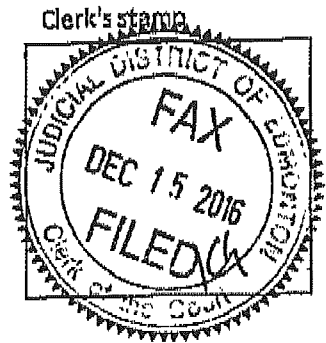


FORM 10  
[RULE 3.25]



COURT FILE NUMBER

1203-15175 ✓

COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE

~~CALGARY~~ *Edmonton*

PLAINTIFF

PATTI STOBBE

DEFENDANTS

PARAMOUNT INVESTMENTS INC., GATEWAY  
VILLAGE II LIMITED PARTNERSHIP, AVENUE  
GATEWAY II G.P. CORP., IRON-GATE  
ACQUISITIONS LIMITED PARTNERSHIP, AVENUE  
IRON-GATE G.P. CORP., ADEEB AZIZI, SAMIR  
SAWHNEY and BRYAN SERBU

DOCUMENT

CERTIFICATION ORDER

ADDRESS FOR SERVICE AND CONTACT  
INFORMATION OF PARTY FILING THIS  
DOCUMENT

JENSEN SHAWA SOLOMON DUGUID HAWKES LLP  
Barristers  
800, 304 - 8 Avenue SW  
Calgary, Alberta T2P 1C2

Carsten Jensen  
Sean Carrie  
Phone: 403 571 1526  
Fax: 403 571 1528  
File: 12360-001

DATE ON WHICH ORDER WAS PRONOUNCED:

October 29, 2015

LOCATION OF HEARING OR TRIAL:

Edmonton

NAME OF JUDGE WHO MADE THIS ORDER:

The Honourable Associate Chief  
Justice J.D. Rooke of the Court of  
Queen's Bench

UPON THE APPLICATION of the Plaintiff, Patti Stobbe, for an order certifying this action as a class proceeding; AND UPON READING the Affidavits of Patti Stobbe, sworn January 17, 2013, the Affidavit of Lianqin (Lily) Wang, sworn February 4, 2013, the Affidavit of Dean Holley, sworn March 1, 2013, and the Affidavit of Gareth Jones, sworn March 15, 2013, and the other materials and briefs submitted; AND UPON HEARING counsel for the Plaintiff and counsel for the Defendants;

IT IS HEREBY ORDERED THAT:

1. For the purposes of this Order, capitalized terms used but not defined herein shall have the meaning given to such terms in the Plaintiff's Amended Amended Statement of Claim filed May 28, 2015 attached hereto as Schedule "A" ("Statement of Claim").
2. The action is certified as a class proceeding pursuant to section 5(1) of the *Class Proceedings Act*, SA 2003, c C-16.5 ("CPA").
3. The "Class" is defined as follows:

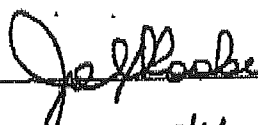
All persons, individuals, entities or corporations who remitted Funds to the Defendants, or any of them, to purchase Units or Interests in the Real Estate Limited Partnerships Gateway Village II Limited Partnership ("Gateway") or Iron-Gate Acquisitions Limited Partnership ("Iron-Gate"), and who claim that no exemption applied or are uncertain whether an exemption applied under which the Defendants were permitted to sell those Units or Interests to them without a prospectus pursuant to the provisions of *National Instrument 45-106*.

4. The definition of "Class" in paragraph 3, above, may be amended on the consent of all parties and approval by the Court, or by order of the Court.
5. Patti Stobbe is appointed as representative plaintiff for the class.
6. The proceeding is certified on behalf of the Class in respect of the following issues:
  - (a) Whether the Defendants, or any of them, are liable to the Class Members in negligence, for misrepresentation, or in conspiracy, as a result of their involvement in the Scheme whereby Class Members were systematically misled about their exemption status and invested in Gateway Village II and Iron-Gate units without a prospectus being issued, notwithstanding that no prospectus exemption was available to the Defendants?
  - (b) Whether Paramount, Azizi and Sawhney, or any of them, are vicariously liable to Class Members for the actions and omissions of other Defendants, and the acts and omissions of employees, servants and agents, with respect to the Scheme?

