

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**BETWEEN**

BOB BRIGAITIS and CINDY RUPERT

Plaintiffs

and

IQT, LTD., c.o.b. as IQT SOLUTIONS, IQT SOLUTIONS, IQT CANADA, LTD., JDA PARTNERS LLC, IQT, INC., ALEX MORTIMAN, DAVID MORTIMAN, JOHN FELLOWS, RENAE MARSHALL, and BRAD RICHARDS

Defendants

Proceedings under the *Class Proceedings Act, 1992*, S.O. 1992, c.6

**STATEMENT OF CLAIM**

(Notice of Action issued August 16, 2011)

**OVERVIEW**

1. This is an action brought under the *Class Proceedings Act, 1992*, S.O. 1992, c. 6 to recover damages due to, *inter alia*, the wrongful dismissal of approximately 600 employees of the defendant IQT, Ltd.
2. On July 15, 2011, employees of IQI, Ltd. arrived at their place of work, a marketing communications centre (customer call centre) in Oshawa, Ontario, and were told that their employment was terminated as of that date. They were also informed that they would not be receiving pay-in-lieu of notice, severance, or outstanding wages and remuneration owed to them.

### THE RELIEF SOUGHT

3. The plaintiffs claim on their own behalf, and on behalf of the members of the class, against the defendants for:

- (a) An order certifying this action as a class proceeding and appointing them representative plaintiffs of the class;
- (b) A declaration that the defendants wrongfully dismissed all employees of IQI, Ltd. in Ontario and that the class members are entitled to reasonable notice or pay in lieu of notice, including payment for all outstanding pay, vacation pay, bonuses, benefits and severance pursuant to sections 54, 57, 58, 60, 61, 62, 63, 64 and 66 of the *Employment Standards Act, 2000*, S.O. 2000, c.41 (“ESA”);
- (c) A declaration that all employees of IQI, Ltd. who filed claims under s. 96 of the ESA to the Ministry of Labour be granted leave to participate as members of the class despite s. 97;
- (d) A declaration that IQI, Ltd., IQI Canada, Ltd., JDA Partners LLC, IQI, Inc. and the affiliated directors, officers, shareholders, and/or members form one economic unit or one group enterprise and are therefore jointly and severally liable for all damages arising out of the wrongful dismissal of all employees of IQI, Ltd. in Ontario;
- (e) A declaration that the defendants intentionally breached the ESA;
- (f) A declaration that IQI, Ltd., IQI Canada, Ltd., JDA Partners LLC, and IQI Inc. conspired together to wrongfully dismiss the employees of IQI, Ltd. in Ontario and strip IQI, Ltd. of its revenues and assets.
- (g) A declaration that the directors, officers, and/or shareholders of IQI, Ltd. intentionally interfered with the contractual relationships between IQI, Ltd. and its employees in Ontario;
- (h) A declaration that the directors, officers, and/or shareholders of IQI, Ltd. were negligent;

- (i) A declaration that the plaintiffs and other members of the class are complainants within the meaning of section 245 of the *Business Corporations Act*, R.S.O. 1990, c. B.16 ("OBCA"), and that the directors and shareholders of IQT, Ltd. have engaged in oppressive conduct within the meaning of s. 248 of the OBCA as hereinafter particularized;
- (j) Damages in the amount of \$20 million for wrongful dismissal and outstanding wages, vacation pay, bonuses and benefits;
- (k) Aggravated damages in the amount of \$5 million dollars;
- (l) Punitive damages in the amount of \$5 million dollars;
- (m) Pre-judgment interest pursuant to s. 128 of the *Courts of Justice Act*, R.S.O. 1980, c. 43;
- (n) Costs of this action on a substantial indemnity basis;
- (o) Such further and other relief as this Honourable Court deems just.

## **PARTIES**

### **The Plaintiffs**

- 4. The plaintiff, Bob Brigaitis, resides in Oshawa, Ontario. At all materials times he was an employee and operations manager of IQT, Ltd.
- 5. The plaintiff, Cindy Rupert, resides in Oshawa, Ontario. At all materials times she was an employee and operations manager of IQT, Ltd.

