CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL
No.: 500-06-000834-164

SUPERIOR COURT
(Class Action)

ROBERT LANDRY

Representative Plaintiff

v.

CONCORDIA INTERNATIONAL CORP.

-and-

MARK THOMPSON

-and-

ADRIAN DE SALDANHA

Defendants

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

IN SUPPORT OF ITS RE-RE-AMENDED MOTION FOR AUTHORIZATION, THE REPRESENTATIVE PLAINTIFF RESPECTFULLY SUBMITS AS FOLLOWS:

I- DEFINITIONS

1. In this document, in addition to the terms that are defined within the *Securities Act*, the following terms have the following meanings:

   a. "**AIF**" means Annual Information Form;

   b. "**AMCo**" means Amdipharm Mercury Limited;

   c. "**Board**" means the board of directors of **Concordia**;

   d. "**CCP**" means the *Code of Civil Procedure*, CQLR c C-25.01;

   e. "**CCQ**" means the *Civil Code of Quebec*, CQLR c CCQ-1991;

   f. "**Class**" and "**Class Members**" are comprised of the following, other than the **Excluded Persons**:

All Quebec-based persons and entities who, during the Class Period, acquired Concordia's securities and held some or all such securities as of August 12, 2016

g. "**Class Period**" means the period from (...) November 12, 2015 to August 11, 2016, inclusively;

h. "**Class Period Documents**" refers collectively to the **Core Documents** identified below as well as the following documents:

i) (...)

ii) the news release entitled "Concordia Healthcare Announces Fourth Quarter and Fiscal 2015 Results and Board Appointment", published on March 23, 2016, communicated herewith as **Exhibit P-2;**

iii) the earnings call transcript on Q4 2015 Results, dated March 24, 2015, communicated herewith as **Exhibit P-55**;

iv) the news release entitled "Concordia Healthcare Corrects Inaccurate Report", published on March 29, 2016, communicated herewith as **Exhibit P-3**;

v) the news release entitled "Concordia Healthcare Announces First Quarter 2016 Results and Acquisition of Four Products with Global Rights", published on May 13, 2016, communicated herewith as **Exhibit P-4**;

vi) the earnings call transcript on Q1 2016 Results, dated May 13, 2016, communicated herewith as **Exhibit P-52**;

vii) the news release entitled "Concordia International Corp. Confirms That Strategic Review is Ongoing and Provides Update on its Business", published on August 3, 2016, communicated herewith as **Exhibit P-40**;

i. "**CLI**" means Concordia Laboratories Inc. S.à.r.l. a wholly owned subsidiary of **Concordia**, existing under the laws of Luxembourg which conducts business by way of its Barbados branch;

j. "**Codes**" means Concordia's written codes of conduct adopted on July 7, 2014 and April 19, 2016;

k. "**Company**" means **Concordia**;

l. "**Concordia**" means the Defendant, Concordia International Corp., known as Concordia Healthcare Corp. prior to June 27, 2016 and, as the context may require, includes its subsidiaries and affiliates;

m. (...)

n. "**Core Documents**" (each being a "Core Document") refers to the documents published on SEDAR by Concordia and includes, collectively:

i) to iii) (...)

iv) the 2015 AIF, filed on March 23 2016, communicated herewith as **Exhibit P-8;**

v) the MD&A filed on March 23, 2016, communicated herewith as **Exhibit P-9**;

vi) the consolidated financial statements of Concordia for the years ended December 31, 2015 and 2014, filed on March 23, 2016, communicated herewith as **Exhibit P-10**;

vii) the Forms 52-109F1, *Certification of Annual Filings Full Certificate*, signed by Mark Thompson and Adrian de Saldanha and filed on March 23, 2016, communicated *en liasse* herewith as **Exhibit P-11**;

viii) the Form 40-F of the United States Securities and Exchange Commission, signed by Mark Thompson and filed on March 23, 2016, communicated herewith as **Exhibit P-12**;

ix) Certifications produced as Exhibits 99.1, 99.2, 99.3 and 99.4 of Form 40-F, filed on March 23, 2016, communicated *en liasse* herewith as **Exhibit P-13**;

x) (...)

xi) the notice of meeting and management information circular and form of proxy for the general and special meeting of shareholders dated April 7, 2016, filed on March 24, 2016, communicated herewith *en liasse* as **Exhibit P-15**;

xii) the MD&A for the three months ended March 31, 2016, filed on May 13, 2016, communicated herewith as **Exhibit P-16**;

xiii) the unaudited condensed interim consolidated financial statements of Concordia for March 31, 2016, filed on May 13, 2016, communicated herewith as **Exhibit P-17**;

xiv) the Forms 52-109F2, *Certification of Interim Filings Full Certificate*, signed by Mark Thompson and Adrian de Saldanha and filed on May 13, 2016, communicated herewith *en liasse* as **Exhibit P-18**;

o. "**Corrective Disclosure**" means Concordia's news release titled "Concordia International Announces Second Quarter 2016 Results filed on August 12, 2016, communicated herewith as **Exhibit P-19;**

p. "**CPI**" means Concordia Pharmaceuticals Inc. S.à.r.l., a wholly owned subsidiary of **Concordia**, existing under the laws of Luxembourg which conducts business by way of its Barbados branch;

q. "**Defendants**" means **Concordia** and the **Individual Defendants**;

r. "**Earnings Guidance**" means **Concordia**'s earnings guidance for the 2016 fiscal year as issued for the first time in **Concordia**'s November 12, 2015 news release;

s. "**EDGAR**" means the Electronic Data Gathering, Analysis, and Retrieval system;

t. "**EBITDA**" means Earnings Before Interest, Taxes, Depreciation and Amortization;

u. "**Excluded Persons"** means the **Defendants**, members of the immediate families of the **Individual Defendants**, and the directors, officers, subsidiaries, and affiliates of **Concordia**;

v. "**GAAP**" means United States generally accepted accounting principles;

w. "**IFRS**" means International Financial Reporting Standards as issued by the International Accounting Standards Board;

x. "**Individual Defendants**" (each being an "Individual Defendant") means Mark Thompson and Adrian de Saldanha;

y. "**MD&A**" means Management's Discussion and Analysis;

z. "**Plaintiff**" and "**Representative Plaintiff**" means Robert Landry ;

aa. "**Preliminary Earnings Guidance**" means **Concordia**'s preliminary earnings guidance for the 2016 fiscal year as issued for the first time in **Concordia**'s October 26, 2015 news release;

bb. (...)

cc. "**QSA**" means the *Securities Act*, CQLR C V-1.1;

dd. "**Securities Legislation**" means, collectively, the QSA; the *Securities Act*, RSO 1990, c S.5, as amended; the *Securities Act*, RSA 2000, c S-4, as amended; the *Securities Act*, RSBC 1996, c 418, as amended; the *Securities Act*, CCSM c S50, as amended; the *Securities Act*, SNB 2004, c S-5.5, as amended; the *Securities Act*, RSNL 1990, c S-13, as amended; the *Securities Act*, SNWT 2008, c 10, as amended; the *Securities Act*, RSNS 1989, c 418, as amended; the *Securities Act*, S Nu 2008, c 12, as amended; the *Securities Act*, RSPEI 1988, c S-3.1, as amended; the *Securities Act*, 1988, SS 1988-89, c S-42.2, as amended; and the *Securities Act*, SY 2007, c 16, as amended; and

ee. "**SEDAR**" means the system for electronic document analysis and retrieval of the Canadian Securities Administrators;

II- INTRODUCTION

A. Overview of Proposed Action

2. This securities class action arises out of the Defendants' failure to disclose adverse material facts as well as their misrepresentations relating to Concordia's business model, growth platform, *pro forma* revenues and dividend payments in Core Documents released on March 23, 2016 and May 13, 2016 as well as in Class Period Documents issued on March 23, March 24, March 29, May 13 and August 3, 2016;

3. The economic damages suffered by the Plaintiff and Class Members were directly caused by the facts particularized herein;

4. Concordia is a Canadian-based international specialty pharmaceutical company. Through its subsidies, the Company owns a broad portfolio of branded and generic prescription products;

5. (...)

