

Court File No. 04-CV-2451

**ONTARIO  
SUPERIOR COURT OF JUSTICE****B E T W E E N:****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 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 (e 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**

**STATEMENT OF DEFENCE ON BEHALF OF  
TIMOTHY VOISIN**

1. The defendant, Timothy Voisin ("Voisin") admits none of the allegations contained in the statement of claim, unless hereinafter specifically admitted.
2. Voisin denies all of the allegations contained in the statement of claim unless hereinafter specifically admitted, and denies that the Class Members are entitled to the relief requested in paragraph 2 of the statement of claim, or to any relief at all.
3. Voisin was a founder of the Stop 'N' Cash organization. He has been an officer and director of Stop 'N' Cash 1000 Inc. (the "Franchisor"); however, he was removed from control of the Franchisor in or about November 2003 and has had no involvement in the management or operation of that company since that time.
4. The specific method of doing business established by the Franchisor is referred to herein as the "Franchisor's business model". The Franchisor's business model required each franchisee to obtain life insurance and disability insurance in respect of each loan advanced to each customer. The franchisees were required to purchase this insurance exclusively through the defendant, SNC Insurance Company (Barbados) Inc. ("SNC Insurance"), on terms and conditions set out in separate written agreements made among the Franchisor, SNC Insurance and each franchisee.
5. In accordance with the Franchisor's business model, the full amount of the insurance

premium or charge for each loan was to be collected by the franchisee from each borrower and then remitted to SNC Insurance. The Franchisor's business model further provided that if a loan is not repaid by reason of the borrower's death or disability, the franchisee was entitled to submit a claim to SNC Insurance for repayment of the loan under the terms of the life and disability insurance provided by SNC Insurance.

6. According to the Franchisor's business model, the amount of interest charged to each borrower was fixed at \$0.20 per \$100.00 loan, and cost of the life and disability insurance, also paid by the borrower, was \$19.80 per \$100.00 loan

7. Section 347 (2) of the *Criminal Code* excludes insurance charges from the definition of "interest" for the purposes of the section. Consequently, all amounts paid to the Franchisor by borrowers on account of life and disability insurance, as described above, do not constitute interest. Voisin specifically denies that SNC Insurance was a sham insurer and specifically denies the plaintiff's allegation that insurance was not being provided. Insurance was, in fact, being provided by SNC Insurance; the insurance charges and premiums collected from each borrower by the franchisees were legitimate insurance charges.

8. Voisin denies that the Franchisor or the franchisees at any time received, or agreed to receive, interest at a criminal rate, as alleged in the statement of claim. Voisin further denies that he at any time received or agreed to receive interest at a criminal rate, or funds derived in any way from the receipt by others of interest at a criminal rate.

9. Voisin denies that he conspired to breach s. 347(1) and s. 462.31 of the *Criminal Code*, or conspired to do anything unlawful, and put the plaintiff to the strict proof thereof.

10. Further, Voisin denies that he conspired to cause injury to the Class Members, and denies in fact causing any injury to the Class Members.

11. Voisin denies that the Class Members have suffered damages as pleaded in the statement of claim or at all.

12. Voisin therefore requests that this action be dismissed as against him, with costs, on a substantial indemnity scale.

Dated: December 29, 2005

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1543541 Ontario Limited, 1573780 Ontario  
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