### **The Defendant Companies**

- 6. The defendant IQT, Ltd. is a corporation incorporated under the laws of Ontario, carrying on business as IQT Solutions, and operates a marketing communications centre (customer call centre) located at 199 Wentworth Street East in Oshawa, Ontario. IQT, Ltd. was the employer of all employees at the Oshawa call centre on July 15, 2011. At that time, John

Fellows, David Mortman, Alex Mortman, Renae Marshall and Brad Richards were the officers and directors of IQI, Ltd. As of July 15, 2011, the shareholders of IQI, Ltd. were JDA Partners, LLC and/or in addition, IQI, Inc., John Fellows, David Mortman and Alex Mortman.

7. The defendant IQI Canada, Ltd. is a corporation incorporated under the laws of Ontario, and located at 199 Wentworth Street East in Oshawa, Ontario. As of July 15, 2011, John Fellows, David Mortman, Alex Mortman, and Renae Marshall were the officers and directors of IQI Canada, Ltd. At that time, the shareholders of IQI Canada, Ltd. were JDA Partners, LLC, IQI, Inc. and/or in addition, John Fellows, David Mortman and Alex Mortman.
8. The defendant JDA Partners, LLC ("JDA") is a limited liability company organized under the laws of the state of New York, U.S.A., and operates a boutique investment banking firm located at 100 Park Avenue, Suite 1600, New York, New York, U.S.A. At all material times, JDA was in complete control of the business activities of IQI, Ltd and IQI Canada, Ltd. (hereinafter the "Canadian companies"). The owners, members, agents, and/or employees of JDA Partners, LLC are John Fellows, David Mortman, Alex Mortman.
9. The defendant IQI, Inc. is a corporation incorporated under the laws of the state of Delaware, U.S.A., and is located at 100 Park Avenue, Suite 1600, New York, New York, U.S.A. If JDA was not in complete control of the Canadian companies at all material times, then alternatively IQI, Inc. was. The officers and directors of IQI, Inc. are John

Fellows, David Mortman and Alex Mortman. The shareholders of IQI, Inc. are John Fellows, David Mortman, Alex Mortman and/or JDA.

10. IQI, Ltd., IQI Canada, Ltd., JDA, and IQI, Inc. will be referred to collectively as the “defendant companies”.

**The Defendant Companies’ Officers, Directors, Shareholders and Owners**

11. The defendant Alex Mortman is a resident of the city of New York in the state of New York and was at all material times an officer, director, shareholder and owner of the defendant companies as hereinbefore described.
12. The defendant David Mortman is a resident of the city of New York in the state of New York and was at all materials times an officer, director, shareholder and owner of the defendant companies as hereinbefore described.
13. The defendant John Fellows is a resident of Flower Mound, Texas, and was at all material times an officer, director, shareholder and owner of the defendant companies as hereinbefore described.
14. The defendant Renae Marshall is a resident of Nanoose Bay, British Columbia and was at all material times a director of the Canadian companies.
15. The defendant Brad Richards is a resident of Littleton, Colorado and was at all materials times an officer and the Chief Financial Officer of the IQI, Ltd.

6. The plaintiffs state that the officers and directors of IQT, Ltd., its shareholders, members, and defendant companies were operating IQT, Ltd. as one economic unit and as one group enterprise, such that all defendants are jointly and severally liable for all damages arising out of the wrongful dismissal of IQT's Ontario employees.

#### **CLASS DEFINITION**

17. The plaintiffs bring this action pursuant to the *Class Proceedings Act, 1992*, S.O. 1992, c. 6 on behalf of the following (the "class members"): All persons who were employees of IQT, Ltd. whose employment in Oshawa, Ontario, was terminated on July 15, 2011, exclusive of its directors and officers.