6. Concordia operates its business through four (4) segments:

   i) Concordia International ("CI");

   ii) Concordia North America ("CNA")

   iii) Concordia Orphan Drugs ("COD"); and

   iv) Concordia's cost center;

7. CI, CNA and COD focus on legacy pharmaceutical products which are drugs that have lost their market exclusivity and have entered into the final stage of their product lifecycle and orphan drugs which are drugs that are specifically developed to treat rare medical conditions;

8. Concordia has adopted a growth-by-acquisition business strategy which led to the Company spending approximately US $5 billion on the following acquisitions:

   i) Kapvay, Orapred ODT and Ulesfia from Shionogi in May 2013;

   ii) Complete Medical Homecare Inc. from Global in October 2013;

   iii) Photofrin from Pinnacle in December 2013;

   iv) Donnatal from PBM Pharmaceuticals in May 2014;

   v) Zonegran from Eisai in September 2014;

   vi) Covis Portfolio from Covis Pharma S.à.r.l, Covis Injectables S.à.r.l and Covis Pharma Holdings S.à.r.l, (collectively “Covis”) in April 2015; and

   vii) AMCo from Cinven in October 2015;

   as appears from Exhibit P-8;

9. During the Class Period, Concordia's management included:

   i) Mark Thompson ("Thompson"), Founder, Chairman of the Board, Chief Executive Officer ("CEO") and Director; and

   ii) Adrian de Saldanha ("de Saldanha"), Chief Executive Officer ("CFO");

10. to 13. (...)

14. The revenues generated by Concordia's North American segment went from $94,300,000 in 2014 to $268,300,000 in 2015, whereas Concordia's international segment generated revenues of $115,700,000 by the end of 2015;

15. Prior to the Class Period, Concordia's growth was mainly driven by acquisitions; accordingly, it was imperative for the Defendants to demonstrate that Concordia was not simply a conglomerate of pharmaceutical companies, but rather a unified entity whose units demonstrated "organic growth" under Concordia's management as a fully integrated company;

16. Prior to and during the entire Class Period, Concordia reported significant increases in "organic growth", a non-IFRS measure used by the Company to tout its expansion and accomplishments with regards to associated revenues and *pro forma* revenues;

17. Concordia's alleged accomplishments include revenue growth of $289 million or an increase of 276% from 2014 to 2015 as well as an adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) of $206 million or an increase of 347%;

18. Unbeknownst to Class Members, and contrary to Concordia's contentions, its purported organic growth was not in fact organic at all; rather, it was the product of the Company's aggressive pricing increases;

19. Accordingly, Concordia released misrepresentations about its alleged organic growth during the Class Period which was, in fact, a result of pushing unsustainable material price increases across its products within its CNA and CI segments;

20. On August 12, 2016, Concordia issued its Corrective Disclosure in which Thompson, Concordia's Founder, Chairman and now former Chief Executive Officer, announced that the Company was materially reducing its Earnings Guidance ("Revised Earnings Guidance") to reflect the impact of competition on several products in its North America segment and foreign exchange rates, as appears from Exhibit P-19;

20.1 The Corrective Disclosure informed investors for the first time of adverse material facts that were known to the Defendants back on March 23, 2016. Accordingly, the Defendants informed investors that Donnatal, an adjunctive therapy in the treatment of irritable bowel syndrome and acute entercolitis, as well as other drugs such as Nilandron and Plaquenil, were facing a substantial increase in market competition which negatively impacted the Company's financial results for Q1 and Q2 2016 as well as its *pro forma* forecasts for annual 2016;

20.2 As a result of these increasing pressures on the market place, Concordia reduced its *pro forma* revenues by an average $167 million as well as its adjusted EBITDA by 16.4%, as appears from Exhibit P-19;

20.3 The Corrective Disclosure also informed the public that:

i) de Saldanha was stepping down;

ii) Concordia reduced its 2016 projected revenues from 1,020/1,060 million to 859/888 million and reduced its adjusted EBITDA from 610/640 million to 510/540 million, as appears from Exhibit P-19;

iii) Concordia announced that two (2) of its drugs, Nilandron and Plaquenil, were faced with an impairment charge of $567.1 million; and

iv) the Board unanimously agreed to suspend its $0.075 dividend per common share payable quarterly;

21. (...)

22. In the aftermath of the Corrective Disclosure, Concordia's stock price as listed on the TSX fell CDN $8.31 per share from its closing price of CAD $21.26 on August 11, 2016, to close at CDN $12.96 per share on August 12, 2016, on unusually heavy trading volume, the whole as appears from the Historical Data published on Yahoo Finance, communicated herewith as **Exhibit P-20**;

23. Concordia's share price performance on the NASDAQ also plummeted. Its stock price dropped US $6.23 to close at US $10.13 following the Corrective Disclosure, the whole as appears from the Historical Data published on Yahoo Finance, communicated herewith as **Exhibit P-21**;

24. By August 26, 2016, which was 10 trading days after the Corrective Disclosure, Concordia’s stock closed at CAD $11.51, or roughly 54.1% below its closing price on August 11, 2016;

25. These material drops in Concordia's share price have caused significant damages to the Class Members and are a direct result of the Defendants' omissions of material facts commencing prior to and throughout the entire Class Period;

26. to 29. (...)

29.1 Confirming that Core Documents released during the Class Period contained misrepresentations, on October 25, 2016, Concordia announced that the UK Competition and Markets Authority ("CMA") had been investigating various issues related to the UK's pharmaceutical sector, which involved Concordia’s CI segment, prior to the beginning of the Class Period, the whole as appears from the press release, communicated herewith as **Exhibit P-41**;

29.2 On November 7, 2016, Concordia released further Corrective Disclosures whereby it admitted that its sales revenue decreases for certain products such as Nilandron, Plaquenil and Donnatal were a result of generic products that entered the market prior to the beginning of the Class Period, the whole as appears from the news release dated November 7, 2016, communicated herewith as **Exhibit P-33;**

29.3 Concordia's MD&A published on November 7, 2016 contains the same acknowledgment regarding increased market competition since September 30, 2015, the whole as appears from the MD&A, communicated herewith as **Exhibit P-34**;

30. (...)

30.1 On May 31, 2017, Concordia announced that the CMA notified Concordia that it was continuing its investigation, the whole as appears from the news release dated May 31, 2017, communicated herewith as **Exhibit P-56**;

B. The Parties

1) The Plaintiff and the Class He Seeks to Represent

31. The proposed Class is defined under paragraph 1 f);

32. The Plaintiff resides in Quebec;

33. The Plaintiff entered into the following transactions regarding Concordia shares and continues to hold these shares:

    33.1. On April 27, 2016, the Plaintiff purchased four thousand (4000) shares of Concordia at $39.70 per share for a total of $158,800.00;

    33.2. On June 3, 2016, the Plaintiff purchased four thousand (4000) shares of Concordia at $41.40 per share for a total of $165,600.00;

    33.3. On July 6, 2016, the Plaintiff purchased eight thousand (8000) shares of Concordia at $27.40 per share for a total of $219,200.00;

34. The Plaintiff seeks the status of the representative of the Class as well as the authorization to bring an action pursuant to s. 225.4 QSA and, if necessary, pursuant to the corresponding provisions in the Securities Legislation;

2) Concordia

35. Prior to founding Concordia, Thompson was employed by Biovail Corporation where he held the title of Associate General Counsel prior to becoming Vice-President, Business Development and was actively involved in M&A transactions and, as such, should be familiar with the provincial continuous disclosure of material fact(s) requirements;

36. to 41. (...)

