

IN THE SUPREME COURT OF BRITISH COLUMBIA

Between

KAYNE MICHAEL MIDDLETON

PETITIONER

and

TELUS INTERNATIONAL (CDA) INC., JEFFREY PURITT, VANESSA KANU, GOPI CHANDE, MICHAEL RINGMAN, BETH HOWEN, DARREN ENTWISTLE, JOSH BLAIR, MADHURI ANDREWS, OLIN ANTON, NAVIN ARORA, DOUG FRENCH, TONY GEHERAN, SUE PAISH, CAROLYN SLASKI and SANDRA STUART

RESPONDENTS

FURTHER AMENDED PETITION TO THE COURT
(Original Petition to the Court Filed on December 12, 2024)
(Amended Petition to the Court Filed on August 29, 2025)

Brought under the *Class Proceedings Act*, RSBC 1996, c 50

ON NOTICE TO:

Telus International (Cda) Inc.

Legal, 5th Floor 510 Georgia Street
Vancouver, BC V6B 0M3

Jeffrey Puritt

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Vanessa Kanu

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Carolyn Slaski

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Sandra Stuart

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Vancouver, BC V6B 0M3

The address of the registry is 800 Smithe Street, Vancouver, BC V6Z 2E1

The petitioner estimates that the hearing of the petition will take 1 day.

This matter is not an application for judicial review.

This proceeding is brought for the relief as set out in Part 1 below, by the person named as petitioner in the style of proceedings above.

If you intend to respond to this petition, you or your lawyers must:

- (a) File a response to petition in Form 67 in the above-noted registry of this court within the time for response to petition described below; and
- (b) Serve on the petitioner(s):
 - (i) 2 copies of the filed response to petition; and
 - (ii) 2 copies of each filed affidavit on which you intend to rely at the hearing.

Orders, including orders granting the relief claimed, may be made against you without any further notice to you, if you fail to file the response to petition within the time for response.

Time for response to petition

A response to petition must be filed and served on the petitioner(s):

- (a) If you were served with the petition anywhere in Canada, within 21 days after that service;
- (b) If you were served with the petition anywhere in the United States of America, within 35 days after that service;
- (c) If you were served with the petition anywhere else, within 49 days after that service; or
- (d) If the time for response has been set by order of the court, within that time.

(1)	The ADDRESS FOR SERVICE of the Petitioner is: c/o Slater Vecchio LLP 1800 – 777 Dunsmuir Street Vancouver, BC V7Y 1K4
(2)	The name and office address of the Petitioner’s lawyer is: c/o Slater Vecchio LLP 1800 – 777 Dunsmuir Street Vancouver, BC V7Y 1K4

	Sam Jaworski, Saro Turner, Charlotte <u>K.B.</u> Harman, and Justin Giovannetti <u>Kokmanian Law Corporation</u> <u>2639 275A St</u> <u>Aldergrove, BC V4W 0C4</u> Emilie B. Kokmanian
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CLAIM OF THE PETITIONER

PART 1: ORDERS SOUGHT

1. With respect to the Petitioner’s claim against the Respondents for secondary market misrepresentation under section 140.3 of the *Securities Act*, RSBC 1996, c 418, as amended (the “**Securities Act**”) (and, if necessary, under parallel provisions of the Other Canadian Securities Legislation¹):

- a) an order granting leave to the Petitioner pursuant to section 140.8 of the *Securities Act* to commence an action against the Respondents under section 140.3 of the *Securities Act* (and, if necessary, under the parallel provisions of the Other Canadian Securities Legislation) by filing a Further Amended Notice of Civil Claim in the form attached hereto as Schedule “A” (“**FANOCC**”) in *Middleton v. Telus International (Cda) Inc. et al.*, BCSC Vancouver Registry No. S-248620 (“**Securities Act Action**”); and
- b) in the alternative to paragraph 1(a), an order granting leave to the Petitioner pursuant to section 140.8 of the *Securities Act* to commence a new action against the Respondents for secondary market misrepresentation under section 140.3 of the *Securities Act* (and, if necessary, under the parallel provisions of the Other Canadian Securities Legislation), such leave to be granted *nunc pro tunc* to December 12, 2024.

¹ Capitalized terms used herein that are not otherwise defined herein have the same meaning given to such terms in the proposed Further Amended Notice of Civil Claim attached hereto as Schedule “A”.