#### **FACTS SUPPORTING THE CLASS MEMBERS' CLAIM AGAINST THE DEFENDANTS**

18. On July 15, 2011, the plaintiffs and other class members arrived at their workplace, located at 199 Wentworth Street in Oshawa, Ontario. After working for approximately 2 hours, the plaintiffs and other operations managers were informed by Clyde Haggart, the site director, and himself an employee of IQT, Ltd., that their employment was terminated, that they would not be receiving their final paycheques, severance, or vacation pay, and that their benefits were also to be discontinued. The operations managers then relayed that information to the rest of the employees.
19. Prior to this date, the plaintiffs and other class members had last been paid on July 1, 2011.

20. IQI, Ltd. and/or the defendant companies had a service agreement with Bell Canada in which IQI, Ltd. would supply employees for Bell Canada's call centre and in exchange Bell Canada would pay a monthly or bi-monthly fee to IQI, Ltd., and/or the defendant companies (the "master sales agreement").
21. At no time prior to aforementioned events, did the plaintiffs or other class members receive notice of the termination of their employment.
22. Since July 15, 2011, neither the plaintiffs nor other class members have received pay in lieu of notice, outstanding wages owed to them, severance or vacation pay.
23. As a result of the unexpected termination of their employment, the plaintiffs and other class members found themselves unemployed, outstanding wages and vacation pay, pay in lieu of notice and/or severance pay. They also found themselves without group insurance benefits.

#### **FACTS REGARDING THE DEFENDANT COMPANIES**

24. IQI, Inc. was incorporated in the state of Delaware on or about September 3, 2008. Since that time, the company has operated a business providing customer relationship management services and e-commerce solutions for corporations in the technology and telecommunications industries.
25. As of June 22, 2011, IQI, Inc.'s officers consisted of Alex Mortman, as president, and the directors of the company were Alex Mortman, David Mortman, and John Fellows. Prior to this date, however, according to certificates of designation of IQI, Inc. signed on

September 25, 2008 and October 15, 2009, John Fellows was president of IQT, Inc., and Alex Mortman was its secretary

26. On or about September 16, 2008, IQT Canada, Ltd. was incorporated in the province of Ontario. John Fellows was named the company's chief executive officer ("CEO"), president, and a director. Renae Marshall was named a director. David Mortman was named its treasurer and a director, and Alex Mortman was named the company's secretary and was also a director.
27. IQT, Inc. completed the acquisition of Durham Contact Centre Limited, a corporation incorporated in the province of Ontario ("Durham"), on or about October 22, 2008. Prior to its acquisition by IQT, Inc., Durham operated call centres in Oshawa and Trenton, Ontario, as well as call centres in Quebec. Their primary client was Bell Canada. As part of the acquisition, employees of Durham continued to be employed by IQT as successor employees.
28. On or about November 27, 2008, Durham changed its corporate name to IQT, Ltd. and shortly thereafter registered a business name as IQT Solutions. Since approximately that time, all paycheques issued to the class members were signed by IQT, Ltd.
29. As of October 15, 2008, John Fellows was named CEO, president, and a director of Durham whose name was later changed to IQT, Ltd, as hereinbefore described. Similarly, and on that same date, Renae Marshall was named director; David Mortman was named director and treasurer; Alex Mortman was named director and secretary; and Brad Richards was named chief financial officer.



30. JDA Partners, LLC is a limited liability company that was organized under the laws of the state of New York on or about July 31, 2000. John Fellows, David Mortman and Alex Mortman are co-founders, members, owners, agents and/or managing directors of JDA.
  
31. The defendant companies, including JDA, operate, or operated as the case may be, as one economic unit or a single group enterprise as follows:
  - (a) Each of the four companies is a parent or subsidiary of the others or is an affiliate of the others;
  - (b) Each of the four companies is the agent of the others;
  - (c) All four companies have at least three common directors, officers, members and/or owners in John Fellows, David Mortman, and Alex Mortman;
  - (d) Three of the four companies have common directors and officers;
  - (e) Three of the four companies operate under the same or similar name;
  - (f) The defendant companies carry on business jointly and are operated as one economic unit or one economic enterprise;
  - (g) The defendants held themselves as forming a part of the JDA group of companies;
  - (h) At all material times JDA and/or IQT, Inc. had complete control over the operations of IQT, Ltd.
  