- (c) Whether the Investment by Class Members in units of Gateway Village II and Iron-Gate are void under Alberta law because no prospectus was issued, notwithstanding that no prospectus exemption was available to the Defendants?
  - (d) Whether the Defendants, or any of them, hold the Funds of the Class Members in trust as a result of their investments being void under Alberta law?
  - (e) Are Class Members who were subject to exemptions under NI 45-106 in investments promoted by Paramount Investments Inc. precluded from remedial relief as against the Defendants?
  - (f) Does personal liability flow to Samir Sawhney, Adeeb Azizi or Bryan Serbu in relation to the allegations in the Statement of Claim?
  - (g) If the Paramount Defendants are liable to Class Members, are the Paramount Defendants entitled to contribution and indemnity from Bryan Serbu?
  - (h) If liability rests with the Defendants, or any of them, what is the measure of damages, whether general or special?
  - (i) Whether punitive and/or exemplary damages should be awarded against any or all of the Defendants and, if so, in what amount?
  - (j) Can the issue of whether the Class Members' claims are barred by the *Limitations Act* or by reason of the passage of time be determined on a class-wide basis. If so, are the claims of the class members barred by the *Limitations Act* RSA 2000 c L-12 or by reason of the passage of time?
7. The definitions of common issues in paragraph 6, above, may be amended on the consent of all parties and approval by the Court, or by order of the Court.
8. The Notice of Certification of this action as a class proceeding, in the form and method attached hereto as Schedule "B", is hereby approved.
9. The costs of the Notice of Certification are to be paid by the Defendants, Paramount Investments Inc., Adeeb Azizi, Samir Sawhney and Bryan Serbu in a manner to be determined as among those Defendants.
10. Members of the Class may opt out of this Class Proceeding within 90 days from the date of the Notice of Certification to the Class by submitting an Opt Out Form in the form attached hereto as Schedule "C".
11. The Litigation Plan put forward by the Representative Plaintiff and attached hereto as Schedule "D" is hereby approved. The Litigation Plan may be amended by agreement of counsel without further Court Order.

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12. Costs of the Application for Certification are payable to the Plaintiff, in any event of the cause, forthwith. Costs shall be paid by the Defendants, Paramount Investments Inc., Adeeb Azizi, Samir Sawhney and Bryan Serbu, in a manner to be determined as among those Defendants. Paramount Investments Inc., Adeeb Azizi, Samir Sawhney and Bryan Serbu are granted leave to seek an order directing Gateway Village II Limited Partnership, Avenue Gateway II G.P. Corp., Iron-Gate Acquisitions Limited Partnership, Avenue Iron-Gate G.P. Corp. to contribute to the Costs of the Application for Certification from upon the final resolution of this action.

  
 nov 28/16

A.C.J.Q.B.A.


## AGREEMENT AS TO FORM AND CONTENT:

Borden Ladner Gervais LLP

  
 Daniel B.R. Johnson  
 Counsel for the Defendants, Paramount  
 Investments Inc., Adeeb Azizi and Samir  
 Sawhney

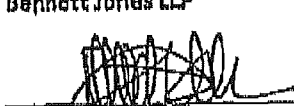
## AGREEMENT AS TO FORM AND CONTENT:

Duncan Craig LLP

  
 Edward R. Feehan  
 Counsel for the Defendant, Bryan Serbu

## AGREEMENT AS TO FORM AND CONTENT:

Bennett Jones LLP

  
 David M. Hawreluk  
 Counsel for the Defendants, Gateway Village II  
 Limited Partnership, Avenue Gateway II G.P.  
 Corp., Iron-Gate Acquisitions Limited  
 Partnership and Avenue Iron-Gate G.P. Corp.

## AGREEMENT AS TO FORM AND CONTENT:

Jensen Shawe Solomon Duguid Hawkes LLP

  
 Sean Carrle  
 Counsel for the Representative Plaintiff, Patti  
 Stobbs

12. Costs of the Application for Certification are payable to the Plaintiff, in any event of the cause, forthwith. Costs shall be paid by the Defendants, Paramount Investments Inc., Adeeb Azizi, Samir Sawhney and Bryan Serbu, in a manner to be determined as among those Defendants. Paramount Investments Inc., Adeeb Azizi, Samir Sawhney and Bryan Serbu are granted leave to seek an order directing Gateway Village II Limited Partnership, Avenue Gateway II G.P. Corp., Iron-Gate Acquisitions Limited Partnership, Avenue Iron-Gate G.P. Corp. to contribute to the Costs of the Application for Certification from upon the final resolution of this action.

