

CANADA

PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL

NO: 500-06-000571-113

(Class Action)  
SUPERIOR COURT

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**A. SANDERSON**

*Petitioner*

-vs.-

**DE BEERS CANADA INC.**, legal person duly incorporated, having its head office at 333 Bay Street, Suite 2400, Toronto, Ontario, M5H 2T6

and

**DE BEERS S.A.**, legal person duly incorporated, having its head office at 9 rue Sainte Zithe, L-2763, Luxembourg, Luxembourg

and

**DE BEERS CONSOLIDATED MINES, LTD.**, legal person duly incorporated, having its head office at 17 Charterhouse Street, London, EC 1N 6RA, United Kingdom

and

**DE BEERS CENTENARY A.G.**, legal person duly incorporated, having its head office at Lagensandstrasse 27, CH-6000, Lucerne, Switzerland

and

**DB INVESTMENTS, INC.**, legal person duly incorporated, having its head office at 9 rue Sainte Zithe, L-2763, Luxembourg, Luxembourg

and

**DIAMOND TRADING COMPANY LIMITED.**, legal person duly incorporated, 17 Charterhouse Street, London, EC 1N 6RA, United Kingdom

and

**CSO VALUATIONS A.G.**, legal person duly incorporated, having its head office at 17 Charterhouse Street, London, EC 1N 6RA, United Kingdom

and

**CENTRAL HOLDINGS LTD.**, legal person duly incorporated, having its head office at 9 rue Sainte Zithe, L-2763, Luxembourg, Luxembourg

*Respondents*

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**MOTION TO AUTHORIZE THE BRINGING OF A CLASS ACTION  
&  
TO ASCRIBE THE STATUS OF REPRESENTATIVE  
(Art. 1002 C.C.P. and following)**

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TO ONE OF THE HONOURABLE JUSTICES OF THE SUPERIOR COURT,  
SITTING IN AND FOR THE DISTRICT OF MONTREAL, YOUR PETITIONER  
STATES AS FOLLOWS:

**I. GENERAL PRESENTATION**

**A) THE ACTION**

1. Petitioner wishes to institute a class action on behalf of the following group, of which she is a member, namely:
  - all residents in Canada who purchased any Gem Diamond or purchased any products which contain a Gem Diamond since January 1<sup>st</sup> 1994 through to the present, or any other group to be determined by the Court;

Alternately (or as a subclass)

- all residents in Quebec who purchased any Gem Diamond or purchased any products which contain a Gem Diamond since January 1<sup>st</sup> 1994 through to the present, or any other group to be determined by the Court;
2. “Gem Diamonds” are natural diamonds (as opposed to synthetic) of such colour, clarity, and quality that it has been or could be used in diamond jewellery, as distinguished from a diamond used for industrial purposes. Gem Diamonds are mined from the earth as rough stone, cut, polished, and often used with other finishing to make jewellery;
  3. For decades, the Respondents have possessed monopolistic power in the diamond industry and have used this power to artificially restrain trade and increase the price of diamonds by controlling inventory, limiting supply, restricting purchase, and falsely advertising the scarceness of diamonds;
  4. By reason of this unlawful conduct, the Petitioner and the members of the class have paid higher prices for Gem Diamonds and products containing Gem Diamonds than they would have paid in a competitive market, causing damages upon which they wish to claim;

## **B) THE RESPONDENTS**

5. DB Investments, Inc. (“DBI”) is a Luxembourg company. DBI owns De Beers S.A. (“DBSA”);
6. DBSA is a Luxembourg company. DBSA owns De Beers Consolidated Mines, Ltd. (“DBCM”) and De Beers Centenary A.G. (“DBCAG”);
7. De Beers Canada Inc. (“DB Canada”) is a Canadian company. DB Canada is a subsidiary of DBSA;
8. DBCM is a Republic of South Africa company. DBCM represents and owns De Beers South African assets;
9. DBCAG is a Switzerland company. DBCAG represents and owns De Beer’s assets in the rest of the world;
10. As a result of a going private transaction in 2001, DBI owns DBSA and DBSA in turn owns DBCM and DBCAG. DBI, DBSA, DBCM, and DBCAG, together with their subsidiaries (including DB Canada), refer to themselves collectively as the “De Beers Group”;