42. On or about June 29, 2015, Concordia Healthcare Corp.'s common shares started trading on the NASDAQ under the symbol "CXRX" and subsequently traded on the NASDAQ Biotechnology Index;

43. On or about June 27, 2016, Concordia Healthcare Corp.'s changed its name to Concordia International Corp., the whole as appears from the Articles of Amendment, communicated herewith as **Exhibit P-22**;

44. (...)

45. As stated above, Concordia has four (4) operating segments:

    45.1. Concordia International ("CI") which is comprised of the AMCo group of companies and conducts its operations through AMCo as an international specialty pharmaceutical company. CI focuses on end-of-life pharmaceutical products for which the market has stabilized in terms of competitive landscaping, pricing and volume;

45.2. Concordia North America ("CNA") which represents Concordia's former Legacy Pharmaceuticals Division and mainly focuses on the US pharmaceutical market. CNA's operations are conducted through the Barbados branch of CPI. CNA has a diversified portfolio of branded and generic products which are all owned by CPI. That being said, over 75% of CNA's revenues are derived from five (5) products including Donnatal; and

45.3. Concordia's Orphan Drugs ("COD") segment which provides growth opportunities relating to acquired orphan drugs. COD's operations are conducted through the Barbados branch of CLI. Photofrin, which is owned by CLI, is the main focus of the Orphan Drugs segment;

45.4. Corporate Cost Center which represents centralized costs those associated with Concordia's head office and those associated with being a public reporting entity;

46. Concordia's domicile and international headquarters is in Oakville, Ontario and its records are held in Toronto, Ontario;

47. On October 21, 2016, Concordia announced that Thompson was stepping down as the Company's CEO and Chairman of the Board, the whole as appears from the news release dated October 21, 2016 communicated herewith as **Exhibit P-23;**

48. On November 2, 2016, Concordia announced that the Company's Board had appointed Allan Oberman as its new CEO and Jordan Kupinsky as Chairman of the Board. These appointments came into effect as of November 14, 2016, the whole as appears from the news release dated November 2, 2016, communicated herewith as **Exhibit P-24;**

3) The Individual Defendants

49. The individual Defendants were Concordia's directors and officers and as such were involved in Concordia's business, operations, financial reporting and disclosures;

50. Thompson was Concordia's founder, chairman of the Board, CEO and director. At all relevant times during the Class Period, Thompson was a director and/or officer of Concordia within the meaning of the Securities Legislation. In his capacity as CEO, Thompson reviewed the interim financial reports, annual financial statements, interim and annual MD&A, the AIF and all documents and information incorporated by reference in the AIF ("Filings") and certified that the Filings did not contain any untrue statements of material facts or omitted to state a material fact, the whole as appears from the Forms 52-109F1 and 52-109F2, as appears from Exhibits P-7, P-11 and P-18;

51. Defendant Thompson left Concordia and ceased his functions in October, 2016;

52. During the Class Period, de Saldanha was Concordia's CFO. At all relevant times during the Class Period, de Saldanha was an officer of Concordia within the meaning of the Securities Legislation. In his capacity as Concordia's CFO, de Saldanha reviewed the Core Documents alleged to contained misrepresentations and certified that they did not contain any untrue statements of material facts or omitted to state a material fact, the whole as appears from the Forms 52-109F1 and 52-109F2, as appears from Exhibits P-7, P-11 and P-18;

53. Defendant de Saldanha left Concordia and ceased his functions as CFO in August, 2016;

54. to 78. (...)

III- FACTS GIVING RISE TO THE PRESENT ACTION

A. The Defendant's Failure to Disclose Material Facts

79. The Defendants communicated with the public through established market communication channels such as news releases and reports filed on its website as well as SEDAR and EDGAR;

80. At all material times during the Class Period, Concordia negligently described its growth and sustainability as organic growth by omitting to disclose adverse material facts concerning “organic growth”;

81. The measure known as "organic growth" is a non-IFRS measure which was used by Concordia at all material times during the Class Period to mislead investors by negligently describing its growth and sustainability as "organic growth";

82. Organic growth may be defined as the process of business expansion by increasing output, enhancing sales internally and new product development. Organic growth does not take into account profits or growth acquired from takeovers, mergers or acquisitions which are known as "inorganic growth", as appears on Investopedia's website and NASDAQ's financial Glossary, communicated herewith *en liasse* as **Exhibit P-25**;

83. Organic growth, which occurs when a company increases its sales, can be achieved in four (4) ways : market penetration, market development, product development and diversification;

84. Although Concordia's Class Period Documents use the term "organic growth", all of them omit to provide investors with the Company's definition of this financial measure as well as fail to disclose the competitive pressures against Concordia's products and the launch of new generic products into the market prior to the beginning of the Class Period;

85. The following Class Period Documents contain misrepresentations relating to Concordia's growth:

85.1 to 85.2 (...)

85.3 News release dated March 23, 2016:

i) "**Year-over-year adjusted EBITDA growth** of $206 million or an increase of 347 per cent";

ii) "In addition, our achievements in 2015, in particular the acquisition of the portfolio of products from Covis, the purchase of AMCo and the **organic growth** we have generated from key products such as Donnatal, have resulted in substantial year-over-year revenue and adjusted EBITDA growth";

iii) "For the fourth quarter of 2015, revenues increased $152.4 million to $191.9 million mainly due to revenue generated from Concordia International's products, and **organic growth** from Donnatal®, the Company's adjunctive therapy for irritable bowel syndrome.";

[our emphasis.]

as appears from Exhibit P-2;

85.4 MD&A dated March 23, 2016:

i) "During 2015, we experienced **tremendous growth**. Our product portfolio expanded from six products at the end of 2014 to over two hundred products by the end of 2015 primarily as a result of strategic acquisitions completed during the year.";

ii) "We have focused on building a business platform that is expected to have the following strategic and financial benefits : **Opportunities for Organic Growth** - **Growth opportunities** with a pipeline of approximately 60 expected product launches/line extensions anticipated to be launched over the next 3 years;

[our emphasis.]

as appears from Exhibit P-9;

85.4.1 Q1 2016 earnings call transcript dated March 24, 2016:

i) "This pipeline is a valuable asset, which will accelerate Concordia's **organic growth** [...]"

ii) "We believe we are in a unique position in the specialty pharma industry, because of our global footprint, efficient cost structure, advantageous operating structure and experienced management team. [...] We look forward to continuing to build Concordia and delivering **long-term growth** for the business and our shareholders"

[our emphasis.]

as appears from Exhibit P-55;

85.5 News release dated May 13, 2016:

i) "«Concordia's first quarter consolidated and division results demonstrate the growing strength and diversity of our business», said Mark Thompson. [...] «We intend to continue to acquire products where the multiples present attractive opportunities. Finally, the launch of 10 new products is evidence of our commitment to our pipeline and **future growth**» ";

[our emphasis.]

as appears from Exhibit P-4;

85.6 MD&A dated May 13, 2016:

i) "Our two primary products owned for the entire 2015 year, Donnatal® and Zonegran®, both showed increases in revenue in the first quarter of 2016 over the corresponding period in 2015. Revenue from Donnatal® increased by 11%, which was driven primarily by **volume growth**.";

[our emphasis.]

as appears from Exhibit P-16;

85.7 Q1 2016 earnings call transcript dated May 13, 2016:

i) "Our 175-person sales team continued to make progress with Donnatal and Nilandron in our first quarter. Our sales team is executing our initiatives and we expect the impact will ramp up during the next two quarters. Nilandron is showing encouraging **signs of growth** and during the first quarter we noted an improvement in new scripts for Nilandron since retailing began in February.";

ii) "Furthermore, the first quarter 2016 sales of Donnatal were up over the same period in 2015 **predominantly due to an increase in volume**.";

iii) "We believe we are in a unique and strong position in the specialty pharma industry because of our global footprint, efficient cost structure, advantageous operating structure, our ability to seamlessly integrate product opportunities and our experienced management team. We look forward to continuing to build Concordia and delivering **long-term growth** for the business and our shareholders."; and

iv) Douglas Miehm: "And then as we look at AMCo, these new products that we just acquired, would these have the ability given the type of competitive situation to take a little price or would you expect these to expect to see price maintained on these products?"

