

C A N A D A

PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL

NO: 500-06-001173-216

**SUPERIOR COURT**  
**(Class Actions)**

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**TARIQUE**   


Applicant

v.

**NUVEI CORPORATION**, legal person having its head office at 1100 René-Lévesque Boulevard West, 9<sup>th</sup> floor, City and District of Montreal, Quebec, H3B 4N4

and

**PHILIP FAYER**, CEO, having a place of employment at 1100 René-Lévesque Boulevard West, 9<sup>th</sup> floor, City and District of Montreal, Quebec, H3B 4N4

and

**DAVID SCHWARTZ**, Director, having a place of employment at 100 René-Lévesque Boulevard West, 9<sup>th</sup> floor, City and District of Montreal, Quebec, H3B 4N4

and

[...]

**PRICEWATERHOUSECOOPERS LLP**, legal person having a principal establishment at 1250 René-Lévesque Boulevard West, Suite 2500, City and District of Montreal, Quebec, H3B 4Y1

Defendants

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**AMENDED APPLICATION FOR AUTHORIZATION OF A CLASS ACTION AND FOR  
AUTHORIZATION TO BRING AN ACTION PURSUANT TO SECTION 225.4  
OF THE QUEBEC SECURITIES ACT**

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**TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN  
AND FOR THE DISTRICT OF MONTREAL, YOUR APPLICANT STATES:**

1. The Applicant seeks to institute a class action on behalf of the following class of which he is a member, namely:

**Class:**

All persons and entities who acquired Nuvei Corporation securities on or after September 21, 2020 to December 7, 2021, and held some or all of those securities until after the close of trading on December 7, 2021. Excluded from the Class are the Defendants, the officers and directors of Nuvei, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns.

or any other Class to be determined by the Court.

**I. THE DEFENDANTS**

2. The Defendant, Nuvei Corporation (hereinafter “**Nuvei**”) is a dual-listed U.S. and Canadian roll-up publicly traded corporation on the Toronto Stock Exchange (TSX:NVEI) and on the NASDAQ (NASDAQ:NVEI);
3. Nuvei is a reporting issuer in Quebec and is closely and significantly connected to Quebec for the purposes of Title VIII, Chapter II, Division II of Quebec’s *Securities Act*, CQLR c V-1.1 (the “**QSA**”);
4. Nuvei’s head office is located at 100 René-Lévesque Boulevard West, 9<sup>th</sup> floor, in the City and District of Montreal, province of Quebec, H3B 4N4, as it appears from the Quebec Business Registry, **Exhibit P-1**, as well as Nuvei’s 2020 Annual Report, **Exhibit P-2**;
5. All of Nuvei’s business operations and decision-making take place in the judicial district of Montreal, in the province of Quebec;
6. The Defendant PricewaterhouseCoopers LLP (hereinafter “**PwC**”) was Nuvei’s auditor during the relevant period, as it appears from Nuvei’s 2020 Annual Report (Exhibit P-2). The extract of the Quebec Business Registry for PwC is communicated herewith as **Exhibit P-3**;
7. The remaining Defendants are, respectively, the CEO and CFO of Nuvei and held these positions at the relevant times of the release of the documents

purporting to have contained misrepresentations and omissions (as alleged herein) and they authorized, signed off on, permitted or acquiesced in the release of these documents, such as Nuvei's Supplemented Prep Prospectus (Initial Public Offering and Secondary Offering) dated September 16, 2020, communicated as Exhibit P-7;

## II. THE ISSUES

8. On December 8, 2021, Spruce Point Capital Management LLC published a report titled "*Fool me once, twice, but not three times*", communicated herewith as **Exhibit P-4** (hereinafter the "**Report**");

8.1 Ben Axler, the Founder and Chief Investment Officer of Spruce Point Capital Management LL, authored the Report. Mr. Axler specializes in activist short-selling, forensic financial research, and has exposed over \$1.0 billion of alleged listed frauds on NASDAQ and the NYSE. Prior to founding his company in 2009, Mr. Axler spent eight years as an investment banker with Credit Suisse and Barclays Capital where he structured and executed billions of dollars of financing, derivative risk management, and M&A deals for leading Fortune 500 clients;

9. The Report's allegations and findings – fully incorporated by reference herein to avoid lengthy repetition – notably states the following, Exhibit P-4:

