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March 3, 2015

Court Certifies Sino-Forest Class Action

The Sino-Forest class action has been certified, and leave was granted to bring a claim under the *Securities Act* for secondary market misrepresentations.

The certified action is worth billions of dollars in claims. The defendants did not contest certification or leave under the *Securities Act*, and Perell J. expressed very little doubt in finding that the action meets all the criteria under the *Class Proceedings Act*. Perell J. certified 32 common issues, ranging 7 causes of action in tort or statutory breaches.

While it was generally a smooth and uncontested certification, the defendants did raise one point of contention, arguing that former Sino-Forest noteholders were not proper parties to the action. Perell J. noted that these claims were in the "mega millions, approaching billions" of dollars, and was hesitant to dismiss the action for these parties before certification. He held that to do so would certainly cause an appeal, which would further delay certification of the rest of the claims. Sorting out proper parties can easily be done after certification with no prejudice to the defendants.

- Research contributed by David Shore, 2014/2015 articling student