32. While IQT, Ltd. had signing power over all paycheques issued to the class members, all of the corporate defendants are collectively liable to the plaintiffs because of their operation as one economic unit or a single group enterprise. Each company is vicariously liable for the acts and omission of the others.

33. As one economic unit or single group enterprise, each defendant company acted as the agent for the other.

34. In addition or alternatively, David Mortman, Alex Mortman, John Fellows, Brad Richards, and Renae Marshall are the controlling shareholders, owners and/or directing minds of IQT, Ltd and should be held liable for the acts and omissions of IQT, Ltd.

because:

- (a) They exercised complete control over IQT, Ltd;
- (b) IQT, Ltd. had no independent decision making power and all decisions were made by the individually named defendants;
- (c) They interfered with the economic relationship between IQT, Ltd. and its employees such that they induced a breach of the implied and actual employment contracts between the class members and IQT, Ltd ;
- (d) They negligently diverted assets away from IQT, Ltd. such that all compensation owing to the class members were retained by IQT, Ltd;
- (e) They engaged in oppressive conduct against the employees, creditors of IQT, Ltd., within the meaning of s. 248 of the OBCA.

## **PLAINTIFFS' INDIVIDUAL CIRCUMSTANCES**

### **Bob Brigaitis**

35. Bob Brigaitis began working at the predecessor company of IQT, Ltd. on August 12, 2002 as a front line tech support agent in Trenton, Ontario. In January 2003, he was promoted to supervisor of the tech support line – a position he held until October 10, 2007.

36. From October 10, 2007 to February 25, 2011, Mr. Brigaitis worked for Durham and maintained his employment as an operations manager in Trenton, Ontario, as a successor employee when Durham was acquired by IQI, Inc.
37. At a time prior to February 25, 2011, Mr. Brigaitis, as well as other employees working at the Trenton office, received notice from IQI, Ltd. that they would be shutting down their operations in Trenton, Ontario, and that employees would be transferred to Oshawa in the same role.
38. From February 25, 2011 until July 15, 2011, Mr. Brigaitis was an operations manager in Oshawa. As operations manager, he supervised approximately 120 agents in Oshawa who received phone calls from Bell Canada customers who had concerns about their internet billing.
39. On or about May 9, 2011, Mr. Brigaitis received an e-mail indicating that IQI, Ltd. would be discontinuing its services with Automatic Data Processing (“ADP”), which provided payroll services to IQI, Ltd. and its employees.
40. After this email was sent, ADP was taken offline and there was nothing in place for IQI, Ltd. agents to track their time. Pay stubs continued to indicate ADP as a payroll provider, but in or about June, 2011, Mr. Brigaitis and other employees ceased getting paid through direct deposit. Instead, the employees received manual cheques with no paystub until on or about July 1, 2011, when class members received a direct deposit from ADP.

1. On or about Friday, June 10, 2011, Mr. Brigaitis partook in a conference call in which Alex Mortman announced that as of June 13, 2011 (the following Monday), Mr. Brigaitis' team would be making "outbound" calls to Bell Canada customers instead of receiving "inbound" phone calls from them.
  
42. Around the time that the announcement by Alex Mortman came that IQT, Ltd. would switch from inbound call services to outbound calling, Mr. Brigaitis was told that Stream Global Services, Inc. ("Stream"), a competitor in the customer call centre industry in Ontario, was expanding and that it would begin taking inbound calls from Bell Canada customers.
  
43. On July 15, 2011, Mr. Brigaitis was told by Clyde Haggart, site director of IQT, Ltd. in Oshawa, that his employment and that of everyone in the Oshawa office was terminated immediately and that he and the rest of the employees would not be receiving outstanding paid owed, vacation pay, severance, or pay in lieu of notice, nor would their benefits be continued. Mr. Brigaitis then informed the employees under his supervision of this news.
  