11. Central Holdings Limited (“CHL”) is a Luxembourg investment holding company. CHL owns an effective 45% interest in the De Beers Group by virtue of direct and indirect stockholdings in DBI;
12. Diamond Trading Company (“DTC”) is a United Kingdom company. It is the marketing arm of the De Beers Group;
13. CSO Valuations A.G. (“CSOV”) is a Switzerland company;
14. Before 2000, the De Beers Group distributed diamonds through an entity called the “Central Selling Organization” (“CSO”). It is believed that CSOV is that entity. In 2000, DTC replaced CSO as the diamond marketing arm of the De Beers Group;

## AGENTS

15. Respondents’ conduct was authorized, ordered, or done by Respondents’ officers, agents, employees, or representatives while actively engaged in the management, direction, control, and operations of their respective business affairs;
16. Each Respondent acted as the principal agent or for other Respondents with respect to the acts, violations, and common course of conduct as alleged herein;

## **C) THE SITUATION**

### BACKGROUND

17. A diamond is a carbon crystalline form. Diamond is the hardest substance occurring in nature. Rough diamonds are diamonds mined from the ground. After cutting, polishing, and other finishing, rough diamonds become polished diamonds valued and based upon their weight, beauty, colour, cut, clarity, and other characteristics. Diamonds are sold in their polished form to purchasers who incorporate them into jewellery and other products for resale;
18. The Respondents are the source of most diamonds in the world. They control about two-thirds of the world’s supply of diamonds and an even greater percentage of diamonds in larger sizes (i.e. two-carat and bigger);
19. The approximately one-third of the diamond market that the Respondents do not control is highly fragmented. The willingness of other rough diamond producers to compete with the Respondents is restrained by the fact that a significant portion of their output is sold under contract to the De Beers Group. Similarly, the willingness of polished diamond manufacturers to

compete with the Respondents is restrained by the fact that rough diamonds are the essential raw material they need to stay in business and the De Beers Group is the predominant source of a reliable supply of rough diamonds;

20. The Respondents have had no problem publicly acknowledging that their control over the diamond industry constitutes an illegal cartel that violates antitrust laws. As Nicky Oppenheimer, Chairman of the De Beers Group, was quoted as telling Harvard Business School alumni in Cape Town:

"In your eyes, I must be the devil incarnate, the Antichrist. For I am chairman of De Beers, a company that likes to think of itself as the world's best-known and longest-running monopoly. We make no pretence that we are not seeking to manage the diamond market, to control supply, to manage prices and to act collusively with our partners in the business." (Victor Mallet, "Rock Hard Beneath the Old Charm", Financial Times, October 18, 1999.);

21. The Respondents' control over the diamond industry through agreements with other producers began more than a century ago. In 1890, DBCM signed a sales contract with the newly formed London Diamond Syndicate, which agreed to purchase the entire production from all its mines, thereby foreclosing the market to others. In 1930, this Syndicate became the Diamond Corporation which, in turn, formed the basis for the CSO that functioned as the Respondents' marketing arm until DTC was substituted for the same role in 2000;

#### UNLAWFUL INTERFERENCE WITH ECONOMIC INTERESTS

22. The De Beers Group's cartel consists of the following:

- a) All major producers agree to sales of rough diamonds through a single channel i.e. the CSO or DTC;
- b) Each producer agrees on a pro-rata share, or quota, of CSO or DTC sales;
- c) De Beers Group finances stockpiles of rough diamonds;
- d) De Beers Group maintain the price structure through agreements with "sightholders" (as described below);

23. Worldwide sales of rough diamonds in 1998 were approximately \$8.4 billion. Rough diamond production in 1998 was approximately \$6.8 billion. The \$1.6 billion difference between production and sales reflects the sale of rough diamonds that De Beers Group stockpile as part of their manipulation of prices;

