

Court File No. 04-CV-2451

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

PEGGY JANE DAVIS

Plaintiff

and

CLIVE 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 (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 LTD (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 ONTRJO 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 LTD. (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 LTD. (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 LTD.(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. 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), 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), STOP 'N' CASH 1000 INC. (D.B.A. STOP 'N' CASH 5050), 1589869 ONTARIO INC. and 2024670 ONTARIO LIMITED (D.B.A. STOP 'N' CASH 1650)

Defendants

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**STATEMENT OF DEFENCE OF
THE DEFENDANTS GEORGE VOISIN, ELAINE VOISIN,
NEW MANOR DEVELOPMENTS LIMITED (D.B.A.
STOP 'N' CASH 1030), 1404867 ONTARIO INC.
(D.B.A. STOP 'N' CASH 1140) and 1449150 ONTARIO INC.
(D.B.A. STOP 'N' CASH 5020)**

1. The defendants admit the allegations contained in paragraphs 9, 10 and 16 of the statement of claim.

2. The defendants deny the allegations contained in paragraphs 3, 4, 5, 6, 7, 8, 11, 12, 13, 14, 15, 23, 24, 26, 27, 28, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52 and 53 of the statement of claim.

3. The defendants have no knowledge in respect of the allegations contained in paragraphs 17, 18, 19, 20, 21, 22, 25 and 29 of the statement of claim.

4. The defendants adopt the definitions set out in paragraph 1 of the statement of claim.

5. The defendant George Voisin is a solicitor and a member in good standing of the Law Society of Upper Canada. George and the defendant Elaine Voisin are married.

6. In or about August, 1999, George was retained to provide legal advice and services with respect to setting up a business of franchises engaged in making payday loans.

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7. The franchisor of the businesses was the defendant Stop 'N' Cash 1000 Inc., a corporation owned and controlled by Voisin and Metcalf

8. George was engaged to assist in setting up a captive insurance company to provide services to the Franchisor and its franchisees. SNC Insurance was incorporated in Barbados. George was the incorporator named in the initial filing documents, and an officer and director of SNC Insurance.

9. A Barbados insurance manager was retained to manage the business of SNC. SNC received a license from the Supervisor of Insurance for Barbados which permitted it to carry on business as an insurer and at all material times was licensed to provide insurance.

10. Voisin and the Franchisor managed the Canadian side of SNC. George had no day to day or other management responsibilities.

11. On or about July 15, 2005, George resigned as an officer and director of SNC Insurance. Under Barbados law he was not permitted to resign until a replacement director had been appointed.

12. George was never a director or officer of the Franchisor.

13. George has never received a dividend or distribution from SNC or the Franchisor.

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14. George ceased acting as solicitor for SNC Insurance and the Franchisor on or about August 26th, 2004.

15. George was further engaged by Voisin to incorporate the defendant 1449150 Ontario Inc. (dba Stop 'N' Cash 5020) on or about December 20, 2000. George was the incorporator named in the initial filing documents of 1449150 and one of its first directors.

16. George resigned as a director of 1449150 on December 20, 2000. George was never a shareholder and has never received a dividend or distribution from 1449150.

17. George and Elaine are beneficiaries of a family trust that acquired all of the shares in 1404867 Ontario Inc. (d.b.a. Stop 'N' Cash 1140) on February 1, 2002. George and Elaine became directors and officers of 1404867 on the same date. 1404867 was a franchisee and carried on business in Waterloo, Ontario.

18. On or about September 15, 2005, 1404867 was placed in receivership. Its assets have been sold.

19. George, Elaine and the family trust have never received any dividends or distributions from the business of 1404867.

20. George and Elaine are directors, officers and shareholders of the defendant New Manor Developments Limited.

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21. On or about February 14th, 2002, New Manor registered the business name Stop 'N' Cash 1030 in anticipation of obtaining a franchise. New Manor subsequently did not obtain a franchise and never carried on business as a short-term pay-day lender. New Manor's business name registration was cancelled on June 24th, 2005.

22. At all material times, George acted honestly with the intent to provide proper legal advice and services to Voisin and the Franchisor. Neither George, Elaine nor any of the defendants pleading conspired with any other party to this action to accomplish unlawful purposes.

December 29, 2005

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Stop 'N' Cash 1140) and 1449150 Ontario
Inc. (d.b.a. Stop 'N' Cash 5020)

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PEGGY JANE DAVIS
Plaintiff

-and- CLIVE METCALF et al.
Defendants

Court File No. 04-CV-2451

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PROCEEDING COMMENCED AT
WINDSOR

**STATEMENT OF DEFENCE OF THE DEFENDANTS
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DEVELOPMENTS LIMITED (D.B.A. STOP 'N' CASH 1030),
1404867 ONTARIO INC. (D.B.A. STOP 'N' CASH 1140) AND
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