Mark Thompson: "Look, we're looking at these from a non-price perspective at the moment. We expect to hold them firm and we believe that we will grow them from a **volume perspective primarily**."

[our emphasis.]

as appears from Exhibit P-52;

85.8 News release dated August 3, 2016:

i) "«We remain highly confident in our business prospects going forward» said Concordia Chairman and CEO Mark Thompson. [...] «Concordia has no liquidity or debt issues, a strong free cash profile, and sales

channels is more than 100 countries. We remain optimistic about our long-term future.»"

as appears from Exhibit P-40;

86. On November 7, 2016, Concordia finally acknowledged that its sales revenue for certain products decreased due to the impact of new generic products that entered the market as of September 30, 2015, as appears from Exhibit P-33;

87. Accordingly, Concordia's statements referred to above regarding the Company's "growth", "revenue growth", "organic growth" and "volume growth" are misrepresentations since they give the wrongful impression that Concordia's business was thriving, when in reality its increase in revenue was not the result of "volume growth" or "organic growth", but rather of its aggressive pricing practices which were being threatened by competition, institutional wholesale clients' refusal to purchase its products and regulatory investigations;

87.1 By March 23, 2016, the Defendants knew or should have known that their *pro forma* revenues and associated revenues were not reasonable when released to the public given that, as alleged herein, at the time of their publication numerous adverse material facts had occurred which rendered Concordia's business plan unsustainable;

87.2 These undisclosed adverse material facts include the risks associated with AMCo's acquisition, restrictions on prescribing Concordia's products in the UK, the exclusion of Donnatal on health insurers' formularies in the USA, the firing of most of Donnatal's sales team and the substantial increase in market competition against Concordia's products;

88. to 100. (...)

B. Misrepresentations Relating to Concordia's Business Plan and Growth Platform

100.1 Throughout the entire Class Period and as particularized herein, the Defendants touted a business plan and growth platform which it knew or should have known was unsustainable;

100.2 As such, investors were fraudulently led to believe that Concordia had exemplary growth rates which in turn caused the Company's share price to trade at artificially-increased prices;

1) Failure to Disclose Key Success Factors of and Risks Associated with the acquisition of AMCo

100.3 As of July 2015, the Defendants knew that the National Health Service for England ("NHS") had placed restrictions on prescribing Liothyronine, one of AMCo's top 10 drugs, the whole as appears from PresQIPP's bulletin 117, communicated herewith as **Exhibit P-44**;

100.4 On September 8, 2015, Concordia announced the acquisition of AMCo which was said to add "a diversified attractive portfolio of more than 190 complementary, niche pharmaceutical products with high barriers to entry" thus positioning the Company for

"expected long-term revenue and earnings growth", the whole as appears from a news release dated September 8, 2015, communicated herewith as **Exhibit P-45**;

100.5 This acquisition was Concordia's largest and most material acquisition and was expected to account for approximately 60% of Concordia's total revenues. Accordingly, Concordia touted its growth potential as a result of the AMCo acquisition and stated the following:

i) "This acquisition is a key milestone and pivotal turning point in Concordia's strategy, which gives us the platform to take our business to the next level";

ii) "The strategic acquisition is expected to transform the Company's growth platform, by allowing it to drive organic growth across the business and greatly enhance its M&A strategy through global opportunities"; and

iii) "We look forward to being part of the Concordia business - as the combination with AMCo is expected to create significant opportunities for further growth in the global pharmaceutical market. We have a shared vision for growth that should greatly benefit employees and stakeholders of the combined business";

as appears from Exhibit P-45;

100.6 These statements led investors to believe that the AMCo acquisition would account for most of Concordia's expected growth. However, when Concordia announced this acquisition, the Defendants knew or ought to have known that AMCo's historical growth was based on aggressive price increase practices and its use of a loophole in the British legislation which allowed Concordia to substantially increase the prices of its generic drugs ("Debranding Loophole"), the whole as appears from an article published in the Financial Post on September 16, 2016, communicated herewith as **Exhibit P-28** and an article published in the Financial Times on May 1, 2016, communicated herewith as **Exhibit P-29**;

100.7 Essentially, whereas the cost of branded drugs is controlled by the UK healthcare system, the market for generic off-patent drugs is a lot less regulated since costs are normally kept down by competition between rivals;

100.8 However, as stated by the Defendants, the Company specializes in "niche generic products where it faces little or no competition from rivals", thus allowing it to substantially increase the price of its products;

100.9 It is worthy to note that although the Defendants specifically told investors that the Company owned niche products which face "little or no competition", it later stated that its decrease in sales and *pro forma* revenues was the result of increased market competition, as appears from Exhibit P-33;

100.10 In December 2015, the Lincolnshire Health Community published a bulletin which contained a review of its prescribing guidance in response to AMCo's high-cost products, the whole as appears from the Lincolnshire Prescribing and Clinical Effectiveness bulletin dated December 2015, communicated herewith as **Exhibit P-46**;

100.11 Additionally, the Defendants knew or ought to have known that as of late 2015, the UK Department of Health was aware of the existence of the Debranding Loophole and commenced a consultation response in relation to proposed changes to the legislation in order to control the price of branded drugs, the whole as appears from the Consultation response dated September 15, 2016, communicated herewith as **Exhibit P-47**;

100.12 On March 23, 2016 and on May 13, 2016, Concordia issued several Class Period Documents, all of which failed to disclose the material facts identified above;

100.13 Moreover, during a conference call on May 13, 2016, Edward Borkowski, executive vice-president and board member ("Borkowski") specifically told investors that Concordia "believe[s] [that] AMCo and its outstanding team will continue to demonstrate the value of that expanded reach", as appears from Exhibit P-52;

100.14 It is only on September 16, 2016 that Concordia issued a news release confirming that the UK Department of Health had introduced the *Health Service Medical Supplies (Costs) Bill* ("Bill") into the House of Commons and that the Bill's effect would be to manage the cost of prescription drugs, the whole as appears from a news release dated September 16, 2016, communicated herewith as **Exhibit P-48**;

100.15 In light of the above, the Defendants breached their obligations towards investors by failing to disclose the key success factors of and risks associated with the acquisition of AMCo in the Class Period Documents released throughout the entire Class Period;

2) Misrepresentations regarding Concordia's Revenue Prospects

100.16 As previously mentioned, Concordia's business strategy is based on growth-by-acquisition and aggressive price increases;

100.17 Any disruption to this strategy must be disclosed to investors; failure of which would result in a breach of Concordia's obligations;

100.18 As of October 26, 2015, the Defendants knew that Concordia's net debt to EBITDA ratio would be of approximately 5.5x for the 2016 year-end indicating that the Company would less likely be able to handle its debt return and consequently, be less likely to obtain access to the additional debt funding required to grow its business, the whole as appears from a news release, communicated herewith as **Exhibit P-49**;