44. At the time of the termination of his employment, Mr. Brigaitis had a yearly salary of \$53,500 plus benefits, he had been an employee of IQT, Ltd., and its predecessors for almost 8 years and 11 months, was in a supervisory role for approximately 8 years and 7 months, and in a managerial role for approximately 3 years and 9 months.
  
45. As a consequence of the hereinbefore described events, Mr. Brigaitis has suffered general damages for lost wages, reasonable notice, vacation pay, severance, benefits and

aggravated damages resulting from the emotional distress associated with having his employment terminated without notice.

**Cindy Rupert**

46. Cindy Rupert began her career as a front line call centre agent at the Oshawa location of Durham on April 9, 2007. She soon became a supervisor and maintained that position when IQI, Inc. acquired Durham in 2008.
47. Ms. Rupert became operations manager in January 11, 2009, at the Oshawa office and was responsible for approximately 140 agents and 6 supervisors who received inbound calls from Bell Canada customers regarding their household billing services.
48. Ms. Rupert and the employees under her supervision also experienced the issues regarding pay stubs, change of operations from inbound to outbound calling and termination of employment on July 15, 2011, as particularized above.
49. At the time of the termination of her employment, Ms. Rupert had a yearly salary of \$40,000 plus limited benefits; she had been an employee of IQI, Ltd., and its predecessor for approximately 4 years and 3 months, was in a supervisory role for approximately 3 years and 9 months, and in a managerial role for approximately 2 years and 7 months.
50. As a consequence of the hereinbefore described events, Ms. Rupert has suffered general damages for lost wages, reasonable notice, vacation pay, severance, benefits and aggravated damages resulting from emotional distress she suffered after her employment was terminated so unexpectedly.

## CAUSES OF ACTION

### Wrongful Dismissal

51. The plaintiffs claim that IQI, Ltd. breached the actual and implied employment contracts it had with the plaintiffs and other class members in that:

- (a) It failed to provide the class members with reasonable notice prior to termination;
- (b) It failed to provide the plaintiff with compensation in lieu of notice;
- (c) It failed to compensate for outstanding wages and vacation pay;
- (d) It failed to compensate for severance;
- (e) It withheld compensation owed to the class members in lieu of benefits and bonuses denied to them by reason of the termination;
- (f) It did not, in any event, have just cause to terminate the class members.

52. The plaintiffs claim that the defendant companies are common employers of the class members since they were operating as one economic unit or one economic group in relation to the operation of IQI, Ltd. Effective control of IQI, Ltd. therefore resided in the various defendant companies which are all ultimately owned and controlled by David and Alex Mortman and John Fellows. The defendant companies are therefore all liable to the class members for all damages flowing from their wrongful dismissals.

### Conspiracy

53. The plaintiffs claim that IQI Canada Ltd., IQI, Inc., and/or JDA Partners LLC conspired to unlawfully terminate the employment contracts between IQI, Ltd. and the class members.

4. During and around the period of May 2011 to July 15, 2011, IQT Canada Ltd., IQT, Inc., and/or JDA Partners LLC, by their directors, officers and owners and shareholders, unduly, unlawfully, maliciously, and lacking *bona fides*, conspired and agreed together, the one with the other to:

- (a) terminate the employment contracts between the class members and IQT, Ltd.;
- (b) Withhold outstanding pay, pay in lieu of notice, vacation pay, severance, and benefits; and
- (c) Strip IQT, Ltd. of substantially all of its assets.

55. The defendants were motivated to conspire, and the predominant purposes and predominant concerns were to cease the business operations of IQT, Ltd. without incurring costs that were to be lawfully paid by the defendants.

56. The conspiracy was unlawful because the defendants knowingly caused the employment to be terminated without giving the class members reasonable notice, pay-in-lieu of notice, severance, and/or benefits owed in contravention of the ESA and the actual and implied employment contracts between IQT, Ltd. and its employees. The defendants knew that such conduct would more likely than not cause harm to the plaintiffs.