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A.C.J.Q.B.A.**AGREEMENT AS TO FORM AND CONTENT:****Borden Ladner Gervais LLP**


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Daniel B.R. Johnson  
Counsel for the Defendants, Paramount  
Investments Inc., Adeeb Azizi and Samir  
Sawhney**AGREEMENT AS TO FORM AND CONTENT:****Duncan Craig LLP**

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Edward R. Saehan  
Counsel for the Defendant, Bryan Serbu**AGREEMENT AS TO FORM AND CONTENT:****Bennett Jones LLP**

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David M. Hawreluk  
Counsel for the Defendants, Gateway Village II  
Limited Partnership, Avenue Gateway II G.P.  
Corp., Iron-Gate Acquisitions Limited  
Partnership and Avenue Iron-Gate G.P. Corp.**AGREEMENT AS TO FORM AND CONTENT:****Jensen Shaw Solomon Duguid Hawkes LLP**

---

Sean Carle  
Counsel for the Representative Plaintiff, Patti  
Stobbe

**Schedule "A"**  
**Amended Amended Statement of Claim**

**Schedule "B"**  
**Form and Method of Notice of Certification**

**FORM AND METHOD OF NOTICE OF CERTIFICATION**

1. The form of Notice of Certification is attached.
2. The method for delivery of Notice of Certification is as follows:
  - (a) Class Counsel will send a copy of the Notice of Certification to all Class Members who have provided them with their contact information.
  - (b) Class Counsel will arrange for the Notice of Certification to be published once in the following newspapers: The Edmonton Journal and the Calgary Herald.
  - (c) Class Counsel will send the Notice of Certification by mail or e-mail to any person who requests it after publication in the above noted newspapers.
  - (d) Class Counsel will issue a Press Release with respect to the Notice of Certification within 10 days of the Certification Order being issued.
  - (e) Class Counsel will publish the Notice of Certification on the JSS Barristers website at [www.jssbarristers.ca/pages/class-actions/class-actions.cfm](http://www.jssbarristers.ca/pages/class-actions/class-actions.cfm).
  - (f) In addition, the Defendants will provide a list of all known investors in Units or Interests of Iron-Gate and Gateway Village, together with their names and last known addresses, including e-mail addresses if known, using all the information in the Defendants' possession or control. The Notice of Certification will be sent by Class Counsel to all such individuals.

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**CLASS ACTION REGARDING GATEWAY VILLAGE II LIMITED PARTNERSHIP, IRON-GATE ACQUISITIONS LIMITED PARTNERSHIP AND PARAMOUNT INVESTMENTS INC., AND OTHERS**

**NOTICE OF CERTIFICATION**

**What is the Class Action about?**

A lawsuit has been certified as a Class Action against Paramount Investments Inc., Gateway Village II Limited Partnership, Avenue Gateway II G.P. Corp., Iron-Gate Acquisitions Limited Partnership, Avenue Iron-Gate G.P. Corp., Adeeb Aziz, Samir Sawhney and Bryan Serbu. The lawsuit alleges that the Defendants orchestrated and instituted a Scheme to raise funds from investors in the Gateway Village II Limited Partnership and the Iron-Gate Acquisitions Limited Partnership, from investors to whom the Defendants were not permitted to solicit funds without issuing a prospectus.

The Representative Plaintiff is Patti Stobbe. In this lawsuit, the Representative Plaintiff is seeking damages on her own behalf and on behalf of everyone who invested in Gateway Village II Limited Partnership and Iron-Gate Acquisitions Limited Partnership, without receiving a prospectus, even though the Defendants were not permitted to solicit those investments.

**How do I know if I am a member of the Class?**

The Class has been defined by the Court as follows:

"All persons, individuals, entities or corporations who remitted Funds to the Defendants, or any of them, to purchase Units or Interests in the Real Estate Limited Partnerships Gateway Village II Limited Partnership ("Gateway") or Iron-Gate Acquisitions Limited Partnership ("Iron-Gate"), and who claim that no exemption applied or are uncertain whether an exemption applied under which the Defendants were permitted to sell those Units or Interests to them without a prospectus pursuant to the provisions of *National Instrument 45-106*."

The Defendants were not permitted to sell Units or Interests in Gateway or Iron-Gate to investors unless the investors had very high net incomes, or very high net asset holdings, or unless they were close family members or close personal friends of a director, executive officer, founder or control person of Gateway or Iron-Gate, or an affiliate. If you are not sure whether or not you are a member of the Class, you should speak to Class Counsel, whose address is outlined below.