2. With respect to the Petitioner's claim against Telus International (Cda) Inc. ("**Telus**" or the "**Company**") for relief from oppression pursuant to section 227 of the *Business Corporations Act*, SBC 2002, c 57, as amended ("**Business Corporations Act**):

- a) an order converting the oppression component of this petition proceeding ("**Oppression Petition**") into an action ("**Oppression Action**"), and consolidating the Oppression Action with the *Securities Act* Action (to continue as the *Securities Act* Action), and granting leave to file the FANOC in the *Securities Act* Action;
 - b) in the alternative to paragraph 2(a), an order converting the Oppression Petition into an Oppression Action, and ordering that the Oppression Action be tried at the same time or on the same day as the *Securities Act* Action; and
 - c) in the alternative to paragraphs 2(a) and 2(b), an order granting relief from oppression pursuant to section 227 of the *Business Corporations Act* in the Oppression Petition.
3. Costs of this petition proceeding.
4. Such further and other relief as counsel may advise and this Honourable Court may deem just.

PART 2: FACTUAL BASIS

The Petitioner's Telus Share Purchases and the Securities Act Action

5. The Petitioner, Kayne Michael Middleton, is a resident of British Columbia. Between February 16, 2023 and August 1, 2024, inclusive (the "**Class Period**"), the Petitioner purchased a total of 69.1299 shares of Telus on the TSX for a total of \$1,042.63 CAD. The Petitioner sold all of these shares on June 10, 2024 at \$8.00 CAD per share, taking a loss on his investment.

6. On December 12, 2024, the Petitioner commenced BCSC Vancouver Registry action No. S-248620, a proposed class action against the Respondents asserting claims for negligent misrepresentation, ~~claims under the Securities Exchange Act of 1934, 15 U.S.C. §78 (the “**Securities Exchange Act**”)~~ and, contingent on the relief in this petition being granted, claims for secondary market misrepresentation under section 140.3 of the *Securities Act*, RSBC 1996, c 416 (the “**Securities Act**”) (and the equivalent provisions of the Other Canadian Securities Legislation, if necessary) and relief from oppression pursuant to section 227 of the *Business Corporations Act*, SBC 2002, c 57 (the “**Business Corporations Act**”).

7. The proposed Class in the *Securities Act* Action consists of all persons and entities who acquired one or more of Telus’ subordinate voting shares during the Class Period, and that held all or a portion of these subordinate voting shares at any moment between May 9, 2024 and August 1, 2024, inclusive, other than Excluded Persons, ~~including a subclass of all persons and entities who acquired one or more of Telus’ subordinate voting shares on the New York Stock Exchange (the “**NYSE**”) while residing outside of Canada (the “**Foreign Subclass**” and the “**Foreign Subclass Members**”) and a subclass of all persons and entities who acquired one or more of Telus’ subordinate voting shares listed on the Toronto Stock Exchange (the “**TSX**”) (the “**TSX Subclass**” and the “**TSX Subclass Members**”).~~

The Respondents

8. The Respondent Telus is a company incorporated under the *Business Corporations Act*. Telus is headquartered at 510 Georgia St W Fl 7 in Vancouver, British Columbia.

9. Telus is a subsidiary of Telus Corporation and was incorporated in 2005.

10. Telus is a responsible issuer within the meaning of the *Securities Act* and is a reporting issuer in British Columbia, Alberta, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Québec, Saskatchewan, and Yukon. The British Columbia Securities Commission

is Telus' principal regulator. Telus is a publicly traded company with the stock symbol (ticker) "**TIXT**" on the TSX and NYSE.

11. The Respondent Jeffrey (Jeff) Puritt ("**Puritt**") is the Executive Vice Chair of Telus' Board of Directors. Puritt served as Telus' President and Chief Executive Officer and was an officer and director of Telus within the meaning of the *Securities Act*, throughout the Class Period.

12. The Respondent Vanessa Kanu ("**Kanu**") served as Telus' Chief Financial Officer and was an officer of Telus within the meaning of the *Securities Act*, from the beginning of the Class Period (February 16, 2023) until March 31, 2024.²

13. The Respondent Gopi Chande ("**Chande**") has served as the Chief Financial Officer of Telus and has been an officer of Telus within the meaning of the *Securities Act*, since March 4, 2024.

