

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN

PEGGY JANE DAVIS

Plaintiff

and

ELIVE METCALF, TIMOTHY VOISIN, GEORGE VOISIN, ELAINE VOISIN, CLAYTON METCALF, SNC INSURANCE COMPANY (BARBADOS) INC , 1394174 ONTARIO INC (d b a STOP 'N' CASH 1230), STOP 'N' CASH 1010 INC (d b a STOP 'N' CASH 1010), STOP 'N' CASH 1020 INC (d b a STOP 'N' CASH 1020), NEW MANOR DEVELOPMENTS LIMITED (d b a STOP 'N' CASH 1030), 1543570 ONTARIO INC (d b a STOP 'N' CASH 1040), 1388200 ONTARIO LTD (d b a STOP 'N' CASH 1100), THE REFERRAL GROUP LTD (d b a STOP 'N' CASH 1110 and as STOP 'N' CASH 1580)), 1361864 ONTARIO LIMITED (d b a STOP 'N' CASH 1120), STOP 'N' CASH 1130, 1404867 ONTARIO INC (d b a STOP 'N' CASH 1140), 1396502 ONTARIO LTD (d b a STOP 'N' CASH 1150), 1517380 ONTARIO INC (d b a STOP 'N' CASH 1160), 1410160 ONTARIO INC (d b a STOP 'N' CASH 1170), 1035507 ONTARIO INC (d b a STOP 'N' CASH 1180), DINAH J HOGG (c b a STOP 'N' CASH 1190), 1553618 ONTARIO INC (d b a STOP 'N' CASH 1201), 1389584 ONTARIO LIMITED (d b a STOP 'N' CASH 1210), 1432615 ONTARIO INC (d b a STOP 'N' CASH 1220), 1568560 ONTARIO INC (d b a STOP 'N' CASH 1241), 1410176 ONTARIO INC (d b a STOP 'N' CASH 1250), 1423043 ONTARIO LIMITED (d b a STOP 'N' CASH 1260), KRT ONE INC (d b a STOP 'N' CASH 1270), 1325681 ONTARIO INC (d b a STOP 'N' CASH 1290), 1410616 ONTARIO INC (d b a STOP 'N' CASH 1300), 1484838 ONTARIO INC (d b a STOP 'N' CASH 1320), 1432694 ONTARIO INC (d b a STOP 'N' CASH 1330), 1399227 ONTARIO INC (d b a STOP 'N' CASH 1350), 1438158 ONTARIO INC (d b a STOP 'N' CASH 1360), 1445130 ONTARIO INC (d b a STOP 'N' CASH 1370), 1457210 ONTARIO INC (d b a STOP 'N' CASH 1380), 1465009 ONTARIO INC (d b a STOP 'N' CASH 1390), 1445175 ONTARIO INC (d b a STOP 'N' CASH 1400), FRANCHISE INVESTMENT GROUP INC (d b a STOP 'N' CASH 1410), 2002415 ONTARIO LIMITED (d b a STOP 'N' CASH 1420), 1473451 ONTARIO LIMITED (d b a STOP 'N' CASH 1430), 1476550 ONTARIO LIMITED (d b a STOP 'N' CASH 1440), DYNAMIC DEVELOPMENTS INC (d b a STOP 'N' CASH 1450), KRISWAY INC (d b a STOP 'N' CASH 1470), STOP 'N' CASH 1480, BEST SALES INC (d b a STOP 'N' CASH 1490), 2025579 ONTARIO LIMITED (d b a STOP 'N' CASH 1500), BARUKCIC HOLDING COMPANY INC (d b a STOP 'N' CASH 1520), 1561593 ONTARIO INC (d b a STOP 'N' CASH 1530), 1543441 ONTARIO INC (d b a STOP 'N' CASH 1540), 1543541 ONTARIO LIMITED (d b a STOP 'N' CASH 1550), 1553785 ONTARIO LTD (d b a STOP 'N' CASH 1560), 2025871 ONTARIO INC (d b a STOP 'N' CASH 1590), 2028022 ONTARIO INC (d b a STOP 'N' CASH 1600), 1573780 ONTARIO INC (d b a STOP 'N' CASH 1610), 1561469 ONTARIO INC (d b a STOP 'N' CASH 1620), 1587428 ONTARIO INC (d b a STOP 'N' CASH 1630), 2036998 ONTARIO LIMITED (d b a STOP 'N' CASH 1640), 2024670 ONTARIO LIMITED (d b a STOP 'N' CASH 1650), STOP 'N' CASH 1660, 1445174 ONTARIO INC (d b a STOP 'N' CASH 5010), 1449150 ONTARIO INC (d b a STOP 'N' CASH 5020), 1484809 ONTARIO INC (d b a STOP 'N' CASH 5040) and STOP 'N' CASH 1000 INC (d b a STOP 'N' CASH 5050)

Defendants

Proceeding Under the Class Proceedings Act, 1992

STATEMENT OF CLAIM

TO THE DEFENDANTS

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiffs. The claim made against you is set out in the following pages

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the plaintiffs' lawyers or, where the plaintiffs do not have a lawyer, serve it on the plaintiffs, and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this statement of claim is served on you, if you are served in Ontario

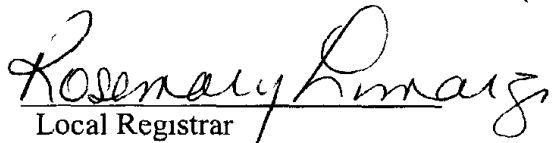
If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days

Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your statement of defence

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE

Date MAR 10 2004

Issued by


Local Registrar

Address of Court Office
245 Windsor Avenue
Windsor ON N9A 1J2

TO
CLIVE METCALF
4061 Violet Street
North Vancouver BC V7G 1E7

AND TO
TIMOTHY VOISIN
809 Victoria Street
Suite 11
Kitchener ON N2B 3C3

AND TO
GEORGE VOISIN
154 Uplands Drive
Kitchener ON N2M 4X6

AND TO
ELAINE VOISIN
154 Uplands Drive
Kitchener ON N2M 4X6

AND TO
CLAYTON METCALF
577 Markham Road
Toronto ON M1H 2A3

AND TO
SNC INSURANCE COMPANY (BARBADOS) INC
c/o George Voisin
154 Uplands Drive
Kitchener ON N2M 4X6

AND TO
1394174 ONTARIO INC
(d b a STOP 'N' CASH 1230)
2605 Howard Avenue
Windsor ON N8X 3W7

AND TO
STOP 'N' CASH 1010 INC
(d b a STOP 'N' CASH 1010)
102-215 Highland Road West
Kitchener ON N2M 3C1

AND TO
STOP 'N' CASH 1020 INC
(d b a STOP 'N' CASH 1020)
2880 King Street East
Suite D
Kitchener ON N2A 1A7

AND TO
NEW MANOR DEVELOPMENTS LIMITED
(d b a STOP N CASH 1030)
809 Victoria Street
No 11
Kitchener ON N2B 3C3

AND TO
1543570 ONTARIO INC
(d b a STOP 'N' CASH 1040)
607 King Street West
Kitchener ON N2G 1C7

AND TO
1388200 ONTARIO LTD
(d b a STOP 'N' CASH 1100)
1725 Kingston Road
No 13
Pickering ON L1V 1C5

AND TO
THE REFERRAL GROUP LTD
(d b a STOP 'N' CASH 1110)
1 Wilson Street
Hamilton ON L8R 1C4

AND TO
1361864 ONTARIO LIMITED
(d b a STOP 'N' CASH 1120)
210 Pinebush Road
Unit 5
Cambridge ON N1R 8A9

