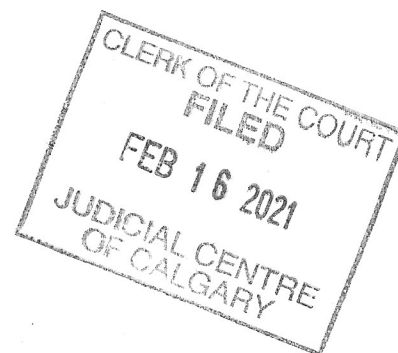


COURT FILE NUMBER 1701-10806
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF(S) ILAN HANDELSMAN
DEFENDANT(S) ALI GHANI, ALI GHANI AS LITIGATION
REPRESENTATIVE FOR THE ESTATE OF
ABDUL GHANI, BROADMOOR
COMMERCIAL PLAZA DEVELOPMENT
CORP., HORIZON COMMERCIAL
DEVELOPMENT CORP., HERITAGE PLAZA
DEVELOPMENTS INC., PRISM PLACE
DEVELOPMENT LTD., PRISM REAL ESTATE
INVESTMENT CORPORATION,
SUMMERSIDE DEVELOPMENT TRUST,
SUMMERSIDE COMMERCIAL TRUST,
PRISM SUMMERSIDE LIMITED
PARTNERSHIP, PRISM SUMMERSIDE
DEVELOPMENT CORP., JANE DOE, JOHN
DOE, and ABC CORP.



DOCUMENT **STATEMENT OF DEFENCE**

PARTY FILING THIS DOCUMENT Ali Ghani and Ali Ghani
as Litigation Representative for the Estate
of Abdul Ghani

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT Ali Ghani and Ali Ghani
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Statement of facts relied on:

1. This Statement of Defence is filed by Ali Ghani personally and by him on behalf of the estate of his father Abdul Ghani. Abdul Ghani died on February 15, 2020, before this class action was certified and before the Second Amended Statement of Claim was filed.
2. On August 15, 2017, the Plaintiff and two other investors filed an Originating Application to appoint inspectors of Broadmoor Commercial, Heritage Developments and Prism Place and to obtain information and records. Immediately, Ali Ghani and Abdul Ghani cooperated and consented to appointing the inspectors. The Plaintiff and the two other investors then asked for many records involving the Prism Entities. Ali Ghani and Abdul

Ghani provided several volumes of those records. The Plaintiff claimed that they should have provided more records and he applied for a contempt order, but that was dismissed. Ali Ghani and Abdul Ghani always ~~cooperated~~cooperated, and they provided the information and records that they had, which showed the Plaintiff and the other investors that the real estate projects had failed and there was no misappropriation or fraud.

3. The other investors accepted this, but the Plaintiff refused to. He filed a Statement of Claim under the Class Proceedings Act on August 24, 2018, basically repeating all the wrong accusations he made in his Originating Application.

4. The current Second Amended Statement of Claim repeats these wrong accusations. The Plaintiff received the information and records that Ali Ghani and Abdul Ghani provided, and he knows these accusations are wrong.

Any matters that defeat the claim of the plaintiff(s):

5. The Plaintiff and the other Proposed Class Members are sophisticated, accredited, investors who subscribed for securities that the Prism Entities issued via a Limited Partnership Agreement or Mutual Fund Trust. There were no misrepresentations or assurances that Ali Ghani or Abdul Ghani made or they relied on. Ali Ghani and Abdul Ghani requested particulars of the misrepresentations and assurances to see what the Plaintiff claims they are but the Plaintiff has refused to provide any particulars. This is wrong.

6. The Plaintiff claims that the companies did not develop and/or operate their lands as represented. Ali Ghani and Abdul Ghani requested particulars of this allegation as well, but the Plaintiff has refused to provide any particulars. We requested particulars of supposedly "related-party and/or undervalue transactions" and "tenant allowances and/or rent free periods that were supposedly without justification but the Plaintiff has also refused to provide particulars of any of those things.

7. The Plaintiff and the other Proposed Class Members did lose money on their investments, because the Alberta real estate market got weak and the Prism Entities projects all got sold at a loss. Lending institutions and other creditors received part of what they were owed, but there was no money left over for the investors.

7. The Plaintiff makes it sound as if Ali Ghani and Abdul Ghani sold the projects in some improper way but that is not what happened. Except for the Prism Place Lands, all of the projects were sold under court order:

Broadmoor Lands	Receivership, Foreclosure
Heritage Lands	Receivership, Foreclosure
Horizon Lands	Receivership, Bankruptcy, Foreclosure
Summerside Lands	Court Approval

8. The Plaintiff is trying to get around the Court receivership, bankruptcy, foreclosure and sale processes and orders. The Plaintiff should not be allowed to complain now about things that the Court approved years ago.

9. The Prism Place Lands were sold to HOOPP in 2012. Most of the sale proceeds were distributed to Mezzesazine Fund Inc. and its investors. PREIC advanced money to Prism Place to fund continued dividend payments that the Plaintiff and other investors got for months after the sale. A \$900,000 holdback was released in 2017 and was used to partially repay PREIC for its advances but PREIC is still owed money. Prism Place was dissolved in February 2017. Ali Ghani and Abdul Ghani disclosed all this to the Plaintiff in 2017.

10. At least most of the accusations and claims against Ali Ghani and Abdul Ghani are not only untrue but they happened years ago and Ali Ghani and Abdul Ghani are entitled to immunity in respect of them on pleading the Limitations Act as a defence. Ali Ghani and Abdul Ghani are pleading the Limitations Act as a defence.

11. PREIC was as a clearing house for all transactions among the Prism Entities. Funds were comingled among the Prism Entities as we tried to pay expenses for the projects and keep them all going. Ali Ghani and Abdul Ghani produced all the records we had about this in 2017.

12. It is also true that in the last few years before 2017 financial statements were not prepared by the accountants and some annual meetings were not organized. The accountants Kenway Mack Slusarchuk Stewart LLP (KMSS) were owed fees for the work they did. In 2017, Ali Ghani and Abdul Ghani provided the financial statements that were available to the Plaintiff.

13. The Plaintiff has wrongfully refused to provide any particulars of his untrue and wide accusations against us even though we are entitled to them. We cannot fairly defend against general accusations that the Plaintiff will not explain even after we ask. This is just an attempt to blame us for his investment decisions. He should not be allowed to stone wall us and force us to defend this legal action when he will not even give us any specifics.

Remedy sought:

14. Ali Ghani and Abdul Ghani did not commit any misappropriation or fraud. They cooperated with the Plaintiff and the other investors when they wanted to appoint inspectors 3 1/2 years ago. The Plaintiff and the other investors never bothered to appoint the inspectors, because Ali Ghani and Abdul Ghani voluntarily provided all of the information and records that the Plaintiff asked for that they had, which showed that there was no misappropriation or fraud. The Second Amended Statement of Claim is an abuse of court and should be dismissed with costs to Ali Ghani and Abdul Ghani.