and Goldenway Capital SPC- Special Event SP as the only financiers for the Acquisition Proposal, as appears from Exhibit P-27;
50. The New Early Warning Form omitted KBC and Ferdyne Advisory Inc. ("Ferdyne") as sources of financing;
51. The Defendant's market manipulation scheme included the intent to misled investors into believing that he had secured financing from KBC and Ferdyne which were specifically identified in the Second Impugned Document as being the Equity Financing Sources;
52. The phantom offer set forth in the Acquisition Offer and in the Acquisition Proposal was part of a scheme to increase the value of the Defendant's stake in Amaya and personal wealth;
53. On March 7, 2017, the Defendant filed a Form 62-103F1 informing investors that he disposed of 7,000,000 Common Shares of Amaya at a price of \$19.00 per share for a total amount of \$133,000,000, the whole as appears from the Form 62-103F1, communicated herewith as **Exhibit P-28**;
54. On March 30, 2017, the Defendant once again advised investors that he sold 12,000,000 Common shares of Amaya at a price of \$22.31 per share for a total amount of \$267,720,000, the whole as appears from the Form 62-103F1, communicated herewith as **Exhibit P-29**;
55. The Defendant was unjustly enriched as a result of his scheme and the misrepresentations made to the public and contained in the Impugned Documents;

#### **IV. RIGHTS OF ACTION**

##### **A. Statutory right of action for misrepresentations in a secondary market claim**

56. Under art. 225.3 of the QSA, an influential person includes an insider who is not a director or an officer of the issuer;
  57. Art. 89 of the QSA defines an insider as "a person that exercises control over more than 10% of the voting rights attached to all outstanding securities of an issuer";
  58. The Defendant is an influential person as defined by the QSA since, at the time of the release of the First Impugned Document, and at all material times thereafter, he owned
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over 10% of the issued and outstanding Common Shares of Amaya, as appears from Exhibit P-2;

59. Art. 225.10(4) of the QSA states that "a person that acquires or disposes of an issuer's security during the period between when an influential person [...] released a document [...] relating to the issuer containing a misrepresentation and the time when the misrepresentation was publicly corrected may bring an action against [...] the influential person and each director and office of the influential person who authorized, permitted or acquiesced to the release of the document";
60. The Impugned Documents prepared and signed by the Defendant contained misrepresentations relating to the issuer, Amaya, which misled investors and led them to believe that the Defendant intended to present viable acquisition offers;
61. As a result of those misrepresentations, made in furtherance of the Defendant's scheme to increase the price of Amaya's shares, the Plaintiff asserts a right of action under art. 225.10 of the QSA against the Defendant on behalf of all Class Members;
62. The Defendant knew that at the time of its release, the Impugned Documents contained misrepresentations;
63. The monetary damages suffered by the Plaintiff and Class Members are a direct result of the Defendant's market manipulation scheme to artificially inflate Amaya's share price by releasing documents containing misrepresentations about a phantom offer to acquire all of Amaya's shares, i.e. a going private transaction;

#### **B. Offence under Title VII, Chapter II QSA**

64. Additionally, art. 197(5) of the QSA states that a person is "guilty of an offence who in any manner not specified in art. 196 makes a misrepresentation in any document forwarded or record kept by any person pursuant to [the QSA]";
65. The article further defines a "misrepresentation" as "any misleading information or a fact that is likely to affect the decision of a reasonable investor as well as any pure and simple omission of such a fact";
66. Pursuant to art.112 of the QSA, a person making a take-over bid shall conduct the bid in accordance with the conditions determined by regulation;
67. *Regulation 62-103* defines "early warning requirements" as the requirements set out in section 5.2 of *Regulation 62-104 Respecting Take-Over Bids and Issuer Bids ("Regulation 62-104")* which states that:

(1) An acquiror who acquires beneficial ownership of, or control or direction over, voting or equity securities of any class of a reporting issuer, or securities convertible into voting or equity securities of any class of a reporting issuer, that, together with the acquiror's securities of that class, constitute 10% or more of the outstanding securities of that class, must

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(a) promptly, and, in any event, no later than the opening of trading on the business day following the acquisition, issue and file a news release containing the information required by section 3.1 of Regulation 62-103 respecting The Early Warning System and Related Take-Over Bid and Insider Reporting Issues (chapter V-1.1, r. 34), and

(b) promptly, and, in any event, no later than 2 business days from the date of the acquisition, file a report containing the information required by section 3.1 of Regulation 62-103 respecting The Early Warning System and Related Take-Over Bid and Insider Reporting Issues.