AND TO
STOP N CASH 1130
400 Speedvale Avenue West
Unit G
Guelph ON N1H 8H3

AND TO
1404867 ONTARIO INC
(d b a STOP N CASH 1140)
29 University Avenue East
Unit B
Waterloo ON N2J 2V9

AND TO
1396502 ONTARIO LTD
(d b a STOP 'N' CASH 1150)
250 Lakeshore Road East
Unit B
Mississauga ON L5H 1G6

AND TO
1517380 ONTARIO INC
(d b a STOP 'N' CASH 1160)
4-695 Plains Rd E
Burlington ON L7T 2E8

AND TO
1410160 ONTARIO INC
(d b a STOP 'N' CASH 1170)
177A Dundas Street
London ON N6A 1G4

AND TO
1035507 ONTARIO INC
(d b a STOP 'N' CASH 1180)
171 Rink Street
Unit C
Peterborough ON K9J 2V6

AND TO
DINAH J HOGG
(c b a STOP 'N' CASH 1190)
247 Centennial Parkway North
Unit 4
Hamilton ON L8E 2X3

AND TO
1553618 ONTARIO INC
(d b a STOP N CASH 1201)
155 Erie Street
Stratford ON N5A 2M6

AND TO
1389584 ONTARIO LIMITED
(d b a STOP 'N' CASH 1210)
168 Kennedy Road South
Unit 9
Brampton ON L6W 3G6

AND TO
1568560 ONTARIO INC
(d b a STOP 'N' CASH 1241)
135 Niagara Street
St Catharines ON L2R 4L6

AND TO
1423043 ONTARIO LIMITED
(d b a STOP 'N' CASH 1260)
98 First Street
Orangeville ON L9W 3J6

AND TO
1325681 ONTARIO INC
(d b a STOP 'N' CASH 1290)
460 Egerton Ave
London ON N5W 3Z5

AND TO
1484838 ONTARIO INC
(d b a STOP 'N' CASH 1320)
990 Dundas Street
Woodstock ON N4S 1H3

AND TO
1399227 ONTARIO INC
(d b a STOP 'N' CASH 1350)
1251 Simcoe Street North
Oshawa ON L1G 4X1

AND TO
1445130 ONTARIO INC
(d b a STOP 'N' CASH 1370)
360 Guelph Street
No 35
Georgetown ON L7G 4B5

AND TO
1465009 ONTARIO INC
(d b a STOP 'N' CASH 1390)
95 Lincoln Street
No 11
Welland ON N3C 5J6

AND TO
FRANCHISE INVESTMENT GROUP INC
(d b a STOP 'N' CASH 1410)
889 Exmouth Street
Unit 9
Sarnia ON N7T 5R3

AND TO
1432615 ONTARIO INC
(d b a STOP 'N' CASH 1220)
978 3rd Avenue East
No 2
Owen Sound ON N4K 2K9

AND TO
1410176 ONTARIO INC
(d b a STOP 'N' CASH 1250)
185 King George Road
Unit B1A
Brantford ON N3R 4R9

AND TO
KRT ONE INC
(d b a STOP 'N' CASH 1270)
390 Steeles Ave W
Unit 14
North York ON L4J 6X2

AND TO
1410616 ONTARIO INC
(d b a STOP 'N' CASH 1300)
5175 Victoria Avenue
Niagara Falls ON L2E 4E5

AND TO
1432694 ONTARIO INC
(d b a STOP 'N' CASH 1330)
298 Kerr St
Unit A
Oakville ON L6K 3B3

AND TO
1438158 ONTARIO INC
(d b a STOP 'N' CASH 1360)
327 Bronte Street North
No 13
Milton ON L9T 3N7

AND TO
1457210 ONTARIO INC
(d b a STOP 'N' CASH 1380)
9174 Yonge Street
Unit 5
Richmond Hill ON L4C 7A1

AND TO
1445175 ONTARIO INC
(d b a STOP 'N' CASH 1400)
733 Davis Drive
Newmarket ON L3Y 2R2

AND TO
2002415 ONTARIO LIMITED
(d b a STOP 'N' CASH 1420)
5293 Highway #7
Unit 6
Markham ON L3P 1B8

AND TO
1473451 ONTARIO LIMITED
(d b a STOP 'N' CASH 1430)
6505 Tecumseh Road East
Unit 200
Windsor ON N8T 1E7

AND TO
DYNAMIC DEVELOPMENTS INC
(d b a STOP 'N' CASH 1450)
598 Rideau Street
Ottawa ON K1N 6A2

AND TO
STOP 'N' CASH 1480
75 Dundas Street
Unit 6C
Cambridge ON N1R 6Q5

AND TO
2025579 ONTARIO LIMITED
(d b a STOP 'N' CASH 1500)
498 Gardiners Road
Kingston ON K7M 7W9

AND TO
1561593 ONTARIO INC
(d b a STOP 'N' CASH 1530)
577 Markham Road
Toronto ON M1H 2A3

AND TO
1543541 ONTARIO LIMITED
(d b a STOP 'N' CASH 1550)
1580 Queen Street W
Main Floor
Toronto ON M6R 1A6

AND TO
THE REFERRAL GROUP LTD
(d b a STOP 'N' CASH 1580)
1508 Upper James Street
Hamilton ON L9B 1R3

AND TO
2028022 ONTARIO INC
(d b a STOP 'N' CASH 1600)
1311 Danforth Avenue
Toronto ON M4J 1M8

AND TO
1561469 ONTARIO INC
(d b a STOP 'N' CASH 1620)
303 Dunlop Street West
Barrie ON L4N 1C1

AND TO
1476550 ONTARIO LIMITED
(d b a STOP 'N' CASH 1440)
9025 Torbram Road
Unit 17
Brampton ON L6S 3L2

AND TO
KRISWAY INC
(d b a STOP 'N' CASH 1470)
1503 Paris Street
Unit 7
Sudbury ON P3E 3B7

AND TO
BEST SALES INC
(d b a STOP 'N' CASH 1490)
400 Speedvale Avenue West
No G
Guelph ON N1H 8H3

AND TO
BARUKCIC HOLDING COMPANY INC
(d b a STOP 'N' CASH 1520)
2807 Lakeshore Blvd W
Toronto ON M8V 1H6

AND TO
1543441 ONTARIO INC
(d b a STOP 'N' CASH 1540)
994 Huron Street
Unit 7
London ON N5Y 4K6

AND TO
1553785 ONTARIO LTD
(d b a STOP 'N' CASH 1560)
167 Queen Street South
No 7
Streetsville ON L5M 1L2

AND TO
2025871 ONTARIO LIMITED
(d b a STOP 'N' CASH 1590)
3280 Steeles Avenue West
Unit 11
Vaughan ON L4K 2Y2

AND TO
1573780 ONTARIO INC
(d b a STOP 'N' CASH 1610)
238 Queen Street East
Toronto ON M5A 1S3

AND TO
1587428 ONTARIO INC
(d b a STOP 'N' CASH 1630)
1775 Ernest Avenue
London ON N6E 2V5

AND TO
2036998 ONTARIO LIMITED
(d b a STOP 'N' CASH 1640)
2044 Victoria Park Avenue
Toronto ON M1R 1V2

AND TO
STOP 'N' CASH 1660
5700 Mavis Road
Unit 9
Mississauga ON L5V 2N6

AND TO
1449150 ONTARIO INC
(d b a STOP 'N' CASH 5020)
2749 Danforth Avenue
Toronto ON M4C 1L8