100.19 As of November 2015, due to the congressional investigations of the Committee on Oversight and Government Reform ("COGR") into the skyrocketing drug prices of pharmaceutical companies growth-by-acquisition strategies, such as Concordia's, became less popular with investors and the increase in price required to justify such acquisitions became too risky;

100.20 Furthermore, Concordia offers "copay" cards in order to increase "physician, pharmacy and consumer awareness and loyalty to [CNA's] products", as appears on p.24 of Exhibit P-8;

100.21 A copay "is the fixed amount that insurance companies ask consumers to pay toward their medication". Copay cards are coupons offered to consumers by manufacturers of brand-name drugs, such as specialty drugs, in order to reduce or even eliminate the

consumer's copay, the whole as appears from an excerpt of the National Consumers League website, communicated herewith as **Exhibit P-50**;

100.22 As stated by Mark Merritt, President and CEO of the Pharmaceutical Care Management Association ("PCMA"), during a hearing on "Developments in the Prescription Drug Market: Oversight" before the COGR:

> "Drug companies now offer copay coupons to undermine efforts by employers, unions and state government to reduce costs by assigning higher consumer copays to expensive drugs and lower copays to more affordable drugs. The economics of brand copay coupons are simple: each time a drug company can sell a $150 product by helping cover a $50 copay, it gains $100 in revenue, which is paid by the employer, union or state government that offers coverage.
>
> [...] they are designed to encourage insured to patients to bypass less expensive drugs (which typically offer lower copays) when multiple options are on the formulary, raising the cost of drug coverage.
>
> Such practices are illegal in federal programs and have long been under scrutiny by the Health and Human Services Offices of Inspector General because they are viewed as "kickbacks" that encourage wasteful spending for the profit of an outside third-party. Copay offset programs are estimated to increase pharmacy spending by $32 billion. To help cover the $4 billion spent annually on copay coupons, manufacturers can simply raise prices. Manufacturers reportedly earn as much as a six-to-one return on investment on copay coupon programs."

the whole as appears from transcripts on the hearing held on February 4, 2016, communicated herewith as **Exhibit P-51**;

100.23 Copay cards therefore reduce the use of generics or more affordable brand-name medication, which in turn significantly increases the overall cost of prescription medication;

100.24 The Defendants knew or ought to have known of PCMA's concerns regarding the use of copay cards as a means of incentivizing consumers to purchase brand-name medication rather than the available generic option;

100.25 In light of the above, the Defendants knew or ought to have known that Concordia's business strategy was no longer viable and as such, that the Company's revenue prospects, as indicated in the Class Period Documents, were false and misleading;

Donnatal

100.26 In 2015, Donnatal represented approximately 33.9% of CNA's revenues and 10% of Concordia's total revenue;

100.27 Consequently, any decrease in sales or change in revenue prospects relating to Donnatal would have had a direct impact on Concordia's affairs and should have been disclosed to investors;

100.28 As of September 30, 2015, the Defendants were aware of the impact of competition from generic products entering the market and failed to disclose this material fact to the public, as appears from Exhibit P-33;

100.29 Furthermore, in 2016, five of the United States' largest health insurers (UnitedHealth Group, Kaiser Foundation, Wellpoint, Inc. Group, Aetna Group and Humana Group), began to exclude Donnatal from their formularies;

100.30 Not only did Concordia fail to disclose this material fact to investors, but during a conference call held on March 24, 2016, Borkowski told investors that Concordia expected its growth to come from equal parts price and volume "with volume being driven by the promotion of Donnatal", as appears from p. 6 of Exhibit P-55;

100.31 During a conference call on May 13, 2016, when asked whether there were any changes regarding the reimbursement of Donnatal, Wayne Kreppner, the chief operating officer and president of Concordia responded "No, nothing that we've seen", the whole as appears from pp. 6 and 11 the May 13, 2016 earnings call transcript, communicated herewith as **Exhibit P-52**;

100.32 Concordia also failed to inform investors that on May 13, 2016 it fired between 75 to 80 salespeople from Donnatal's 175-people sales team;

100.33 The firing of a sales team is material to investors because it suggests a lack of commitment to its key drug, leading to poor sales prospects and causing investors to seriously question Concordia’s ability to meet its Earnings Guidance;

100.34 However, instead of disclosing this material fact to investors during the conference call held on May 13, 2016, both Thompson and Borkowski reassured investors that Concordia was focusing on its sale efforts for Donnatal and that the initiatives deployed by Donnatal's sales team would have a bigger impact in the next two quarters, as appears from pp. 6 and 11 of Exhibit P-52;

100.35 The MD&A published on May 13, 2016 also failed to disclose these material facts. Instead, Concordia specifically stated that the 11% increase in Donnatal's revenues was driven primarily by volume growth, as appears from p.8 of Exhibit P-16;

100.36 On August 12, 2016, following the release of the Corrective Disclosure, Borkowski confirmed that Donnatal had failed to meet its revenue prospects since "recent trends" indicated that it was not being prescribed as frequently as anticipated, the whole as appears from the earnings call transcript, communicated herewith as **Exhibit P-53**;

100.37 Thus, when Thompson told investors that Concordia remained highly confident in its business prospects a mere 9 days earlier, he knew or should have known that this information was patently incorrect, as appears from Exhibit P-40

100.38 It is worthy to note that during the conference call held on August 12, 2016, none of the Individual Defendants disclosed the material fact that approximately 43% of Donnatal's sales team had been recently fired;

Nilandron and Plaquenil

100.39 As admitted by Concordia, the Company was facing increased market competition since September 30, 2015;

100.40 Nilandron's quarter-over-quarter volumes declined by 12%, 1% and 15% during the third and fourth quarters of 2015 and the first quarter of 2016;

100.41 Moreover, as of July 2016, the Defendants were aware of the launch of generic competitive products which specifically impacted the sales of Nilandron and Plaquenil, the whole as appears from p.17 of the unaudited condensed interim consolidated financial statements published on August 12, 2016, communicated herewith as **Exhibit P-54;**

100.42 The impact of this generic competition was so important that Concordia recorded a $306,189 impairment with respect to Nilandron and a $260,887 impairment with respect to Plaquenil, as appears from Exhibit P-54;

100.43 Despite the aforementioned, on August 3, 2016, Thompson reassured investors that Concordia remained highly confident in its business prospects even though he knew or should have known that the Company's business prospects were false;

100.44 in light of the above, the Defendants should have revised the Company's Preliminary Earnings Guidance and Earnings Guidance in order to ensure that the Company's Class Period Documents reflected its actual financial status and growth potential;

3) Concordia's Aggressive Price Increase Practice

100.45 Contrary to the statements made in the Class Period Documents, Concordia's revenue increase was not based on volume growth, but rather on aggressive price increase practices;

101. The most striking example of Concordia's aggressive price increase practice relates to Donnatal;

102. In 2010, a prescription for Donnatal cost USD $87. When Concordia acquired the drug in May, 2014, Donnatal cost $353 and in the following month its price was increased to $602, the whole as appears from an article published in Forbes magazine on May 20, 2016, communicated herewith as **Exhibit P-27**;

103. In May 2016, Donnatal cost $782, an 898% price increase since 2010 and a 221% increase since it was purchased by Concordia in 2014, as appears from Exhibit P-27;

104. Concordia's news release dated March 23, 2016 stated that "for the fourth quarter of 2015, revenues increased $152.4 million to $191.9 million mainly due to revenue generated from Concordia International's products, and organic growth from Donnatal", as appears from Exhibit P-2;

