

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

THE CATALYST CAPITAL GROUP INC. and CALLIDUS CAPITAL
CORPORATION

Plaintiffs

and

WEST FACE CAPITAL INC., GREGORY BOLAND, M5V ADVISORS INC.
c.o.b. ANSON GROUP CANADA, ADMIRALTY ADVISORS LLC, FRIGATE
VENTURES LP, ANSON INVESTMENTS LP, ANSON CAPITAL LP, ANSON
INVESTMENTS MASTER FUND LP, AIMF GP, ANSON CATALYST
MASTER FUND LP, ACF GP, MOEZ KASSAM, ADAM SPEARS, SUNNY
PURI, CLARITYSPRING INC., NATHAN ANDERSON, BRUCE
LANGSTAFF, ROB COPELAND, KEVIN BAUMANN, JEFFREY
MCFARLANE, DARRYL LEVITT, RICHARD MOLYNEUX, AND
JOHN DOES #1-10

Defendants

DEMAND FOR PARTICULARS

The defendant, Darryl Levitt, demands particulars of the following allegations in your
Statement of Claim:

1. With respect to paragraph 1(a), what damages are being claimed against Mr. Levitt;
2. With respect to paragraph 1(b), which transactions are referred based upon which the
Plaintiffs are claiming an accounting and any gains;
3. With regard to paragraph 1(b), what derivative securities are being referred to;

4. With regard to paragraph 1(c), what defamation is being claimed as against Darryl Levitt, including the words that were allegedly said by Mr. Levitt, to whom and when, and whether these were oral or in writing;
5. With regard to paragraph 1(d), in what way is it alleged that Mr. Levitt breached Section 126.1 of the *Securities Act*;
6. With regard to paragraph 1(d), in what way is it alleged that Mr. Levitt breached Section 126.2 of the *Securities Act*;
7. With regard to paragraph 1(e), which corporations is it alleged that Mr. Levitt should be personally liable for, related to alleged unlawful acts carried out by the corporation;
8. With regard to paragraph 1(e), what unlawful actions are alleged to have taken place with regard to the corporations alleged to have carried out the unlawful actions;
9. Please provide particulars of how Mr. Levitt assisted or in any way carried out any unlawful actions that are alleged in paragraph 1(e).
10. With regard to paragraph 1(f), particulars of the special damages for costs associated with the investigation and what investigation is referred to, including particulars of all the alleged costs of the investigation;
11. With regard to paragraph 1(f), what wilful misconduct of Darryl Levitt is referred to and please provide particulars;
12. With regard to paragraph 1(g), what conduct is alleged against Darryl Levitt that would be the foundation of any claim for punitive damages as against him for \$5,000,000.00;

13. With respect to paragraph 37, and the alleged conspiracy, particulars of:
 - a) who are the parties to this alleged agreement;
 - b) when was this alleged agreement entered into;
 - c) what were the terms of the agreement;
 - d) what unlawful means are alleged against Mr. Levitt;
 - e) what defamation is alleged against Mr. Levitt;
 - f) what injurious falsehoods are alleged against Mr. Levitt;
 - g) what breaches of Section 126.1 of the *Securities Act* are alleged against Mr. Levitt;
 - h) what breaches of Section 126.2 of the *Securities Act* are alleged against Mr. Levitt;
 - i) what breach of which related regulations is alleged against Mr. Levitt;
 - j) what breach of provisions of National Instrument 81-102 are alleged against Mr. Levitt;
and
 - k) what unjust enrichment is alleged against Mr. Levitt and what unjust enrichment is it alleged that he received.
14. With regard to paragraph 37, particulars of the malicious conduct and intentional conduct of Mr. Levitt, including all particulars of the alleged malice.
15. With regard to paragraph 41, if Mr. Levitt is one of the “some of the Guarantors”, what Baumann offered to him with regard to “substantial funding to fight the Guarantee Actions”.