AND TO
STOP 'N' CASH 1000 INC
(d b a STOP 'N' CASH 5050)
826 Bloor Street
Toronto ON M5G 1L9

AND TO
2024670 ONTARIO LIMITED
(d b a STOP 'N' CASH 1650)
686 St Clair Street West
Toronto ON M6C 1B1

AND TO
1445174 ONTARIO INC
(d b a STOP 'N' CASH 5010)
1677 O Connor Drive
Toronto ON M4A 1W5

AND TO
1484809 ONTARIO INC
(d b a STOP N CASH 5040)
1802 Weston Road
Toronto ON M8Z 1N5

CLAIM

THE DEFINITIONS

1 The following definitions apply for the purpose of this statement of claim

- (a) “**Act**” means the *Class Proceedings Act, 1992*, S O 1992, c 6, as amended,
- (b) “**Application Agreement**” means the standard form “Client Loan and Credit Application” which each borrower must sign,
- (c) “**CJA**” means the *Courts of Justice Act*, R S O 1990, c 43, as amended,
- (d) “**Class**” or “**Class Members**” means all persons who obtained **Payday Loans** in Ontario from **Stop ‘N’ Cash** during the **Class Period** ,
- (e) “**Class Period**” means the period from January 1, 1998 to the date the court certifies this action as a class proceeding,
- (f) “**Clayton**” means Clayton Metcalf,
- (g) “**Criminal Code**” means the *Criminal Code of Canada*, R S C 1985, c C-46, as amended,
- (h) “**Criminal Rate**” means the following definition found in section 347(2) of the *Criminal Code*

an effective annual rate of interest calculated in accordance with generally accepted actuarial practices and principles that exceeds sixty per cent on the credit advanced under an agreement or arrangement,
- (i) “**Davis**” means Peggy Jane Davis,
- (j) “**Elaine**” means Elaine Voisin,
- (k) “**Franchisees**” means the corporate defendants (except the **Franchisor** and **SNC Insurance**), the defendant Dinah J Hogg and others unknown to the plaintiff but known to **Voisin** and **Metcalf**, that operate in Ontario under the business name **Stop ‘N’ Cash**,

- (l) **“Franchisor”** means Stop ‘N’ Cash 1000 Inc , a company owned and operated by **Metcalf** and **Voisin**, with which all **Franchisees** contract to operate under the name Stop ‘N’ Cash,
- (m) **“George”** means George Voisin,
- (n) **“Interest”** means the following definition found in section 347(2) of the *Criminal Code*

the aggregate of all charges and expenses, whether in the form of a fee, fine, penalty, commission or other similar charge or expense or in any other form, paid or payable for the advancing of credit under an agreement or arrangement, by or on behalf of the person to whom the credit is or is to be advanced, irrespective of the person to whom any such charges and expenses are or are to be paid or payable, but does not include any repayment of credit advanced or any insurance charge, official fee, overdraft charge, required deposit balance or, in the case of a mortgage transaction, any amount required to be paid on account of property taxes,

- (o) **“Metcalf”** means Clive Metcalf,
- (p) **“Payday Loan”** means a short term commercial loan by **Stop ‘N’ Cash**, that is payable on or near the borrower’s next scheduled payday,
- (q) **“s. 347(1)”** means section 347(1) of the *Criminal Code* which states as follows

347 (1) Notwithstanding any Act of Parliament, every one who

(a) enters into an agreement or arrangement to receive interest at a criminal rate, or

(b) receives a payment or partial payment of interest at a criminal rate,

is guilty of

(c) an indictable offence and is liable to imprisonment for a term not exceeding five years, or

(d) an offence punishable on summary conviction and is liable to a fine not exceeding twenty-five thousand dollars or to imprisonment for a term not exceeding six months or to both

- (r) **“s. 462.31”** means section 462 31 of the *Criminal Code* which states as follows

462 31(1) Every one commits an offence who uses, transfers the possession of, sends or delivers to any person or place, transports, transmits, alters, disposes of or otherwise deals with, in any manner and by any means, any property or any proceeds of any property with intent to conceal or convert that property or those proceeds, knowing

or believing that all or a part of that property or of those proceeds was obtained or derived directly or indirectly as a result of

(a) the commission in Canada of an enterprise crime offence or a designated substance offence, or

(b) an act or omission anywhere that, if it had occurred in Canada, would have constituted an enterprise crime offence or a designated substance offence

(2) Every one who commits an offence under subsection (1)

(a) is guilty of an indictable offence and liable to imprisonment for a term not exceeding ten years, or

(b) is guilty of an offence punishable on summary conviction

(s) **“SNC Insurance”** means SNC Insurance Company (Barbados) Inc ,

(t) **“Stop ‘N’ Cash”** means the **Franchisees** and the **Franchisor**,

(u) **“Total Interest”** means the total of all **Interest** charged and collected by **Stop ‘N’ Cash** from the **Class Members** pursuant to the **Payday Loans**, and

(v) **“Voism”** means Timothy Voisin

THE RELIEF CLAIMED

2 DAVIS CLAIMS on her own behalf and on behalf of the Class

(a) an order pursuant to the *Act* certifying this action as a class proceeding and appointing her as the representative of the Class,

(b) a declaration that all charges and expenses payable to Stop ‘N’ Cash by a Class Member on each Payday Loan, including the purported insurance premiums, are Interest,

(c) a declaration that each Payday Loan agreement between Stop ‘N’ Cash and a Class Member is void and unenforceable in whole or in part by reason of illegality and that each Class Member who has a Payday Loan with Stop ‘N’ Cash overdue or outstanding at the date of certification of the action as a class proceeding is not required to repay Stop ‘N’ Cash in whole or in part,

- (d) a declaration that the defendants have, from at least January 1, 1998 to the date the injunction described in subparagraph (l) is granted, or alternatively, to the date the trial of the common issues begins, wrongfully, maliciously and unlawfully conspired to charge and collect Interest at a Criminal Rate,
- (e) a declaration that the defendants have been unjustly enriched at the expense of Davis and the other Class Members by their receipt of the Total Interest,
- (f) a declaration that the defendants are not entitled to retain the Total Interest,
- (g) a declaration that the defendants hold the Total Interest in a constructive trust for the benefit of Davis and the other Class Members,
- (h) an accounting and an order requiring the defendants to disgorge the Total Interest or, if any portion of the Total Interest is no longer in their hands, an amount equal to the Total Interest that was in their hands and judgment in an amount equal to the Total Interest,
- (i) an equitable tracing order tracing the Total Interest,
- (j) a restitutionary order for the Total Interest,
- (k) damages, being the aggregate of all Payday Loans, including all charges, expenses and insurance premiums, advanced to the Class Members or, alternatively, the Total Interest, punitive damages in the sum of \$25,000,000 and the costs of administering the plan of distribution of the recovery in this action in the sum of \$3,000,000, or such other sum as this Court finds appropriate,
- (l) a permanent injunction prohibiting Stop 'N' Cash from charging Interest at a Criminal Rate on any future Payday Loan,
- (m) an interim injunction prohibiting the defendants from distributing the Interest or any part thereof until the disposition of the trial of the common issues,
- (n) an order directing a reference or giving such other directions as may be necessary to determine issues not determined at the trial of the common issues,

- (o) prejudgment and postjudgment interest compounded at 48% per year or at such other rate fixed by the court pursuant to sections 128 and 129 of the *CJA*,
- (p) costs of this action on a substantial indemnity basis, plus applicable taxes, and
- (q) such further and other relief as to this court seems just

THE NATURE OF THIS ACTION

3 Stop 'N' Cash is a franchise operation with approximately 59 stores in Ontario. Stop 'N' Cash offers Payday Loans to a segment of the population that has poor credit or is otherwise unable to utilize traditional banking services.