24. The Respondents obtain diamonds from mines they own and from the mines of other mining companies under contract to them, including mines in Canada. The diamonds are sorted by the CSO, and now by the DTC. The Respondents create a price book that values a diamond according to certain physical characteristics, such as weight, shape, quality (i.e. the absence or presence of cracks and occlusions). Once the diamonds are sorted and graded, they are priced according to the price book;
25. Diamonds of various grades are placed into boxes for distribution at a “sight”. The Respondents control the distribution of diamonds by the use of “sightholders”. A sightholder is an individual selected by and operating under the Respondents’ direction, who takes delivery, generally in London, of a box of rough diamonds at a “sight” during a “sight week” held ten times per year. The sightholder re-sells the diamond, either as rough diamond, or after cutting, polishing and other finishing, for distribution through manufacturers, wholesalers, and jewellers to consumers and other end users;
26. The De Beers Group imposes restrictions on sightholders. For example, a sightholder may not purchase rough diamonds from any other source other than the Respondents, may not purchase rough diamonds from any other sightholder, may not resell as a single unit the contents of the box received from the Respondents at a sight, and may not sell diamonds at prices lower than those established by other sightholders or the De Beers Group;
27. In addition to outright termination as a sightholder, the Respondents may punish a sightholder who breaks their rules by reducing the value of the rough diamonds in the boxes a rulebreaker must purchase;
28. Sightholders meet regularly with the Respondents, generally during a sight week, to agree on the prices the sightholders should charge;
29. During the relevant time period encompassed by the violations alleged herein, the Respondents sold and shipped substantial quantities of diamonds either directly or indirectly in a continuous flow to customers located in Canada, including in the province of Quebec;

#### **D) THE FAULT**

30. During the relevant time period encompassed by the violations alleged herein, in order to formalize their agreement, combination, collusion, and/or conspiracy, Respondents, with each other, and with sightholders engaged in communications, conversations, and attended meetings wherein they unlawfully agreed to:

- a. Fix, increase, and maintain at artificially high levels the prices at which the Respondents would sell Gem Diamonds in Canada, including in the province of Quebec, and to manufacturers, wholesalers, and jewellers, for inclusion in products sold in Canada, including in the province of Quebec;
  - b. Exchange information in order to monitor and enforce adherence to the agreed upon prices for Gem Diamonds; and
  - c. Allocate the market share or to set specific volumes of Gem Diamonds that the Respondents would manufacture and supply in Canada, including in the province of Quebec;
31. The Canadian subsidiaries of the foreign Respondents participated in and furthered the objectives of the collusion by knowingly modifying their competitive behaviour in accordance with instructions received from their respective parent companies and thereby acted as agents in carrying out the collusion and are therefore liable for such acts;
32. During the relevant time period encompassed by the violations alleged herein, the Respondents agreed, combined, colluded, and/or conspired, with each other, and with sightholders to unlawfully:
- a) Suppress and eliminate competition in the sale of Gem Diamonds worldwide and in Canada, including in the province of Quebec, by fixing the price of Gem Diamonds at artificially high levels and allocating the market share and volume of Gem Diamonds;
  - b) Prevent or lessen, unduly, competition in the manufacture, sale, and distribution of Gem Diamonds worldwide and in Canada, including in the province of Quebec, by reducing the supply of Gem Diamonds;
  - c) Allocate among themselves the customers for Gem Diamonds worldwide and in Canada, including in the province of Quebec;
  - d) Allocate among themselves the market share of Gem Diamonds worldwide and in Canada, including in the province of Quebec;
  - e) Allocate among themselves all or part of certain contracts to supply Gem Diamonds worldwide and in Canada, including in the province of Quebec;
33. During the relevant time period encompassed by the violations alleged herein, the Respondents performed the following unlawful acts:
- a) Agreed to fix, increase, and maintain at artificially high levels the price of Gem Diamonds and to coordinate price increases for the sale of Gem Diamonds;

- b) Agreed to allocate the volumes of sales of, and customers and markets for Gem Diamonds among themselves;
  - c) Agreed to reduce the supply of Gem Diamonds;
  - d) Met secretly to discuss prices and volumes of sales of Gem Diamonds;
  - e) Exchanged information regarding the prices and volumes of sales of Gem Diamonds for the purposes of monitoring and enforcing adherence to the agreed upon prices, volumes of sales and markets;
  - f) Instructed members of the conspiracy at meetings not to divulge the existence of the conspiracy; and
  - g) Disciplined any party which failed to comply with the conspiracy;
34. During the relevant time period encompassed by the violations alleged herein, the Respondents used their dominant and controlling market share to, among other things:
- a) Control the rate of production and supply of Gem Diamonds;
  - b) Control distribution of Gem Diamonds;
  - c) Manage prices of Gem Diamonds;
  - d) Fix, raise, maintain, and stabilize the prices of Gem Diamonds at non-competitive levels;
  - e) Arbitrarily exclude and discriminate against purchasers of Gem Diamonds; and
  - f) Tying low-carat, lower quality diamonds to high quality, high carat diamonds and using its monopoly power to force purchasers to either accept or reject the tied purchase or be completely cut off as a purchaser;
35. The predominate purpose of the Respondents' conduct was :
- (i) To harm the Petitioner and members of the class by requiring them to pay artificially high prices for Gem Diamonds and products which contain Gem Diamonds; and
  - (ii) To unlawfully increase their profits on the sale of Gem Diamonds and products which contain Gem Diamonds;



