

Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

B E T W E E N:

**TRADE CAPITAL FINANCE CORPORATION**

Applicant

- and -

**2321197 ONTARIO INC., CARLO DEMARIA, 1160376 ONTARIO LIMITED operating  
as THE CASH HOUSE, 1463549 ONTARIO INC., 2321198 ONTARIO INC., VICAR  
HOMES LTD., SANDRA DEMARIA, VINCENZO DEMARIA a.k.a. JIMMY DEMARIA  
and BUDUCHNIST CREDIT UNION LIMITED**

Respondents

**APPLICATION RECORD  
(Volume 1 of 2)**

DATE: November 12, 2018

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**AND TO: 1160376 ONTARIO LIMITED**  
c/o Carlo DeMaria  
211 Woodland Acres Crescent  
Vaughn, ON L6A 1G1

**AND TO: 1463549 ONTARIO INC.**  
c/o Carlo DeMaria  
211 Woodland Acres Crescent  
Vaughn, ON L6A 1G1

**AND TO: 2321198 ONTARIO INC.**  
211 Woodland Acres Crescent  
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**AND TO: VICAR HOMES LTD.**  
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**AND TO: VINCENZO DEMARIA**

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# TAB 1

Court File No.

**ONTARIO  
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*Applicant*

- and -

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*Respondents*

**NOTICE OF APPLICATION**

**TO THE RESPONDENTS**

**A LEGAL PROCEEDING HAS BEEN COMMENCED** by the applicant. The claim made by the applicant appears on the following page.

**THIS APPLICATION** will come on for a hearing on November 13, 2018 at 10:00 a.m. at 330 University Avenue, Toronto, Ontario.

**IF YOU WISH TO OPPOSE THIS APPLICATION**, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

**IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION**, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have a lawyer,

serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

**IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.**

Date: November 12, 2018

---

Local Registrar  
330 University Avenue  
Toronto, ON M5G 1R7

**TO: THE SERVICE LIST**

**SERVICE LIST**

<b>TO:</b>	<b>2321197 ONTARIO INC.</b> 211 Woodland Acres Crescent Vaughn, ON L6A 1G1
<b>AND TO:</b>	<b>CARLO DEMARIA</b> 211 Woodland Acres Crescent Vaughn, ON L6A 1G1
<b>AND TO:</b>	<b>1160376 ONTARIO LIMITED</b> c/o Carlo DeMari 211 Woodland Acres Crescent Vaughn, ON L6A 1G1
<b>AND TO:</b>	<b>1463549 ONTARIO INC.</b> c/o Carlo DeMaria 211 Woodland Acres Crescent Vaughn, ON L6A 1G1
<b>AND TO:</b>	<b>2321198 ONTARIO INC.</b> 211 Woodland Acres Crescent Vaughn, ON L6A 1G1
<b>AND TO:</b>	<b>VICAR HOMES LTD.</b> 80 Bass Pro Mills, Suite 11-A Vaughn, ON L4K 5W9
<b>AND TO:</b>	<b>SANDRA DEMARIA</b> 211 Woodland Acres Crescent Vaughn, ON L6A 1G1
<b>AND TO:</b>	<b>VINCENZO DEMARIA</b>
<b>AND TO:</b>	<b>BUDUCHNIST CREDIT UNION LIMITED, by its lawyers:</b>  <b>DENTONS CANADA LLP</b> 77 King Street West, Suite 400 Toronto-Dominion Centre Toronto, ON M5K 0A1  <b>Barbara Grossman</b> Tel: 416.863.4417 Fax: 416.863.4592 Email: barabara.grossman@dentons.com  <b>Kenneth Kraft</b> Tel: 416.863.4374 Email: Kenneth.kraft@dentons.com

## APPLICATION

1. The applicant, Trade Capital Finance Corporation (“**Trade Capital**”), makes an application, for an Order substantially in the form attached as Schedule “A” hereto, *inter alia*, an Order:

- (i) abridging the time for, and validating the method of, service of the Application Record and directing that any further service of the Motion Record be dispensed with such that this Motion is properly returnable on the return date;
- (ii) appointing MNP Ltd. as the receiver (the “**Receiver**”) over all the property, assets and undertaking (the “**Property**”) owned, jointly or solely, by Carlo DeMaria (“**Mr. DeMaria**”), 1160376 Ontario Inc. operating as The Cash House (“**116 Ontario Inc.**”), 2321197 Ontario Inc. (“**197 Ontario Inc.**”), and 2321198 Ontario Inc. (“**198 Ontario Inc.**”) (hereinafter collectively referred to as the “**Parties**” and individually as a “**Party**”) including those assets which a Party has or the Parties have the power, directly or indirectly, to dispose of or deal with as if it were their own pursuant to section 101 of the *Courts of Justice Act* ;
- (iii) if this motion is opposed, costs on a substantial indemnity basis; and
- (iv) granting such further and other relief as counsel may advise and this Honourable Court may deem just.

### THE GROUNDS FOR THE APPLICATION ARE:

2. Trade Capital is a corporation incorporated pursuant to the laws of Ontario and it carried on business as a factoring company in the Greater Toronto Area.

3. 197 Ontario Inc. and 198 Ontario Inc. are corporations incorporated pursuant to the laws of Ontario and Mr. DeMaria, a respondent to this Application, is the sole officer and director of those companies.

## THE MAREVA ORDER

4. On May 6, 2015, the Honourable Justice Ricchetti granted the Applicant's request for a *mareva* injunction (the "**Marvea Order**") against the Mareva Defendants (*as defined in the Mareva Order*);

5. The Mareva Order, among other things:

(i) restrains all persons with notice of the Mareva Order from "selling, removing, dissipating, alienating, transferring, assigning, encumbering, or similarly dealing with any assets of any of the Mareva Defendants"; and

(ii) applies to not only the assets of the Mareva Defendants but also assets which any of the Mareva Defendants have the power, directly or indirectly, to dispose of or deal with as if it were the Mareva Defendant's own.

6. Mr. DeMaria is a Mareva Defendant and, as such, the Mareva Order applies to his assets and assets which he has the power, directly or indirectly, to dispose of or deal with as if they are his own;

## NOTICE OF THE MAREVA ORDER

7. On May 6, 2015, Trade Capital provided Buduchnist Credit Union Limited ("**Buduchnist**") notice of the Mareva Order when it, among other ways, sent a copy of the order by email to Buduchnist's president, Oksana Prociuk ("**Ms. Prociuk**"), and when it hand-delivered a copy of the order to Ms. Prociuk.

## BREACH OF THE MAREVA ORDER

8. On January 29, 2016, over 8 months after it received notice of the Mareva Order, Buduchnist took a mortgage (the "**Mortgage**") on real property municipally known as 87 Elm Grove, Richmond Hill ("**Elm Property**") from the owner of the Elm Property, 198 Ontario Inc. The Mortgage was taken as security for a loan in the principal amount of \$2,200,000.00;

9. Mr. DeMaria has sworn that he is the 100% owner of 198 Ontario Inc. and the Elm Property and he listed as being the sole director and officer of 198 Ontario Inc. As such, the Elm Property is directly, or in the alternative indirectly, under the control of Mr. DeMaria;

10. By taking the Mortgage and encumbering the Elm Property with the same, Buduchnist is in breach of the terms of the Mareva Order which, as plead in paragraph 7, above, it had notice of;

11. Trade Capital was not aware of the transactions regarding the Elm Property until it was served with Buduchnist's application record on November 6, 2018 wherein it requests an Order appointing a receiver over certain properties including the Elm Property;

### **APPOINTMENT OF A RECEIVER**

12. Trade Capital's immediate need for the appointment of the Receiver is apparent based on the current circumstances, including but not limited to the following facts:

(i) in contravention of the Mareva Order, after receiving notice of the Mareva Order, Buduchnist encumbered properties controlled, directly or in the alternative indirectly, by Mr. DeMaria by registering mortgages against said properties;

(ii) by securing the Buduchnist loans against properties controlled directly by 198 Ontario Inc. and indirectly by Mr. DeMaria, Mr. DeMaria and 198 Ontario Inc. have dissipated equity in certain properties thereby effectively placing the properties out of the reach of certain creditors; and

(iii) in contravention of the Mareva Order, Buduchnist continued to lend money to corporation(s) owned and/or controlled, either directly or indirectly, by Mr. DeMaria including 198 Ontario Inc.

13. The appointment of the Receiver is necessary to preserve the Property and prevent the further dissipation of the same;



14. In the circumstances, the appointment of the Receiver is for the benefit of all stakeholders and the preservation and protection of the Property;
15. MNP Ltd., a licensed insolvency trustee, has consented to act as the Receiver;
16. Rules 1.04, 2.03, 3.02, 14.05, 16, 37, 38, 39 and 41 of the *Rules of Civil Procedure*, RRO 1990, Reg 194, as amended;
17. Section 101 of the *Courts of Justice Act*, RSO 1990, c C.43, as amended; and
18. Such further and other grounds as counsel may advise and this Honourable Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of this application:

1. The Affidavit of Darcey Thompson, sworn November 12, 2018;
2. The Consent of MNP Ltd. to act as the Receiver; and
3. Such further and other evidence as counsel may advise and this Honourable Court may permit.

DATE: November 12, 2018

**LOOPSTRA NIXON LLP**  
135 Queens Plate Drive, Suite 600  
Toronto, ON M9W 6V7

**Peter Carey (LSO No. 20410V)**  
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Lawyers for the Applicant

**SCHEDULE "A"**

Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

THE HONOURABLE	)	TUESDAY, THE ____
	)	
JUSTICE	)	DAY OF NOVEMBER, 2018

B E T W E E N:

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*Applicant*

- and -

**2321197 ONTARIO INC., CARLO DEMARIA, 1160376 ONTARIO LIMITED operating  
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*Respondents*

**ORDER  
(appointing Receiver)**

**THIS MOTION** made by the Applicant for an Order pursuant section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing MNP Ltd. as receiver (in such capacities, the "**Receiver**") without security, over all the property, assets and undertaking (the "**Property**") owned, jointly or solely, by Carlo DeMaria ("**Mr. DeMaria**"), 1160376 Ontario Inc. operating as The Cash House ("**116 Ontario Inc.**"), 2321197 Ontario Inc. ("**197 Ontario Inc.**"), and 2321198 Ontario Inc. ("**198 Ontario Inc.**") (hereinafter collectively referred to as the "**Parties**" and individually as a "**Party**") including those assets which the a Party or the Parties

has the power, directly or indirectly, to dispose of or deal with as if it were such the Parties or a Party's own was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the affidavit of Darcey Thompson sworn November 12, 2018 and the Exhibits thereto and on hearing the submissions of counsel for Trade Capital Finance Corporation, and on reading the consent of MNP Ltd. to act as the Receiver,

## **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

## **APPOINTMENT**

2. **THIS COURT ORDERS** that pursuant to section 101 of the *CJA*, MNP Ltd. is hereby appointed Receiver, without security, of the Property owned by the Parties or a Party, solely or jointly, including any assets, undertaking or property which the Parties have, or a Party has, the power, directly or indirectly, to dispose of or deal with as if it was their own.

## **RECEIVER'S POWERS**

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (d) to receive and collect all monies and accounts now owed or hereafter owing to a Party or the Parties and to exercise all remedies of a Party or the Parties in collecting such monies;
- (e) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of a Party or the Parties for any purpose pursuant to this Order;
- (f) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (g) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (h) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of a Party or the Parties; and
- (i) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including a Party or the Parties, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. **THIS COURT ORDERS** that (i) the Parties, (ii) any corporations or other entities owned and controlled by a Party or the Parties, directly or indirectly, (iii), if applicable, all of the Parties'

current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the Property, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing

the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

7. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE PROPERTY**

8. **THIS COURT ORDERS** that no Proceedings in respect of the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Property are hereby stayed and suspended pending further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

9. **THIS COURT ORDERS** that all rights and remedies against the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver, a Party or the Parties to carry on any business which a Party is not lawfully entitled to carry on, (ii) exempt the Receiver or a Party from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

#### **NO INTERFERENCE WITH THE RECEIVER**

10. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by a Party or the Parties or in respect of the Property, without written consent of the Receiver or leave of this Court.

## **CONTINUATION OF SERVICES**

11. **THIS COURT ORDERS** that all Persons having oral or written agreements with a Party or the Parties or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to a Party or the Parties are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver.