4 In order to receive a Payday Loan, the borrower must draw a personal cheque in the amount of the Payday Loan plus interest and other fees and premiums post-dated to the borrower's next scheduled payday. The majority of Payday Loans are repaid by the cashing of the borrower's personal cheque payable on the borrower's next payday, or are rolled over for another period of time. To roll over the Payday Loan, the borrower must pay the interest, other fees and expenses due on the original Payday Loan, and then, notionally, take out another Payday Loan in the same principal amount, and incur interest, other fees and expenses in an amount equivalent to those charged on the original Payday Loan.

5 The Stop 'N' Cash Payday Loan agreement purports to charge interest at an effective annual rate of 48%. Other charges are called "*initial setup fees*" and

“*insurance premiums*” These other charges are not included in the calculation of the effective annual interest rate Davis asserts that the aggregate of all interest, other fees, expenses and premiums relating to each Payday Loan agreement constitutes Interest charged at a Criminal Rate In essence, Davis asserts that Stop ‘N’ Cash has and is engaged in a loan sharking operation

6 From at least January 1, 1998, the defendants conspired to breach s 347(1) and s 462 31 by causing Stop ‘N’ Cash to charge and receive Interest on Payday Loans at a Criminal Rate and to cause each Franchisee to transfer part of its Interest from Payday Loans to the Franchisor

7 Alternatively, by breaching s 347(1) and s 462 31 and by charging and receiving Interest on Payday Loans at a Criminal Rate, Stop ‘N’ Cash has been unjustly enriched and the Franchisor, Metcalf, Voisin, Elaine, George and Clayton have received as revenue a portion of the Interest from Payday Loans when they knew or should have known that Stop ‘N’ Cash had no entitlement to charge and receive Interest at a Criminal Rate

THE PARTIES

8 Davis is a 59-year-old woman residing in the Town of Leamington, in the Province of Ontario She lives with her son and daughter Her only source of income is her early retirement pension

9 Stop 'N' Cash is a network of franchises. The owners, officers and directors of the Franchisor are principally Metcalf and Voisin. To the best of Davis' knowledge, each store operating under the name Stop 'N' Cash is owned by a separate Ontario corporation or other person. For example, Stop 'N' Cash 1230 at 2605 Howard Avenue in Windsor, where Davis transacted business during the Class Period, is owned and operated by 1394174 Ontario Inc.

10 Stop 'N' Cash is in the business of lending money. There are about 59 Ontario stores in the Stop 'N' Cash franchise network, all operated by Franchisees who are licensed by or affiliated with the Franchisor. To open a Stop 'N' Cash store, a Franchisee must enter into a franchise agreement with the Franchisor, Metcalf and/or Voisin and pay an initial franchise fee of about \$30,000 or some other fee. Thereafter, each Franchisee must remit to the Franchisor on a weekly basis a royalty fee of about 2% of gross sales and an advertising fee of about 2% of gross sales.

11 Metcalf resides in the Province of British Columbia. He is a director and officer of the Franchisor as well as some of the Franchisees as particularized in Schedule "A". He and Voisin are the founders of and controlling minds of the Stop 'N' Cash franchise network. Metcalf receives a percentage of the Total Interest by way of dividend, salary or other payment or distribution from the Franchisor and the corporations of which he is an officer or director.

12 Voisin resides in the Province of Ontario. He is a director and officer of the Franchisor, and some of the Franchisees as particularized in Schedule "A". Voisin also receives a percentage of the Total Interest by way of dividend, salary or other payment or distribution from the Franchisor and the corporations of which he is an officer or director.

13 George resides in the Province of Ontario. He is a director and officer of New Manor Developments Limited, doing business as Stop 'N' Cash 1030, 1404867 Ontario Inc., doing business as Stop 'N' Cash 1140 and 1449150 Ontario Inc., doing business as Stop 'N' Cash 5020. Each of these corporations is George's alter ego. George is also a director of SNC Insurance. George receives a percentage of the Total Interest by way of dividend, salary or other payment or distribution from these corporations.

14 Elaine resides in the Province of Ontario. She is a director and officer of New Manor Developments Limited, doing business as Stop 'N' Cash 1030 and 1404867 Ontario Inc., doing business as Stop 'N' Cash 1140. Each of these corporations is Elaine's alter ego. Elaine receives a percentage of the Total Interest by way of dividend, salary or other payment or distribution from these corporations.

15 Clayton resides in the Province of Ontario. He is an officer and director of 1388200 Ontario Ltd., doing business as Stop 'N' Cash 1100, 1399227 Ontario Inc.,

doing business as Stop 'N' Cash 1350, 1561593 Ontario Inc , doing business as Stop 'N' Cash 1530 and 1561469 Ontario Inc , doing business as Stop 'N' Cash 1620 Each of these corporations is Clayton's alter ego Clayton receives a percentage of the Total Interest by way of dividend, salary or other payment or distribution from these corporations

16 SNC Insurance is a corporation incorporated in Barbados on November 3, 1999

17 Dinah J Hogg and each Stop 'N' Cash corporate defendant, its owners, officers and directors and its place of business are described in Schedule "A" attached hereto

DAVIS' PAYDAY LOANS

18 Between 2001 and 2002, Davis entered into dozens of Payday Loans with Stop 'N' Cash 1230

19 In November and December, 2003, Davis made three written requests of Stop 'N' Cash 1230 for particulars of all of her Payday Loans Notwithstanding those requests, no particulars have been produced

20 On the occasion of her first Payday Loan, and on every other occasion, an employee of Stop 'N' Cash 1230 directed Davis to write a personal cheque postdated to Davis's next payday

21 On each occasion, Davis was also directed to sign an Application Agreement by which she agreed to transfer and assign to Stop 'N' Cash 1230 a sum of money from her wages

22 The following are the references to interest, other fees and premiums in the Application Agreement

Take notice that I _____ for valuable consideration receipt of which is hereby acknowledged do irrevocably transfer and assign Stop N Cash 1230 Inc the amount of \$ _____ from my wages owing to me or which shall become due to me from my present employer or any future employers AND I HEREBY AUTHORIZE and direct my employer _____ to deduct the amount from any monies due to me and forward such an amount to Stop N Cash 1230 Inc directly to the address that they instruct

Client's Signature _____

There will be a charge of \$25 00 for all returned cheques If a person gives a worthless cheque the person shall be liable to the holder of the cheque for the amount of the cheque and for any and all losses actually incurred

There will be an initial setup fee of \$11 00 The actual interest rate charged on the loan is a function of the number of days the loan is outstanding, but does not exceed 48% per annum Should the loan become default [sic] as a result of overdue payment, the client will be responsible for any and all additional charges incurred

I hereby apply for life and disability insurance with SNC Insurance Company (Barbados) Inc in the amount of the loan I understand that Stop 'N' Cash 1230 Inc only makes loans that are both Life insured and insured against permanent disability I have the option of providing alternative insurance coverage but have declined to do so I hereby assign all insurance benefits from this policy to Stop 'N' Cash 1230 Inc

The details of the insurance coverage are described in a separate certificate of insurance. The insurance premium is equal to 0.2475 times the amount of money actually advanced.

Client's Signature _____ *Date*

Agent's Signature _____ *Date*

Loan Number _____ *Cheque No*
Current Amount _____ *Direct*
Loan Type _____ *Due Date*

23 Stop 'N' Cash utilizes a standard form Application Agreement for all Payday Loans. Davis and the other Class Members cannot negotiate any terms of this Application Agreement.