After conducting a forensic financial and accounting review, Spruce Point believes shares of Nuvei Corp. (TSX and Nasdaq: NVEI), a highly promoted payments processing technology company, **has covered up a pattern of business failures, lack of organic growth, and a web of relationships with individuals connected to major Ponzi Schemes and alleged fraudulent activities.** Nuvei claims it was founded in 2003 and its predecessor was Pivotal Payments. However, **conspicuously absent from the narrative is that CEO Phil Fayer operated PaySystems. PaySystems collapsed, leaving aggrieved merchant customers across North America without their money, and multiple claims of fraud by CEO Fayer.** During this time period, we have evidence that **Fayer embellished his educational credentials by falsely claiming he graduated from Concordia University.** Furthermore, Nuvei's CFO's biography fails to disclose he was CFO of FireOne Group, floated on London's AIM exchange, and whose parent disgorged \$19.2m in criminal proceeds. From 2010-2018, we have evidence that Pivotal wasn't growing until a new round of private capital and a shift toward European acquisitions. Now on its third rebrand, Nuvei is reporting remarkable financial success, wildly expanded margins at its European targets, and cash flow after years of operating in the red. **Buyer beware: Nuvei's financial disclosures are weak and we believe results are being temporarily enhanced from concentrated exposure to high risk gaming and eCommerce.**

**Nuvei's EVP of Partnerships was recently referenced in a \$100m fraud and disappeared from the website, along with its Senior Legal Counsel.** In addition, we believe **Nuvei does business with the adult film industry, which could make its stock ownership unpalatable to ESG focused funds.** Nuvei commands a premium valuation, but we believe it should trade at a discount to incorporate our documented concerns. We see 40%–60% downside risk.

10. At all relevant times during the class period, the Defendants made misrepresentations of material facts through affirmative false and/or misleading statements and through their failure to disclose the above. These include misrepresentations giving rise to the Applicant's claims under the QSA;
11. By 10:20 a.m. on December 8, 2021, Nuvei's share price lost more than 50%, as it appears from **Exhibit P-5** and from the Expert report on materiality prepared by Frank C. Torchio, of the firm Forensic Economics, Inc., dated June 30, 2022 communicated as **Exhibit P-8**;
12. The Defendants, based out of and operating from Montreal, Quebec, duped investors, including the Applicant and caused them financial losses. This includes them making misrepresentations and omissions in core documents (such as in their prospectuses, filings and reports, including the annual report filed for demonstration purposes – at this stage – as Exhibit P-2 and in their Supplemented Prep Prospectus (Initial Public Offering and Secondary Offering) dated September 16, 2020, Exhibit P-7;
13. These misrepresentations and omissions (such as doing business with the adult film industry which could make its stock ownership unpalatable to ESG focused funds) were consistently made by Nuvei to the public in several ways, including on its website and in public documents;

### **III. CONDITIONS REQUIRED TO AUTHORIZE THIS CLASS ACTION AND TO APPOINT THE STATUS OF REPRESENTATIVE PLAINTIFF**

#### **A) THE FACTS ALLEGED APPEAR TO JUSTIFY THE CONCLUSIONS SOUGHT:**

14. The Applicant still owns one (1) share of NVEI in his TFSA, which he purchased on the Toronto Stock Exchange ("TSX") on July 29, 2021 for \$105.89, as it appears from his transaction confirmation statement (July 2021) communicated herewith as **Exhibit P-6**;
- 14.1 Between November 8, 2021 and November 24, 2021, the Applicant purchased 920 NVEI shares in his investing account at an average price of \$139.46, as it appears from his transaction confirmation statement (November 2021) communicated as **Exhibit P-9** and the chart below:

<b>Date Executed</b>	<b># of shares</b>	<b>\$ per share</b>	<b>Total</b>
08-Nov-21	850	\$139.53	\$118,599.99
08-Nov-21	25	\$139.63	\$3,490.75
10-Nov-21	30	\$143.51	\$4,305.30
24-Nov-21	15	\$127.22	\$1,908.30
<b>TOTALS:</b>	<b>920</b>		<b>\$128,304.34</b>

15. On December 8, 2021 (the corrective disclosure date) Nuvei's share price lost more than 50% of its value. Prior to this date, the Applicant had no reason to suspect that anything was offside at Nuvei;
16. The Applicant's shares lost more than 50% [...] of their value due to the allegations contained in the Report, as it appears from the expert report on materiality prepared by Frank C. Torchio, of the firm Forensic Economics, Inc., dated June 30, 2022 (Exhibit P-8);
- 16.1 On December 8, 2021, the Applicant sold all of his 920 NVEI shares for \$62.828 per share, realizing a total loss of \$70,501.94, as it appears from his transaction confirmation statement (December 2021) communicated as Exhibit P-10;
17. At the time of his purchase of Nuvei's shares, the Applicant was unaware that Nuvei had made such misrepresentations (and omissions) to the public and to its shareholders;
18. The misrepresentations and omissions appear in core documents, such as Exhibits P-2 and P-7;
19. Nuvei's directors, officers and employees failed to disclose material information regarding Nuvei's business, as required by the *Quebec Securities Act* and other securities laws;
20. Nuvei and the individual Defendants knew, at the time that each of the documents referred to above were released, that they contained a misrepresentation/omission or deliberately avoided acquiring such knowledge at or before that time;
21. As it concerns PwC, the Applicant alleges that PwC should have detected the problems raised in the Report and hereby asserts his claim under section 225.8(3) QSA with respect to Nuvei's annual statements and others financial disclosure documents;
22. The Applicant alleges that PwC is liable in its capacity of an expert whose reports, statements or opinions were included, summarized or quoted from, with its written consent, in Nuvei's documents containing the misrepresentations alleged above;