**What if I do not want to participate in this Class Action?**

Class Members who wish to participate in the Class Action do not need to do anything at this time. They are automatically included in the Class Action.

Any Class Member who wishes to opt out of the Class Action must do so by sending a written opt out form, signed by the Class Member, stating that he or she opts out of the Class Action.



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The written opt out form can be obtained from Class Counsel, must be sent by pre-paid mail, courier or by e-mail to Class Counsel, and must be received by Class Counsel no later than \_\_\_\_\_, 2016.

No Class Member will be permitted to opt out of the Class Action after \_\_\_\_\_ 2016. If you opt out of the Class Action, you will take full responsibility for initiating your own lawsuit against the Defendants and for taking all legal steps necessary to protect your claim, if you wish to proceed with a claim.

**What are the costs to me?**

Class Members will not be personally liable to pay any legal fees or disbursements to Class Counsel.

If the Class Action is successful in establishing that the Defendants are liable to pay money to the Class Members, the Court will then proceed to determine which Class Members may be entitled to that money, and how such amounts should be distributed to those Class Members.

If the Class Action is successful, legal costs will be deducted from the amounts recovered for the Class Members. All legal costs must be approved by the Court.

The Representative Plaintiff has retained Class Counsel to represent her and the Class in this lawsuit. Class Counsel will only be paid legal fees if the lawsuit is successful. If the lawsuit is successful, Class Counsel will request that legal fees be set by the Court.

**How do I find out more about this Class Action?**

Questions about the matters in this Notice must not be directed to the Court. The Certification Order and other information with respect to the Class Action can be obtained at the following website: [www.lssbarristers.ca/pages/class-actions/class-actions.cfm](http://www.lssbarristers.ca/pages/class-actions/class-actions.cfm).

In addition, questions for Class Counsel should be directed by e-mail, fax or telephone to:

Carsten Jensen, Q.C.  
Jensen Shawa Solomon Duguid Hawkes LLP  
#800, 304 - 8 Avenue SW  
Calgary, Alberta T2P 1C2  
[jensenc@lssbarristers.ca](mailto:jensenc@lssbarristers.ca)

Sean Carrie  
Jensen Shawa Solomon Duguid Hawkes LLP  
#800, 304 - 8 Avenue SW  
Calgary, Alberta T2P 1C2  
[carries@lssbarristers.ca](mailto:carries@lssbarristers.ca)

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**Schedule "B"**  
**Proposed Opt Out Form**

**OPT OUT FORM****TO: JENSEN SHAWA SOLOMON DUGUID HAWKES LLP ("JSS BARRISTERS")**

I, \_\_\_\_\_ (insert full name), have received notice of the Gateway Village II Limited Partnership and Iron-Gate Acquisitions Limited Partnership Class Action.

I believe that I am a Class Member.

I was an investor in either Gateway Village II Limited Partnership or Iron-Gate Acquisitions Limited Partnership, and I do not believe that any exemption applied that would permit the Defendants to solicit my investment, and I have suffered losses as a result.

I do NOT wish to participate in the Gateway Village II Limited Partnership and Iron-Gate Acquisitions Limited Partnership Class Action.

I understand that by opting out of this Class Action, I will not be eligible for any benefit that may be available to the Class upon resolution of this matter.

I understand that, if I wish to pursue any remedy with respect to my investment in Gateway Village II Limited Partnership or Iron-Gate Acquisitions Limited Partnership, I must do so on my own.

Dated the \_\_\_\_\_ day of \_\_\_\_\_, 2016

\_\_\_\_\_  
(signature) (witness)

Insert Mailing Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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Telephone Number:

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Email Address:

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**Schedule "D"**  
**Litigation Plan**

**INTRODUCTION**

1. The *Class Proceedings Act* requires that a workable Litigation Plan be put in place as part of the Certification process. Patti Stobbe, as the proposed Representative Plaintiff in this matter, hereby proposes the following draft Litigation Plan, and further proposes that the final Litigation Plan involve input from counsel for the Defendants and direction from this Honourable Court.

**NOTIFICATION TO THE CLASS**

3. Notice of the Certification of these proceedings shall be given to the Class in a form and manner approved by this Honourable Court. A proposed form and method of Notice of Certification has been attached as Schedule "B" to the Certification Order.
4. The precise and final form of the Notification to the Class shall be determined by this Honourable Court at the Certification Application after counsel for the Defendants have had an opportunity to provide input.
5. Notification to the Class shall be completed no later than 10 days after the date the Certification Order is filed in this matter.