14. The Respondent Michael Ringman ("**Ringman**") has served as Telus' Chief Information Officer and has been an officer of Telus within the meaning of the *Securities Act*, throughout the Class Period.

15. The Respondent Beth Howen ("**Howen**") served as Telus' Chief Transformation Officer and was an officer of Telus within the meaning of the *Securities Act*, from the beginning of the Class Period (February 16, 2023) until December 15, 2023.

16. The Respondent Darren Entwistle ("**Entwistle**") was a director of Telus within the meaning of the *Securities Act* throughout the Class Period.

17. The Respondent Josh Blair ("**Blair**") was a director of Telus within the meaning of the *Securities Act* throughout the Class Period.

² In certain documents filed with the U.S. Securities and Exchange Commission, Respondent Kanu is referred to as "Mahawa Vanessa Touray."

18. The Respondent Madhuri Andrews (“**Andrews**”) was a director of Telus within the meaning of the *Securities Act* from March 9, 2023 until the end of the Class Period (August 1, 2024).
19. The Respondent Olin Anton (“**Anton**”) was a director of Telus within the meaning of the *Securities Act* throughout the Class Period.
20. The Respondent Navin Arora (“**Arora**”) was a director of Telus within the meaning of the *Securities Act* throughout the Class Period.
21. The Respondent Doug French (“**French**”) was a director of Telus within the meaning of the *Securities Act* throughout the Class Period.
22. The Respondent Tony Geheran (“**Geheran**”) was a director of Telus within the meaning of the *Securities Act* throughout the Class Period.
23. The Respondent Sue Paish (“**Paish**”) was a director of Telus within the meaning of the *Securities Act* throughout the Class Period.
24. The Respondent Carolyn Slaski (“**Slaski**”) was a director of Telus within the meaning of the *Securities Act* throughout the Class Period.
25. The Respondent Sandra Stuart (“**Stuart**”) was a director of Telus within the meaning of the *Securities Act* throughout the Class Period.
26. Puritt, Kanu, Chande, Ringman, Howen, Entwistle, Blair, Andrews, Anton, Arora, French, Geheran, Paish, Slaski and Stuart are the “**Individual Respondents**”.
27. Puritt, Entwistle, Blair, Andrews, Anton, Arora, French, Geheran, Paish, Slaski and Stuart are the “**Director Respondents**”.
28. Puritt, Kanu, Chande, Ringman, and Howen are the “**Officer Respondents**”.

Telus' Shift Towards AI

29. Telus is a technology services company that offers customer experience (“**CX**”) management solutions to its clients. Until approximately 2020, Telus’ business model primarily consisted of business process outsourcing, wherein Telus handled outsourced customer care tasks for its clients, including via the operation of call or “contact” centers, and its business strategy was “profitable growth.”³

30. Given the nature of Telus’ core offerings, the Company faced an existential threat from the emergence of AI. Thus, beginning in 2020, Telus took steps to shift its business towards AI allegedly in furtherance of [its] overall growth strategy via organic and inorganic investments. For example: Telus acquired Lionbridge AI, the data annotation business of Lionbridge Technologies, Inc., for approximately \$935 million USD on December 31, 2020; Playment, the India-based provider of computer vision tools and services specialized in 2D and 3D image, video and LiDAR (light detection and ranging), on July 2, 2021; and WillowTree, a full service digital product provider, for \$1.225 billion USD on January 4, 2023.

31. Coupled with Telus’ shift towards AI solutions was a decrease in the Company’s traditional offerings. For example, between 2019 and 2022, the share of Telus’ revenue from its Customer Experience management (“**CXM**”) services declined from 75% to 48%, while the revenue from its AI Data Solutions increased from 0% to 13%.

32. Throughout the Class Period, Telus repeatedly told investors that (i) the Company’s profitable growth strategy was not at risk because it would be able to maintain its historic profitability by riding the AI “gold rush for years to come” and (ii) in response to macroeconomic pressures, the Company was deploying AI solutions internally to increase efficiency, keep down costs, and further buttress profitability.

³ In contrast to many other tech companies that prized pure revenue growth and expansion over maintaining and increasing profitability.