16. With regard to paragraph 43, how is the counterclaim in the action involving Mr. Levitt “specious” and provide particulars of that.
17. With regard to paragraph 51, what support is it alleged Mr. Levitt received and from whom.
18. With regard to paragraph 57, if Mr. Levitt is one of the “several of the Guarantors” referred to, particulars of his involvement.
19. With regard to paragraph 58, particulars of when Mr. Livesey contacted Mr. Levitt and what was said with regard to “induce their participation in a wave of short attacks against Callidus”.
20. With regard to paragraph 59 of the Statement of Claim, particulars of the “planned short attack” that was alleged to be co-ordinated between the Guarantors.
21. With regard to paragraph 61, particulars of:
 - a) who are the parties to this alleged agreement;
 - b) when was this alleged agreement entered into;
 - c) what were the terms of the agreement;
 - d) what Mr. Levitt’s involvement in this conspiracy is alleged to be; and
 - e) what overt acts were taken in furtherance of the conspiracy by Mr. Levitt.
22. With regard to paragraph 63, who is alleged to have funded Mr. Levitt, and in what manner and in what amount.

23. With respect to paragraph 64, with reference to “false whistleblower complaints” or other false allegations allegedly leaked to the media, particulars of:

- a) the words spoken or otherwise distributed that are alleged to be defamatory;
- b) the date on which the words were spoken or otherwise distributed;
- c) where the words were spoken or otherwise distributed;
- d) who is alleged to have spoken the words or what words were spoken by Mr. Levitt; and
- e) the names of the persons to whom the words were spoken or otherwise published.

24. With respect to paragraph 64 and 65, how Mr. Levitt is alleged to have “timed a media report about the complaints to be released near the end of the trading day and the means by which Mr. Levitt allegedly caused the report to be released; and particulars of the alleged “repetition of the situation”, including full particulars of:

- a) the words spoken or otherwise distributed that are alleged to be defamatory;
- b) the date on which the words were spoken or otherwise distributed;
- c) where the words were spoken or otherwise distributed; and
- d) the names of the persons to whom the words were spoken or otherwise published.

25. With respect to paragraph 66, particulars of:

- a) the steps taken to hide details of the conspiracy, aside from the example provided in that paragraph; and

- b) whether Mr. Levitt is alleged to have participated in hiding details and if so, what are the particulars of his alleged hiding of details.
26. With respect to paragraph 68, particulars of:
- a) what whistleblower complaints were false and defamatory; and
 - b) whether Mr. Levitt is alleged to have agreed to file “false and defamatory whistleblower complaints”.
27. With respect to paragraph 69, particulars of the “complainants” referred to in paragraph 69 and if it includes Mr. Levitt, particulars of what was disclosed to the WSJ reporters, to whom, when, how it was disclosed, what was disclosed and full particulars of the “publication of the existence and substance of the Complaints (falsely) alleging fraud”, including full particulars of the allegations of fraud, that are the subject matter of the complaint in paragraph 69 of the pleading by the Plaintiffs.
28. With regard to paragraph 69, the particulars of what profitable short selling of Callidus shares was carried out by Mr. Levitt, including full particulars.
29. With regard to paragraph 70, what is alleged to have been false and defamatory, including particulars of the “illegal accounting practices with respect to loans”.
30. With regard to paragraph 74, particulars of:
- a) the allegations of what words were defamatory, the particular words, who published them, to whom they were published and when;
 - b) how Mr. Levitt profited and what amount.

31. With regard to paragraph 75, who is it alleged Mr. Levitt contacted (as a journalist) and what false allegations and what leaks is it alleged that he leaked, to whom and when and particulars of the “false allegations”.

32. With regard to paragraph 76, particulars of how Mr. Levitt is alleged to have engaged Livesey and/or to have agreed to compensate Livesey for writing a “negative story targeting Callidus, Catalyst and their principals”, what negative story and full particulars of what Mr. Levitt is alleged to have done.

33. With regard to paragraph 77, the information alleged to have been “fed to Livesey”, if it is alleged that Mr. Levitt did so, including;

- a) the words spoken or otherwise distributed that are alleged to be defamatory;
- b) the date on which the words were spoken or otherwise distributed;
- c) where the words were spoken or otherwise distributed;
- d) which words were alleged to have been spoken by Mr. Levitt; and
- e) the names of the persons to whom the words were spoken or otherwise published;
- f) what false information is alleged that Mr. Levitt published;
- g) what information is part of the complaint; and
- h) what other information that was not part of the complaint.