## **RECEIVER TO HOLD FUNDS**

12. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

## **EMPLOYEES**

13. **THIS COURT ORDERS** that all employees of the Parties or a Party shall remain the employees of the Parties or a Party until such time as the Receiver, on a Party or the Parties' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

## **LIMITATION ON ENVIRONMENTAL LIABILITIES**

14. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively,

"**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

#### **LIMITATION ON THE RECEIVER'S LIABILITY**

15. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

#### **RECEIVER'S ACCOUNTS**

16. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.



17. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

18. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

### **FUNDING OF THE RECEIVERSHIP**

19. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$50,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

20. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

21. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

22. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

#### **RETENTION OF LAWYERS**

23. **THIS COURT ORDERS** that the Receiver may retain solicitors to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including without limitation, those conferred by this Order. Such solicitors may include the solicitors for the Applicant herein, in respect of any aspect where the Receiver is satisfied that there is no actual or potential conflict of interest

#### **SERVICE AND NOTICE**

24. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission.

25. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Party's creditors or other interested parties at their respective addresses as last shown on the records of the Party and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day

following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

## **GENERAL**

26. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

27. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of a Party

28. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

29. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

30. **THIS COURT ORDERS** that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Parties' estate with such priority and at such time as this Court may determine.

31. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

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**SCHEDULE "A"**  
**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that MNP Ltd., the receiver (the "Receiver") of the assets, undertakings and properties Carlo DeMaria, 1160376 Ontario Inc. operating as The Cash House, 2321197 Ontario Inc., and 2321198 Ontario Inc. including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the \_\_\_ day of \_\_\_\_\_, 20\_\_ (the "Order") made in an action having Court file number \_\_-CL-\_\_\_\_\_, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$\_\_\_\_\_, being part of the total principal sum of \$\_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.

Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

MNP Ltd., in its capacity as Receiver of the  
Property, and not in its personal capacity

Per: \_\_\_\_\_

Name:

Title:

**TRADE CAPITAL FINANCE CORP.**  
(Applicant)

vs

**2321197 ONTARIO INC. et al**  
(Respondents)

Court File No.

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

---

**ORDER**

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**LOOPSTRA NIXON LLP**

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Lawyers for the Applicant

**TRADE CAPITAL FINANCE CORP.**  
(Applicant)

vs

**2321197 ONTARIO INC. et al**  
(Respondents)

Court File No.

---

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

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**NOTICE OF APPLICATION**

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**LOOPSTRA NIXON LLP**

Barristers and Solicitors  
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Lawyers for the Applicant



# TAB 2

Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

B E T W E E N:

**TRADE CAPITAL FINANCE CORPORATION**

*Applicant*

- and -

**2321197 ONTARIO INC., CARLO DEMARIA, 1160376 ONTARIO LIMITED operating  
as THE CASH HOUSE, 1463549 ONTARIO INC., 2321198 ONTARIO INC., VICAR  
HOMES LTD., SANDRA DEMARIA, VINCENZO DEMARIA a.k.a. JIMMY DEMARIA  
and BUDUCHNIST CREDIT UNION LIMITED**

*Respondents*

**AFFIDAVIT**

**I, DARCY THOMPSON**, of the Town of The Blue Mountains in Grey County in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am the Chief Executive Officer of, Trade Capital Finance Corp. (“Trade Capital”) and have been since its inception, and as such have knowledge of the matters hereinafter deposed to. Where I do not have direct knowledge, I have stated the source of my information and belief and I verily believe such facts to be true.

2. Buduchnist Credit Union Limited (“Buduchnist”) is the banker to certain parties we are suing in proceedings before this Court, specifically, The Cash House Inc. (“Cash House”),

1160376 Ontario Limited carrying on business as “The Cash House” (“116”), and Carlo DeMaria (“Mr. DeMaria”).

3. In another application before this Honourable Court, *Buduchnist Credit Union Limited v. 2321197 Ontario Inc. et al.*, court file no: CV-18-00608356-00CL, (“Buduchnist Proceedings”). Buduchnist seeks to place a receiver over three properties that Mr. DeMaria has sworn he owns, namely, 87 Elm Grove, Richmond Hill, Ontario (“Elm Property”); 211 Woodland Acres Crescent, Richmond Hill, Ontario; and 46 Puccini Drive, Richmond Hill Ontario (collectively, “Properties”) and a fourth property in which his wife has an interest.

## **OVERVIEW**

4. Trade Capital is a corporation incorporated pursuant to the laws of Ontario and it carried on business as a factoring company in the Greater Toronto Area.

5. In the fall of 2013, I discovered that Trade Capital had been defrauded of approximately \$8 million Canadian by its president at the time, Peter Cook who acted in concert with others. As a result of the fraud, Trade Capital was forced out of business.

6. Through various tracing orders, I learned that the majority of the stolen funds flowed to the Cash House and 116.

7. Mr. DeMaria ran the Cash House during the time the fraud was perpetrated and is linked to the Calabrian Mafia, an international criminal organization known as the 'Ndrangheta. Together, the Cash House and Mr. DeMaria were the principal beneficiaries of the fraud perpetrated against Trade Capital.

8. Mr. DeMaria and his father Vincenzo (“Jimmy”) DeMaria are the sole directors and officers of 116. Jimmy DeMaria is also linked to the ‘Ndrangheta and is currently serving a life sentence for murder.

9. On May 6, 2015, Trade Capital obtained a Mareva injunction against many of the defendants in its action for the fraud, including Mr. DeMaria, the Cash House, and 116, and commenced an action. The Mareva Order prohibited the Cash House and Mr. DeMaria from using their assets. Buduchnist was the Cash House and Mr. DeMaria’s bankers. Buduchnist was served with the Mareva Order that day. Trade Capital had substantial correspondence with Buduchnist’s counsel both before and after the Mareva Order.

10. The Cash House breached the Mareva Order by running its business through a secret account in the name of the Cash House’s ostensible new owner 2454904 Ontario Inc. (“245”) at Buduchnist (“Secret Account”). Over \$40 million a month was going through the Secret Account. Buduchnist did nothing to stop this breach of the Mareva order. The Cash House, 245, and the alleged new owner and director of the Cash House, Osman Khan, were found in contempt by this Honourable Court. This was upheld by the Court of Appeal for Ontario and the Supreme Court of Canada denied leave to appeal.

11. Buduchnist states that on January 29, 2016, over 8 months after the Mareva Order, it took a mortgage on the 87 Elm Grove, Richmond Hill property from 2321198 Ontario Inc. (“1198”) and lent \$2.2 million. Mr. DeMaria swore that he is the 100% owner of 1198 and 87 Elm Grove. He is the sole director and officer of 1198 and appears to have signed the documents for the loan and mortgage transaction. No one else’s authority or involvement on behalf of 1198 was necessary.

12. Trade Capital has already obtained partial default judgment against the Cash House. Its purported owner, Mr. Khan, was sentenced to 90 days in jail after having been found in contempt for failing to provide documents. Despite this, the Cash House and Mr. Khan have continued to refuse to provide any documents and remain in contempt of court.

## FACTS

### *Trade Capital discovers the fraudulent scheme*

13. I affirm and rely on my nine-volume affidavit sworn April 30, 2015, which was sworn in support of an *ex parte* motion seeking a Mareva injunction. That affidavit provides a more fulsome overview of factoring, the nature of Trade Capital's business, and my discovery of the fraudulent scheme. Attached as Exhibit "A" is a true copy of the body of my April 30, 2015 affidavit, without exhibits ("Original Mareva Affidavit").

14. On May 6, 2015, the same day of the Mareva Order, Trade Capital commenced an action in the Superior Court of Justice at Brampton against Mr. DeMaria, the Cash House, 116, and numerous others persons, being court file no. CV-15-2110-00 ("Trade Capital Action"). Attached as Exhibit "B" is a true copy of the amended statement of claim dated May 31, 2016 in the Trade Capital Action ("Original Mareva Affidavit").

15. Trade Capital was incorporated in 2011. Peter Cook was the President of Trade Capital from November 2011 to September 2013. Mr. Cook and I managed Trade Capital from Trade Capital's inception until the discovery of the fraud against Trade Capital.

16. Beginning on or around September 23, 2013, I began to realize that Trade Capital was being defrauded by Mr. Cook and an unknown group of conspirators. The events that set off this realization are detailed in paragraphs 23-70 of Original Mareva Affidavit (being exhibit A).

*Peter Cook confesses*

17. I was advised by Catherine Herring and verily believe it to be true that on September 24, 2013, a meeting was called between Mr. Cook and Trade Capital's senior leadership and Mr. Cook confessed to selling fraudulent invoices to Trade Capital and to participating in a scheme to defraud Trade Capital. Attached as Exhibits "C" and "D," respectively, are what I have been advised by Ms. Herring and verily believe to be a true copy of a recording of the conversation and a true copy of a transcription of the recording.

18. Throughout Mr. Cook's confession he made references to individuals associated with organized crime who orchestrated the fraud.

- a) the client (Virtucall) was getting money from some "very bad people;"
- b) there are articles about the "very bad people" in the newspaper;
- c) "that lead guy just got let out of jail this year;"
- d) the money went into accounts that then paid the money to the bad people; and,
- e) Mr. Cook feared he was being surveilled by the "bad people" and he was afraid of black SUVs;

19. Later, when Mr. Cook was examined pursuant to Rule 39.03 in a failed attempt by another defendant, Frank Zito, to obtain summary judgment, he indicated that the "Cash House" were the

“bad people” that he was referring to. Attached as Exhibit “E” is a true copy of the transcript of the examination of Peter Cook held on August 2, 2017.

*Trade Capital obtains Norwich Orders*

20. As a direct result of the fraudulent schemes described in this and my previous affidavits, Trade Capital had advanced \$5,051,721.79 CAD and \$1,479,515.12 USD from 2011 to 2013 for invoices that turned out to be fraudulent. As a result, Trade Capital was also forced to go out of business.

21. On October 28, 2013, Trade Capital obtained a Norwich Order requiring certain third parties to provide information that would enable Trade Capital to trace the funds it had advanced on account of the fraudulent invoices. Attached as Exhibit “F” is a true copy of the Order of Justice Ricchetti dated October 28, 2013. Attached as Exhibit “G” are true copies of the amending and extending Orders (as extended and amended, the “Norwich Order”).

22. Trade Capital used the Norwich Order to trace the funds it had advanced to purchase fraudulent invoices. A summary of the material findings of the tracing and the supporting documentation are set out in paragraphs 144-538 of the Original Mareva Affidavit.

23. By tracing its funds, Trade Capital was able to determine that the major recipients of the funds from the advances Trade Capital made were the Cash House, which received \$1,171,262.50 directly, in addition to approximately \$2,400,000.00 received from Virtucall, which was a flow through entity used to facilitate the fraud. 116 received \$347,000.00. Attached as Exhibit “H” is a true copy of the charts showing the initial and eventual recipients of the funds.

*The DeMarias are affiliated with the 'Ndrangheta*

24. Both Mr. DeMaria and his father, Vincenzo DeMaria a.k.a. Jimmy DeMaria (“Jimmy DeMaria”), were officers and directors of 116 at the material time. Attached as Exhibit “I” is a true copy of a corporation profile report for 116 dated March 10, 2014.

25. Mr. DeMaria and his mother Livianna DeMaria (“Mrs. DeMaria”) were the officers and directors of the Cash House. Attached as Exhibit “J” is a true copy of a corporation profile report for Cash House dated November 29, 2013.

26. I understand from reviewing the April 17, 2018 decision of the Immigration and Refugee Board of Canada (“Immigration Decision”), and verily believe it to be true, that Jimmy DeMaria was born in Siderno, Italy, is a convicted murderer, is a member of the ‘Ndrangheta and that he is linked to “mafia-type” organized crime.

27. On or about July 25, 2014, the National Post published an article, which was updated in January of 2015, that referenced Mr. DeMaria and the Cash House. Attached as Exhibit “K” is a true copy of the article. Based on my review of the article, I verily believe that the National Post determined that,

- a) “Jimmy DeMaria was named in court documents in Italy in 2010 as one of seven clan bosses controlling organized crime in the Greater Toronto Area, a contention he previously denied to the National Post;”
- b) “the ‘Ndrangheta is generally seen as the top of the food chain in Toronto’s underworld;”



- c) Mr. DeMaria “is the owner of the Cash House and is the son of Vincenzo “Jimmy” DeMaria, who is currently imprisoned for an alleged breach of lifetime parole after a murder conviction in 1981;”
- d) “Carlo DeMaria has been arrested in what police call an ongoing fraud investigation;”
- e) Mr. DeMaria was “asked in February of 2014 about a number of cash transactions in excess of \$100,000, police said;” and,
- f) “Carlo DeMaria...faces 10 charges, including fabricating evidence, identity theft, laundering the proceeds of crime and possession of property obtained by crime.”