[our emphasis.]

68. Section 3.1 of *Regulation 62-103* states that a news release and report required under the early warning requirement must contain the information required by Form 62-103F1;
69. The Impugned Documents are governed by art. 197(5) of the QSA since the Defendant was required to file them pursuant to *Regulations 62-103* and *62-104* as well as art.112 of the QSA;
70. By filing the Impugned Documents which contained misrepresentations, the Defendant committed a fault under art. 197(5) of the QSA which caused the Plaintiff and Class Members damages;
71. Amaya's principal establishment is located in Quebec and it carries on business in Quebec, as appears from Exhibit P-10;
72. Amaya is a reporting issuer in Quebec under art. 68 QSA;
73. The Defendant resides in Quebec;
74. The Plaintiff purchased Amaya shares in Quebec, suffered damages in Quebec and as such, is bringing a secondary market claim against the Defendant before a Quebec court;

### **C. Civil liability**

75. The Plaintiff asserts a civil right of action under art. 1457 of the *Civil Code of Quebec*, CQLR c CCQ-1991, ("CCQ") on behalf of all Class Members against the Defendant for breach of his general duty of diligence owed to the Class Members;
  76. The Defendant did not fulfill his legal obligations warranted by his status of an "acquiror" in the course of a take-over bid pursuant to *Regulation 62-103* and *Regulation 62-104*;
  77. The Defendant signed the Second Impugned Document and certified that all of the information it contained was "true and complete in every respect";
  78. As such, the Defendant deliberately, recklessly and negligently misled investors and the general public causing the Class Members to suffer damages;
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79. The Plaintiff purchased his shares in Amaya after reading the Second Impugned Document, believing that the statements contained therein were true;
80. Due to the Defendant's misrepresentations, the Plaintiff purchased his shares at an artificially-inflated price and suffered damages in Quebec;
81. The Plaintiff held his AYA shares until after the Corrective Disclosure was published, therefore suffering an economic injury following the decrease in value of AYA as a direct, immediate and foreseeable result of the Defendant's misrepresentations;
82. The Plaintiff would not have purchased AYA shares had he been aware that the Impugned Documents contained the misrepresentations particularized herein;
83. The Defendant is also liable to the Plaintiff and the Class Members for his unjust enrichment;
84. As particularized herein, the Defendant's fault, negligence, recklessness and breaches of his obligations under applicable securities legislation caused significant monetary damages to the Plaintiff and the Class Members that he seeks to represent;

## **V. CRITERIA OF ARTICLE 575 CCP**

### **A. The facts alleged appear to justify the conclusions sought**

85. The Impugned Documents published on SEDAR contain misrepresentations of material facts;
  86. The Defendant prepared or oversaw the preparation of and signed the Impugned Documents, in which he specifically:
    - i) Stated his intention to make an all-cash proposal to acquire Amaya;
    - ii) Identified KBC and Ferdyne as two (2) of the Equity Financing Sources; and
    - iii) Stated having entered into binding equity commitment letters with each of these entities;
  87. The Defendant certified that the information contained in the Second Impugned Document "was true and complete in every respect", as appears from Exhibit P-3;
  88. The Defendant violated Title VII, Chapter II of the QSA as well as Title VIII, Chapter II, Divisions II of the QSA and breached his duties as required by the CCQ by making misrepresentations regarding his intention to present viable acquisition offers as well as his ability to secure the requisition financing, thus giving rise to the Plaintiff's claims;
  89. In light of the above, the Defendant is liable to the Plaintiff and Class Members;
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**B. The Class Members' claims raise identical, similar or related issues of law or fact**