105. On May 13, 2016, Concordia's MD&A provided that the "revenue from Donnatal increased by 11% which was driven primarily by volume growth", as appears from Exhibit P-16;

106. Since its acquisition by Concordia, the prescription volume for Donnatal has dropped 44% according to Symphony Health Solutions, GMP Securities, a company which provides strategic market data, the whole as appears from a Business News Network ("BNN") article published on May 6, 2016, communicated herewith as **Exhibit P-26**;

107. According to Mr. Dimitry Khmelnitsky, analyst for Veritas Investment Research, Concordia's organic growth was of 3% year-over-year for the first nine months of 2015. However, absent Donnatal's aggressive price increase, Concordia's organic growth would have decreased by 10%, the whole as appears from an article published in Canadian Business on July 7, 2016, communicated herewith as **Exhibit P-30**;

108. In Concordia's MD&A issued on August 12, 2016, the Company came clean and admitted that "revenue from Donnatal decreased by 31% in the second quarter of 2016 over the corresponding 2015 period which was driven primarily by volume decline due to the impact of lower product demand as a result of competitive pressures.", the whole as appears from the MD&A for the three and six months periods ended June 30, 2016 filed on August 12, 2016, communicated herewith as **Exhibit P-31**;

109. The MD&A referred to above was reviewed and certified by both Thompson and de Saldanha on August 12, 2016, the whole as appears from the Forms 52-109F2 signed by Thompson and de Saldanha, communicated herewith as **Exhibit P-32**;

110. The same aggressive price increases were applied to following Concordia drugs :

i. ZONEGRAN

110.1. The cost of a Zonegran prescription increased 25% since being acquired by Concordia in September 2014, as appears from Exhibit P-26;

110.2. Nonetheless, Concordia's MD&A dated November 12, 2015 states that "Additionally, Zonegran revenues and gross profit increased between the second and third quarter of 2015 to account for the majority of the remaining increase in revenues and gross profits between the periods.", as appears from Exhibit P-6;

ii. PLAQUENIL

110.3. This treatment against rheumatoid arthritis became a part of Concordia's portfolio in April 2015, as appears from Exhibit P-26;

110.4. According to Symphony Health Solutions, Plaquenil's sale price has increased 48% whereas its sale volume has decreased by 21%, as appears from Exhibit P-26;

iii. LANOXIN

110.5. Since it was acquired by Concordia in April 2015, the cost of a prescription of Lanoxin has risen by 76%, as appears from Exhibit P-26;

iv. FUCITHALMIC

110.6. Concordia is the exclusive manufacturer and distributor of Fucithalmic, a treatment against pink eye which makes up 6.6% of Concordia's revenue for the year ended December 31, 2015, as appears from Exhibit P-8;

110.7. The cost of this treatment has increased "14 fold", as appears from Exhibit P-29;

v. DIBENZYLINE and DYRENIUM

110.8. According to Rx Savings Solutions, the cost of both of these blood pressure drugs was respectively increased by 174% and 152%; as appears from Exhibit P-29;

111. When put together, Donnatal, Zonegran, Plaquenil and Lanoxin generated over 75% of Concordia's revenues for the year ended December 31, 2015, as appears from Exhibit P-8;

112. Furthermore, as reported by Veritas Investment Research, "Concordia has increased prices on 14 drugs in the UK from September 2015 to May 2016. Increases range from 29 per cent to 119 per cent and average 59 per cent", as appears from Exhibit P-26;

113. The Defendants knew or ought to have known that Concordia's Class Period Documents were false and misleading since they did not inform the public that the business plan and growth platform it had previously relied on was no longer sustainable based on the allegations above;

114. The Defendants' misrepresentations caused Concordia's shares to be traded at artificially-inflated prices during the entire Class Period thus causing damages to the Plaintiffs and Class Members;

115. (...)

C. Misleading Statements Regarding Concordia's Earnings Guidance

116. On November 12, 2015, Concordia issued a news release which highlighted several of the Company's financial accomplishments, the whole as appears from the news release, communicated herewith as **Exhibit P-1**;

117. With regards to the third quarter of 2015, these highlights were:

117.1. Adjusted EBITDA of $71.7 million, growing 254% compared to the same period in 2014;

117.2. Adjusted EPS of $1.46, growing 157% over the third quarter in 2014;

117.3. Revenue growth of 161% attaining total revenues of $94.9 million compared to the third quarter of 2014

as appears from Exhibit P-1;

118. With regards to the nine months period of 2015, the highlights were:

118.1. Adjusted EBITDA of $146.8 million, growing 280% compared to the same period in 2014;

118.2. Adjusted EPS of $3.14, growing 185% compared to the first nine months of 2014;

118.3. Revenue growth of 163% attaining total revenues of $208.9 million compared to the same period in 2014

as appears from Exhibit P-1;

119. This Class Period Document also identified the Company's Earnings Guidance whose main components were :

119.1. Revenues of $1,020 to $1,060 million (more than 60% of revenues will be generated outside the USA);

119.2. Adjusted EBITDA of $610 to $640 million;

119.3. Adjusted net income of $330 to $355 million; adjusted EPS of $6.29 to $6.77; Cash interest expense rate at approximately 6.95% (excluding original issue discount);

119.4. Cash tax rate of approximately 10%;

119.5. 2016 year-end Net Debt/EBITDA of approximately 5.5x;and

119.6. Constant currency basis of 1.53 USD/GBP;

as appears from Exhibit P-1;

120. The Earnings Guidance was reaffirmed in two (2) other Class Period Documents: (1) the news release entitled "Concordia Healthcare Announces Fourth Quarter and Fiscal 2015 Results and Board Appointment", dated March 23, 2016; and (2) the news release entitled "Concordia Healthcare Announces First Quarter 2016 Results and Acquisition of Four Products with Global Rights" dated May 13, 2016, as appears from Exhibits P-2 and P-4;

121. Each of these Class Period Documents also highlighted Concordia's revenue growth and adjusted EBITDA;

122. On August 12, 2016, Concordia announced that it had established a Revised Earning Guidance primarily due to (i) the introduction of generic competition against Nilandron; and (ii) competitive marketplace pressures against Donnatal and Plaquenil, as appears from Exhibit P-19;

123. Prior to Concordia's Corrective Disclosure, no Class Period Document referred to a substantial increase in competition against Concordia's products;

124. On the contrary, Concordia's AIF indicated that to its knowledge, "there are few companies currently seeking to acquire pharmaceutical products solely for the purpose

of generating a stream of consistent cash flow and which have a similar broad geographic reach", as appears from Exhibit P-8;

125. to 131. (...)

132. The Defendants were required to disclose the adverse material facts alleged herein to the Class Members yet failed to do so in all of its Class Period Documents;

133. At all relevant times during the Class Period, the market on which Concordia shares traded was open and efficient;

134. Concordia's share price therefore incorporated, and accordingly reflected, the Company's misrepresentations and traded at artificially inflated prices during the entire Class Period;

135. Accordingly, following the Corrective Disclosure, Concordia's stock price dropped a whopping 39%;

136. As a result, the Class Members suffered significant damages;

D. Misrepresentations Regarding the Code of Conduct

137. On or about July 7, 2014, Concordia adopted its first Code which was subsequently superseded by a second version of the Code which came into effect on April 19, 2016, the whole as appears from the Code, communicated herewith as **Exhibit P-35;**

138. Accordingly, at all relevant times during the Class Period, Concordia maintained written standards of ethical conduct which were designed to promote integrity and deter wrongdoing;

139. The Code of Conduct "is applicable to all Directors, officers and employees of the Corporation, as well as consultants and contract workers who perform work on behalf of the Corporation.", as appears from the Notice of Meeting and Management Information Circular, filed on March 24, 2016, as appears from Exhibit P-15;

140. The foregoing representations were false and/or misleading;

141. *Inter alia*, Concordia's Codes requires as follows:

141.1. "Concordia's reputation for integrity and excellence requires careful adherence to all applicable laws and regulations as well as commitment to the highest standards of conduct of corporate and personal integrity."