36. The Respondents' achieved this desired effect, among others of:
- a) Prices charges for Gem Diamonds have been, and continue to be, fixed, raised, maintained, and stabilized at artificially high and non-competitive levels;
  - b) Prices charges for products into which d Gem Diamonds are incorporated have been, and continue to be, fixed, raised, maintained, and stabilized at artificially high and non-competitive levels;
  - c) Purchasers of Gem Diamonds have been, and continue to be, deprived of the benefits of free and open competition; and
  - d) Competition between and among the Respondents and their co-conspirators in the sale of Gem Diamonds has been, and will continue to be, unreasonably restrained;
37. The Respondents, when committing the acts as alleged herein, knew or ought to have known that Gem Diamonds and products containing Gem Diamonds would be sold in Canada, including in the province of Quebec;
38. The Respondents conduct as alleged herein was intended to, and did in fact, cause the members of the class to suffer a prejudice in Canada, including in the province of Quebec, by means of having to pay artificially inflated prices for Gem Diamonds and products containing Gem Diamonds;
39. Petitioner contends that the Respondents failed in their duties, both legal and statutory, notably with respect to sections 45, 46 (1), 47, 61 of the Federal *Competition Act*, thereby rendering them liable to pay damages under section 36 of the Federal *Competition Act*;
40. In addition, Petitioner alleges that the Respondents failed in their obligations as provided for in the *Civil Code of Quebec*, more specifically with respect to the duty to act in good faith and to not cause damage to others;

## **E) THE FOREIGN PROCEDURES**

41. Numerous class action have been instituted in the United States based on the Respondents' conduct, the whole as appears more fully from a copy of said Complaints, produced herein *en liasse* as **Exhibit R-1**;
42. In addition, a class action has been instituted in British Columbia based on the Respondents' conduct, the whole as appears more fully from a copy of said Statement of Claim, produced herein **Exhibit R-2**;

## II. FACTS GIVING RISE TO AN INDIVIDUAL ACTION BY THE PETITIONER

43. Petitioner purchased in Quebec over the last few years numerous pieces of jewellery made with Gem Diamonds, including but not limited to:
- A 3/4 carat diamond, white gold 14K, channel set wedding band, purchased from store Roger Roy, located in the Montreal Eaton Center, Quebec, in the year 2006, for approximately \$1,100 plus taxes
  - A 3/4 carat diamond, white gold 14K channel set, wedding band, purchased from myjewellerybox.com, situated in Montreal, Quebec, in the year 2006 for approximately \$800 plus taxes
  - A 1/2 carat diamond, white gold 14K, bridal ring, purchased from ice.com, situated in Montreal, Quebec, in the year 2006, for approximately \$900 plus taxes
  - A 1 carat diamond, yellow gold 14K, set of earrings, from the store Geneva, located in Laval, Quebec, in the year 2006, for approximately \$1,800 plus taxes
44. Due to the Respondents' conduct, Petitioner was deprived of the benefit of free market competition, and because of this, she was charged a higher price for the products that she purchased;
45. Petitioner has suffered damages in the amount of the difference between the artificially inflated price that she paid for said products and the price that she should have paid in a free market system;
46. The conduct of the Respondents was kept a secret and was not known to the Respondent at the time that she purchased said products nor could it have been discovered, even through the exercise of reasonable diligence;
47. Petitioner has since discovered that this situation is being addressed through numerous class actions instituted in the United States and in British Columbia;
48. Petitioner's damages are a direct and proximate result of the Respondents' conduct;
49. In consequence of the foregoing, Petitioner is justified in claiming damages;

### **III. FACTS GIVING RISE TO AN INDIVIDUAL ACTION BY EACH OF THE MEMBERS OF THE GROUP**

28. Every member of the class purchased a Gem Diamond or products which contain a Gem Diamond;
29. Each member of the class has paid an artificially inflated price for their Gem Diamond products due to the collusion in the industry and its impact on competition;
30. Every member of the class has suffered damages equivalent to the difference between the artificially inflated price that they paid for Gem Diamonds and/or products which contain Gem Diamonds and the price that they he should have paid in a free market system;
31. All of the damages to the class members are a direct and proximate result of the Respondents' conduct;
32. In consequence of the foregoing, members of the class are justified in claiming damages;