24 The effective annual rate of interest for the Payday Loans and charges is not stated anywhere in the Payday Loan Application Agreement.

25 Davis did not receive a certificate of insurance from SNC Insurance with any of her Payday Loans and, in fact, SNC Insurance never issued a life and disability insurance policy or a certificate of insurance to any defendant or to any Class Member.

26 The purported insurer of the Payday Loans, SNC Insurance, has never been licensed to carry on business in Ontario, or in any other province or in Canada. It has failed to submit financial statements to the Supervisor of Insurance in Barbados for the years 2001, 2002 and 2003, in direct contravention of s. 18 of the *Exempt Insurance Act* Cap 308A of the laws of Barbados.

27 The life and disability insurance with SNC Insurance referred to in each Application Agreement was intended to be and was at all times a sham, created by the defendants with the intent of characterizing a part of the charges and expenses for a Payday Loan as an “insurance charge” and thereby exclude it from the definition of Interest

28 The purported cost of borrowing is posted in each Stop ‘N’ Cash store. According to this posting, a Class Member pays an initial \$11 setup fee for a Payday Loan plus \$20 for every \$100 or part thereof borrowed. The setup fee of \$11 is charged only on the first Payday Loan, regardless of the number of Payday Loans obtained or the number of Stop ‘N’ Cash stores used.

29 Davis rolled over the majority of her Payday Loans. Rather than cash Davis’ personal cheques, Stop ‘N’ Cash held the cheques until Davis returned in person on or before the due date of her Payday Loans, at which time she paid the Interest in cash. She would then sign a new Application Agreement and give a new personal cheque or cheques postdated to her next payday.

30 The effective annual rate of interest calculated in accordance with generally accepted actuarial practices and principles that Stop ‘N’ Cash 1230 charged to and received from Davis exceeded 60% on the credit advanced on each Payday Loan to her, contrary to s. 347(1).

31 Davis pleads that the aggregate of all of the interest and other fees, charges and premiums relating to each of her Payday Loans constitutes Interest at a Criminal Rate. Therefore, Davis asserts that the Application Agreements implementing and documenting her Payday Loans are illegal and invalid.

32 During the Class Period, Stop 'N' Cash used various forms of Payday Loan Application Agreements. However, Stop 'N' Cash's charges and expenses to the Class Members in each and every Payday Loan Application Agreement were the same and on each Payday Loan, Stop 'N' Cash charged Interest at a Criminal Rate.

DEFENDANTS' LIABILITY

33 Metcalf and Voisin are the operating minds of the Franchisor and of the corporate defendants particularized in paragraphs 2, 3, 5, 29, 57, 58, 59 and 60 of Schedule "A". Each of these corporations is the alter ego of Metcalf and Voisin. Thus, Metcalf and Voisin are liable for the acts and omissions of the Franchisor and of these corporations. They have also conspired with their co-defendants. They have each received some of the Interest by way of dividends, management fees or other means, knowing that these monies were obtained or derived, directly or indirectly, as a result of a breach of s. 347(1) and s. 462.31.

34 Since at least January 1, 1998, the defendants have profited illegally at the expense of the Class Members who are a vulnerable segment of the population by

charging and receiving Interest at a Criminal Rate The Franchisor received its share of the Total Interest by way of royalties, advertising fees and other fees and expenses

THE CONSPIRACY

35 During the period from approximately January 1, 1998 to the date of this statement of claim, at Kitchener, Ontario and elsewhere in Ontario and Canada, the defendants wrongfully, unlawfully, maliciously and lacking *bona fides*, conspired and agreed together, the one with the other or others of them, to

- (a) achieve an unlawful purpose, namely, to charge Interest at a Criminal Rate contrary to s 347(1),
- (b) transfer, send, deliver and dispose of the Interest charged at a Criminal Rate to the Franchisor, contrary to s 462 31, by franchise fees, royalty payments, advertising fees and other charges knowing or believing that it was obtained or derived, directly or indirectly, as a result of a breach of s 347(1),
- (c) transfer monies from the Franchisees to the Franchisor, Voisin and Metcalf, by way of dividends, franchise fees, and other means, contrary to s 462 31, knowing or believing that these monies were obtained or derived, directly or indirectly, as a result of a breach of s 347(1),
- (d) charge premiums for life and disability insurance that did not exist, in the name of SNC Insurance, a company that did not carry on business in Ontario and is not in good standing in its place of incorporation, Barbados, with the predominant purpose of causing injury and loss to the Class Members,
- (e) unlawfully cause the Class Members to pay Interest at a Criminal Rate when they knew or should have known in the circumstances that the Class Members would suffer injury and loss, and
- (f) engage in various means, artifices, acts and devices, lawful and unlawful, with the predominant purpose of securing for themselves significant illegal revenues and profits in Stop 'N' Cash, causing injury or loss to the Class Members

36 The defendants were motivated to conspire and their predominant purposes were

- (a) to achieve personal and corporate financial gains at the expense of the Class Members,
- (b) to cause injury to the Class Members,
- (c) to direct their conduct toward the Class Members knowing in the circumstances that injury to the Class Members was likely to and did in fact result,
- (d) to receive directly or indirectly the Total Interest,
- (e) to cause the Franchisees to receive the Total Interest and to transfer part of the Total Interest to the Franchisor, and
- (f) to avoid detection and to conceal the conspiracy from the Class Members and from the authorities in Canada

37 In furtherance of the conspiracy, the following acts were done by Metcalf, Voisin and the Franchisor

- (a) in and after 1998, they conceived the business plan of making Payday Loans and implemented a business strategy to carry out that plan,
- (b) they undertook market surveys of the viability of the Payday Loan business,
- (c) they assessed potential markets by analyzing demographic, competitive and regulatory factors, site selection and availability and growth potential,
- (d) they developed standardized hardware and software packages,
- (e) they established standardized computer systems,
- (f) they developed standard form franchise agreements,

- (g) they advertised franchises for sale,
- (h) they licensed franchisees,
- (i) they received a percentage of the Interest from Payday Loans entered into by the Franchisees,
- (j) they developed standard form contracts,
- (k) they revised standard form contracts,
- (l) they organized the franchise structure of Stop 'N' Cash to capitalize on economies of scale and efficiencies,
- (m) in 1999, with the assistance of George, they incorporated SNC Insurance in the Barbados intending it to function as a sham insurer in Canada to mask Interest as insurance premiums,
- (n) they conceived the concept of attempting to charge insurance premiums as a means of circumventing the provisions of s 347(2), and
- (o) they permitted each Franchisee to keep the bogus insurance premiums

38 In furtherance of the conspiracy, the following acts were done by the defendants

- (a) they collected and received the Total Interest,
- (b) they obtained legal advice,
- (c) they implemented standard form Payday Loan processes and procedures in all locations,
- (d) they trained personnel to operate Stop 'N' Cash stores,
- (e) they promoted Stop 'N' Cash as a legitimate business providing a *bona fide* alternative financial service while knowingly charging Interest at a Criminal Rate,
- (f) they publicly advertised Stop 'N' Cash's services as lawful,

- (g) they established and maintained a web site,
- (h) they engaged in and facilitated the unlawful practice of charging Interest at a Criminal Rate,
- (i) they established and utilized standardized collection procedures,
- (j) they prepared and utilized standard manuals,
- (k) they established and funded a common advertising plan,
- (l) the Franchisees paid the proceeds of the conspiracy to the Franchisor as franchise fees, royalties, advertising fees and other charges,
- (m) they paid expenses, taxes, charges and other costs of operations from the Interest from Payday Loans charged at a Criminal Rate,
- (n) they created and utilized a business model designed to collect Interest at a Criminal Rate while avoiding s 347(1) by attempting to mask interest as insurance premiums and other charges,
- (o) they charged insurance premiums equal to at least 24% of each Payday Loan when they knew no life and disability insurance existed or might lawfully be sold in Ontario