The Respondents' Positive Statements About Telus' AI Offerings

33. Throughout the Class Period, Telus made numerous positive statements about how its AI offerings were the lynchpin to maintaining profitability because (i) there was high customer demand for these services and Telus was uniquely positioned to meet this demand, and (ii) these products could be utilized internally to keep down costs. Telus' representations regarding its transition towards AI and the latter's impact on the Company's margins and profitability were, *inter alia*, contained in the Q1 2023 Interim FS, Q1 2023 Interim MD&A, Q2 2023 Interim FS, Q2 2023 MD&A, Q3 2023 Interim FS, Q3 2023 Interim MD&A, FY 2023 FS, FY 2023 MD&A, 2023 Annual Report, Q1 2024 Interim FS, Q1 2024 Interim MD&A, Base Shelf Prospectus, May 4, 2023 Press Release, July 13, 2023 Press Release, August 4, 2023 Press Release, November 3, 2023 Press Release, February 9, 2024 Press Release, and May 9, 2024 Press Release, and made during the February 16, 2023 Investor Day Call, May 4, 2023 Earnings Call, May 12, 2023 Annual General Meeting ("**AGM**"), July 13, 2023 Guidance/Update Call, August 4, 2023 Earnings Call, November 3, 2023 Earnings Call, February 9, 2024 Earnings Call, May 9, 2024 Earnings Call, May 13, 2024 Final Short Form Base Shelf Prospectus and the transcript of the 52nd J.P. Morgan Annual Global Technology, Media & communications Conference held on May 21, 2024 (the "**JPM Conference**"), each as defined in the FAN OCC.

The Truth of the Challenges Facing Telus' Transition to AI Emerges

34. After many quarters of representing that Telus' margins and profitability were on track and that its transition towards AI would ensure that the Company maintained its historical profit margins, Telus revealed that its shift towards AI was not profitable. In fact, it was just the opposite.

35. On the May 9, 2024 Earnings Call following the release of Telus' Q1 2024 Interim FS and Q1 2024 Interim MD&A, Telus' Chief Financial Officer Chande conceded that Telus was "seeing pressure on [its] margins" and revealed that the margins generated by

Telus' AI offerings were "a bit below average". The May 2024 Disclosure⁴ was the first time that Telus explicitly disclosed that its AI offerings were generating below average margins. This admission contrasted sharply with the representations that the Respondents had made since February 2023 regarding the profits that Telus expected its AI business would and was generating and the Company's alleged strong standing to enter the market for AI-driven solutions. During the JPM Conference held later in May, Chief Executive Officer Puritt revealed even worse news; specifically that Telus had been deploying AI pilots and had difficulty charging customers profitable prices for those services.

36. On August 2, 2024 Telus released its Q2 2024 Interim FS and Q2 2024 Interim MD&A. In an accompanying press release, Telus provided an updated FY 2024 guidance, which included downward revisions in Telus' revenue growth, adjusted EBITDA, adjusted EBITDA margins, and adjusted Diluted EPS. On the August 2, 2024 Earnings Call⁵, Defendant Puritt disclosed additional details of Telus' struggles to maintain its historically high margins and profitability. For example, Puritt conceded, *inter alia*, that Telus' AI transition was not delivering the degree of cost savings that it should have been, for several years Telus had faced challenges in providing its AI offerings at competitive prices, and Telus' transition to AI was and would continue to cannibalize some of the Company's higher-margin legacy CX offerings.

The Respondents' Misrepresentations

37. As further particularized at paragraphs 51 to 167 of the FANOCC, during the Class Period the Respondents made representations in the Impugned Documents and Public Oral Statements regarding:

- a) the Company's overall profitable growth;

⁴ The Q1 2024 Interim FS, Q1 2024 Interim MD&A, May 9, 2024 Press Release, and the May 9, 2024 Earnings Call (including the citations quoted at paras. 97-98 of the FANOCC) are collectively the "**May 2024 Disclosure**".

⁵ The Q2 2024 Interim FS, Q2 2024 Interim MD&A, August 2, 2024 Press Release, and the August 2, 2024 Earnings Call (including the citations quoted at paras. 106-107 of the FANOCC) are collectively the "**August 2024 Disclosure**".

- b) the impact of its AI transition on Telus' profitability
- c) the reason for Telus' declining profitability;
- d) the Company's internal use of AI solutions to increase efficiency, keep down costs, and help preserve profitable growth; and
- e) the expected resolution of Telus' profitability issues,

and failed to make timely disclosure of the negative change to Telus' business, operations, and/or capital caused by its profit-killing transition to AI offerings.