### *The Mareva Order*

28. On May 6, 2015, Trade Capital brought an *ex parte* motion for a Mareva injunction.

29. The Honourable Justice Ricchetti granted the Order (“Mareva Order”) on May 6, 2015, and his reasons were released on May 11, 2015. Attached as Exhibit “L” is a true copy of the Mareva Order.

30. The Mareva Order defines each of Mr. DeMaria, the Cash House, and 116, to be a “Mareva Defendant” and freezes his or its assets.

31. The Mareva Order states:

1. **THIS COURT ORDERS** that each Mareva Defendant and its servants, employees, agents, assigns, officers, directors, affiliates and anyone else acting on their behalf or in conjunction with any of them, ***and any and all persons with notice of this injunction***, are restrained from directly or indirectly, by any means whatsoever:

(a) *selling, removing, dissipating, alienating, transferring, assigning, encumbering, or similarly dealing with any assets of any of the Mareva Defendants*, that are located in Canada or the United States, including but not limited to the assets and accounts listed in Schedule “A” hereto;

(b) instructing, requesting, counselling, demanding, or encouraging any other person to do so; and,

(c) *facilitating, assisting in, aiding, abetting, or participating in any acts the effect of which is to do so.*

**2 THIS COURT ORDERS** that paragraph 1 applies to all of the assets of each Mareva Defendant *whether or not they are in such Defendant’s own name* and whether they are solely or jointly owned or whether the assets are held in trust for the Defendant. For the purpose of this order, a Defendant’s assets *include any asset which such Defendant has the power, directly or indirectly, to dispose of or deal with as if it were such Defendant’s own. A Defendant is to be regarded as having such power if a third party holds or controls the assets in accordance with such Defendant’s direct or indirect instructions.*

...

**7. THIS COURT ORDERS** The Toronto-Dominion Bank also known as TD Canada Trust, The Bank of Nova Scotia also known as Scotiabank, Canadian Imperial Bank of Commerce also known as CIBC, Royal Bank of Canada also known as RBC, Bank of Montreal also known as BMO, City Savings and Credit Union Limited and *the Buduchnist Credit Union Limited* (the “Financial Institutions”) *to forthwith freeze and prevent any removal or transfer of monies or assets of the Mareva Defendants held in any account or on credit or on behalf of any Mareva Defendant with the Financial Institutions*, including but not limited to the accounts listed in Schedule “A” hereto.

**8. THIS COURT ORDERS** that the Financial Institutions forthwith disclose and deliver up to the Plaintiff any and all records held by the Financial Institutions, and not already delivered to the Plaintiff, in any way relating to the Mareva Defendants whether such documentation includes information relating to assets and accounts other than those listed in Schedule “A” hereto or *disclose the existence, nature, value and location of any other monies or assets or credit, wherever situate, held by or on behalf of the Mareva Defendants.*

32. In his endorsement on the *ex parte* Mareva motion, the Honourable Justice Ricchetti noted that the evidence that Trade Capital was the victim of a sophisticated fraud was “overwhelming.”

His Honour further found that “the evidence also establishes that each of the defendants perpetrated, facilitated or received the proceeds of a fraudulent scheme against Trade Capital.” This included the Defendants Carlo DeMaria, 116, and the Cash House. Attached as Exhibit “M” is a true copy of this endorsement dated May 11, 2015.

*Service of the Mareva Order on Buduchnist Credit Union*

33. Buduchnist was repeatedly served with the Mareva Order. I am informed by Amy Caira, a law clerk at Loopstra Nixon LLP, lawyers to Trade Capital, (“Loopstra”) and verily believe, the following:

- a) on May 6, 2015, at 2:11 p.m. Michael McWilliams, partner at Loopstra sent by email a cover letter attaching the Mareva Order to Oksana Prociuk, President and CEO of Buduchnist, attached as Exhibit “N” is a true copy of this email with attachments;
- b) on May 6, 2015, at 2:12 p.m. Ms. Caira faxed a cover letter attaching the Mareva Order to Ms. Prociuk, attached as Exhibit “O” is a true copy of letter with attachments and the fax confirmation sheet;
- c) on May 6, 2015, at 2:16 p.m. Mr. McWilliams, sent by email a cover letter attaching the Mareva Order to Barbara Grossman, partner at Dentons lawyers to Buduchnist, attached as Exhibit “P” is a true copy of this email with attachments; and,
- d) on the afternoon of May 6, 2015 Somm Tabrizi, then an articling student at Loopstra, hand-delivered a cover letter attaching the Mareva Order to Buduchnist.

34. On May 15, 2015, Ms. Prociuk sent a letter to Mr. McWilliams referencing the Mareva Order and providing partial documentary disclosure in response to the Mareva Order. Attached as Exhibit “Q” is a true copy of this letter, without attachments.

35. Buduchnist never provided any documents or information that related to the Elm Property or any of the Properties. Buduchnist did not disclose the monies it paid to in relation to the loan and mortgage placed on the Elm Property or the accounts such monies went into.

*The Cash House, 116 and Mr. DeMaria moved to vacate and vary the Mareva Order and declared their assets*

36. On May 19, 2015, the Defendants Mr. DeMaria, 116 and the Cash House moved before the Honourable Justice Ricchetti to set aside the Mareva Order.

37. Mr. DeMaria swore two affidavits in support of the motions to vacate and vary the Mareva Order. In his affidavits he provided what he claimed to be a complete list of his assets in response to the Mareva Order. Attached as Exhibit “R” is a true copy of Affidavit sworn by Carlo DeMaria dated May 15, 2015 (“First DeMaria Affidavit”). Attached as Exhibit “S” is a true copy of Affidavit sworn by Carlo DeMaria dated May 22, 2015 (“Second DeMaria Affidavit”).

38. Among other assets, Mr. De Maria swore that “his personal assets, whether in his name or not, solely or jointly owned, directly or indirectly owned, and including any assets held in trust, included” the Properties which are the subject of the Buduchnist motion:

Asset	Ownership Structure	Estimated Market Value	Estimated Encumbrances
211 Woodland Acres Crescent (marital home)	Jointly owned with my wife (50% interest)	\$3,000,000	\$1,071,88.50 mortgage with BCU
2321197 Ontario Inc. which owns 46 Puccini Drive (Vicar construction project, final phase of development)	100% owned	\$2,000,000 (under construction to be completed in the next few months)	\$1,050,000 mortgage with BCU
2321198 Ontario Inc. which owns 87 Elmgrove Drive (Vicar construction project, in preliminary planning phases)	100% owned	\$780,000	Nil.

39. Notably, Mr. DeMaria did not declare the Cash House as an asset. He claimed that he sold the Cash House to Osman Khan, a driver for the Cash House, on February 27, 2015. Mr. Khan is the Director, President, and Secretary of 245 and it has no other directors or officers. Attached hereto and marked as Exhibit "T" is a true copy of a corporation profile report for 245 as of May 26, 2015.

40. Mr. Khan swore affidavits on behalf of the Cash House. In his affidavit sworn May 15, 2015, Mr. Khan swore he was disclosing all of the Cash House's assets:

*As part of the Mareva Injunction obtained, the Order sets out an obligation on The Cash House Inc. to provide counsel for the Plaintiff a statement describing in detail the nature, value and location of all of The Cash House Inc.'s worldwide assets.* In satisfaction of that obligation, the following is a list of assets of The Cash House Inc., which are:

a) Canadian Bank Accounts *held at the Buduchnist Credit Union*, the particulars of which are as follows:

i) account No. 61667010H;

- ii) account No. 62667019H;
- iii) account No. 6366701811;
- iv) account No. 6466701711;
- v) account No. 605006670142

The total amount of funds that have been frozen in those accounts as of the date of the Order amount to \$138,150.00 Canadian.

b) The Cash House Inc. also holds a singular US currency account *at the Buduchnist Credit Union* that at the time of the freezing of the account in furtherance of the Mareva Injunction granted, held \$7,318.43 US. ...

(emphasis added)

Attached as Exhibit “U” is a true copy of the affidavit sworn by Osman Khan on May 15, 2015.

41. On or about May 22, 2015, the Cash House served an additional affidavit sworn by Mr. Khan on May 22, 2015 (“May 22 Khan Affidavit”). The May 22 Khan Affidavit did not contain disclosure of any additional bank accounts. Attached as Exhibit “V” is a true copy of the affidavit sworn by Osman Khan on May 22, 2015, without exhibits.

*The motions to vacate and vary the Mareva Order were denied*

42. On June 10, 2015, the Honourable Justice Ricchetti released his decision denying the Defendants’ motion to set aside the Mareva Order. Attached as Exhibit “W” is a true copy of the reasons of the Honourable Justice Ricchetti dated June 10, 2015 (“Mareva Upheld Reasons”)

43. In in the Mareva Upheld Reasons, the Honourable Justice Ricchetti made a series of findings:

- a) “clearly, Cash House was the recipient of substantial amounts of the fraudulently obtained monies from Trade Capital. Equally important, the monies received by Cash

House were from most of the major fraudulent entities used to commit the fraud on Trade Capital. This fact defies coincidence.” (Para. 15);

- b) “it was established that De Maria’s companies, the Cash House and 116 were the largest recipients of Trade Capital’s monies.” (Para. 16);
- c) the “receipt of fraudulently obtained monies is not the only evidence that Cash House was involved in the fraudulent scheme” (Para. 17);
- d) “a significant amount of the fraudulent monies that went to Cash House was eventually traced to Mr. De Maria’s company, 116. Where these monies eventually ended up is not known. What is known is that these were not monies for Cash House’s operations or its profits but rather monies that De Maria treated as his and moved around to his own other companies.” (Para. 18);
- e) “there is no dispute that De Maria was the principal owner and operator of Cash House and 116” (Para. 21);
- f) the alleged sale of the Cash House had “*all the indicia of a fake transaction*” (Para. 69); and,
- g) “[Mr. Khan] has *deliberately breached the Mareva Order*. Mr. Khan opened a new undisclosed bank account to operate The Cash House business and *has continued to operate that business from that bank account in the normal fashion without regard to the Mareva Order*. Mr. Khan failed to disclose this account in his affidavit when he listed The Cash House’s bank accounts in his May 15, 2015 affidavit where he stated he was ‘describing in detail the nature, value and location of all of The Cash

House Inc.'s worldwide assets'. This information only came to light during his cross examination." (Para. 54(b))

(emphasis added)

44. At the time the Mareva Upheld Reasons were released neither Trade Capital nor the Court knew the details of the Secret Account.

45. On June 24, 2015, Carlo DeMaria and 116 served Trade Capital with a Notice of Motion seeking leave to appeal the Honourable Justice Ricchetti's decision to the Divisional Court. On August 28, 2015, the Honourable Justice Donahue denied Carlo DeMaria and 116's motion seeking leave to appeal. Attached as Exhibit "X" is a true copy of the reasons of the Honourable Justice Donahue dated August 28, 2015.

***Osman Khan and the Cash House breached the Mareva Order using a Buduchnist account and are found in contempt***

46. On January 21, 2016, the Cash House, among others, was found in contempt of the Mareva Order. Attached as Exhibit "Y" is a true copy of the Honourable Justice MacKenzie's endorsement dated January 21, 2016 ("Contempt Liability Endorsement").

47. In the Contempt Liability Endorsement the Honourable Justice MacKenzie found:

I am also further persuaded that Cash House, Mr. Khan and 245 have intentionally done the act(s) prohibited, and have intentionally failed to do the act(s) compelled, under the Mareva Order. I find Cash House and Mr. Khan have intentionally operated the business of Cash House on an ongoing basis since the inception of the Mareva Order on May 5, 2015 utilizing the bank account(s) of 245. As noted above, ***Mr. Khan as the sole officer and director of 245 exercised control over 245 in respect of Cash House's banking needs, resulting in 245 facilitating, aiding and abetting Cash House's business and***



*assets, in contravention of the prohibitions in the Mareva Order.* (emphasis added)

48. The sanction phase of the contempt motion was heard on May 24, 2016, and the Honourable Justice Mackenzie sentenced Mr. Khan to 90 days in jail to be served on weekends and made further disclosure orders against the Cash House and struck the Cash House's defence, with leave to amend. Attached as Exhibit "Z" is a true copy of the Honourable Justice MacKenzie's endorsement re: sanction phase dated May 24, 2016 ("Contempt Sanction Endorsement"). Attached as Exhibit "AA" is a true copy of the Honourable Justice MacKenzie's endorsement re: motion under Rule 60.12 dated May 24, 2016.