**STATEMENTS OF DEFENCE TO THIRD PARTY CLAIMS**

6. The Third Party Defendants will provide their defences on or before December 15, 2016.

**DOCUMENT PRODUCTION**

7. Affidavits of Records shall be exchanged by all parties on or before February 15, 2017.
8. Documents will be exchanged in electronic format, to the extent possible, using Summation. The parties will confer and agree on document coding protocols to facilitate an orderly exchange of documents, taking into account the direction provided in *Civil Practice Note 4*, with any issues arising to be addressed in Case Management.

**QUESTIONING**

9. Questioning of the Representative Plaintiff will be completed on or before April 15, 2017, subject to the availability of the Representative Plaintiff and Counsel. The Defendants anticipate that Questioning of the Representative Plaintiff can be completed in 2 days, subject to questioning on undertakings and objections.
10. The Defendants will provide notice of any applications for leave to question class members, or other matters related to questioning, on or before May 31, 2017.

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11. Questioning of the Defendants, including questioning by Third-Parties, will be completed on or before July 30, 2017, subject to the availability of witnesses and Counsel. The Representative Plaintiff anticipates that the Questioning of the Defendants (including their officers and employees) can be completed in 7 days, subject to undertakings and objections. Questioning of Defendants will include questioning of those Defendants who are Third Party Plaintiffs by Third Party Defendants.
12. Questioning of Third Party Defendants will be completed on or before September 29, 2017, subject to the availability of witnesses and counsel. Counsel anticipate that Questioning of Third Party Defendants can be completed in 7 days, subject to undertakings and objections.

#### ISSUES ARISING FROM QUESTIONING

13. A Case Management Meeting scheduled to take place on or before October 30, 2017 to deal with or schedule any Applications that may arise from any objections taken by any party.

#### EXCHANGE OF EXPERT REPORTS

14. Expert reports will be exchanged in accordance with the sequence outlined in Rule 5.35 of the *Alberta Rules of Court*, on the following schedule:
  - (a) Primary Reports will be served on or before December 15, 2017;
  - (b) Rebuttal Reports (if any) will be served on or before January 31, 2018; and
  - (c) Surrebuttal Reports (if any) will be served on or before March 2, 2018.

#### JUDICIAL DISPUTE RESOLUTION

15. The Parties will request a two-day Judicial Dispute Resolution conference on or before April 29, 2018.

#### COMMON ISSUES TRIAL

16. A date for the Common Issues Trial and trial of Third Party Claims will be requested on or before December 15, 2017.
17. The parties anticipate that the Common Issues Trial and trial of Third Party Claims will take approximately 10 days.

#### INDIVIDUAL ISSUES DETERMINATION

18. It is anticipated that each Class Member's claim will be based upon that Member's ownerships of Units in the Limited Partnerships. In the event that the Representative

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Plaintiff is successful at the common issues stage, a Case Management Conference will be convened before this Honourable Court to determine the most efficient and practical means of determining any individual issue which may remain to be resolved.

19. In the event of punitive or exemplary damages being awarded, Class Counsel shall bring a Motion before this Honourable Court to determine the manner in which such damages ought to be distributed to the Class.

#### CASE MANAGEMENT

20. The parties will appear before the Case Management Justice for such Case Management Meetings as may be required to implement this Litigation Plan and to resolve any issues that may arise, and to establish a schedule for all matters after the Common Issues Trial.

#### SCHEDULE SUMMARY

21. The following is a summary of the schedule from the Certification Order to the Common Issues Trial:

Step	Deadline
Certification Order	
Notification to the Class	10 days after filing the Certification Order
Statements of Defence to Third Party Claims	December 15, 2016
Document Production	February 15, 2017
Questioning of the Representative Plaintiff	April 15, 2017
Notice of Applications for Leave to Question Class Members (if any)	May 31, 2017
Questioning of the Defendants, including questioning on Third-Party Claims	July 30, 2017
Questioning of Third Party Defendants	September 29, 2017
Case Management Meeting to resolve Issues Arising from Questioning	October 30, 2017
Expert Reports – Primary	December 15, 2017
Request for a date for a Common Issues Trial and Trial of Third Party Claims	December 15, 2017

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Expert Reports – Rebuttal	January 31, 2018
Expert Reports – Surrebuttal	March 2, 2018
Judicial Dispute Resolution	March 30, 2018