38. The Respondents' misrepresentations and failures to make timely disclosure are summarized below.

39. First, the Respondents' misrepresentations regarding the Company's overall profitable growth constitute misrepresentations because the Respondents failed to disclose that Telus' AI transition was fundamentally changing the Company from one that traditionally had high profit margins to one that had lower profit margins and could expect lower profitability going forward. Indeed, as the Respondents would later acknowledge: (i) Telus' AI offerings generated margins that were "below average" compared to the Company's other business lines and historical averages; (ii) the Company's "transition [towards AI] necessitate[d] some cannibalization of [its] tenured and higher-margin CX work"; and (iii) Telus' AI offerings were being in many, if not most, cases "deploy[ed] [as] pilots" which it could not "charge full freight for." Further or in the alternative, these statements constitute misrepresentations because they overstated the benefits of Telus' AI offering and Telus' ability to maintain its profitable growth.

40. Second, the Respondents' representations regarding the impact of its transition towards AI on Telus' margins and profitability constitute misrepresentations because these statements gave the misleading impression that this shift was net positive and that it would help maintain the Company's profit margins which would continue to grow year-over-year at the Company's usual rate.

41. Third, the Respondents' representations regarding the reason for Telus' declining profitability constitute misrepresentations because these statements gave the false impression that the negative impact on Telus' profitability was solely due to an isolated event (or isolated events) rather than an enduring deep-seated issue caused by the Company's ongoing shift towards AI.

42. Fourth, the Respondents' representations regarding Telus' internal use of AI solutions to increase efficiency, keep down costs, and help preserve profitable growth constitute misrepresentations because these statements gave the false impression that the Company's cost efficiency programs would positively impact Telus' overall growth, margins and profitability.

43. Fifth, the Respondents' representations regarding the expected resolution of Telus' profitability issues constitute misrepresentations because Telus could not overcome its profitability issues due to the enduring deep-seated issue caused by the Company's ongoing shift towards AI and/or Telus had not priced its AI offerings in a way that would permit the Company to achieve its profitability target. Further or in the alternative, these statements constitute misrepresentations because the Respondents failed to disclose that it was likely, or alternatively that there was a specific and identifiable risk, that Telus could not overcome its profitability issues in the near term due to the enduring deep-seated issue caused by the Company's ongoing shift towards AI and/or that Telus had not priced its AI offerings in a way that would permit the Company to achieve its profitability target.

44. Finally, the Impugned Documents and Public Oral Statements each contained misrepresentations because the Respondents failed to disclose the negative impact on Telus' profitability caused by the Company's shift towards AI offerings. This constituted a change in the business, operations and/or capital of Telus that would reasonably be expected to have a significant effect on the market price or value of Telus' shares and as such constituted a material change

45. The misrepresentations made in the Impugned Documents and Public Oral Statements and the Respondent's failures to make timely disclosure were material for the reasons stated in paragraph 199 of the FANOCC.

The Public Corrections

46. The above misrepresentations in the Impugned Documents and Public Oral Statements, as well as Telus' failures to make timely disclosure, were corrected via two public corrections, as outlined in paragraphs 143 to 178 of the FANOCC, namely the May 2024 Disclosure and the August 2024 Disclosure (collectively, the "**Public Corrections**").

Telus' Share Price Plummeted After the Public Corrections

47. The market value of Telus' subordinate voting shares on the TSX and NYSE declined significantly immediately after the Public Corrections.

48. Following the May 2024 Disclosure, the price of Telus' subordinate voting shares on the TSX decreased approximately 18.7% from the prior day's close of \$10.70 CAD to \$8.70 CAD at close of trading on May 9, 2024. Similarly, the price of Telus' subordinate voting shares on the NYSE dropped approximately 18.1% from \$7.77 USD at close of trading on May 8, 2024 to \$6.36 USD at close of trading on May 9, 2024.

49. The price of Telus' subordinate voting shares decreased significantly following the August 2024 Disclosure, with the price of Telus subordinate voting shares on the TSX decreasing approximately 36.3% from \$9.02 CAD at close of trading on August 1, 2024 to \$5.75 CAD at close of trading on August 2, 2024. On the NYSE, the price of Telus subordinate voting shares dropped 36% from \$6.48 USD at close of trading on August 1, 2024 to \$4.15 USD at the close of trading on August 2, 2024.