49. In the Contempt Sanction Endorsement at para. 22, the Honourable Justice MacKenzie found that His Honour could:

... reasonably infer the Contemnors in light of their other acts or omissions of non-compliance *have deliberately acted to set up a scheme to frustrate and evade the purpose and obligations in the Ricchetti Mareva Order* and the above-mentioned orders in aid. (emphasis added)

50. The Cash House and Mr. Khan appealed the May 24, 2016 Order to the Court of Appeal for Ontario and the appeal was dismissed on April 4, 2017. Attached hereto and marked as Exhibit "BB" is a true copy of the reasons of the Court of Appeal for Ontario dated April 4, 2017 ("Appellate Contempt Reasons").

51. The Appellate Contempt Reasons at paras 25-27, held that:

The motion judge found that the appellants, in the mode in which they continued to carry on the business of Cash House, dealt with assets of Cash House – specifically, they dealt with funds deposited into the account of 245 – and that this was expressly prohibited by the Mareva Order. That finding

was supported by the evidence before the motion judge, particularly the evidence of Khan on cross-examination.

...

A review of the 245 account statements provided revealed there were significant sums deposited and paid out of that account commencing in March 2015 and continuing well after the Mareva Order was issued. It appears that any business that Cash House was conducting, including the collection of its receivables, was occurring from 245's account. ***The motion judge made no error in finding that the 245 account was "directly or indirectly" an asset of Cash House.*** The use of this asset constituted a breach of the Mareva Order, and the motion judge made no error in so concluding.

(Emphasis added)

52. The Cash House and Mr. Khan sought leave to appeal to the Supreme Court of Canada. The application for leave was dismissed on December 7, 2017. Attached hereto and marked as Exhibit "CC" is a true copy of the judgment of the Supreme Court of Canada.

53. Despite the numerous Orders made by the Honourable Justice MacKenzie, the Cash House has not complied with any of them.

***The Cash House, Osman Khan, and 245 failed to comply with the Mareva Order and Orders-in-aid***

54. As discussed above, Mr. Khan used the Secret Account to operate the Cash House after its accounts were frozen by the Mareva Order.

55. After the first finding of the breach, in late June 2015, Cash House requested that Trade Capital consent to a variation of the Mareva Order to allow Cash House to have access to its business account because, it argued, without the variance it would have to immediately close down its operations.

56. Trade Capital did not agree to a variance and the Cash House did not cease operations.

57. From the date of the Mareva Order to July 6, 2015, \$769,703.20 was deposited into Cash House's frozen accounts at Buduchnist. Then, with the requested variation refused, the deposits stopped completely. This was never explained. The inference is that Cash House receivables continued being deposited in undisclosed accounts, including the Secret Account.

58. In response to the Contempt Liability Reasons, in early 2016 the Cash House finally provided the identity of the Secret Account and produced limited partial records for the Secret Account.

59. These partial records demonstrated that the Secret Account was an account at Buduchnist in the name of 245. They showed that from the date of the Mareva Order (May 6, 2015) until January 27, 2016, over \$40 million a month was processed through the Secret Account. This included the collection of the Cash House's receivables. On January 8, 2016, the very date of the contempt hearing, there was a net withdrawal of over \$12 million from the Secret Account.

***Buduchnist accepted a mortgage on the Elm Property and paid money to Mr. DeMaria***

60. From a review of Buduchnist's record dated November 6, 2018, it appears that on January 29, 2016, over 8 months after the Mareva Order, Buduchnist took a mortgage on the 87 Elm Grove, Richmond Hill property ("Elm Property") from the owner of the Elm Property, 2321198 Ontario Inc. ("1198"). Buduchnist lent \$2.2 million. Mr. DeMaria swore that he is the 100% owner of 1198 and 87 Elm Grove. Buduchnist's record shows that Mr. DeMaria is the sole director and officer of 1198 and signed the documents for the loan and mortgage transaction. There is no evidence that anyone else's authority or involvement on behalf of 1198 was obtained or necessary.

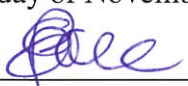
61. Trade Capital was not aware of the transactions regarding the Elm Property until we were served with Buduchnist's motion record.

62. It is apparent to me on the facts of this case that Mr. DeMaria and the Cash House have set-up schemes to frustrate and evade the purpose and obligations in the Mareva Order. The acts with the Secret Account and Elm Property are part of this scheme. Buduchnist has aided, assisted and facilitated this scheme. A receiver needs to be appointed over Properties, but given Buduchnist's conduct, it should not be the receiver Buduchnist has selected.

63. Trade Capital is therefore moving to have a receiver for the purposes of preserving all of the properties that Mr. DeMaria claims he owns, including those where the legal title is held by a corporation including 116, 1198, 1463549 Ontario Inc., and 2321197 Ontario Inc. Trade Capital is moving to have a receiver appointed in relation to more properties than just the Properties over which Buduchnist seeks to have a receiver appointed.

64. Trade Capital was emailed the motion record of Buduchnist on November 6, 2018 at 6:46 pm. This means it was served just two days before the requested hearing date. I have tried to respond as completely as possible in the limited time available, but by necessity there may be additional facts that I need to provide to this Honourable Court when provided with sufficient time.

66. I swear this Affidavit in support of Trade Capital's receivership application, in opposition to the receivership application of Buduchnist in the Buduchnist Proceeding, and other relief, and for no other or improper purpose.

SWORN before me at )  
the City of Toronto )  
in the Province of Ontario )  
this 17<sup>th</sup> day of November, 2018 )  
 )  
\_\_\_\_\_ )

  
\_\_\_\_\_ )  
**DARCY THOMPSON**

Winn Elizabeth Tuce, Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires June 13, 2020.

# TAB A

This is Exhibit "A" referred to in the  
Affidavit of Darcy Thompson sworn before  
me, this 12th day of November, 2018.



\_\_\_\_\_  
A Commissioner, etc.

**Emily Ann Elizabeth Doo, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law,  
Expires June 13, 2020.**

Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

BETWEEN:

TRADE CAPITAL FINANCE CORP.

Plaintiff

- and -

PETER COOK also known as PETER WILLIAM COOK, MARC D'AOUST also known as JEAN MARC D'AOUST, THOMAS BARKER also known as THOMAS RICHARD BARKER (personally and carrying on business as LC EXCHANGE, GLOBAL MEDICAL and GREENLINK CANADA GROUP), ROCKY RACCA, BRUNO DIDIOMEDE also known as BRUNO DIAIOMEDE, ALAN KEERY also known as ALAN JOHN KEERY, CHRIS BENNETT JR. also known as CHRIS BENNETT also known as CHRISTOPHER BENNETT (personally and carrying on business as CJR CONSULTING), TODD CADENHEAD, DAYAWANSA WICKRAMASINGHE, BONNY LOKUGE also known as DON BONNY LOKUGE, VIRTUCALL INC., VIRTUCALL INTERNATIONAL LLC, DEBT RESOLVE-MORTGAGE FUNDING SOLUTIONS INC. carrying on business as DEBTRESOLVE INC., THE CASH HOUSE INC., 1160376 ONTARIO LIMITED operating as THE CASH HOUSE, 2242116 ONTARIO INC. carrying on business as SUPERIOR MEDICAL SERVICES INC. and SUPERIOR MEDICAL SERVICES, CARLO DE MARIA also known as CARLO VINCE DE MARIA also known as CARLO VINCENT DE MARIA also known as CARLO VINCENZO DE MARIA, MATTEO PENNACCHIO, FRANK ZITO also known as FRANCESCO ZITO, SIMONE SLADKOWSKI, JOBEC TRADE FINANCE INC., 1461350 ONTARIO INC., 2299430 ONTARIO INC., WF CANADA LTD., JOBEC INVESTMENTS RT LTD., GREEN LINK CANADA INC., 2339989 ONTARIO INC., 2252364 ONTARIO INC., 2224754 ONTARIO LTD., 6980023 CANADA INC. operating as LIVING BENEFITS and MILLWALK ENTERPRISES INC.

Defendants

**AFFIDAVIT**

I, DARCY THOMPSON, of the City of Toronto in the Province of Ontario, MAKE  
OATH AND SAY AS FOLLOWS:



1. I am the Chief Executive Officer of the Plaintiff, Trade Capital Finance Corp. ("Trade Capital"), and have been since its inception, and as such have knowledge of the matters hereinafter deposed to. Where I do not have direct knowledge, I have stated the source of my information and belief and I verily believe such facts to be true.

## OVERVIEW

2. Trade Capital is a factoring company which was the victim of a significant fraud perpetrated by Trade Capital's former President, Peter William Cook, in concert with others. Over a period of approximately eighteen months, Mr. Cook and his accomplices used fraudulent means to convince Trade Capital to advance \$5,051,721.79 CDN and \$1,479,515.12 USD to purchase fraudulent invoices.

3. Mr. Cook confessed to the fraud shortly after it was discovered in September of 2013.

4. On an *ex parte* motion, Trade Capital obtained a Norwich Order which it used to trace the funds advanced to purchase the fraudulent invoices.

5. Trade Capital determined, among other things, that its funds had been transferred to a number of individuals and entities inside and outside of Ontario. The major recipients of its funds were,

- a) The Cash House Inc. ("Cash House"), of which the officers and directors are Carlo De Maria a.k.a. Carlo Vince De Maria ("Mr. De Maria") and Livianna De Maria ("Mrs. De Maria"). Attached as Exhibit "1" is a true copy of a corporation profile report for Cash House;

- b) 1160376 Ontario Limited carrying on business as "The Cash House" ("116"), whose officers and directors are Mr. De Maria, Jim De Maria a.k.a Jim Vince De Maria a.k.a. Jimmy "Vincenzo" De Maria ("Mr. Jim De Maria") and Joe De Maria. Attached as Exhibit "2" is a true copy of a corporation profile report for 116;
- c) 1461350 Ontario Inc. ("146"), the sole officer and director of which is Bruno Didiomede a.k.a. Bruno Diaiomede. Attached as Exhibit "3" is a true copy of a corporation profile report for 146; and,
- d) 2252364 Ontario Inc. ("225") and its sole officer and director, Rocky Racca. Attached as Exhibit "4" is a true copy of a corporation profile report for 225.
6. Mr. Cook and some of his accomplices have been charged with criminal offences relating to the fraud against Trade Capital.
7. In the first section of this affidavit, I describe Trade Capital's business and procedures. In the second section, I explain how the fraud was discovered and describe the events surrounding Mr. Cook's confession to the fraud. In the third section, I explain who perpetrated the fraud, how they did it in general terms and how they kept the fraud going until it was discovered. In the fourth section, I set out the information and documents I have been able to obtain about the major recipients of the fraudulently procured funds. In the fifth section, I provide specific details of how each fraud which caused Trade Capital to advance funds was committed and where Trade Capital's funds went based on the documents Trade Capital obtained using the Norwich Order. In the sixth section, I discuss the evidence of insider participation in the fraud, unusual bank account activity and connections between certain defendants. In the seventh section, I summarize and attempt to quantify Trade Capital's losses as

a result of the fraud. In the eighth section, I provide additional evidence related to what I understand to be the requirements for obtaining a Mareva injunction.

## **SECTION 1 - TRADE CAPITAL'S BUSINESS AND PROCEDURES**

### ***Explanation of Factoring***

8. Factoring is a financial transaction in which a business ("Original Invoice Owner") sells the accounts receivable of its customer ("Debtor") in the form of an invoice to a factoring company. The factoring company then makes an advance to the Original Invoice Owner of 70% to 90% of the receivable amounts of the purchased invoice(s). The factoring company now owns the invoice(s) and collects the full amount of the purchased invoice from the Debtor. The factoring company then pays the balance due to the Original Invoice Owner after deducting its commission and other charges.

9. When Trade Capital entered into a factoring agreement with an Original Invoice Owner, it usually also entered into a general security agreement with the Original Invoice Owner with respect to all of the Original Invoice Owner's assets and Trade Capital usually obtained personal guarantees from the principals of the Original Invoice Owner.

### ***Brief History of Trade Capital***

10. Trade Capital was incorporated in 2011. Mr. Cook was the President of Trade Capital from November of 2011 to September of 2013. Mr. Cook and I managed Trade Capital from Trade Capital's inception until the discovery of the fraud against Trade Capital.

11. In November of 2011, Trade Capital purchased an existing portfolio of invoices from Jobec Trade Finance Inc. ("Jobec"), a corporation of which Mr. Cook is the sole officer and director. Attached to my affidavit as Exhibit "5" is a true copy of the corporation profile report of Jobec.

12. Over time, Trade Capital expanded its portfolio by acquiring additional invoices directly from existing and new Original Invoice Owners.