39 The defendants knew that Stop 'N' Cash charged Interest at a Criminal Rate or they were wilfully blind and they should have known. Their evil intent is demonstrated by the sham insurance premiums purportedly charged by SNC Insurance

40 Each defendant knew that SNC Insurance was a sham insurer. They knew or ought to have known that as a result of the conspiracy the Class Members would suffer injury, damage and loss and the Class Members did in fact, suffer injury and loss as particularized herein

RESTITUTION AND CONSTRUCTIVE TRUST

41 The defendants have been unjustly enriched by the receipt of the Total Interest or part thereof. They should not be allowed to retain the Total Interest as they deliberately set out to enrich themselves by conspiring and committing the wrongful act of charging interest in excess of that permitted by s 347(1) and they have enriched themselves by so doing.

42 Davis and the other Class Members have suffered a deprivation in the amount of the Total Interest.

43 Since the charges and expenses received by the defendants on each Payday Loan to Davis and the other Class Members constitute Interest at a Criminal Rate, since each Payday Loan Application Agreement between Stop 'N' Cash and the Class Members is void and unenforceable in whole or in part by reason of illegality and is, in fact, a loan sharking arrangement, and since s 347(1) and s 462 31 exist to protect persons such as Davis and the other Class Members in the circumstances pleaded above, there is and can be no juridical reason to justify the defendants retaining any part of the Total Interest. Therefore, the defendants are liable to Davis and the other Class Members in restitution for the Total Interest.

44 In all the circumstances pleaded above, it is just and equitable that the defendants be declared to be constructive trustees in favour of Davis and the other Class Members holding the Total Interest for the benefit of Davis and the other Class

Members Further, as constructive trustees, the defendants should be ordered to disgorge the Total Interest in their hands or, if any portion of the Total Interest is no longer in their hands, to return an amount equal to the Total Interest that was in their hands

45 Davis pleads that she and the other Class Members are entitled to an equitable tracing order, an accounting of the Total Interest and a restitutionary order

DAMAGES AND OTHER RELIEF

46 As a result of the conspiracy, Davis and the other Class Members paid the Total Interest to the Franchisees at a Criminal Rate The Class Members are entitled to recover damages in the total amount of their Payday Loans, including all interest, fees or other charges or, alternatively, restitution of the Total Interest

47 All Class Members who have Payday Loans with Stop 'N' Cash that are overdue or outstanding, in whole or in part, at the date of certification of the action as a class proceeding are not required to pay Stop 'N' Cash any interest, fees or other charges because Stop 'N' Cash charged them Interest at a Criminal Rate and because the Court ought not to enforce the provisions of a Payday Loan Application Agreement that is void and unenforceable in whole or in part and that is, in fact, a loan sharking arrangement Davis and the other Class Members plead and rely upon the principle *ex turpi causa non oritur actio*

48 The defendants specifically targeted the most vulnerable members of society, such as single parents, pensioners, persons on social assistance, persons with gambling and other addictions and the working poor

49 Davis pleads that the conduct of the defendants, as particularized above

- (a) exploited and continues to exploit the economic vulnerability and pressing need of the Class Members,
- (b) was and continues to be high-handed and outrageous and constitutes predation upon disadvantaged or vulnerable consumers who are Class Members,
- (c) was and continues to be motivated solely by greed, and
- (d) contravenes s 347(1) and s 462 31, which were enacted to protect the economically vulnerable from exploitation and damage as a result of the imposition of illegal interest rates

50 The defendants knew the terms of s 347(1) and s 462 31, yet they ignored these provisions and engaged in a protracted and extensive course of conduct in intentional disregard of the criminal law. They have gone to great lengths to manipulate the terminology in the Payday Loan Application Agreements in an attempt to mask the true nature of the Interest they charged at a Criminal Rate and to impede any attempt to recover the Interest. They claim to charge insurance premiums for insurance policies that do not exist, in the name of an insurance company that does not do business in Ontario or elsewhere in Canada and is not in good standing in its place of incorporation, Barbados. They have set up sham insurance premiums in an attempt to circumvent s 347(1) and s 462 31. They have charged interest rates which are usurious. They have breached s 347(1) and s 462 31.

51 The defendants' conduct as particularized above is tortious, offends the moral standards of the community, is scandalous, warrants the condemnation of this Court and renders them liable to pay punitive damages in the amount of \$25,000,000 or such other amount as the Court finds appropriate

52 Davis and the other Class Members are also entitled to recover as damages or costs in accordance with the *Act*, the costs of administering the plan of distribution of the recovery in this action, which administration costs will be approximately \$3,000,000

53 Because the defendants purported to charge the Class Members interest at 48% annually, they should pay prejudgment and postjudgment interest calculated at the rate of 48% per year compounded

THE LEGISLATION

54 Davis pleads and relies upon the *Act*, s 347(1), (2) and s 462 31 of the *Criminal Code*, s 127 and s 128 of the *CJA*, and s 18 of the *Exempt Insurance Act*, Cap 308A of the laws of Barbados

55 Davis proposes that this action be tried in the City of Windsor, in the County of Essex

SERVICE OUTSIDE OF ONTARIO

56 This originating process may be served without court order outside Ontario in that the claim is

- (a) in respect of a contract made in Ontario (rule 17 02(f)),
- (b) in respect of a tort committed in Ontario (rule 17 02(g)),
- (c) in respect of damages sustained in Ontario arising from a tort or breach of contract wherever committed (rule 17 02(h)),
- (d) against a person outside Ontario who is a necessary or proper party to a proceeding properly brought against another person served in Ontario (rule 17 02(o))

March 10, 2004

SUTTS, STROSBERG LLP
Barristers and Solicitors
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HARVEY T STROSBERG, Q C
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Tel (519) 561-6228
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Solicitors for the plaintiff

SCHEDULE A

1 1394174 Ontario Inc , doing business as Stop 'N' Cash 1230, was incorporated pursuant to the laws of Ontario on February 22, 2000 Its principal place of business is located at 2605 Howard Avenue in Windsor, Ontario Michael O'Connor and Blake Oldnall are its sole officers and directors

2 Stop 'N' Cash 1010 Inc , doing business as Stop 'N' Cash 1010, was incorporated pursuant to the laws of Ontario on May 14, 1998 Its principal place of business is located at 215 Highland Road West in Kitchener, Ontario Metcalf and Voisin are its sole officers and directors

3 Stop 'N' Cash 1020 Inc , doing business as Stop 'N' Cash 1020, was incorporated pursuant to the laws of Ontario on November 10, 1999 Its principal place of business is located at 2880 King Street East in Kitchener, Ontario Metcalf and Voisin are its sole officers and directors

4 New Manor Developments Limited, doing business as Stop 'N' Cash 1030, was incorporated pursuant to the laws of Ontario on January 4, 1978 Its principal place of business is located at 809 Victoria Street in Kitchener, Ontario George and Elaine are its sole officers and directors

5 1543570 Ontario Inc , doing business as Stop 'N' Cash 1040, was incorporated pursuant to the laws of Ontario on December 16, 2002 Its principal place of business is located at 607 King Street West in Kitchener, Ontario Voisin and Donald Zehr are its sole officers and directors