57. The acts in furtherance of the conspiracy caused injury and loss to the plaintiffs and other class members in that they did not receive pay for wages and remuneration owed to them as of July 15, 2011. They also did not receive pay-in-lieu of notice, benefits, vacation pay and/or severance as lawfully required under the ESA.

58. The acts particularized and alleged in this claim to have been done by each of the corporate defendants were authorized, ordered and done by each of the defendant directors, officers, shareholders, and/or owners acting in concert with the defendant companies and are therefore acts and omissions for which the defendants are jointly and severally liable as joint tortfeasors.

### **Inducing Breach of Contract**

59. The plaintiffs allege that the individually named defendants, as hereinbefore described, knew of the employment contract in existence between IQT, Ltd. and the plaintiffs and other class members.

60. By exercising their control over the defendant companies, the individually named defendants interfered with, by persuasion, inducement or procurement or by any other means the defendant companies' ability to fulfil their obligations under the employment contracts and ESA to the detriment of the class members.

61. There was a breach of the employment contracts attributable to such acts or interference by the individually named defendants and damages were occasioned thereby.

62. The individually named defendants indirectly induced the breach of the employment contracts by wrongfully stripping IQT, Ltd. and other defendant companies of all assets such that the companies could not pay their obligations to the class members in breach of the ESA and the employee contract.



63. All actions taken by the individually named defendants to induce the breach of contract was not done for a *bona fide* purpose but instead for an ulterior motive.
64. Specifically the individually named defendants:
- (a) Knew or ought to have known that the master sales agreement with Bell Canada was going to be terminated;
  - (b) Knew or ought to have known that upon the termination of the master sales agreement, IQI would no longer be receiving revenues from Bell Canada;
  - (c) Knew or ought to have known that without revenues from Bell Canada, IQI's operations, and therefore the Oshawa employment contracts, would be terminated;
  - (d) Directed that IQI's assets be divested not for any *bona fide* purpose, but for the purpose of avoiding their obligations under the employment contracts and/or the ESA;
65. The individually named defendants were aware of the terms of the employment contract and the defendant companies' obligations when the employment contract would terminate. The manner in which the employment contracts terminated was unlawful and constitutes an intentional interference with economic relations between the plaintiffs and other class members and the defendant companies.

### **Oppression Remedy**

66. Pursuant to s. 245(c) of the OBCA, the plaintiffs and class members are complainants in their capacity as wrongfully dismissed employees of the defendant companies.
67. Pursuant to s. 248 of the OBCA, the plaintiffs and class members apply for relief under s. 248(3) from the individually named defendants' oppressive conduct on the grounds that

the individually named defendants, except Brad Richards, are directors of IQT, Ltd and exercised their powers in a manner that was unfairly prejudicial to the plaintiffs and class members.

68. The fundamental expectation of the class members was that the defendants had made a commitment to them, namely that they would maintain employment with IQT, Ltd., and that should their employment terminate, it would be done in accordance with the employment contract or alternatively, the ESA. The expectation of such a commitment was within the range of reasonable expectations objectively aroused by the conduct of the defendants.
69. Additionally, the plaintiffs and class members also had a reasonable expectation that if and when IQT, Ltd. ceased operations in Oshawa, it would have been able to provide reasonable notice of such, and if not, it would have been left with sufficient assets to satisfy the outstanding pay, pay in lieu of notice, severance and benefits owed to the class members.
70. The individually named defendants exercised their power in manner that unfairly disregarded the interests of the class members in that they:
  - (a) Stripped IQT, Ltd. of substantially all of its remaining assets prior to the termination of employment of the class members;
  - (b) Did not disclose to the employees that the master sales agreement between IQT, Ltd., and Bell Canada was being terminated;
  - (c) Interfered with the contractual relationship between the class members and IQT, Ltd.;

71. The benefit of removing these funds from IQI, Ltd.'s business accrued to the directors of IQI, Ltd. through indirect shareholdings held through the various small, closely held, and related companies with similar, if not identical, controlling directors and owners.
72. As a result, the plaintiffs state that the directors and shareholders of IQI, Ltd. should be held personally liable for the oppressive conduct of the defendant companies.