***Trade Capital's Confirmation and Credit Procedures***

13. An Original Invoice Owner would approach Trade Capital offering to sell an invoice. It was Mr. Cook's responsibility to contact the Debtor and determine whether the invoice was valid.

14. Trade Capital's confirmation procedure for a new Debtor required Mr. Cook to:

- a) obtain the contact information for the Debtor's representative, including telephone numbers and email addresses;
- b) explain factoring procedures to the Debtor's representative;
- c) explain the steps required by the Debtor to complete the factoring arrangement;
- d) obtain verbal confirmation that the invoice was valid;
- e) have the Debtor sign a notification sheet which certified the legitimacy of the invoice or invoices and provided, in part, that, "*we certify that each RECEIVABLE represents a valid and bona fide sale, that the goods, merchandise and/or services represented by the RECEIVABLE have been validly delivered and/or completely*

*rendered...*" ("Notification Sheet"), an example of which can be seen at Exhibit "6";  
and,

- f) have the Debtor representative send him an email and/or fax transmission confirming the validity of the invoice.

15. Mr. Cook was then to provide the foregoing information to me and Mrs. Susan Thompson, the Vice President of Trade Capital from November 2011 to June 2014. Mrs. Thompson and I are husband and wife and have been married since well before the inception of Trade Capital.

16. Mrs. Thompson and I would take further steps to confirm the validity of the invoice. Typically, we would review the materials provided by Mr. Cook and confirm the address of the Debtor, the name of the Debtor's representative who provided the confirmation, that the Debtor's representative is an employee of the Debtor, and that all the required documents were properly executed and received by Trade Capital. We would not normally speak with a representative of the Debtor because that was part of Mr. Cook's role.

### *Ongoing Credit Procedures*

17. Trade Capital monitored, on a daily basis, the age of the invoices in its portfolio. Each Debtor was required to pay each invoice before its past due date established by Trade Capital. The past due date varied among Debtors depending on a number of factors including, but not limited to, the credit worthiness of the Debtor, the size of the account, the payment history of the Debtor and the size of the reserve.

18. When an invoice became past due, it no longer qualified as collateral. Once an invoice was past due, Trade Capital required the Original Invoice Owners to replace the past due invoices with,

- a) cash;
- b) invoice(s) from the same Debtor which had not aged beyond their past due date; or,
- c) invoice(s) acceptable to Trade Capital from other Debtor(s) of the Original Invoice Owner.

19. Trade Capital would commence credit collection procedures against an Original Invoice Owner and Debtor if the Original Invoice Owner was unable to replace the past due invoice with one of the three options described in the previous paragraph.

20. Typically, the Original Invoice Owners replaced past due invoices with invoices from existing or other Debtors. The invoices were purchased by Trade Capital if its confirmation and notification procedures were met and, in the case of a new Debtor, if Lloyd's of London, an international credit insurance underwriter, approved the Debtor under Trade Capital's credit insurance policy.

21. Trade Capital's portfolio of invoice advances before the discovery of the fraud consisted of invoices initially purchased directly from Original Invoice Owners as well as invoices which had been provided to replace past due invoices.

### *Payment of Old Invoices*

22. Trade Capital's policy with some of the Original Invoice Owners was that it would not fund the purchase of a new invoice until the oldest outstanding invoice owned by Trade Capital had been paid in full.

### **SECTION II - DISCOVERY OF FRAUD AND MR. COOK'S CONFESSION**

23. Until September of 2013, I believed that all of the invoices making up Trade Capital's portfolio were legitimate.

24. On September 23, 2013, I was convinced that Mr. Cook's actions and conduct had caused a significant portion of the portfolio to be comprised of fraudulent invoices.

25. I discovered the invoices were fraudulent based on facts discovered by Trade Capital earlier that month when it was conducting its confirmation procedures for Capital One. Virtucall Inc. ("Virtucall") was an Original Invoice Owner which asked Trade Capital to purchase invoices where Capital One was the Debtor. Trade Capital had previously purchased invoices where Virtucall was the Original Invoice Owner and the Debtor was not Capital One.

### *Mr. Cook, Virtucall and Mr. D'Aoust introduced Trade Capital to Capital One*

26. Jean Marc D'Aoust is the sole director and officer of Virtucall. Attached as Exhibit "7" is a true copy of a corporation profile report for Virtucall listing "Marc D'Aoust" as the sole director and officer.

27. In or around November of 2011, Mr. Cook, Mr. D'Aoust and Virtucall made the following statements and representations to Trade Capital:

- a) Virtucall was a call center located in Toronto which specializes in debt collections and medical sales leads;
- b) Virtucall was contracted by some of its customers to contact delinquent accounts with the goal of collecting those delinquent accounts; and,
- c) Virtucall was paid for its services by various methods, including per hour charges and a percentage success fee.

28. On or about September 18, 2013, Mr. D'Aoust and Virtucall offered invoices, rendered by Virtucall to Capital One, to Trade Capital for purchase. At around that time, Mr. Cook and Mr. D'Aoust represented to Trade Capital that Capital One was Virtucall's newest customer and that Virtucall had been hired by Capital One for delinquent credit card collections. They also represented that Virtucall's fees for services under its contract with Capital One would be \$32 per hour per seat that was actively logged on Virtucall's system. One seat represents one Virtucall employee actively calling Capital One delinquent accounts, such that ten employees calling for one hour each on Capital One delinquent accounts would be billed as a \$320.00 fee to Capital One.

***Invoices Rendered to Capital One were Suspicious***

29. On or about September 18, 2013, Mrs. Thompson advised me that while she was reviewing the Capital One documentation before approval she noticed that, on an invoice to Capital One dated September 12, 2013, the email address for the Capital One representative, Ryan Scouller, read "ryanscouller@capiatlonecollections.com". The "a" and the "t" in the word



“capital” were reversed from what she expected. Attached as Exhibit “8” is a true copy of the invoice dated September 12, 2013.

30. Mrs. Thompson advised me that she also reviewed the agreement for service between Capital One and Virtucall dated August 6, 2013 (“Agreement for Service”). This Agreement for Service appeared to have been executed by Mr. D’Aoust on behalf of Virtucall and by Mr. Scouller on behalf of Capital One. Attached as Exhibit “9” is a true copy of the Agreement for Service.

31. There were several inconsistencies between the Agreement for Service and the invoice dated September 12, 2013, specifically:

- a) the Agreement for Service was between Virtucall and Capital One but the invoice presented to Trade Capital was an invoice to Capital One from Superior Medical Services;
- b) the hourly rate in the contract was \$32 per hour per seat but the rate per hour per seat on the invoice was \$36; and,
- c) the Agreement for Service stated the fee for services was “per hour per seat actively logged on to ENBRID System” but Mr. Cook, Mr. D’Aoust and Virtucall had previously represented to Trade Capital that Enbrid is a software system that is used for accounts with Enbridge Gas Distribution Inc. (“Enbridge”).

32. Although Virtucall did business with Enbridge, it seemed illogical for Virtucall to be using the Enbrid system for Capital One accounts.

*Investigation of Capital One's Invoices Demonstrated They Were Fraudulent*

33. I have been advised by Mrs. Thompson and verily believe that on or about September 18, 2013, she contacted Mr. Cook by telephone to inform him of apparent errors and inconsistencies relating to the Capital One documentation, and directed Mr. Cook to bring the errors to Capital One's attention so that Capital One could explain and correct the errors and inconsistencies.

34. At that time I suspected that the proposed sale of the Capital One invoice might be an attempt by Virtucall and Mr. D'Aoust to defraud Trade Capital.

35. Mrs. Thompson and I then agreed that she would call the Capital One representative, Mr. Scouller, directly at his office to reconfirm the information provided by Virtucall and Mr. Cook.

36. I have been advised by Mrs. Thompson and verily believe that Mrs. Thompson left a message with Mr. Scouller at his office on Thursday, September 19, 2013, asking him to call Trade Capital.

37. Although Trade Capital did not, at that time, suspect Mr. Cook's involvement in what appeared to be an attempted fraud, Mr. Cook was not informed of the phone call or message to Mr. Scouller.

38. I have been advised by Mrs. Thompson and verily believe that on September 19, 2013, Mrs. Thompson emailed Mr. Scouller through Mr. Scouller's LinkedIn online profile asking that Mr. Scouller accept her into Mr. Scouller's online LinkedIn group. Mr. Scouller accepted Mrs. Thompson's LinkedIn request, whereby Mrs. Thompson was provided access to Mr. Scouller's Capital One email address which is "ryan.scouller@capitalone.com".

39. Mr. Scouller's actual Capital One email address is different than the email address provided to Trade Capital on the invoice dated September 12, 2013 found at Exhibit "8", which email address on the September 12, 2013 invoice is "ryanscouller@capiatlonecollections.com".

40. On September 20, 2013, Trade Capital and Capital One had numerous conversations by phone and email by which I determined that the invoice was fraudulent.

41. I have been advised by Mrs. Thompson and verily believe that early in the morning of September 20, 2013, Mr. Scouller returned Mrs. Thompson's phone call from September 19, 2013 and informed her that he did not know of Mrs. Thompson, Trade Capital or Mr. Cook. He also informed Mrs. Thompson that he did not work in Capital One's collections department.

42. I have been advised by Mrs. Thompson and verily believe that shortly after the phone call with Mr. Scouller, she sent Mr. Scouller an email message at his Capital One email address, asking that Mr. Scouller call Mrs. Thompson. A true copy of the email message dated September 20, 2013, 8:59 a.m., from Mrs. Thompson to Mr. Scouller is contained in the email correspondence at Exhibit "10".

43. About half an hour later, Mr. Scouller replied: "Sorry I am not the right contact. I have passed this email along to my colleague in collections." A true copy of the email dated September 20, 2013, 9:28 a.m. from Mr. Scouller to Mrs. Thompson is at Exhibit "10".

44. I have been advised by Mrs. Thompson and verily believe that she then asked if Mr. Scouller knew Mr. D'Aoust of Virtucall. Mr. Scouller responded "I do not." Attached as Exhibit "11" is a true copy of the email string dated September 20, 2013, 9:47 a.m., as between Mrs. Thompson and Mr. Scouller.

45. Soon thereafter, Mr. Jay Acharya of Capital One's collection department contacted Mrs. Thompson and me by telephone. We explained our concerns to Mr. Acharya. Mr. Acharya asked that Trade Capital forward to him the relevant documents so that he could investigate the matter.

46. Just before noon, Trade Capital forwarded to Mr. Acharya a copy of the September 12, 2013 invoice and the Agreement for Service (found at Exhibits "8" and "9"). Attached as Exhibit "12" is a true copy of the email dated September 20, 2013, 11:53 a.m., from Mrs. Thompson to Mr. Acharya.

47. About an hour later, Mr. Acharya responded stating that "Capital One, specifically Ryan Scouller, has not signed this contract. That is not his signature, not a valid email address and we never use PO Box's in contracts." Attached as Exhibit "13" is a true copy of the email dated September 20, 2013, 1:16 p.m., from Mr. Acharya to me and Mrs. Thompson.

48. At that point, I became quite certain that Mr. D'Aoust, Virtucall and/or Superior Medical Services had, at the very least, submitted a fraudulent invoice and that Mr. D'Aoust had attempted to defraud Trade Capital by:

- a) creating an email address similar to Capital One's actual domain name;
- b) using the name of an actual employee of Capital One;
- c) creating a fictitious contract with the false signature of a Capital One employee; and,
- d) creating a fictitious invoice.

***Discovery of Mr. Cook's Involvement In Fraud***

49. After my discussion with Mr. Acharya, I became quite certain that Mr. Cook was also involved in the attempted fraud. Mr. Cook had stated to me that he had factoring discussions with Mr. Scouller of Capital One. He had confirmed this in an email to Mrs. Thompson dated September 16, 2013. Attached as Exhibit "14" is a true copy of Mr. Cook's email dated September 16, 2013.

50. It is now clear to me that such discussions did not and could not have occurred.

***Tracing of Other Transactions and Discovery of Further Fraud Involving Companies of Which Mr. Cook was an Officer and Director***

51. Being certain that a fraud had been attempted upon Trade Capital, Mrs. Thompson and I began tracing some of Trade Capital's incoming wire transfer payments from other Debtors controlled by Mr. D'Aoust.

52. The purpose of tracing the incoming wire transfer payments was to determine whether the payments originated from the actual Debtors. If the Debtors were not fraudulent, the payments would have come directly from the Debtors.

53. To determine the origin of an incoming wire transfer, Trade Capital often must make an information request to its bank.