PART 3: LEGAL BASIS

Leave Pursuant to Section 140.8 of the Securities Act

50. Telus is a "responsible issuer" under section 140.1 of the *Securities Act*.

51. The Director Respondents were, at material times, each a “director” within the meaning of sections 140.1 and 140.3 of the *Securities Act*.

52. The Officer Respondents were, at material times, each an “officer” within the meaning of sections 140.1 and 140.3 of the *Securities Act*.

53. The Individual Respondents authorized, permitted or acquiesced in: (i) the release of some or all of the Impugned Documents; (ii) the making of some or all of the Public Oral Statements; and/or (iii) the failures to make timely disclosure.

54. The Core Documents are “core documents” within the meaning of Part 16.1 of the *Securities Act* (and, if necessary, the equivalent sections of the Other Canadian Securities Legislation).

55. The Impugned Documents are “documents” within the meaning of Part 16.1 of the *Securities Act* (and, if necessary, the equivalent sections of the Other Canadian Securities Legislation).

56. The Public Oral Statements, or some of them, are “public oral statements” within the meaning of Part 16.1 of the *Securities Act* (and, if necessary, the equivalent sections of the Other Canadian Securities Legislation).

57. The Impugned Documents and Public Oral Statements contained misrepresentations as described herein, any one of which is a misrepresentation for the purposes of the *Securities Act* (and, if necessary, the equivalent sections of the Other Canadian Securities Legislation).

58. The Respondents’ failures to disclose the negative impact on Telus’ profitability caused by the Company’s shift towards AI offerings in the Impugned Documents and Public Oral Statements are each a “failure to make timely disclosure” within the meaning of Part 16.1 of the *Securities Act* (and, if necessary, the equivalent sections of the Other Canadian Securities Legislation).

59. The Public Corrections are “public corrections” within the meaning of Part 16.1 of the *Securities Act* (and, if necessary, the equivalent sections of the Other Canadian Securities Legislation).

60. With respect to each of the Non-Core Documents and Public Oral Statements, Telus and the Individual Respondents, during the time that they were directors and/or officers of the Company:

- a) knew at the time that the document was released and/or the public oral statement was made that it contained a misrepresentation;
- b) at or before the time the document was released and/or the public oral statement was made, deliberately avoided acquiring knowledge that it contained a misrepresentation; or,
- c) through action or failure to act, are guilty of gross misconduct in connection with the release of the document and/or making of the public oral statement.

61. With respect to their failures to make timely disclosure of a material change, the Director Respondents, during the time that they were directors of Telus:

- a) knew of the change at the time that the failure to make timely disclosure first occurred, and that it was material;
- b) at or before the failure to make timely disclosure first occurred, deliberately avoided acquiring knowledge of the change or that the change was material;
or
- c) were, through action or failure to act, guilty of gross misconduct in connection with the failure to make timely disclosure.

62. With respect to the misrepresentations made in the Impugned Documents and Public Oral Statements and failures to make timely disclosure, the Individual Respondents, during the time that they were directors and/or officers of Telus:

- a) authorized, permitted, or acquiesced in the making of the misrepresentations and/or the failure to make timely disclosure while knowing that it was a misrepresentation or a failure to make timely disclosure; or
- b) influenced the making of the misrepresentation and/or the failure to make timely disclosure while knowing that it was a misrepresentation or a failure to make timely disclosure.

63. Accordingly, pursuant to sections 140.6(2) and (3) of the *Securities Act* (and, if necessary, the equivalent provisions of the Other Canadian Securities Legislation), the Individual Respondents are jointly and severally liable for damages in respect of any misrepresentations made and/or failures to make timely disclosure at the time that they were officers or directors of Telus. In addition, pursuant to section 140.7(2) of the *Securities Act* (and, if necessary, the equivalent provisions of the Other Canadian Securities Legislation) any liability limits do not apply to the Individual Respondents.

64. The Plaintiff and other Class Members are entitled to damages assessed in accordance with section 140.5 of the *Securities Act* (and, if necessary, the equivalent provisions of the Other Canadian Securities Legislation).