### **Negligence**

73. The individually named defendants, as officers and directors and shareholders of IQI, Ltd. owed a duty of care to the plaintiffs and other class members to ensure that if and when business operations of IQI, Ltd. ceased, the employees of IQI, Ltd. would be terminated in accordance with the implied and actual employment contracts and/or under the provisions of the ESA.
74. There is sufficient proximity between the individually named defendants and the plaintiffs and other class members to establish a duty of care because:
  - (a) They were at all times the controlling minds of IQI, Ltd.;
  - (b) It was reasonable for the plaintiffs and other class members to expect that the individually named defendants had adequately retained assets for IQI, Ltd., such that it could meet its financial obligations to its employees pursuant to the employment contracts;
  - (c) The individually named defendants had a duty to ensure that the defendant companies complied with the relevant provisions of the ESA for the compensation of wages, vacation pay, notice, benefits and severance where an employee was dismissed without cause;

- (d) The plaintiffs and other class members were vulnerable to any failure on the part of the defendant companies to ensure that sufficient assets existed to meet the financial obligations under the employment contracts and/or the ESA.

75. The individually named defendants failed in their duty as set out below:

- (a) They knew or ought to have known that the master sales agreement was being terminated and that they would need to give notice to employees or pay-in-lieu of notice in order to compensate employees pursuant to the ESA for pay, vacation pay, and benefits.
- (b) They stripped IQT, Ltd. of all of its assets prior to July 15, 2011, with the knowledge described in the paragraph above.

76. The individually named defendants also breached their duty under the OBCA, s. 134, to act honestly and in good faith and to exercise care, diligence and skill of a reasonably prudent person in exercising their powers as officers and directors of the defendant companies

## **REMEDIES**

77. The plaintiffs and each member of the class have suffered damages and loss as a result of the defendant companies' wrongful dismissal and conspiracy to do so, and the individually named defendants' interference with economic interests, oppressive conduct and negligence as particularized above.

78. The plaintiffs plead that they and other members of the class are entitled to recover outstanding pay and vacation pay, pay-in-lieu of reasonable notice, compensation for benefits during that notice period, and severance pay, together with interest.

79. In addition, the plaintiffs and class members have also sustained aggravated damages consisting of mental distress, inconvenience, and psychological injury as a result of having their employment terminated without any notice whatsoever.

### **Punitive Damages**

80. The plaintiffs and other class members state that the conduct of the defendants, including the manner of dismissal, was high-handed, outrageous, reckless, wanton, entirely without care, deliberate, callous, disgraceful, willful, actuated by malice and was with intentional disregard of the plaintiffs and other class members' rights, indifferent to the consequences and motivated by economic considerations.
81. Because of the conduct of the defendants outlined above, this is an appropriate case for an award of punitive damages.
82. The plaintiffs plead and rely upon the provisions of the *Employment Standards Act, 2000*, S.O. 2000, c. 41, the *Business Corporations Act*, R.S.O. 1990, c. B-16, and the *Negligence Act*, R.S.O. 1990, c. N.1.

### **Venue**

83. The plaintiffs request that this action be tried in the City of Toronto.

### **Service of this Claim Outside of Ontario**

84. Pursuant to Rule 17.04(1), the plaintiffs plead and rely on Rules 17.02(f), 17.02(g), 17.02(h), 17.02(o) and 17.02(p) of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, in support of service of the Statement of Claim outside of Ontario without a court order.

Date: September 15, 2011

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-and- **IQI, LTD., IQI CANADA, LTD. ET AL.**

**Plaintiffs**

**Defendants**

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**STATEMENT OF CLAIM**

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