54. On Friday, September 20, 2013, Trade Capital made information requests to its bank in relation to two wire transfer payments. One was dated April 18, 2013 in the amount of \$136,753.90, which Trade Capital believed was a payment from Wells Fargo Financial Corporation Canada ("Wells Fargo") and the other was dated June 17, 2013 in the amount of

\$226,736.00 which Trade Capital believed was a payment from Citicorp Credit Services ("Citicorp").

55. By way of an email dated September 20, 2013, the bank confirmed to Trade Capital that the April 18, 2013 wire transfer payment (believed to be from Wells Fargo) was paid by WF Canada Ltd. ("WF Canada"), and that the June 17, 2013 wire transfer payment (believed to be from Citicorp) was paid by 2299430 Ontario Inc. ("229"). Attached as Exhibit "15" is a true copy of the email dated September 20, 2013.

56. I have been advised by Mrs. Thompson and verily believe that by searching Trade Capital's database, she was able to determine that Mr. Cook had presented 229 to Trade Capital as a sales prospect in December 2012.

57. On September 20, 2013, Trade Capital obtained a corporation profile report on 229. The corporation profile report regarding 229 states that the company is located in Toronto and its sole officer and director is Chris Bennett. Attached as Exhibit "16" is a true copy of the corporation profile report of 229.

58. In December 2012, Mr. Cook presented 229 and Mr. Bennett to Trade Capital as being an information technology company which was selling its services to Bell Canada, Rogers and SNC Lavalin. Mr. Cook and Mr. Bennett further represented that 229 was in a growth mode and desired to factor its receivables with Trade Capital to support its growth. Trade Capital turned down the proposal.

59. Considering that 229 came to Trade Capital seeking financial support in December of 2012, I concluded that it is extremely unlikely that 229 was in any position to be paying

Citicorp's payment obligations and, therefore, that the Citicorp invoices owned by Trade Capital were fraudulent.

60. On September 20, 2013, Trade Capital also obtained a corporation profile report for WF Canada which revealed that Mr. Cook was its sole director and no officers were listed. Attached as Exhibit "17" is a true copy of the corporation profile report for WF Canada.

61. Mr. Cook had, through his company WF Canada, paid the oldest invoice purportedly outstanding from Wells Fargo.

62. On Monday, September 23, 2013, Trade Capital made information requests to its bank in relation to further wire transfer payments. One was a May 29, 2013 wire transfer in the amount of \$24,990.00, which Trade Capital believed was a payment from Renee Johnson LLC. The second was an August 7, 2013 wire transfer in the amount of \$224,990.00, which Trade Capital believed to be a partial payment on a pending approved credit insurance claim from Export Development Bank of Canada ("EDC").

63. The bank confirmed to Trade Capital by email dated September 23, 2013 that the May 29, 2013 wire transfer payment believed to be from Renee Johnson LLC was actually sent from Renee K Johnson DBA New Age Electric ("New Age"), and that the August 7, 2013 wire transfer payment believed to be from EDC was actually paid by Jobec Investments RT. Attached as Exhibit "18" is a true copy of the email dated September 23, 2013.

64. At that time Trade Capital did not discover any evidence to suggest that the payment related to the Renee Johnson LLC invoice was not legitimate.

65. It was immediately obvious to me that the wire transfer payment that had actually come from Jobec Investments RT was very likely fraudulent as Mr. Cook's investment in Trade Capital was through a similarly named company, Jobec.

66. On September 23, 2013, Trade Capital obtained a corporation profile report on Jobec Investments RT Ltd. ("Jobec RT") which revealed that Mr. Cook was the sole director of Jobec RT and no officers were listed. Attached as Exhibit "19" is a true copy of the corporation profile report for Jobec RT.

#### *Recovery of Mr. Cook's Emails*

67. On Monday, September 23, 2013, I asked Mr. Tahir Naseem of Twenty Four Seven Solutions Corp., an information technology consultant providing services to Trade Capital, to provide me with a copy of the emails that Mr. Cook had sent and received using his Trade Capital email address by way of Trade Capital property.

68. I was advised by Mr. Naseem and verily believe that Mr. Naseem determined that Mr. Cook attempted to delete all email messages that he sent and received on a daily and regular basis since the email account was established in September of 2011. Despite Mr. Cook's attempts to delete the emails, Mr. Naseem was able to recover more than 6,000 email messages that Mr. Cook sent and received by way of the Trade Capital email account he used since September of 2011.

69. I am advised by Mr. Naseem and verily believe that he recovered most, if not all of the email messages that Mr. Cook sent and received by way of his Trade Capital email address and Trade Capital property since September of 2011.



70. As is set out in more detail below, several of the email messages provide clear evidence of the fraudulent scheme perpetrated by Mr. Cook and others.

*Mr. Cook's Confession*

71. On the evening of Monday, September 23, 2013, I called Donald Jackson, who is the Chairman of Trade Capital.

72. During the call I informed Mr. Jackson of the fraud against Trade Capital. Mr. Jackson advised me that he had received an email from Mr. Cook immediately prior to my call, wherein Mr. Cook asked to meet with Mr. Jackson to discuss a serious issue at Trade Capital you may or may not be aware of.

73. I have been advised by Mr. Jackson and verily believe that following my conversation with Mr. Jackson, he confirmed with Mr. Cook a meeting for 5:00 p.m. on Tuesday, September 24, 2013.

74. I have been advised by Mr. Jackson and verily believe that the meeting was held at the scheduled time and that Mr. Cook attended with an individual named Mr. Bill Thomson, who is not related to me and Mrs. Thompson and during the meeting, Mr. Cook confessed to selling fraudulent invoices to Trade Capital and to participating in a scheme to defraud Trade Capital.

75. I have been advised by Catherine Herring, an officer and director of Trade Capital, and verily believe that she also attended the meeting on September 24, 2013 (the "September 24 Meeting").

76. I have been further advised by Mrs. Herring and verily believe that she used her iPhone to record the meeting wherein Mr. Cook confessed to selling fraudulent invoices to Trade Capital and to participating in a scheme to defraud Trade Capital. Attached as Exhibits "20" and "21" respectively are what I have been advised by Ms. Herring and verily believe are a true copy of a recording of the conversation and a true copy of a transcription of the recording.

77. During the meeting, the following comments were made:

- (a) Mr. Cook said, in reference to Trade Capital, "...we have a real problem with the company because we have false invoices there that have nothing behind them, and this has all come about uh because I've been involved in it and I'll explain what happened";
- (b) Mr. Cook said "...as you know I had a little operating company Jobec, which did nice little business and we ported it over into Trade Capital as the first thing we did and probably sometime after it got into Trade Capital – I'm not sure exactly the timing but – we had a problem with an account that I identified and I went and tried to deal with it...I tried to fix it and it was Virtucall";
- (c) Mr. Cook said "...in the end the real problem was that the client was getting money from some very bad people on the street and that money was getting diverted from us to the street and, and I tried to fix that. I have no experience in that I'm more of a King and Bay kinda guy or a small town guy";

- (d) Mr. Cook said "I could tell you that there's articles about them in the newspaper. That lead guy just got let out of jail this year and you've read the articles. It's, it's who it is";
- (e) Mr. Cook said "the more I tried to fix it the more I then make falsehoods to Darcy and Susan and as I tried to band aid my way through it...it kept escalating because these guys when they get into you these are not very friendly people...they certainly surveil my home at this point...";
- (f) Mr. Cook said "I'm quite confident on it, um and we are exposed for five million dollars in there and uh you know there's our good accounts...and then there's ones where there are manufactured invoices";
- (g) Mr. Cook said "I'm not really afraid of the police I'm afraid of the other guys and I'm afraid of the black SUV's is what I'm afraid of";
- (h) Mr. Cook said "I'm the cause of it. We have exposure in there where there's paper that's false for five million dollars";
- (i) Mr. Cook said "Um, I did not take any of this money. I don't have any of the money. It's not in my hands";
- (j) when asked if any accounts were not false, Mr. Cook said "Atlas is not false. Artex is not false. Retail Merchandise is not false. Some things in there are false";

- (k) Mr. Cook said "The Virtucall account was, to my knowledge, real when we began. The company Global who we are owed we thought we have an EDC claim but what we really have is a court case against Global for a million five that were real business but it's not EDC insured the way it's thought to be";
- (l) when asked how Trade Capital had letters on Export Development Corporation letterhead and reports of conference calls, Mr. Cook said "[t]here are false documents some of which I participated in some of which were presented to me. There are real people who work at these companies like Bell or Enbridge or Wells Fargo who obviously are not people I knew but that were provided by these people. My wording would be that they're their people. Um, and I essentially became a conduit..."
- (m) when asked if he was saying that employees of those three companies colluded Mr. Cook interrupted and said "Yes";
- (n) when asked if the people verifying invoices at Bell, Enbridge and Wells Fargo are in fact employees of those institutions who are saying yes to Trade Capital, Mr. Cook said "That's right";
- (o) when asked if he was saying that he got connected through Virtucall to some bad guys that for one reason or another were able to shake him down, Mr. Cook appeared to give an affirmative "hmmm" but then when Mr. Jackson added "to participate with them in a fraudulent series of schemes" Mr. Cook said "...in the end...I did what I did";

- (p) Mr. Bill Thomson stated that "Uh, there certainly is um, and you know one has to be careful and one has to choose one's words carefully here that there's certainly actions here that uh imply criminal action here. There's no question not just by Peter but by some others...";
- (q) Mr. Cook said that when he realized there was a problem with accounts he brought into the company, rather than put his hand up he tried to fix it "And I end up in a, you know you always wonder how much you should say about these people. I end up in an Italian restaurant um and I felt I was in a movie";
- (r) when asked if the meeting at the restaurant was in Canada, Mr. Cook said "Oh, yeah...And I learned in that particular meeting that this company Virtucall started out making money by laundering cash for these guys and cash laundering used to pay money and then recently that switched to where now they charge for laundering their money but they'll give it to you for a week while you launder it so you can use it. So there was a lot of cash moving back and forth....";
- (s) Mr. Cook said "...but I'm scared of it. Anyway, so I do this thing to put through a false invoice and it works and you know...";
- (t) when asked if he is referring to a Virtucall invoice Mr. Cook says "To Trade Capital. I don't sign on the bank but I know how to put a package together uh and I did and, and the minute I made that payment then it became when's the next payment...somebody to phone you on Saturday morning and say you know come outside I want to talk to you, you know they're sitting in front of your house in a

truck, I always say it's an SUV but obviously an Escalade or something but, you know they intrude in your personal life, um”;

- (u) when Ms. Herring said “But let me understand this. They are literally saying you've given us cash through falsifying an invoice...and we want more”, Mr. Cook said “Yea and these guys all want more the Virtucall guys”;
- (v) “...still when these people reach into your personal life, um, I am gonna...give you an example but, in February you may recall that Susan told a story about how we had an account that was applied for...and the person killed himself. That account was given to me by the representative in front of my house on a Saturday morning in the back of an SUV and I turned it down. I turned it down by Tuesday and he was dead by Wednesday. Um, I don't know what happened, I have no idea. I just know what I saw. Um, and I could recite a few more instances, not directly like that, related to me but that scared the freakin hell out of me and I was scared...”;
- (w) when asked if he was afraid to go to the police, Mr. Cook said “I'm afraid to go to the police because of these guys”;
- (x) when asked by Mr. Jackson where the money had gone, Mr. Cook said “It's funded out into accounts that funded it out to the bad people. They pay, you know, there's operating companies in some operating companies...in here. There really is a call center at Virtucall. There really is one at Barrie.”;

- (y) when asked by Ms. Herring if the bad guys know where the money has been coming from Mr. Cook said "You mean do they know the company?" so Ms. Herring asked "Do they know the funders. I mean you're their contact but how far will they reach back?" Mr. Cook said "... I should rephrase that, I am not really their contact" and went on to say "...the manipulation comes from the client and comes from them individually and it comes from messengers so to speak so its weird stuff that's like it";
- (z) when Ms. Herring suggested that "That's a hell of a creative act of falsifying" Mr. Cook said "It was not at one time. It's inconceivable that you can actually have a senior manager at Enbridge who Susan could write to and they would confirm these things";
- (aa) when Ms. Herring responded "Bell, Enbridge, Wells Fargo", Mr. Cook said "Senior people" and when Mr. Jackson said "And they'd been placed there by the bad guys" Mr. Cook said "It's nobody I knew. One or two of them, one's on my linkedin, I met him once but I don't really know him. One of them I met once. One of them I never met. They're real people with real senior jobs in those companies. They are nobody I knew. I wouldn't have those relationships. Uh, they would basically create that.";
- (bb) when Mr. Jackson said "But are you suggesting that this is just a whole big web of compromised people? Because if there are senior people in those companies that are approving false invoices clearly they're a part...of a compromised web" Mr. Cook said "Yes";

- (cc) when Ms. Herring said "But you, you know, call me naive isn't the RCMP pouring over everybody's bank accounts and cash flow and like, how does this happen?..." Mr. Bill Thomson eventually responds "I think that you're not naive at all. The one comment I would make is because of some other experience that I've had whether it's the RCMP or in this case, it probably is the RCMP, they take longer than what you want...It takes longer than the obvious facts would dictate. So before they actually find that person at Enbridge and charge him a considerable amount of time passes because they have to get their case in such that it is absolutely foolproof";
- (dd) when asked by Ms. Herring whether he had any conjecture as to what the activities of the bad people are, Mr. Cook responded "Well, I, these are, this is not somebody I hang out with, this is somebody who you know phones you from out on the street, calls you out to the curb, this is somebody who sends somebody a message. I don't know what they do. I know from the Virtucall people, they were moving you know half a million a week in cash for them, after the fact"; and,
- (ee) when asked about the whether the EDC thing was real, Mr. Cook admitted that it was not and when asked if he manufactured conference calls, he admitted that he did and when asked whether he manufactured letterhead with confirmation he said "I wouldn't, I didn't do all of that but I was aware. Yeah".