6 1388200 Ontario Ltd , doing business as Stop 'N' Cash 1100, was incorporated pursuant to the laws of Ontario on December 1, 1999 Its principal place of business is located at 1725 Kingston Road in Pickering, Ontario Clayton is its sole officer and director

7 The Referral Group Ltd , doing business as Stop 'N' Cash 1110, was created by articles of amalgamation on December 24, 2003 Its principal place of business is located at 1 Wilson Street in Hamilton, Ontario Richard Robert Reist is its sole officer and director

8 1361864 Ontario Limited, doing business as Stop 'N' Cash 1120, was incorporated pursuant to the laws of Ontario on July 23, 1999 Its principal place of business is located at 210 Pinebush Road in Cambridge, Ontario Greg Baker, Kelly Baker and Andrew Michie are its sole officers and directors

9 Stop 'N' Cash 1130 conducts business at 400 Speedvale Avenue West in Guelph, Ontario The corporate identity of Stop 'N' Cash 1130 is unknown to the plaintiff but is known to Metcalf and Voisin

10 1404867 Ontario Inc , doing business as Stop 'N' Cash 1140, was incorporated pursuant to the laws of Ontario on March 21, 2000 Its principal place of business is located at 29 University Avenue East in Waterloo, Ontario George and Elaine are its sole officers and directors

11 1396502 Ontario Ltd , doing business as Stop 'N' Cash 1150, was incorporated pursuant to the laws of Ontario on January 14, 2000 Its principal place of business is located at 250 Lakeshore Road East in Mississauga, Ontario Maureen Gordon is its sole officer and director

12 1517380 Ontario Inc , doing business as Stop 'N' Cash 1160, was incorporated pursuant to the laws of Ontario on July 16, 2002 Its principal place of business is located at 695 Plains Road East in Burlington, Ontario Tatjana Mirt is its sole officer and director

13 1410160 Ontario Inc , doing business as Stop 'N' Cash 1170, was incorporated pursuant to the laws of Ontario on May 1, 2000 Its principal place of business is located at 177 Dundas Street in London, Ontario Mavis Ruddock is its sole officer and director

14 1035507 Ontario Inc , doing business as Stop 'N' Cash 1180, was incorporated pursuant to the laws of Ontario on January 6, 1994 Its principal place of

business is located at 171 Rink Street in Peterborough, Ontario Dennis Moore is its sole officer and director

15 Dinah J Hogg is a sole proprietor carrying on business as Stop 'N' Cash 1190 Her principal place of business is located at 247 Centennial Parkway North in Hamilton, Ontario

16 1553618 Ontario Inc , doing business as Stop 'N' Cash 1201, was incorporated pursuant to the laws of Ontario on February 13, 2003 Its principal place of business is located at 155 Erie Street in Stratford, Ontario George Davey, Celeste Davey, Susan Davey and John Davey are its officers and directors

17 1389584 Ontario Limited, doing business as Stop 'N' Cash 1210, was incorporated pursuant to the laws of Ontario on January 7, 2000 Its principal place of business is located at 168 Kennedy Road South in Brampton, Ontario Pamela Ridley is its sole officer and director

18 1432615 Ontario Inc , doing business as Stop 'N' Cash 1220, was incorporated pursuant to the laws of Ontario on August 9, 2000 Its principal place of business is located at 978 3rd Avenue East in Owen Sound, Ontario George Davey and Celeste Davey are its sole officers and directors

19 1568560 Ontario Inc , doing business as Stop 'N' Cash 1241, was incorporated pursuant to the laws of Ontario on July 8, 2003 Its principal place of business is located at 135 Niagara Street in St Catharines, Ontario Timothy Robert Ellis is its sole officer and director

20 1410176 Ontario Inc , doing business as Stop 'N' Cash 1250, was incorporated pursuant to the laws of Ontario on May 3, 2000 Its principal place of business is located at 185 King George Road in Brantford, Ontario Heather Elizabeth Drake is its sole officer and director

21 1423043 Ontario Limited, doing business as Stop 'N' Cash 1260, was incorporated pursuant to the laws of Ontario on August 18, 2000 Its principal place of business is located at 98 First Street in Orangeville, Ontario Norbert Kofler is its sole officer and director

22 KRT One Inc , doing business as Stop 'N' Cash 1270, was incorporated pursuant to the laws of Ontario on June 16, 2000 Its principal place of business is located at 390 Steeles Avenue West in North York, Ontario Richard Reist is its sole officer and director

23 1325681 Ontario Inc , doing business as Stop 'N' Cash 1290, was incorporated pursuant to the laws of Ontario on December 30, 1998 Its principal place

of business is located at 460 Egerton Avenue in London, Ontario Wayne Dunkel, Priscilla Lynn-Dunkel and Elizabeth Lynn are its sole officers and directors

24 1410616 Ontario Inc , doing business as Stop 'N' Cash 1300, was incorporated pursuant to the laws of Ontario on April 3, 2000 Its principal place of business is located at 5175 Victoria Avenue in Niagara Falls, Ontario Michael Dobson, Robert Gable and Steve Dobson are its sole officers and directors

25 1484838 Ontario Inc , doing business as Stop 'N' Cash 1320, was incorporated pursuant to the laws of Ontario on July 30, 2001 Its principal place of business is located at 990 Dundas Street in Woodstock, Ontario John Davey and George Davey are its sole officers and directors

26 1432694 Ontario Inc , doing business as Stop 'N' Cash 1330, was incorporated pursuant to the laws of Ontario on August 25, 2000 Its principal place of business is located at 298 Kerr Street in Oakville, Ontario Tatjana Mirt is its sole officer and director

27 1399227 Ontario Inc , doing business as Stop 'N' Cash 1350, was incorporated pursuant to the laws of Ontario on January 31, 2000 Its principal place of business is located at 1251 Simcoe Street North in Oshawa, Ontario Rosemarie Hambley and Clayton are its sole officers and directors

28 1438158 Ontario Inc , doing business as Stop 'N' Cash 1360, was incorporated pursuant to the laws of Ontario on October 13, 2000 Its principal place of business is located at 327 Bronte Street North in Milton, Ontario Steven Holbrook and Baljit Grewal are its sole officers and directors

29 1445130 Ontario Inc , doing business as Stop 'N' Cash 1370, was incorporated pursuant to the laws of Ontario on November 9, 2000 Its principal place of business is located at 360 Guelph Street in Georgetown, Ontario Robert Allan Brenneman, Maureen Elizabeth Brenneman, Voisin and Metcalf are its officers and directors

30 1457210 Ontario Inc , doing business as Stop 'N' Cash 1380, was incorporated pursuant to the laws of Ontario on January 2, 2001 Its principal place of business is located at 9174 Yonge Street in Richmond Hill, Ontario Douglas Silliker and Gary Silliker are its sole officers and directors

31 1465009 Ontario Inc , doing business as Stop 'N' Cash 1390, was incorporated pursuant to the laws of Ontario on February 20, 2001 Its principal place of business is located at 95 Lincoln Street in Welland, Ontario Timothy Ellis and Pritam Gill are its sole officers and directors

32 1445175 Ontario Inc , doing business as Stop 'N' Cash 1400, was incorporated pursuant to the laws of Ontario on November 17, 2000 Its principal place

of business is located at 733 Davis Drive in Newmarket, Ontario Susan Ziegler is its sole officer and director

33 Franchise Investment Group Inc , doing business as Stop 'N' Cash 1410, was incorporated pursuant to the laws of Ontario on August 4, 2000 Its principal place of business is located at 889 Exmouth Street in Sarnia, Ontario Edward James, Jane James, Joanne Stever, Mark Stever, George Zador and Kathyrn Zador are its officers and directors