34. With respect to paragraph 78, particulars of:

- a) when the allegations set out in paragraph 78 are alleged to have occurred’
- b) how and in what capacity Mr. Levitt is alleged to have worked with Livesey; and

- c) how and in what capacity the other persons described in paragraph 78 are alleged to have “worked with Livesey”.

35. With regard to paragraph 79 of the Statement of Claim, particulars of:

- a) how and what Mr. Levitt did to “create another story” that caused the investigation;
- b) what it is alleged that Mr. Levitt did to create the appearance of a credible news story; and
- c) what was alleged to have been said by Mr. Levitt, to whom and when;

36. With regard to the substance of the complaints allegedly disclosed as pleaded in paragraph 79, particulars of:

- a) the words spoken or otherwise distributed that are alleged to be defamatory;
- b) the date on which the words were spoken or otherwise distributed;
- c) where the words were spoken or otherwise distributed;
- d) which words were alleged to have been spoken by Mr. Levitt; and
- e) the names of the persons to whom the words were spoken or otherwise published;

37. With respect to paragraph 81 and 82, particulars of how Mr. Levitt participated in the facts alleged, what he did and with whom, and what was said.

38. With regard to paragraphs 84, 86 and 87 of the Statement of Claim, particulars of:

- a) when and what Mr. Levitt is alleged to have done and who he “contacted at Copeland of the WSJ” with regard to the allegations related to:
 - i. the request that Copeland write an article; and

ii. the direction to Copeland to interview McFarlane.

39. With regard to paragraph 86 and the alleged conversations, if any involved Mr. Levitt, when they occurred, with whom and what was said.

40. With regard to paragraph 87, particulars of what is alleged that Mr. Levitt's involvement was with regard to the allegation in paragraph 87.

41. With regard to paragraph 89, particulars of any information allegedly provided to Copeland and Jack McNish by Mr. Levitt and as well, "any other Conspirators" and if any of the information is alleged to be defamatory, particulars of:

- a) the words spoken or otherwise distributed that are alleged to be defamatory;
- b) the date on which the words were spoken or otherwise distributed;
- c) where the words were spoken or otherwise distributed;
- d) which words were alleged to have been spoken by Mr. Levitt; and
- e) the names of the persons to whom the words were spoken or otherwise published;

42. With regard to paragraph 92, whether the allegations in paragraph 92 of the Statement of Claim relate to the same Article described in paragraph 103 of the Statement of Claim, and if not, particulars of:

- a) the words spoken or otherwise distributed that are alleged to be defamatory;
- b) the date on which the words were spoken or otherwise distributed;
- c) where the words were spoken or otherwise distributed;
- d) which words were alleged to have been spoken by Mr. Levitt; and

- e) the names of the persons to whom the words were spoken or otherwise published; and
- f) what false information is alleged that Mr. Levitt published.

43. With regard to paragraph 93 of the Statement of Claim, particulars of Darryl Levitt's involvement and how he is alleged to have contacted Copeland on August 9, 2017 or to have encouraged Copeland to "release the article near the end of trading day on August 9th".

44. With regard to paragraphs 103 and 11, particulars of:

- a) which words in the Article, aside from those words already pleaded in paragraph 103 that are alleged to be defamatory;
- b) which words were alleged to have been spoken by Mr. Levitt;
- c) copies of the Articles as viewed with a "pay wall" and as viewed by subscribers; however, if already provided pursuant to the Notice to Inspect Documents, advise which Articles they are in the bundle of documents produced.

45. With respect to paragraph 104, particulars of Mr. Levitt's involvement in any of the matters alleged in paragraph 104, and if so, what his involvement was, with whom, what was said, when it was said and to whom.

46. With regard to paragraph 114 (a) with respect to the "tip-offs and previews to selected investors", particulars of Mr. Levitt's participation, efforts and actions, including:

- a) the words spoken or otherwise distributed that are alleged to be defamatory;
- b) the date on which the words were spoken or otherwise distributed;

- c) where the words were spoken or otherwise distributed;
- d) which words were alleged to have been spoken by Mr. Levitt;
- e) the names of the persons to whom the words were spoken or otherwise published; and
- f) what false information is alleged that Mr. Levitt published;

47. With respect to paragraph 115, particulars of Mr. Levitt's alleged participation in the "short attack", as being one of the "each Defendant".