65. The Petitioner brings this petition and the *Securities Act* Action in good faith and has a reasonable possibility of succeeding in prosecuting the *Securities Act* Action.⁶

66. The Petitioner has a personal financial interest in the action as a result of his purchase of shares of Telus during the Class Period. The Petitioner brings the action in order to obtain compensation for losses suffered as a result of the Respondents' conduct and because it may have an important deterrent effect, insofar as holding the Respondents responsible for any unlawful conduct will likely send a message to directors

⁶ *Theratechnologies Inc. v. 121851 Canada Inc.*, [2015 SCC 18](#), at paras. 21, 35-39; *Tietz v. Affinor Growers Inc.*, [2022 BCCA 307](#), at paras. 1 and [124-126](#).

and officers of other publicly-traded companies that they too will be held responsible for any misrepresentations that they may make to the investing public.

67. There is a reasonable possibility that the Petitioner will succeed in establishing their claim, as set out at paragraphs 52-62, 65-73, 76-77, 80-88, 91-109, 112-127, 130-139, 143-156, 161-163 and 199 of the FANOCC, that one or more of the Impugned Documents and/or Public Oral Statements contained a misrepresentation within the meaning of section 1 of the *Securities Act* (and, if necessary, the equivalent provisions of the Other Canadian Securities Legislation).

68. There is a reasonable possibility that the Petitioner will succeed in establishing their claim, as set out in paragraphs 235, 237 of the FANOCC, that: (i) one or more of the Respondents knew that any of the Non-Core Documents and/or Public Oral Statements contained a misrepresentation at the time that Telus released the Non-Core Document(s) and/or released the Public Oral Statement(s), respectively; (ii) one or more of the Respondents deliberately avoided, or were willfully blind to, acquiring knowledge that any of the Non-Core Documents and/or Public Oral Statements contained a misrepresentation at or before they released the Non-Core Document(s) and/or made the Public Oral Statement(s), respectively; and/or (iii) one or more of the Respondents were, through action or failure to act, guilty of gross misconduct in connection with any of the Non-Core Documents and/or Public Oral Statements containing a misrepresentation.

69. There is a reasonable possibility that the Petitioner will succeed in establishing their claim, as set out in paragraphs 236-237 of the FANOCC, that: (i) one or more of the Director Respondents knew of the change at the time that the failures to make timely disclosure first occurred, and that it was material; (ii) at or before the failures to make timely disclosure first occurred, one or more of the Director Respondents deliberately avoided acquiring knowledge of the change or that the change was material; and/or (iii) one or more of the Director Respondents were, through action or failure to act, guilty of gross misconduct in connection with the failures to make timely disclosure.

70. There is a reasonable possibility that the Petitioner will succeed in establishing their claim, as set out in paragraph 238 of the FANOCC, that the Individual Respondents

authorized, permitted or acquiesced in the making of the misrepresentations in the Impugned Documents and/or Public Oral Statements while knowing they contained misrepresentations, and/or influenced the making of the misrepresentations in the Impugned Documents and/or Public Oral Statements while knowing they contained misrepresentations.

71. There is a reasonable possibility that the Petitioner will succeed in establishing their claim, as set out in paragraph 238 of the FANOCC, that the Individual Respondents authorized, permitted or acquiesced in the failures to make timely disclosure while knowing each was a failure to make timely disclosure, and/or influenced the failures to make timely disclosure while knowing each was a failure to make timely disclosure.

72. There is a reasonable possibility that the Petitioner will succeed in establishing their claim, as set out in paragraph 218 of the FANOCC, that each of the misrepresentations in the Impugned Documents and/or Public Oral Statements, and/or the Respondents' failures to make timely disclosure, were publicly corrected.

Conversion of the Oppression Petition into the Oppression Action, and Consolidation with the Securities Act Action

73. There are or will be *bona fide* triable issues in the Oppression Petition, including complex and disputed questions of fact or law, that cannot be resolved on documentary evidence.

74. There are or will be important credibility issues in the Oppression Petition that cannot be resolved on documentary evidence.

75. In addition, following conversion of the Oppression Petition into the Oppression Action, consolidating the Oppression Action with the *Securities Act* Action will provide a just and efficient method to determine the proceeding for the following reasons:

- a) the Petitioner is the same person as the Plaintiff in the *Securities Act* Action;
- and

- b) the factual and legal issues in the Oppression Action are so interwoven with the factual and legal issues in the *Securities Act* Action that a separate trial at different times by different judges would be inefficient and costly. There will be significant savings of both time and financial resources if the Oppression Action is consolidated with the *Securities Act* Action or, alternatively, heard at the same time or on the same day.