### **IV. CONDITIONS REQUIRED TO INSTITUTE A CLASS ACTION**

- A) The composition of the class renders the application of articles 59 or 67 C.C.P. difficult or impractical
33. Gem Diamonds and products containing Gem Diamonds are widespread in Quebec and Canada;
34. Petitioner is unaware of the specific number of persons who purchased Gem Diamonds and/or products which contain Gem Diamonds, however, given their tremendous popularity as jewellery, it is safe to estimate that it is in the tens of thousands (if not hundreds of thousands);
35. Class members are numerous and are scattered across the entire province and country;
36. In addition, given the costs and risks inherent in an action before the courts, many people will hesitate to institute an individual action against the Respondents. Even if the class members themselves could afford such individual litigation, the court system could not as it would be overloaded. Further, individual litigation of the factual and legal issues raised by the conduct of Respondents would increase delay and expense to all parties and to the court system;

37. Also, a multitude of actions instituted in different jurisdictions, both territorial (different provinces) and judicial districts (same province), risks having contradictory judgements on questions of fact and law that are similar or related to all members of the class;
  38. These facts demonstrate that it would be impractical, if not impossible, to contact each and every member of the class to obtain mandates and to join them in one action;
  39. 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;
- B) The questions of fact and law which are identical, similar, or related with respect to each of the class members with regard to the Respondents and that which the Petitioner wishes to have adjudicated upon by this class action
40. Individual questions, if any, pale by comparison to the numerous common questions that predominate;
  41. The damages sustained by the class members flow, in each instance, from a common nucleus of operative facts, namely, Respondents' misconduct;
  42. The recourses of the members raise identical, similar or related questions of fact or law, namely:
    - a. Did the Respondents engage in an agreement, combination, collusion, and/or conspiracy to fix, raise, maintain, or stabilize the prices of Gem Diamonds?
    - b. Did the Respondents take any actions to conceal this unlawful agreement, combination, collusion, and/or conspiracy?
    - c. Did the Respondents' conduct cause the prices of Gem Diamonds to be sold at artificially inflated and non-competitive levels?
    - d. Were members of the class prejudiced by the Respondents' conduct, and, if so, what is the appropriate measure of these damages?
    - e. Are members of the class entitled to, among other remedies, injunctive relief, and, if so, what is the nature and extent of such injunctive relief?
    - f. Are the Respondents liable to pay compensatory, moral, punitive and/or exemplary damages to member of the class, and, if so, in what amount?

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

## **V. NATURE OF THE ACTION AND CONCLUSIONS SOUGHT**

44. The action that the Petitioner wishes to institute on behalf of the members of the class is an action in damages;

45. The conclusions that the Petitioner wishes to introduce by way of a motion to institute proceedings are:

GRANT the class action of the Petitioner and each of the members of the class;

DECLARE the Defendants solidarily liable for the damages suffered by the Petitioner and each of the members of the class;

ORDER the Defendants to permanently cease from continuing or maintaining the agreement, combination, collusion, and/or conspiracy alleged herein;

CONDEMN the Defendants to pay to each member of the class a sum to be determined in compensation of the damages suffered, and ORDER collective recovery of these sums;

CONDEMN the Defendants to pay to each of the members of the class, punitive damages, and ORDER collective recovery of these sums;

CONDEMN the Defendants to pay interest and additional indemnity on the above sums according to law from the date of service of the motion to authorize a class action;

ORDER the Defendants to deposit in the office of this court the totality of the sums which forms part of the collective recovery, with interest and costs;

ORDER that the claims of individual class members be the object of collective liquidation if the proof permits and alternately, by individual liquidation;

CONDEMN the Defendants to bear the costs of the present action including expert and notice fees;

RENDER any other order that this Honourable court shall determine and that is in the interest of the members of the class;

A) The Petitioner requests that she be attributed the status of representative of the Class

46. Petitioner is a member of the class;

47. Petitioner is ready and available to manage and direct the present action in the interest of the members of the class that they wish to represent and is determined to lead the present dossier until a final resolution of the matter, the whole for the benefit of the class, as well as, to dedicate the time necessary for the present action before the Courts of Quebec and the *Fonds d'aide aux recours collectifs*, as the case may be, and to collaborate with his attorneys;