*Attempt to Resolve Claims with Mr. Cook*

78. Between in or around December of 2013 and in or around June of 2014, Trade Capital through its lawyers engaged in settlement discussions with Mr. Cook through his lawyer Mr.



Allan Sternberg. The settlement discussions did not result in a resolution of Trade Capital's claims. I have not included any information about the settlement discussions in this affidavit because it is privileged. After Mr. Cook was charged criminally in July of 2014, there were no further settlement discussions.

### **SECTION III - THE FRAUD: WHO PERPETRATED IT, HOW THEY DID IT AND HOW THEY KEPT IT GOING**

#### ***Who Perpetrated the Fraud***

79. The primary perpetrators of the fraud were Mr. Cook, Mr. D'Aoust, Mr. Thomas Richard Barker, Mr. Todd Cadenhead and Mr. Alan John Keery.

80. On or about July 9, 2014, I received an email from Constable Morash of the Fraud Bureau – Major Case Unit of the Peel Regional Police advising that Mr. Cook had been arrested that day, that Mr. Barker, Mr. Pennacchio and Mr. Zito had been charged and that an additional arrest was planned for the following day.

81. On or about July 10, 2013, Constable Morash sent me a further email advising that Mr. D'Aoust had been arrested that day and was being held for a bail hearing the following day. Attached as Exhibit "22" is a true copy of the email.

82. Attached as Exhibit "23" is a true copy of the Information against Mr. D'Aoust.

83. Although Trade Capital believes that Mr. Keery was a perpetrator of the fraud, it has become aware of a transcription of a voicemail contained in an Application Record for an Application brought by Invico Trade Capital LP and Invico Balanced Real Estate Fund against Jobec Investments RT Ltd. in which Al Keery claims that his identity had been stolen. Attached

as Exhibit "24" is a true copy of the Notice of Application. Attached as Exhibit "25" is a true copy of the transcription of the voicemail from Alan Keery.

*How the Fraud was Perpetrated*

84. Prior to the discovery of the fraud, Trade Capital believed it provided factoring services to four independent, unrelated clients ("Clients"):

- a) Virtucall, a call center operating in Toronto, which Trade Capital understood was owned and operated by Mr. Barker;
- b) 2242116 Ontario Inc. c.o.b. Superior Medical Services ("Superior"), a call center in Barrie, which Trade Capital understood was owned and operated by Mr. D'Aoust;
- c) Greenlink-Canada AMLR Ltd. ("Greenlink"), a commercial laundry operating in Fort McMurray, Alberta, which Trade Capital understood was owned and operated by Mr. Cadenhead; and,
- d) 2339989 Ontario Inc. ("233"), a telecommunications switch software and hardware supplier, which Trade Capital understood was owned and operated by Mr. Keery. Attached and marked as Exhibit "26" is a true copy of a corporation profile report for 233.

85. Trade Capital was provided with an invoice or invoices for purchase by the following individuals on behalf of the Clients:

- a) Mr. Barker on behalf of Virtucall (although the invoices referred to Virtucall International LLC ("Virtucall LLC"));

- b) Mr. D'Aoust on behalf of Superior;
- c) Mr. Cadenhead on behalf of Greenlink; and,
- d) Mr. Keery on behalf of 233.

86. As part of Trade Capital's control procedures, Trade Capital obtained a signed notification letter from the above-noted individuals on behalf of each Client, acknowledging that the invoice was to be paid to Trade Capital.

87. The notification letter was then forwarded to the Debtor and the Debtor was required to confirm that the invoice was valid and the amount of the invoice.

88. Trade Capital would receive an email from a person purportedly affiliated with the respective Debtor that would acknowledge and confirm the purchase of the invoice, or Mrs. Thompson or I would receive an email from Mr. Cook which purportedly forwarded an email from a person purportedly affiliated with the respective Debtor acknowledging and confirming the purchase of the invoice.

89. Based on everything I have discovered, I verily believe that the emails purportedly from the Debtors and attached documents were not written or sent by the persons stated in the email and that they were written and sent by Mr. Cook and/or other parties involved in the fraud.

90. After receiving confirmation of the invoice, Trade Capital's control procedures were complete and Trade Capital would advance a percentage of the face value of the invoice to the bank account to which the Clients directed it to advance the funds.

91. Trade Capital purchased fraudulent invoices from Virtucall (12 fundings), Superior (16 fundings), Greenlink (10 fundings) and 233 (5 fundings). Attached and marked as Exhibit "26A" is a true copy of a spreadsheet showing the amount and currency of each funding to each Client. Mr. D'Aoust is the sole officer and director of Virtucall and Greenlink, Mr. Barker is the sole officer and director of Superior and Mr. Keery is the sole officer and director of 233.

92. Using the Norwich Order, Trade Capital was able to determine that Mr. Barker controlled the bank accounts of Virtucall, Superior and 233.

93. Trade Capital advanced funds to two bank accounts it believed belonged to Greenlink. Trade Capital discovered that one account was in the name of Greenlink Canada Group ("Greenlink Group") and was controlled by Mr. Barker. The other bank account was in the name of Green Link Canada Inc. ("Green Link Inc.") and was controlled by Dayawansa Wickramasinghe and Don Bonny Lokuge, who I understand also goes by the name Bonny Lokuge.

94. Trade Capital discovered that it had also advanced funds into bank accounts belonging to the following entities:

- a) Instinctive Edge LLC ("Instinctive Edge") – a company in West Palm Beach, Florida;
- b) CJR Consulting – a sole proprietorship registered to Mr. Bennett;
- c) 2224754 Ontario Ltd. ("222") – Hanna Nikolayev Luchkanyn and Sergiy Patyaka are the sole directors and Sergiy Patyaka is the sole officer;

- d) LC Exchange – a sole proprietorship registered to Mr. Barker. Attached and marked as Exhibit “27” is a true copy of a business names report which identifies Mr. Barker as the person authorizing the registration;
- e) Millwalk Enterprise Inc. (“Millwalk”) - Marcelo Millar, Monica Millar, David Walker and Bunny Walker are the officers and Marcelo Millar, David Walker and Bunny Walker are the directors.

### *How They Kept the Fraud Going*

95. To keep the fraud going, the fraudsters used a fraudulent insurance claim, payments of some of the oldest invoices by companies controlled by the fraudsters and the replacement of the original fraudulent invoices with other fraudulent invoices.

#### *A. Fraudulent Insurance Claim*

96. Trade Capital’s practice was to credit insure Debtor invoices it purchased from Original Invoice Owners to cover losses to Trade Capital resulting from bankruptcy or significant payment defaults relating to invoices owned by Trade Capital. Credit insurance typically does not include losses resulting from fraud or from unresolved invoice disputes.

97. Invoices purchased by Trade Capital in late 2011 and early 2012 were insured by credit insurance policies held by Trade Capital’s Original Invoice Owners. Insurance proceeds from the Original Invoice Owners’ insurance proceeds were assigned to Trade Capital as a third party payee.

98. Virtucall, Mr. Cook, Mr. D'Aoust and Mr. Barker represented to me that Virtucall insured its invoices with EDC.

99. In the spring of 2012, the ageing of receivables from Global Medical Direct LLC ("Global") had deteriorated. After numerous communications between me, Mr. Cook and Mr. Barker regarding the Global invoices, Trade Capital determined that it was in Trade Capital's best interest to file an insurance claim on the EDC policy with respect to the Global invoices.

100. Mr. Cook assured me in numerous conversations and emails that he and Mr. Barker had discussed payments with Global's directing minds and that Global had agreed to a payment plan of \$400,000.00 over a five week period.

101. Trade Capital received four payments of \$100,000.00 each purportedly from Global between June 22, 2012 and July 11, 2012. As a result of the four payments purportedly from Global, Trade Capital purchased new invoices from Global. The payment to Global for the four additional \$100,000.00 invoices totaled \$308,000.00.

102. A second payment plan identical to that of the first Global payment plan was agreed to by all parties, including EDC. Such was confirmed by way of letter from EDC dated July 18, 2012. Attached as Exhibit "28" is a true copy of the July 18, 2012 letter.

103. Trade Capital did not receive any payments with respect to this second Global payment plan. As a result, it was represented to me by Mr. Cook that Mr. Barker, with the assistance of Mr. Cook, submitted a claim to EDC, which claim was in the amount of \$1,832,150.00.

104. Mr. Cook provided me with numerous documents in order to substantiate his assertions that he had submitted a claim to EDC. Attached as Exhibit "29" is a true copy of an email dated

August 20, 2012. Attached as Exhibit "30" is a true copy of a letter dated December 7, 2012, provided to me by Mr. Cook regarding EDC's apparent approval of the claim.

105. I have been advised by Mrs. Thompson and verily believe that on April 4, 2013, she received an email message from Mr. Cook advising that EDC had collected two payments from Global and that Mr. Cook was pushing EDC for payment of the EDC claim. Attached as Exhibit "31" is a true copy of the email dated April 4, 2013.

106. In June 2013, I directed Mr. Cook to arrange a conference call with Mr. Neil Spence of EDC. During the conference call on June 28, 2013, a person purporting to be Mr. Spence of EDC stated that the EDC claim had been authorized for payment on June 17, 2013 and that the payment was expected to be made to Trade Capital on July 18, 2013.

107. On August 7, 2013, Trade Capital received a wire transfer payment which appeared to be from EDC in the amount of \$224,990.00, which payment was represented by Mr. Cook as being the collections received by EDC from Global.

108. Mr. Cook informed me that payment of the balance of the EDC claim would follow. Trade Capital did not receive any further payments from EDC. I now believe that a claim was never made to EDC and that Mr. Cook and Mr. Barker fabricated the EDC claim.

109. During the September 24 Meeting, Mr. Cook stated that the EDC claim was never made. Mr. Cook stated, "...it's not EDC insured the way it's thought to be". When he was asked again later in the conversation by Mrs. Herring if, "*the whole EDC thing is just a creation?*" Mr. Cook replied, "*there really was Global debt, there really is non-payment. There really is a lawsuit but the EDC thing is not real*".

110. Mr. Cook further stated during the September 24 Meeting that he had manufactured conference calls so as to make it appear that representatives of EDC, such as Mr. Spence, had participated in such conference calls. Mr. Cook also stated that he manufactured EDC letterhead and letters appearing to be written by EDC, which indicated that the EDC claim had been approved by EDC.

111. On or about September 23, 2013, Mrs. Thompson received an email in response to her email to Trade Capital's bank that advised that the August 7, 2013 wire transfer payment represented by Mr. Cook as having been made by EDC was in fact paid by Mr. Cook's company, Jobec RT, which can be seen at Exhibit "18".

112. On October 4, 2013, Trade Capital's bank informed Mrs. Thompson that four wire transfer payments made between June 22, 2012 and July 11, 2012, which were represented by Mr. Cook as having been paid by Global, were in fact paid by Jobec. Attached as Exhibit "32" is a true copy of the October 4, 2013 email message from Trade Capital's bank.

#### *B. Replacement Invoices*

113. After purchasing the invoices in the manner set out above, the majority of the invoices went unpaid. However, Trade Capital did receive payment on some invoices, which are not included in the tracing below. Based on all I have discovered, I verily believe that the invoices which had been paid were paid to convince Trade Capital to continue to advance funds to the Original Invoice Owners and others.