48. With regard to paragraph 116, particulars of what Mr. Levitt is alleged to have said, to whom, when, what was misleading and what was untrue and full particulars of his involvement.

49. With regard to paragraph 117, particulars of the allegations alleged against Mr. Levitt for breaching of the *Securities Act* and what unlawful acts are referred to and particulars of those alleged unlawful acts:

- a) the words spoken or otherwise distributed that are alleged to be defamatory;
- b) the date on which the words were spoken or otherwise distributed;
- c) where the words were spoken or otherwise distributed;
- d) which words were alleged to have been spoken by Mr. Levitt; and
- e) the names of the persons to whom the words were spoken or otherwise published; and
- f) what false information is alleged that Mr. Levitt published;

50. With regard to paragraph 119, particulars of alleged interference with economic relations, including what conduct of Mr. Levitt is alleged, when it occurred, with whom, what economic

relation, including particulars of which investors and how Callidus was harmed and to what extent financially.

51. With regard to paragraph 120, particulars of the unlawful means alleged against Mr. Levitt and what amount is alleged against him with regard to restitution, what amount with regard to disgorgement and what ill-gotten gains are referred to.

52. With regard to paragraph 121 of the Statement of Claim, particulars of how Mr. Levitt is alleged to have:

- a) completely dominated and controlled corporate entities among the Defendants in which the Corporate entities are referred to;
- b) sought to use the Corporate entities among the Defendants to obtain significant personal financial benefits, and which Corporate entities are referred to;
- c) caused Corporate entities within the Defendants to direct wrongful things to be done, and which Corporate entities are referred to;
- d) caused Corporate entities with the Defendants to act as his agent, and which Corporate entities are referred to;
- e) when this occurred; and
- f) the amount of the claim for this conduct alleged against Mr. Levitt.

53. With respect to paragraph 121 of the Statement of Claim, whether Mr. Levitt is alleged to have engaged in conduct involving “malice” and dishonesty and if so, full particulars of the malice and full particulars of the dishonesty.

54. With respect to paragraph 122 of the Statement of Claim, particulars as to the “defamatory and otherwise unlawful conduct...contrary to the best interests of the Corporate entities among the Defendants” alleged to have been carried out by Mr. Levitt, including full particulars of:

- a) the words spoken or otherwise distributed that are alleged to be defamatory;
- b) the date on which the words were spoken or otherwise distributed;
- c) where the words were spoken or otherwise distributed;
- d) which words were alleged to have been spoken by Mr. Levitt;
- e) the names of the persons to whom the words were spoken or otherwise published; and
- f) what false information is alleged that Mr. Levitt published;

55. With respect to paragraph 125, particulars of the unjust enrichment allegations against Mr. Levitt, what amount, how he was unjustly enriched and to whose detriment.

56. With regard to paragraph 127, full particulars of Mr. Levitt’s involvement in the “scheme” and in the “market manipulation” and full particulars of the alleged “scheme” and full particulars of the alleged “market manipulation”, including:

- a) the words spoken or otherwise distributed that are alleged to be defamatory;
- b) the date on which the words were spoken or otherwise distributed;
- c) where the words were spoken or otherwise distributed;
- d) which words were alleged to have been spoken by Mr. Levitt;
- e) the names of the persons to whom the words were spoken or otherwise published; and

f) what false information is alleged that Mr. Levitt published.

57. With regard to paragraph 128, particulars of what conduct of Mr. Levitt was;

- a) high-handed”;
- b) “wilful”;
- c) “wanton”;
- d) “reckless”;
- e) “contemptuous”; and
- f) “contumelious”;

including full particulars of the conduct, including when it occurred, and the names of any other persons alleged to have been involved in this conduct.

58. With regard to paragraph 129, with regard to all of the “sworn statements, emails and other facts and evidence which form the basis on which this Action is based”, full particulars of:

- a) which sworn statements, by whom, and the date of those sworn statements;
- b) a list of the emails, by date, sender and recipient;
- c) Particulars of all of the “other facts” referred to in paragraph 129; and
- d) Particulars of all of the “evidence” referred to in paragraph 129.

May 16th, 2018

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Defendants herein

THE CATALYST CAPITAL GROUP INC. et al.
Plaintiffs

-and-

WEST FACE CAPITAL INC., al.
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