141.2. "Concordia is obligated to sustain a culture of compliance to stay in compliance with federal, state, provincial and local laws applicable to our business activities."

141.3. "The Foreign Corrupt Practices Act requires Concordia to keep accurate books and records and maintain an adequate system of internal accounting controls."

141.4. "At Concordia, we work together to adhere to applicable laws and regulations"

141.5. "To achieve such high standards Concordia employees must adhere to all applicable laws and regulations."

as appears from Exhibits P-35;

142. The Individual Defendants violated the above-cited standards by failing to disclose material facts and misrepresenting Concordia's business plan and growth platform;

E. Individual Defendants

143. As required by the AMF, Quebec's market regulators, Thompson and de Saldanha certified all interim and annual financial statements, MD&A and AIFs filed during the Class Period attesting to the veracity and fair representation of all material facts presented in the Filings;

144. Accordingly, at all relevant times both Thompson and de Saldanha certified that:

i) they reviewed the Core Documents;

ii) the Core Documents did not contain any untrue statements of material facts or omitted to state a material fact required to be stated or that was necessary to make a statement not misleading in light of the circumstances under which it was made;

iii) the Core Documents fairly presented in all material respects the financial condition, performance and cash flows of Concordia;

iv) they were responsible for establishing and maintaining disclosure controls and procedures as well as internal control over financial reporting;

v) they have designed, or caused to be designed under their supervision, disclosure controls and procedures to provide reasonable assurance that all material information relating to Concordia are made known to them and that information required to be disclosed by Concordia in its Core Documents or any other document submitted under a securities legislation is recorded, processed, summarized and reported;

vi) they have designed, or caused to be designed under their supervision, internal control over financial reporting, to provide reasonable assurance regarding the reliability of financial reporting and the preparation specified in securities legislation;

vii) they have evaluated, or caused to be evaluated under their supervision, the effectiveness of Concordia's disclosure controls and procedures as well as internal control over financial reporting at the financial year end and that Concordia has disclosed their conclusions regarding effectiveness in its annual MD&A; and

viii) they have disclosed to Concordia's auditors and the Board or Audit Committee any fraud that involves management or other employees who have a significant role in Concordia's internal control over financial reporting;

145. The Individual Defendants oversaw the preparation and reporting of all Core Documents and disclosure to the public and as such, knew or ought to have known of the alleged misrepresentations;

146. The Individual Defendants also authorized, permitted or consented to the release and publication of the Class Period Documents which contained the alleged misrepresentations;

146.1 (...)

F. (...)

147. to 155. (...)

IV- PERIOD OF CORRECTIVE DISCLOSURE

156. On August 12, 2016, Concordia issued its Corrective Disclosure which contained the Company's Revised Earning Guidance, as appears from Exhibit P-19;

157. The Revised Earnings Guidance was said to reflect the impact of unexpected competition on several products in its North America segment and foreign exchange rates, as such:

157.1. The initial revenues of $1,020 to $1,060 million were decreased to $859 to $888 million following a deduction of $65 million in foreign currency adjustments and $101 million in product adjustments;

157.2. The adjusted EBITDA of $610 to $640 million was decreased to $510 to $540 million following a deduction of $38 million in foreign currency adjustments and $62 million in product adjustments;

157.3. 2016 year-end Net Debt/EBITDA of approximately 6.4x or below; and

157.4. a reduction of the constant currency basis of 1.31 USD/GBP applicable from July to December 2016;

158. The Corrective Disclosure also announced the departure of Concordia's CFO, de Saldanha;

159. Following this news release, Concordia's share price dropped CAD $8.31 to close at CAD $12.95;

160. Prior to Concordia's MD&A dated August 12, 2016, the Company had never before stated that its unsustainable organic growth was a result of price increases;

161. In September 2016, Concordia's share price crashed once again following the UK's proposed new legislation that would limit generic drug pricing and consequently prevent pharmaceutical companies from dramatically increasing the prices of their generic drugs, something Concordia's UK subsidiary was caught doing, as appears from an article published in the Financial Post under Exhibit 28**,** an article published in the Business News Network, communicated herewith as **Exhibit P-36**, and article published in Bloomberg communicated herewith as **Exhibit P-37**;

162. On or about September 9, 2016, following the steep decline of Concordia's stock price, S&P Dow Jones Canadian Index Services removed Concordia from its S&P/TSX Composite Index, as appears in the Globe and Mail article, communicated herewith as **Exhibit P-38;**

163. On October 21, Concordia announced that its founder was stepping down as CEO and that the search for his successor was ongoing;

164. (...)

165. On December 9, 2016, Concordia's shares traded at CAD $2.91 on the TSX and at USD $2.22 on the NASDAQ, which represents a 94% decrease in price in from December 9, 2015;

V- RIGHTS OF ACTION

A. Statutory Right of Action for Misrepresentation in a Secondary Market Claim

166. The false statements made by the Defendants were misleading because they failed to disclose material adverse information in the Class Period Documents and misrepresented the truth about Concordia' business, operations, and prospects as alleged herein;

167. As a result of these misrepresentations, the Plaintiff asserts a right of action under s. 225.8 of the QSA and, if necessary, the concordant provisions of other Securities Legislation, on behalf of all Class Members against the Defendants;

168. Concordia is registered to do business in Quebec, the whole as appears from the *Registraire des entreprises du Québec* ("CIDREQ"), communicated herewith as **Exhibit-P-39**;

169. Concordia's holder of a power of attorney is Fasken Martineau DuMoulin LLP, located in Montreal, Quebec, as appears from Exhibit P-39;

170. Concordia is a reporting issuer in Quebec under s. 68 of the QSA and its shares were distributed and purchased in Quebec;

171. As a resident of Quebec who purchased shares in Quebec, the Plaintiff has the right to bring his Secondary Market Claim before a Quebec court and apply Quebec law to said claim;

172. The Secondary Market Claim against the Defendants is asserted in respect of all Class Period Documents which contained the misrepresentations alleged herein and were circulated to Class Members in Quebec;

173. At all relevant times during the Class Period, the Defendants made or caused to be made a series of materially false and misleading statements about the Company's financial business, operations and prospects which led to an artificially positive assessment of Concordia's financial status causing an overvaluation of its share price;

174. The Defendants knew or ought to have known that at the time of their release the Class Period Documents contained misrepresentations;

175. The Defendants knew that the Class Period Documents would be issued to the public who relied on these documents to make informed financial decisions;

176. As such, the monetary damages suffered by the Plaintiff and Class Members are a direct result of the artificially-inflated price of Concordia's shares;

177. In light of the above, the Defendants knowingly authorized, permitted and consented to the dissemination of false and misleading information, thus violating the QSA and, if necessary, the concordant provisions of other Securities Legislation;

178. The Individual Defendants were officers and directors of Concordia during the release and publication of the Class Period Document and as such were privy to Concordia's internal budgets, plans, projections, reports as well as the Company's finances, operations and prospects and all documents filed under Securities Legislation;

179. At all relevant times during the Class Period, the Individual Defendants authorized, permitted or consented to the release and publication of the Class Period Documents which they knew or ought to have known contained misrepresentations;

180. (...)