23. The Applicant is entitled to and hereby does claim damages as a result of Nuvei's (and the other Defendants') misrepresentations and faults on his behalf and on behalf of all class members, including those available under the QSA;

**B) THE CLAIMS OF THE MEMBERS OF THE CLASS RAISE IDENTICAL, SIMILAR OR RELATED ISSUES OF LAW OR FACT:**

24. By reason of Nuvei's and PwC's unlawful conduct, the Applicant and Class members have suffered a prejudice, which they wish to claim;
25. Individual questions, if any, pale by comparison to the common questions that are significant to the outcome of the present Application;
26. **The recourses of the Class members raise identical, similar or related questions of fact or law, namely:**
- a) Are class members entitled to damages and in what amount?
  - b) Did any of the Defendants commit a fault, including under article 1457 C.C.Q.?
  - c) Did the impugned documents contain one or more misrepresentations within the meaning of the QSA?
  - d) Are any of the Defendants liable to Class Members under Title VIII, Chapter II (Division I or Division II) of the QSA?

**C) THE COMPOSITION OF THE CLASS**

27. 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;
28. Nuvei is a large corporation trading on the NASDAQ and on the TSX with an average volume of more than 364,000 shares traded daily;
29. There are likely tens of thousands of class members who can sue in the province of Quebec pursuant to article 3148(1) C.C.Q.;
30. Class members are very numerous and are dispersed across the province, across Canada and elsewhere;
31. These facts demonstrate that it would be impractical, if not impossible, to contact each and every Class member to obtain mandates and to join them in one action;
32. In these circumstances, a class action is the only appropriate procedure for all of the members of the Class to effectively pursue their respective rights and have

access to justice without overburdening the court system;

**D) THE CLASS MEMBER REQUESTING TO BE APPOINTED AS REPRESENTATIVE PLAINTIFF IS IN A POSITION TO PROPERLY REPRESENT THE CLASS MEMBERS**

33. The Applicant requests that he be appointed the status of representative plaintiff for the following main reasons:
- a) He is a member of the Class and has a personal interest in seeking the conclusions that he proposes herein;
  - b) He is competent, in that he has the potential to be the mandatary of the action if it had proceeded under article 91 of the *Code of Civil Procedure*;
  - c) His interests are not antagonistic to those of other Class members;
  - d) He brings this action in good faith.

**IV. NATURE OF THE ACTION AND CONCLUSIONS SOUGHT**

34. The action that the Applicant wishes to institute on behalf of the members of the Class is an action in damages;
35. The conclusions that the Applicant wishes to introduce by way of an originating application are:
1. **ALLOW** the class action of the Plaintiff and the members of the Class against the Defendants;
  2. **GRANT** the Applicant's action against the Defendants in respect of the rights of action asserted against Defendants under Title VIII, Chapter II, Divisions I and II of the QSA and, if necessary, the concordant provisions of the other Securities Legislation, and article 1457 C.C.Q.;
  3. **CONDEMN** the Defendants, solidarily, to pay the Plaintiff and the Class Members damages in an amount to be determined;
  4. **ORDER** that the above condemnation be subject to collective recovery;
  5. **CONDEMN** the Defendants, solidarily, to pay interest and the additional indemnity on the above sums according to law from the date of service of the Application to authorize a class action and **ORDER** that this condemnation be subject to collective recovery;
  6. **ORDER** the Defendants, solidarily, to deposit in the office of this Court the totality of the sums which forms part of the collective recovery, with interest

and costs;

7. [...]

8. **CONDEMN** the Defendants, solidarily, to bear the costs of the present action including the cost of exhibits, notices, the cost of management of claims and the costs of all experts [...], including the costs of experts required to establish the amount of the collective recovery orders;

36. The interests of justice favour that this Application be granted in accordance with its conclusions;

## V. JURISDICTION

37. The Applicant suggests that this class action be exercised before the Superior Court of the province of Quebec, in the district of Montreal, because the Defendants have their domicile in this district (art. 3148(1) C.C.Q.).

### FOR THESE REASONS, MAY IT PLEASE THE COURT:

1. **AUTHORIZE** the bringing of a class action in the form of an originating application in damages;
2. **APPOINT** the Applicant the status of representative plaintiff of the persons included in the Class herein described as:

#### **Class:**

All persons and entities who acquired Nuvei Corporation securities on or after September 21, 2020 to December 7, 2021, and held some or all of those securities until after the close of trading on December 7, 2021. Excluded from the Class are the Defendants, the officers and directors of Nuvei, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns.

or any other Class to be determined by the Court.