In the Alternative, Relief from Oppression under the Business Corporations Act

76. In the alternative to converting the Oppression Petition into the Oppression Action and consolidating the claim with the *Securities Act* Action, the Petitioner, on behalf of himself and the Class, seeks relief from oppression under section 227 of the *Business Corporations Act* against Telus, as set out in paragraphs 254-258 of the FAN OCC.

77. Telus is incorporated under the *Business Corporations Act*.

78. The Petitioner and Class Members are shareholders or other persons for whom it is appropriate to obtain relief from oppression under section 227 of the *Business Corporations Act*.

79. The Petitioner and Class Members had reasonable expectations about the way the business and affairs of Telus would be conducted. The reasonable and legitimate expectations of the Petitioner and Class Members were that:

- a) the business and affairs of Telus would be conducted in accordance with the law, including the disclosure requirements in the *Securities Act*, Other Canadian Securities Legislation and applicable securities regulatory instruments, ~~and the *Securities Exchange Act*,~~
- b) the directors and officers of Telus would act in accordance with section 142 of the *Business Corporations Act*; and/or
- c) Telus would pursue its entrance into the AI market in a reasonable and responsible manner, taking into account considerations such as the

competitive landscape for AI offerings and the impact of its AI transition on the Company's overall profitability.

80. Telus violated these reasonable expectations by:

- a) making the misrepresentations and failing to make timely disclosure of the material changes particularized herein in non-compliance with the disclosure requirements in the *Securities Act*, Other Canadian Securities Legislation and applicable securities regulatory instruments, ~~and the *Securities Exchange Act*~~; and/or
- b) causing and/or allowing Telus to rapidly transition to AI without proper consideration to, *inter alia*, Telus' ability to compete in the competitive AI market, the negative impact of Telus' shift towards AI on the margins and profitability of its other CX offerings, and the overall profitability of Telus' transition to AI.

81. Telus' violation of the reasonable expectations of the Petitioner and Class Members was wrongful, oppressive and/or unfairly prejudicial to securityholders of Telus, including the Petitioner and Class Members.

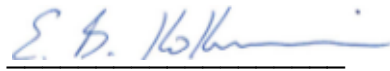
PART 4: MATERIALS TO BE RELIED ON

82. The Petitioner relies on the following materials in support of this Petition:

- a) Affidavit No. 1 of Nickolas Gallina, made on December 12, 2024;
- b) Amended Notice of Civil Claim, filed on August 29, 2025 (filed in the Vancouver Registry, action No. S-248620);
- c) Affidavit No. 1 of Dr. Matthew D. Cain, made on August 29, 2025;
- d) Affidavit No. 1 of Kayne Michael Middleton, made on August 29, 2025;

- e) Affidavit No. 1 of Daniel Salgado, made on August 27, 2025 (filed in *Middleton v. Telus International (Cda) Inc*, Court File No S-248635 (BCSC, Vancouver Registry; and
- f) Such further and other materials and evidence as counsel may advise, and this Court may deem just.

Date: _____



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**ENDORSEMENT ON ORIGINATING PLEADING OR PETITION
FOR SERVICE OUTSIDE BRITISH COLUMBIA**

The Petitioner claims the right to serve this pleading on the Respondents Puritt, Kanu, Chande, Ringman, Howen, Andrews, Arora, French, and Slaski, outside of British Columbia on the ground that there is a real and substantial connection between British Columbia and the facts alleged in this proceeding and the Petitioner and other Class Members plead rely upon the *Court Jurisdiction and Proceedings Transfer Act*, RSBC 2003, c 28 (the “***Court Jurisdiction and Proceedings Transfer Act***”) in respect of the Respondents. Without limiting the foregoing, a real and substantial connection between British Columbia and the facts alleged in this proceeding exists pursuant to sections 10(f) through 10(h) of the *Court Jurisdiction and Proceedings Transfer Act* because this proceeding:

- (a) concerns restitutionary obligations that, to a substantial extent, arose in British Columbia;
- (b) concerns a reporting securities issuer headquartered in British Columbia;
- (c) concerns a tort committed in British Columbia; and
- (d) concerns a business carried on in British Columbia.