34 2002415 Ontario Limited, doing business as Stop 'N' Cash 1420, was incorporated pursuant to the laws of Ontario on April 10, 2001 Its principal place of business is located at 5293 Highway #7 in Markham, Ontario Robert John Drummond and Linda M Drummond are its sole officers and directors

35 1473451 Ontario Limited, doing business as Stop 'N' Cash 1430, was incorporated pursuant to the laws of Ontario on May 23, 2001 Its principal place of business is located at 6505 Tecumseh Road East in Windsor, Ontario Michael O'Connor and Blake Oldnall are its sole officers and directors

36 1476550 Ontario Limited, doing business as Stop 'N' Cash 1440, was incorporated pursuant to the laws of Ontario on July 9, 2001 Its principal place of business is located at 9025 Torbram Road in Brampton, Ontario Dinah Jane Hogg and Pamela Ann Ridley are its sole officers and directors

37 Dynamic Developments Inc , doing business as Stop 'N' Cash 1450, was created by articles of amalgamation on December 24, 2003 Its principal place of business is located at 598 Rideau Street in Ottawa, Ontario Richard Reist is its sole officer and director

38 Krisway Inc , doing business as Stop 'N' Cash 1470, was incorporated pursuant to the laws of Ontario on December 4, 1984 Its principal place of business is located at 7 Paris Street in Sudbury Ontario Wayne F Maher is its sole officer and director

39 Stop 'N' Cash 1480 conducts business at 75 Dundas Street in Cambridge, Ontario The corporate identity of Stop 'N' Cash 1480 is unknown to the plaintiff but is known to Metcalf and Voisin

40 Best Sales Inc , doing business as Stop 'N' Cash 1490, was incorporated pursuant to the laws of Ontario on August 28, 2002 Its principal place of business is located at 400 Speedvale Avenue West in Guelph, Ontario Douglas C Battler is its sole officer and director

41 2025579 Ontario Limited, doing business as Stop 'N' Cash 1500, was incorporated pursuant to the laws of Ontario on April 22, 2003 Its principal place of

business is at 498 Gardiners Road in Kingston, Ontario Rick Shaughnessy is its sole officer and director

42 Barukcic Holding Company Inc , doing business as Stop 'N' Cash 1520, was incorporated pursuant to the laws of Ontario on December 4, 2002 Its principal place of business is located at 2807 Lakeshore Blvd West in Toronto, Ontario Tony Barukcic and Ilija Barukcic are its sole officers and directors

43 1561593 Ontario Inc , doing business as Stop 'N' Cash 1530, was incorporated pursuant to the laws of Ontario on May 9, 2003 Its principal place of business is located at 577 Markham Road in Toronto, Ontario Clayton and Robert Paul Fitzpatrick are its sole officers and directors

44 1543441 Ontario Inc , doing business as Stop 'N' Cash 1540, was incorporated pursuant to the laws of Ontario on November 4, 2002 Its principal place of business is located at 994 Huron Street in London, Ontario Elizabeth Lynn and Priscilla Lynn-Dunkel are its sole officers and directors

45 1543541 Ontario Limited, doing business as Stop 'N' Cash 1550, was incorporated pursuant to the laws of Ontario on December 4, 2002 Its principal place of business is located at 1580 Queen Street West in Toronto, Ontario Nga Thien Hoang and Quoc Bao Hoang are its sole officers and directors

46 1553785 Ontario Ltd , doing business as Stop 'N' Cash 1560, was incorporated pursuant to the laws of Ontario on March 27, 2003 Its principal place of business is located at 167 Queen Street South in Mississauga, Ontario Scott Shaver, Joseph Fera and Gregory Baker are its sole officers and directors

47 The Referral Group Ltd , doing business as Stop 'N' Cash 1580, was created by articles of amalgamation on December 24, 2003 Its principal place of business is located at 1508 Upper James Street in Hamilton, Ontario Richard Robert Reist is its sole officer and director

48 2025871 Ontario Limited, doing business as Stop 'N' Cash 1590, was incorporated pursuant to the laws of Ontario on April 28, 2003 Its principal place of business is at 3280 Steeles Avenue West in Vaughan, Ontario Alexander Rubezin is its sole officer and director

49 2028022 Ontario Inc , doing business as Stop 'N' Cash 1600, was incorporated pursuant to the laws of Ontario on June 11, 2003 Its principal place of business is at 1311 Danforth Avenue in Toronto, Ontario Art Linton is its sole officer and director

50 1573780 Ontario Inc , doing business as Stop 'N' Cash 1610, was incorporated pursuant to the laws of Ontario on September 19, 2003 Its principal place

of business is at 238 Queen Street East in Toronto, Ontario Nga Thien Hoang is its sole officer and director

51 1561469 Ontario Inc , doing business as Stop 'N' Cash 1620, was incorporated pursuant to the laws of Ontario on April 15, 2003 Its principal place of business is at 303 Dunlop Street West in Barrie, Ontario Clayton and Robert Paul Fitzpatrick are its sole officers and directors

52 1587428 Ontario Inc , doing business as Stop 'N' Cash 1630, was incorporated pursuant to the laws of Ontario on November 13, 2003 Its principal place of business is at 1775 Ernest Avenue in London, Ontario Mavis Ruddock is its sole officer and director

53 2036998 Ontario Limited, doing business as Stop 'N' Cash 1640, was incorporated pursuant to the laws of Ontario on December 5, 2003 Its principal place of business is at 2044 Victoria Park Avenue in Toronto, Ontario Alina Erenburg and George Rubezin are its sole officers and directors

54 2024670 Ontario Limited, doing business as Stop 'N' Cash 1650, was incorporated pursuant to the laws of Ontario on March 31, 2003 Its principal place of business is at 686 St Clair Avenue West in Toronto, Ontario Glenn Taylor MacPhail is its sole officer and director

55 Stop 'N' Cash 1660 conducts business at 5700 Mavis Road in Mississauga, Ontario. The corporate identity of Stop 'N' Cash 1660 is unknown to the plaintiff but is known to Metcalf and Voisin.

56 1445174 Ontario Inc., doing business as Stop 'N' Cash 5010, was incorporated pursuant to the laws of Ontario on November 17, 2000. Its principal place of business is located at 1677 O'Connor Drive in Toronto, Ontario. Metcalf and Voisin are its sole officers and directors.

57 1449150 Ontario Inc., doing business as Stop 'N' Cash 5020, was incorporated pursuant to the laws of Ontario on December 20, 2000. Its principal place of business is located at 2749 Danforth Avenue in Toronto, Ontario. Metcalf, Voisin and George are its sole officers and directors.

58 1484809 Ontario Inc., doing business as Stop 'N' Cash 5040, was incorporated pursuant to the laws of Ontario on July 24, 2001. Its principal place of business is located at 1802 Weston Road in Toronto, Ontario. Metcalf, Voisin and George Davey are its sole officers and directors.

59 Stop 'N' Cash 1000 Inc., doing business as Stop 'N' Cash 5050, was incorporated pursuant to the laws of Ontario on April 7, 1999. Its principal place of business is located at 826 Bloor Street in Toronto, Ontario and its registered head office

is located at 809 Victoria Street North in Kitchener, Ontario. Voisin and Metcalf are its sole officers and directors.

PEGGY JANE DAVIS

vs. CLIVE METCALF et al.

Plaintiff

Defendants

Court File No. 04CV 2451

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDINGS COMMENCED AT WINDSOR

STATEMENT OF CLAIM

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