

FALLING GLASS CLASS ACTION

TORONTO, October 8, 2013 - FALLING GLASS CASES CERTIFIED AS CLASS ACTIONS. SUPERIOR COURT GIVES GREEN LIGHT TO CONTRACT CLAIM AGAINST THE DANIELS CORPORATION FOR USING ITS BRANDING AND MARKS TO MARKET THE SALE OF CONDOMINIUM UNITS AT THE FESTIVAL TOWER.

The Superior Court delivered Reasons on October 2, 2013 certifying the class actions against the developers, builders and subcontractors responsible for defective balcony glass at The Festival Tower, Murano Towers and Bedford Tower Condominiums.

The Judge said:

The facts in the three actions are similar: Newly built condominium towers occupied by owners and renters. Glass panels suddenly dislodge and fall from several balconies. No one is injured. Balconies are sealed while the potentially defective balcony panels are replaced across the entire building. Condo unit-owners and renters lose the use of their balconies and some common areas for a significant period of time sustaining general and economic losses. One or more of them in each condominium tower commences an action against the vendor, the builder and developer and everyone involved in the design, construction and installation of the glass panelling. The actions are framed in contract, negligence and nuisance.

Residents are entitled to claim compensation for loss of use and enjoyment of their outdoor living space. Landlords and owners may claim for delayed resale and lost rental income.

The Daniels Corporation is the developer of the Festival Tower Condominium Project where owners who purchased directly from the builder signed purchase agreements with King And John Festival Corporation. Daniels sought to dismiss the claim against them in contract because the developer did not sign any of the purchase agreements - KJFC did. The Court concluded that Daniels could be a party to the contract.

The Judge said:

Have the plaintiffs pleaded facts that, if true, support a possible cause of action in collateral contract? In my view they have. The plaintiffs have pleaded that:

- Daniels represented that it was the developer or builder of Festival Tower by placing its name and mark on marketing materials, at the presentation centre, and on the Festival Tower website; by having Daniels' executives act as

spokespersons in media announcements; and by explicitly stating that Festival Tower was a Daniels' project;

- Daniels did this because it wanted potential purchasers to associate its name with the construction of Festival Tower and enter into the purchase agreements on the understanding that Daniels was bound to the terms of the agreements to the same extent as its vendor KJFC.

Ted Charney said "This is the first time in Canada that a Court has considered whether a developer can be held accountable for breach of contract because of its marketing practices. It has important implications for the condominium and new home industry".

Harvey Strosberg said "This decision paves the way for thousands of unit owners and residents to be compensated. They were locked out of their balconies for almost two years or the balconies were wrapped in green mesh"

For more information, please go to www.fallingglassclassaction.com or contact:

Sharon Strosberg
Sutts, Strosberg LLP
519.561.6244
sharon@strosbergco.com

Theodore Charney
Charney Lawyers
416.964.3408 x225
tedc@charneylawyers.com