90. In light of the foregoing, the Plaintiff asks this Honorable Court to authorize the following questions of fact and law to be dealt with collectively:
- i) Were there misrepresentations in the Impugned Documents?
  - ii) Did the Defendant mislead the public or commit a fault?
  - iii) Were the alleged faults and breaches done intentionally?
  - iv) Is the Defendant liable to the Class Members in virtue of art. 225.10 of the QSA and/or art. 197(5) of the QSA and/or art. 1457 of the CCQ and/or art. 1493 of the CCQ?
  - v) What are the damages sustained by the members of the Class?
  - vi) Was the Defendant unjustly enriched as a result of his wrongful actions? and
  - vii) Should the Defendant surrender the profits he earned as a result of his wrongful actions to the Class Members?
91. As a result of these questions of fact and of law, the Plaintiff and Class Members seek for this Honorable Court to authorize the conclusions of the proposed proceeding as particularized herein;

**C. The Class Member appointed as Plaintiff is in a position to properly represent the Class Members**

92. The Plaintiff is a Quebec resident who has investment experience;
93. As a result of the Defendant's scheme and misrepresentations, the Plaintiff purchased 250 AYA shares for a total of \$5,352.50;
94. After the misrepresentations were revealed by the Corrective Disclosure, and later confirmed by the Defendant himself, the Plaintiff sold his shares in Amaya at a loss;
95. The Plaintiff contacted attorneys to discuss the best means of asserting his rights and the nature of a potential action;
96. The Plaintiff shares common interests with the Class Members;
97. The Plaintiff has the resources, knowledge, time and dedication required to act as the representative plaintiff of the Class and to advance the case on behalf of the Class;
98. The Plaintiff has no conflict of interest with any other members of the Class and is represented by counsel that are experienced at litigating shareholders' claims in class actions;
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**D. The composition of the Class makes it difficult or impracticable to apply the rules for mandates to take part in judicial proceedings on behalf of others or for consolidation of proceedings**

99. Amaya's authorized share capital consists of an unlimited number of Common Shares, currently estimated at 144,960,677, as well as 1,139,356 preferred shares;
100. Amaya's shares are publicly traded on the NASDAQ and the TSX;
101. During the Class Period, a total of 93,140,300 shares were traded on the TSX and 40,163,300 on the NASDAQ, the whole as appears from Yahoo! Finance's Historical Data from February 1 to November 21, 2016, communicated herewith as **Exhibit P-30 en liasse**;
102. There are thousands of investors that could be members of the putative Class and are likely located throughout the world such that it would be difficult or impracticable to apply the rules for mandates to take part in judicial proceedings;

**FOR THESE REASONS, MAY IT PLEASE THE COURT TO:**

**AUTHORIZE** the Class as described herein;

**NAME** Denis Gauthier the Class Representative;

**DECLARE** that the following questions of fact and law to be dealt with collectively are:

- i) Were there misrepresentations in the Impugned Documents?
- ii) Did the Defendant mislead the public or commit a fault?
- iii) Were the alleged faults and breaches done intentionally?
- iv) Is the Defendant liable to the Class Members in virtue of art. 225.10 of the QSA and/or art. 197(5) of the QSA and/or art. 1457 of the CCQ and/or art. 1493 of the CCQ?
- v) What are the damages sustained by the members of the Class?
- vi) Was the Defendant unjustly enriched as a result of his wrongful actions? and
- vii) Should the Defendant surrender the profits he earned as a result of his wrongful actions to the Class Members?

**AUTHORIZE** the class action proceedings to seek the following conclusions:

**GRANT** this class action on behalf of the Class;

**GRANT** the Plaintiff's action against the Defendant in respect of the rights of action asserted against the Defendant under Title VIII, Chapter II, Divisions II of the QSA, Title VII, Chapter II of the QSA, art. 1457 of the CCQ and art. 1493 of the CCQ;

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**CONDEMN** the Defendant to pay to the Plaintiff and Class Members compensatory damages for all monetary losses;

**CONDEMN** the Defendant to pay punitive damages pursuant to art. 269.2(2) of the QSA;

**ORDER** collective recovery in accordance with art. 595 to 598 of the *Code of Civil Procedure*;

**THE WHOLE** with interest and additional indemnity provided for in the *Civil Code of Quebec* and with full costs and expenses, including expert fees, notice fees and fees relating to administering the plan of distribution of the recovery in this action;