B. Article 1457 of the CCQ

181. The Plaintiff asserts a civil right of action under art. 1457 of the CCQ, on behalf of themselves and all Class Members against the Defendants for breach of the general duty of diligence owed to all Class Members;

182. The Defendants' duties as well as their violation of said obligations are particularized below;

183. The Defendants did not fulfill the legal obligations warranted by their relationship with the Class Members as required by law;

184. As a result, the Defendants committed a fault which caused significant monetary damages to the Class Members;

185. The negligence, faults and breaches of the Defendants were transmitted to the Class Members in Quebec;

186. The Class Members suffered damages in Quebec;

C. No Safe Harbor

187. The statutory defence provided for by s. 225.22 and 225.23 of the QSA regarding forward-looking information in a document does not apply to any misrepresentations alleged herein since these misrepresentations related to then-existing facts and conditions;

188. Should the misrepresentations fall within the scope of forward-looking information, the statutory defence nonetheless does not apply since these misrepresentations were not identified as being forward-looking statements when they were made;

VI- THE CRITERIA OF ARTICLE 575 CCP

A. The claims of the members raise identical, similar or related questions of law or fact

189. At all relevant times during the Class Period, the Defendants failed to disclosure adverse material facts and breached their obligation of periodic and timely disclosure of material changes under the QSA and other Securities Legislation;

190. At all relevant times during the Class Period, the Defendants breached their obligation to disclose and accurately inform the public of Concordia's affairs;

191. The QSA, the Securities Legislation, national instruments including NI 51-102, NI 52-109, NI 52-110 and U.S. securities laws including Forms 40-F and 6-K all informed the Concordia Defendants of their obligations;

192. The Defendants also owed the Class Members the duties imposed under art. 1457 CCQ;

193. The Defendants breached their duties and obligations by making the alleged misrepresentations particularized herein and as such committed faults against the Class Members;

194. The Individual Defendants oversaw the preparation and report of all filings including the Class Period Documents to the public and knew or ought to have known of the alleged misrepresentations;

195. Consequently, not only is Concordia directly liable towards the Class Members for its own faults, but it is also liable for the faults committed by the Individual Defendants or any other officer, director, partner or employee;

196. to 199. (...)

200. In light of the Defendants' alleged misrepresentations in Concordia's Class Period Documents, at all relevant times during the Class Period Concordia's shares traded at artificially inflated prices and did not reflect their true value;

201. Once the public had access to accurate information which revealed the Defendants' misrepresentations, the price of Concordia's stock began its steep decline causing damages to the Plaintiff and Class Members;

202. Based on the allegations made in the present action, the principle questions of fact and law to be dealt with collectively are:

a) do the Class Period Documents contain misrepresentations within the meaning of the QSA and, if necessary, other Securities Legislation? If so, which document contains which misrepresentations?

b) are any of the Defendants liable to the Class or any of its Members under the Secondary Market Claim and if necessary, any concordant provisions of the other Securities Legislation? If so, which Defendant is liable and to whom?

c) do any of the Defendants owe a duty of diligence to the Class, or any of its Members, under the general private law of Quebec? If so, which Defendant owes a duty of diligence and to whom?

d) if some or all of the Defendants owe a duty of diligence to the Class, or any of its Members, are any of the Defendants liable under article 1457 of the CCQ? If so, which Defendant is liable and to whom?

e) what damages are sustained by the Plaintiffs and the Class Members?

f) are any of the Defendants liable to the Plaintiffs and the Class, or any of its Members, for damages? If so, which Defendant is liable, to whom and for what amount?

203. As a result of these questions of fact and of law, the Plaintiff and Class Members seek for this Honorable Court to authorize the conclusions to the proposed proceeding as particularized herein;

B. The facts alleged appear to justify the conclusions sought

204. The Defendants breached their duties and legal obligations towards the Class Members;

205. The Defendants misrepresented the Company's business plan, growth platform and *pro forma* revenues in the Class Period Documents which violates Title VII, Chapter II, Division I of the QSA and other Securities Legislation;

206. The faults committed by the Defendants support the Plaintiff's and Class Members' claims;

C. The composition of the group makes it difficult or impractical to apply the rules for mandates to take part in judicial proceedings on behalf of others or for consolidation of proceedings

207. Concordia is a multinational pharmaceutical company whose approximately 51,000,000 shares are publicly traded on numerous international stock exchanges;

208. In Quebec only, there are likely to be thousands of investors that would qualify as members of the Class;

209. In light of the above, it would be impractical for each Class member to bring a separate action;

D. The Class Member appointed as representative plaintiff is in a position to properly represent the Class Members

210. The Plaintiff is a Quebec resident;

211. The Plaintiff is a professional with extensive commercial experience;

212. The Plaintiff was informed of and understands the time and dedication required of his role as Class representative and is prepared to devote the required resources to carry forward this proposed action on behalf of the Class Members;

213. The Plaintiff purchased Concordia shares during the Class Period and suffered monetary damages as particularized herein;

214. The Plaintiff has no conflict of interest with other Class Members and is represented by counsel that are experienced at litigating shareholders' claims in class actions against multinational corporations that list their securities on multiple stock exchanges;

FOR THESE REASONS, MAY IT PLEASE THE COURT TO:

AUTHORIZE the Class, including as described herein:

> All Quebec-based persons and entities who, during the Class Period, acquired Concordia's securities and held some or all such securities as of August 12, 2016.

NAME Robert Landry the Class Representative;

DECALARE that the following questions of fact and law are to be dealt with collectively:

a) do the Class Period Documents contain misrepresentations within the meaning of the QSA and, if necessary, other Securities Legislation? If so, which document contains which misrepresentations?

b) are any of the Defendants liable to the Class Members under the Secondary Market Claim and if necessary, any concordant provisions of the other Securities Legislation? If so, which Defendant is liable and to whom?

c) do any of the Defendants owe a duty of diligence to the Class, or any of its Members, under the general private law of Quebec? If so, which Defendant owes a duty of diligence and to whom?

d) if some or all of the Defendants owe a duty of diligence to the Class, or any of its Members, are any of the Defendants liable under article 1457 of the CCQ? If so, which Defendant is liable and to whom?

e) what damages are sustained by the Plaintiff and the Class Members?

f) are any of the Defendants liable to the Plaintiff and the Class, or any of its Members, for damages? If so, which Defendant is liable, to whom and for what amount?

AUTHORIZE the class action proceedings to seek the following conclusions:

> **GRANT** this class action on behalf of the Class;
>
> **GRANT** the Plaintiff's action against the Defendants in respect of the rights of action asserted against Defendants under Title VIII, Chapter II, Divisions I and II of the QSA and, if necessary, the concordant provisions of the other Securities Legislation, and article 1457 of the CCQ;

CONDEMN the Defendants to pay to the Plaintiffs and Class Members compensatory damages for all monetary losses;

ORDER collective recovery in accordance with articles 595 to 598 of the *Code of Civil Procedure*;

THE WHOLE with interest and additional indemnity provided for in the *Civil Code of Quebec* and with full costs and expenses, including expert fees, notice fees and fees relating to administering the plan of distribution of the recovery in this action;

AUTHORIZE these class action proceedings under section 225.4 of the QSA;

APPROVE the notice to the members of the Class in the form submitted to the Court;

ORDER the publication of the notice to the members of the Class no later than thirty (30) days after the date of the judgment authorizing the class proceedings; and

ORDER that the deadline for a member of the Class to exclude themselves from the class action proceedings shall be sixty (60) days from the publication of the notice to the members of the Class.

MONTREAL, this 7th day of August, 2018

(S) Faguy & Co.

FAGUY & CO. BARRISTERS & SOLICITORS INC.
Attorneys for the Representative Plaintiff