3. **IDENTIFY** the principal questions of fact and law to be treated collectively as the following:
  - a) Are class members entitled to damages and in what amount?
  - b) Did any of the Defendants commit a fault, including under article 1457 C.C.Q.?
  - c) Did the impugned documents contain one or more misrepresentations within the meaning of the QSA?



- d) Are any of the Defendants liable to Class Members under Title VIII, Chapter II (Division I or Division II) of the QSA?

4. **IDENTIFY** the conclusions sought by the class action to be instituted as being the following:

1. **ALLOW** the class action of the Plaintiff and the members of the Class against the Defendants;
2. **GRANT** the Applicant's action against the Defendants in respect of the rights of action asserted against Defendants under Title VIII, Chapter II, Divisions I and II of the QSA and, if necessary, the concordant provisions of the other Securities Legislation, and article 1457 C.C.Q.;
3. **CONDEMN** the Defendants, solidarily, to pay the Plaintiff and the Class Members damages in an amount to be determined;
4. **ORDER** that the above condemnation be subject to collective recovery;
5. **CONDEMN** the Defendants, solidarily, to pay interest and the additional indemnity on the above sums according to law from the date of service of the Application to authorize a class action and **ORDER** that this condemnation be subject to collective recovery;
6. **ORDER** the Defendants, solidarily, to deposit in the office of this Court the totality of the sums which forms part of the collective recovery, with interest and costs;
7. [...]
8. **CONDEMN** the Defendants, solidarily, to bear the costs of the present action including the cost of exhibits, notices, the cost of management of claims and the costs of all experts [...], including the costs of experts required to establish the amount of the collective recovery orders;

**ORDER** the publication of a notice to the class members in accordance with article 579 C.C.P., pursuant to a further order of the Court, and **ORDER** the Defendants to pay for said publication costs;

**FIX** the delay of exclusion at sixty (60) days from the date of the publication of the notice to the members, date upon which the members of the Class that have not exercised their means of exclusion will be bound by any judgement to be rendered herein;

**DECLARE** that all members of the Class that have not requested their exclusion, be bound by any judgement to be rendered on the class action to be instituted in the manner provided for by law;

**THE WHOLE** with costs including publication fees and all expert costs.

Montreal, June 30, 2022

*(s) LPC Avocat Inc.*

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**LPC AVOCAT INC.**

Mtre Joey Zukran

Attorney for the Applicant

276 Saint-Jacques Street, Suite 801

Montréal, Québec, H2Y 1N3

Telephone: (514) 379-1572

Telecopier: (514) 221-4441

Email: [jzukran@lpclex.com](mailto:jzukran@lpclex.com)

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PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL

SUPERIOR COURT  
(Class Actions)

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NO: 500-06-001173-216

TARIQUE PLUMMER

Applicant

v.

NUVEI CORPORATION  
and  
PHILIP FAYER  
and  
DAVID SCHWARTZ  
and  
PRICewaterHOUSECOOPERS LLP

Defendants

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**LIST OF EXHIBITS**

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- Exhibit P-1:** Copy of the Quebec Business Registry for Nuvei Corporation;
- Exhibit P-2:** Copy of Nuvei Corporation's 2020 Annual Report;
- Exhibit P-3:** Copy of Quebec Business Registry for PwC;
- Exhibit P-4:** Copy of the Spruce Point Capital Management LLC report titled "*Fool me once, twice, but not three times*", dated December 8, 2021;
- Exhibit P-5:** Screen capture from December 8, 2021 of Nuvei's stock price;
- Exhibit P-6:** Copy of Applicant's transaction confirmation statement for his TFSA for July 2021;
- Exhibit P-7:** Copy of Nuvei's Supplemented Prep Prospectus (Initial Public Offering and Secondary Offering) dated September 16, 2020;
- Exhibit P-8:** Expert report on materiality prepared by Frank C. Torchio, of the firm Forensic Economics, Inc., dated June 30, 2022;

**Exhibit P-9:** Copy of Applicant's transaction confirmation statement for November 2021;

**Exhibit P-10:** Copy of Applicant's transaction confirmation statement for December 2021.

Montreal, June 30, 2022

*(s) LPC Avocat Inc.*

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**LPC AVOCAT INC.**

Mtre Joey Zukran

Attorney for the Applicant

276 Saint-Jacques Street, Suite 801

Montréal, Québec, H2Y 1N3

Telephone: (514) 379-1572

Telecopier: (514) 221-4441

Email: [jzukran@lpclex.com](mailto:jzukran@lpclex.com)