**APPROVE** the notice to the members of the Class in the form to be submitted to the Court;

**ORDER** the publication of the notice to the members of the Class no later than thirty (30) days after the date of the judgment authorizing the class proceedings;

**ORDER** that the deadline for a member of the Class to exclude themselves from the class action proceedings shall be sixty (60) days from the publication of the notice to the members of the Class;

**THE WHOLE WITH COSTS** including experts' fees.

MONTREAL, this 16<sup>th</sup> day of May, 2017

(S) *Faguy & Co.*

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FAGUY & CO. BARRISTERS & SOLICITORS INC.  
Attorneys for the *Plaintiff*

**SUMMONS**  
**(Art. 145 and following CCP)**

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**Filing of a judicial application**

Take notice that the plaintiff has filed this originating application in the office of the Superior Court of Quebec in the judicial district of Montreal

**Defendant's answer**

You must answer the application in writing, personally or through a lawyer, at the courthouse of Montreal situated at 1 Notre-Dame St. E, Montreal, Québec within 15 days of service of the application or, if you have no domicile, residence or establishment in Québec, within 30 days. The answer must be notified to the plaintiff's lawyer or, if the plaintiff is not represented, to the plaintiff.

**Failure to answer**

If you fail to answer within the time limit of 15 or 30 days, as applicable, a default judgement may be rendered against you without further notice and you may, according to the circumstances, be required to pay the legal costs.

**Content of answer**

In your answer, you must state your intention to:

- negotiate a settlement;
- propose mediation to resolve the dispute;
- defend the application and, in the cases required by the Code, cooperate with the plaintiff in preparing the case protocol that is to govern the conduct of the proceeding. The protocol must be filed with the court office in the district specified above within 45 days after service of the summons or, in family matters or if you have no domicile, residence or establishment in Québec, within 3 months after service;
- propose a settlement conference.

The answer to the summons must include your contact information and, if you are represented by a lawyer, the lawyer's name and contact information.

**Change of judicial district**

You may ask the court to refer the originating application to the district of your domicile or residence, or of your elected domicile or the district designated by an agreement with the plaintiff.

If the application pertains to an employment contract, consumer contract or insurance contract, or to the exercise of a hypothecary right on an immovable serving as your main residence, and if you are the employee, consumer, insured person, beneficiary of the insurance contract or

hypothecary debtor, you may ask for a referral to the district of your domicile or residence or the district where the immovable is situated or the loss occurred. The request must be filed with the special clerk of the district of territorial jurisdiction after it has been notified to the other parties and to the office of the court already seized of the originating application.

### **Transfer of application to Small Claims Division**

If you qualify to act as a plaintiff under the rules governing the recovery of small claims, you may also contact the clerk of the court to request that the application be processed according to those rules. If you make this request, the plaintiff's legal costs will not exceed those prescribed for the recovery of small claims.

### **Calling to a case management conference**

Within 20 days after the case protocol mentioned above is filed, the court may call you to a case management conference to ensure the orderly progress of the proceeding. Failing this, the protocol is presumed to be accepted.

### **Exhibits supporting the application**

In support of the originating application, the plaintiff intends to use the following exhibits:

- Exhibit P-1:** Globe & Mail's article entitled "Dubai firm denies backing Amaya deal; files SEC complaint" published on November 22, 2016;
  - Exhibit P-2:** *Early Warning Report Filed Under National Instrument 62-103* signed by David Baazov and dated February 1, 2016;
  - Exhibit P-3:** Form 62-103F1 *Required Disclosure under the Early Warning Requirements* signed by David Baazov and filed on SEDAR on November 14, 2016;
  - Exhibit P-4:** Amaya Inc.'s SEDAR profile;
  - Exhibit P-5:** Extract of Amaya's 2013 Annual Information Form for the year ended December 31, 2013, published on March 31, 2014;
  - Exhibit P-6:** *Autorités des marchés financiers c. Baazov*, 2016 QCBDR 32;
  - Exhibit P-7:** Redacted "*Constats d'infractions*" issued by the AMF on March 22, 2016;
  - Exhibit P-8:** AMF press release entitled "Matter of Amaya inc. - AMF files 23 charges against three individuals and three companies", published on March 23, 2016 and the
  - Exhibit P-9:** Amaya press release entitled "Amaya Chairman and CEO, David Baazov, To Take Voluntary Leave of Absence, Dave Gadhia Appointed Interim Chairman; Rafi Ashkenazi Appointed Interim CEO", published on March 29, 2016;
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- Exhibit P-10:** Amaya news release entitled "Amaya Reports First Quarter 2016 Results", published on May 16, 2016;
- Exhibit P-11:** Material Change Report Form 51-102F3 dated August 12, 2016;
- Exhibit P-12:** *État de renseignements d'une personne morale au registraire des entreprises* for Amaya, dated November 30, 2016;
- Exhibit P-13:** Extract of Amaya's MD&A for the year ended December 31, 2014, published on March 30, 2015 and extract of Amaya's MD&A for the year ended December 31, 2015, published on March 14, 2016 *en liasse*;
- Exhibit P-14:** Exhibit D-170 filed in support of the AMF's *Demande introductive d'instance ex parte ré-amendée*;
- Exhibit P-15:** Exhibit D-171 filed in support of the AMF's *Demande introductive d'instance ex parte ré-amendée*;
- Exhibit P-16:** Exhibit D-172 filed in support of the AMF's *Demande introductive d'instance ex parte ré-amendée*;
- Exhibit P-17:** Yahoo! Finance's Historical Data from January 28 to February 3, 2016 as traded on the TSX and the NASDAQ *en liasse*;
- Exhibit P-18:** Amaya news release entitled "Amaya Special Committee Provides Information Update, Company Announces Fourth Quarter and Full Year 2015 Earnings Release Date", published on March 2, 2016;
- Exhibit P-19:** Amaya news release entitled "Amaya Provides Update on Special Committee Process", published on October 18, 2016;
- Exhibit P-20:** Yahoo! Finance's Historical Data from November 11 to 23, 2016 as traded on the TSX and the NASDAQ *en liasse*;
- Exhibit P-21:** Amaya news release entitled "Amaya Confirms Non-Binding All Cash Offer from Former CEO to Acquire Company", published on November 14, 2016;
- Exhibit P-22:** Email from National Bank Direct Brokerage to Mr. Denis Gauthier entitled "*Notification - Exécution d'une transaction (Achat)*" dated November 14, 2016;
- Exhibit P-23:** KBC news release entitled "Amaya Down Almost 5% - Privatization Proposal Does Not Involve KBC Aldini Capital, SEC Complaint Filed", published on November 22, 2016;
- Exhibit P-24:** David Baazov's news release entitled "David Baazov provides update on offer to acquire 100% of Amaya", published on November 23, 2016;
- Exhibit P-25:** Globe and Mail article entitled "Investor denies backing Amaya deal; 'I don't know who Amaya is,' says CEO of Dubai firm that was named as one of the
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four funds behind the proposed takeover bid", published on November 23, 2016;

- Exhibit P-26:** Emails from National Bank Direct Brokerage to Mr. Denis Gauthier entitled "*Notification - Exécution d'une transaction (Vente)*" dated November 23, 2016; and
- Exhibit P-27:** Form 62-103F1 *Required Disclosure under the Early Warning Requirements* signed by David Baazov and filed on SEDAR on November 25, 2016;
- Exhibit P-28:** Form 62-103F1 *Required Disclosure under the Early Warning Requirements* signed by David Baazov and filed on SEDAR on March 7, 2017;
- Exhibit P-29:** Form 62-103F1 *Required Disclosure under the Early Warning Requirements* signed by David Baazov and filed on SEDAR on March 30, 2017; and
- Exhibit P-30:** Yahoo! Finance's Historical Data from February 1 to November 21, 2016 traded on the TSX the NASDAQ.

These exhibits are available on request.

#### **Notice of presentation of an application**

If the application is an application in the course of a proceeding or an application under Book III, V, excepting an application in family matters mentioned in article 409, or VI of the Code, the establishment of a case protocol is not required; however, the application must be accompanied by a notice stating the date and time it is to be presented.

MONTREAL, this 16<sup>th</sup> day of May, 2017

*(S) Faguy & Co.*

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FAGUY & CO. BARRISTERS & SOLICITORS INC.  
Attorneys for the *Plaintiff*