48. Petitioner has the capacity and interest to fairly and adequately protect and represent the interest of the members of the class;

49. Petitioner has given the mandate to her attorneys to obtain all relevant information with respect to the present action and intends to keep informed of all developments;

50. Petitioner, with the assistance of her attorneys, are ready and available to dedicate the time necessary for this action and to collaborate with other members of the class and to keep them informed;

51. Petitioner is in good faith and has instituted this action for the sole goal of having her rights, as well as the rights of other class members, recognized and protecting so that they may be compensated for the damages that they have suffered as a consequence of the Respondents' conduct;

52. Petitioner understands the nature of the action;

53. Petitioner's interests are not antagonistic to those of other members of the class;

B) The Petitioner suggests that this class action be exercised before the Superior Court of justice in the district of Montreal

54. A great number of the members of the class reside in the judicial district of Montreal and in the appeal district of Montreal;

55. The Petitioner's attorneys practice their profession in the judicial district of Montreal;

56. The present motion is well founded in fact and in law.

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

**GRANT** the present motion;

**AUTHORIZE** the bringing of a class action in the form of a motion to institute proceedings in damages;

**ASCRIBE** the Petitioner the status of representative of the persons included in the class herein described as:

- all residents in Canada who purchased any Gem Diamond or purchased any products which contain a Gem Diamond since January 1<sup>st</sup> 1994 through to the present, or any other group to be determined by the Court;

Alternately (or as a subclass)

- all residents in Quebec who purchased any Gem Diamond or purchased any products which contain a Gem Diamond since January 1<sup>st</sup> 1994 through to the present, or any other group to be determined by the Court;

**IDENTIFY** the principle questions of fact and law to be treated collectively as the following:

- a. Did the Respondents engage in an agreement, combination, collusion, and/or conspiracy to fix, raise, maintain, or stabilize the prices of Gem Diamonds?
- b. Did the Respondents take any actions to conceal this unlawful agreement, combination, collusion, and/or conspiracy?
- c. Did the Respondents' conduct cause the prices of Gem Diamonds to be sold at artificially inflated and non-competitive levels?
- d. Were members of the class prejudiced by the Respondents' conduct, and, if so, what is the appropriate measure of these damages?
- e. Are members of the class entitled to, among other remedies, injunctive relief, and, if so, what is the nature and extent of such injunctive relief?
- f. Are the Respondents liable to pay compensatory, moral, punitive and/or exemplary damages to member of the class, and, if so, in what amount?

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

GRANT the class action of the Petitioner and each of the members of the class;

DECLARE the Defendants solidarily liable for the damages suffered by the Petitioner and each of the members of the class;

ORDER the Defendants to permanently cease from continuing or maintaining the agreement, combination, collusion, and/or conspiracy alleged herein;

CONDEMN the Defendants to pay to each member of the class a sum to be determined in compensation of the damages suffered, and ORDER collective recovery of these sums;

CONDEMN the Defendants to pay to each of the members of the class, punitive damages, and ORDER collective recovery of these sums;

CONDEMN the Defendants to pay interest and additional indemnity on the above sums according to law from the date of service of the motion to authorize a class action;

ORDER the Defendants to deposit in the office of this court the totality of the sums which forms part of the collective recovery, with interest and costs;

ORDER that the claims of individual class members be the object of collective liquidation if the proof permits and alternately, by individual liquidation;

CONDEMN the Defendants to bear the costs of the present action including expert and notice fees;

RENDER any other order that this Honourable court shall determine and that is in the interest of the members of the class;

**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 the law;

**FIX** the delay of exclusion at thirty (30) 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;



**ORDER** the publication of a notice to the members of the class in accordance with article 1006 C.C.P. within sixty (60) days from the judgement to be rendered herein in LA PRESSE and the NATIONAL POST;

**ORDER** that said notice be available on the various Respondents' various websites with a link stating "Notice to Gem Diamond owners";

**RENDER** any other order that this Honourable court shall determine and that is in the interest of the members of the class;

**THE WHOLE** with costs including publications fees.

Montreal, June 16, 2011

(S) Jeff Orenstein

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CONSUMER LAW GROUP INC.  
Per: Me Jeff Orenstein  
Attorneys for the Petitioner