114. Beginning in early 2013, in order to keep the fraud going, Virtucall, Superior and 233 offered to replace the unpaid invoices with invoices purportedly issued to Wells Fargo, Enbridge and Bell Canada Enterprises ("Bell") ("Replacement Invoices").

115. The amount owing on the Replacement Invoices offered to Trade Capital took into account the interest that had accrued on the unpaid invoice that was being replaced. For example, an invoice that Trade Capital had purchased worth \$100.00 with accrued interest of \$10.00 was replaced by a Replacement Invoice with a value of \$110.00.

116. In most cases, Trade Capital accepted the Replacement Invoices as Trade Capital believed that the invoices were issued to reputable corporations and that Trade Capital would be paid on the invoices.

117. In order to purchase the Replacement Invoices, Trade Capital went through the same control procedures it had done with the original invoices.

118. Trade Capital obtained a signed notification letter from the representative of the Client acknowledging that the invoice or invoices were to be paid to Trade Capital.

119. Trade Capital then required the Debtor to confirm that the invoice was valid and the amount of the invoice.

120. With respect to the Wells Fargo invoices:

- a) the notification letters were emailed to Matteo Pennacchio at the email address of "matteopennacchio@wellsfargo.com", for his confirmation and acceptance on behalf of Wells Fargo;

- b) I have been advised by Mrs. Thompson and verily believe that Mrs. Thompson confirmed that the email domain of Mr. Pennacchio's email address is in fact an email domain of Wells Fargo by searching Wells Fargo's website, which contains various email addresses with the same domain used in Mr. Pennacchio's email address;
- c) Trade Capital received fax transmissions of the notification letters signed by Mr. Pennacchio from what appeared to Trade Capital to be a Wells Fargo fax machine;
- d) I have been advised by Mrs. Thompson and verily believe that on June 12, 2013, she received an email from Mr. Cook stating that Mr. Pennacchio was no longer with Wells Fargo. Attached as Exhibit "33" is a true copy of the June 12, 2013 email; and,
- e) during the September 24 Meeting, Mr. Cook stated that the Wells Fargo invoices were fraudulent and that a person employed with Wells Fargo participated in the fraud.

121. With respect to Enbridge:

- a) the notification letters were provided to Mr. Frank Zito by way of email message, to the address of Frank.Zito@enbridge.com;
- b) I have been advised by Mrs. Thompson and verily believe that she confirmed that the email domain of Mr. Zito's email address is in fact an email domain of Enbridge by searching Enbridge's website, which contains various email addresses with the same domain used in Mr. Zito's email address; and,

- c) email messages sent from Mr. Zito to Trade Capital were sent from the email address of frankzito@telus.blackberry.net.

122. With respect to Bell:

- a) the notification letters were provided to Ms. Simone Sladkowski ("Ms. Sladkowski") at the email address of "simone.sladkowski@bell.ca" which contains a valid Bell email domain;
- b) I was advised by Mrs. Thompson and verily believe that, after the fraud was discovered, Mrs. Thompson confirmed that the email domain of Ms. Sladkowski's email address is in fact an email domain of Bell by searching Bell's website, which contains various email addresses with the same domain used in Ms. Sladkowski's email address; and,
- c) email messages sent from Ms. Sladkowski to Trade Capital were sent from the email address of "Simone.Sladkowski@bell.blackberry.net".

123. During the September 24 Meeting, Mr. Cook explained "*There are false documents some of which I participated in some of which were presented to me. There are real people who work at these companies like Bell or Enbridge or Wells Fargo...*". Then, in response to Mrs. Herring's question, "*so they're real, so we're verifying invoices with folks at Bell, Enbridge and Wells Fargo who are in fact employees of those institutions who are, saying yes to us?*", Mr. Cook stated "*That's right.*".

124. A little later during the September 24 Meeting, Mr. Jackson, in discussing Bell, Enbridge and Wells Fargo, asked Mr. Cook "*are you suggesting that this is just a whole big web of*

*compromised people? Because if there are senior people in those companies that are producing false invoices its part a compromised web.” Mr. Cook answered “yes”.*

125. Trade Capital’s lawyers sent letters demanding payment of the invoices to Wells Fargo, Bell and Enbridge, all of which denied that the invoices were valid.

126. Trade Capital did not receive payment on a single Enbridge or Bell invoice. Trade Capital believed that it received a payment on a Wells Fargo invoice, but it subsequently learned that the payment in the amount of \$136,753.90 was made by wire transfer dated April 18, 2013, from WF Canada.

127. As set out above, Mr. Cook is the sole officer and director of WF Canada.

128. As a result of purchasing the Replacement Invoices, at the time the fraud was discovered, Trade Capital owned \$9,559,645.64 of invoices which were fraudulent. The advances by Trade Capital against those invoices was \$5,051,721.79 CAD and \$1,479,515.12 USD. Attached as Exhibit “34” is a true copy of Trade Capital’s Aged Receivables as of September 9, 2013.

#### **SECTION IV – MAJOR RECIPIENTS OF TRADE CAPITAL’S FUNDS**

129. As a direct result of the fraudulent schemes described in this affidavit, Trade Capital had advances of \$5,051,721.79 CAD and \$1,479,515.12 USD from 2011 to 2013 for invoices that turned out to be fraudulent.

130. On October 28, 2013, Trade Capital obtained a Norwich Order that required certain third parties to provide information that would enable Trade Capital to trace the funds it had advanced

on account of the fraudulent invoices. Attached as Exhibit "35" is a true copy of the Order of Justice Ricchetti dated October 28, 2013 (as extended and amended, the "Norwich Order").

131. The Norwich Order was subsequently amended and extended a number of times to allow Trade Capital to trace its funds. Attached as Exhibit "36" are true copies of the amending and extending Orders. Additional time was required to trace Trade Capital's funds mainly because of the number of transfers of Trade Capital's funds and the response time of the financial institutions.

132. Trade Capital used the Norwich Order to trace the funds it advanced to purchase fraudulent invoices. The details of the tracing and the supporting documentation are set out in the next section of this affidavit.

133. By tracing its funds, Trade Capital was able to determine that the people and entities listed in the chart seen at Exhibit "37" received the amounts indicated in the chart. Attached as Exhibit "37" is a true copy of the charts showing the initial and eventual recipients of the funds.

134. The major recipients of the funds from the advances Trade Capital made (other than Virtucall which was used mainly as a flow through entity) are,

(a) Virtucall - \$1,596,055.67 CAD and \$460,000.00 USD;

(b) Cash House - \$1,171,262.50;

(c) 116 - \$347,000.00;

(d) 146 - \$316,983.55;

(e) 225 - \$103,200.00; and,

(f) Mr. Racca - \$41,500.00.

135. As part of my investigation of the fraud committed against Trade Capital, I attempted to gather information about the major recipients of Trade Capital's funds and their officers and directors.

### *Virtucall*

136. As set out above, the sole officer and director of Virtucall is Mr. D'Aoust. Virtucall had a Canadian dollar account and a U.S. dollar account at TD Canada Trust ("TD") and a Canadian dollar account at the Bank of Nova Scotia ("Scotiabank") and Trade Capital was able to trace its funds into each of these accounts. For the most part, Trade Capital was able to determine where the funds it paid into the U.S. dollar account at TD and the Canadian dollar account at Scotiabank were transferred. Due to the volume of the activity in the Canadian dollar account at TD, Trade Capital was unable to determine where exactly its funds transferred into that account went. However, Trade Capital was able to obtain the back-up documents from TD for the majority of the transactions which occurred in the Canadian dollar account during the time that the fraud was committed. A portion of these transactions would have involved Trade Capital's funds. That analysis is set out below. The end result of that analysis was that most of the funds from that account (not all of which belonged to Trade Capital) went to 146 and the Cash House.

### *Cash House and 116*

137. According to its website, Cash House is a business which provides payday loans, foreign exchange, cheque cashing and other services, and which has eight locations in the Greater

Toronto Area. Attached as Exhibit "38" is a true copy of webpages from Cash House's website, as of April 20, 2015.

138. On or about July 25, 2014, the National Post published an article that references Mr. De Maria and the Cash House which was updated in January of 2015. Attached as Exhibit "39" is a true copy of the article.

139. Based on my review of the article, I verily believe that the National Post has determined that,

- (a) "authorities claim — but have not proven in court — that Jimmy De Maria progressed up the ranks of the 'Ndrangheta, the proper name of the Mafia that formed in Calabria, in southern Italy";
- (b) "Jimmy DeMaria was named in court documents in Italy in 2010 as one of seven clan bosses controlling organized crime in the Greater Toronto Area, a contention he previously denied to the *National Post*";
- (c) "the 'Ndrangheta is generally seen as the top of the food chain in Toronto's underworld";
- (d) Mr. Carlo De Maria "is the owner of the Cash House and is the son of Vincenzo "Jimmy" De Maria, who is currently imprisoned for an alleged breach of lifetime parole after a murder conviction in 1981";
- (e) "Carlo De Maria has been arrested in what police call an ongoing fraud investigation";

(f) Mr. Carlo DeMaria “and a co-accused, Frank Di Nardo, 32, of Brampton, the owner of SwiftX Foreign Exchange and Di Nardo Financial Inc., were asked in February of 2014 about a number of cash transactions in excess of \$100,000, police said”; and,

(g) “Carlo De Maria...faces 10 charges, including fabricating evidence, identity theft, laundering the proceeds of crime and possession of property obtained by crime.”

140. As set out above, Mr. De Maria is an officer and director of the Cash House and 116 and Mr. Jim De Maria is an officer and director of 116.

141. I have been able to verify that Mr. DeMaria has been charged with a number of criminal offences. Attached as Exhibit “40” is a true copy of the Information against Mr. De Maria obtained from the Court.

#### **146**

142. As set out above, the sole officer and director of 146 is Mr. Didiomede. 146 may be carrying on business as BD Financial. I do not know anything else about the company’s business.

#### **225 and Mr. Racca**

143. The sole officer and director of 225 is Mr. Racca. 225 and Mr. Racca each received proceeds of the fraud. Mr. Racca is also the sole officer and director of Pizza Rustica Inc., which also received proceeds of the fraud. Attached as Exhibit “41” is a true copy of the corporation profile report for Pizza Rustica Inc.



## **SECTION V – TRACING TRADE CAPITAL’S FUNDS WITH *NORWICH ORDER***

144. Set out below are the details of Trade Capital’s tracing of its funds. I have done my best to accurately set-out what happened to Trade Capital’s funds once they were deposited into a bank account of one of the Clients. This was challenging because of existing balances in the accounts and small transactions in and out of the accounts. However, I have attached the source documents which show existing balances at the time of each funding and all transactions in and out of the accounts.

145. In addition to the documents attached to this affidavit, Trade Capital received other documents from the various banks under the Norwich Order, which are not attached to the affidavit because they were not relevant to tracing Trade Capital’s funds.

### ***Invoices Purchased from Virtucall LLC***

#### **Background on Virtucall LLC**

146. As set out above, Virtucall is an Original Invoice Owner from whom Trade Capital purchased invoices.

147. On or about September 27, 2011, Trade Capital entered into a Full Factoring Agreement with Virtucall. Attached as Exhibit “42” is a true copy of the Full Factoring Agreement dated September 27, 2011 and its associated documents.

148. It was represented to Trade Capital that Mr. Barker was the President of Virtucall. However, Mr. D’Aoust is the sole officer and director of Virtucall. The corporation profile report for Virtucall can be seen at Exhibit “7”.

149. Trade Capital purchased numerous fraudulent invoices from Virtucall in the name of Virtucall LLC, which Trade Capital understood to be a subsidiary of Virtucall. Mr. Barker is the sole officer and director of Virtucall LLC. Attached as Exhibit "43" is a true copy of the corporation profile report for Virtucall LLC.

150. The funds advanced by Trade Capital on account of the invoices purchased from Virtucall were forwarded to a U.S. dollar account which was maintained by Virtucall. Attached as Exhibit "44" are the account opening documents for Virtucall's TD accounts.

**Virtucall Funding #1 - \$146,066.20 USD - Global Invoice GMD110711**

151. In or around November of 2011, Virtucall provided Trade Capital with invoice number GMD110711 dated November 7, 2011 under which Global purportedly owed Virtucall LLC \$173,550.00 USD ("Invoice GMD110711") for purchase. Attached as Exhibit "45" is a true copy of Invoice GMD110711.

152. Trade Capital provided Virtucall with a Notification Sheet that listed Invoice GMD110711. Trade Capital was provided with a Notification Sheet apparently signed by Mr. Barker. Attached as Exhibit "46" is a true copy of the Notification Sheet dated November 8, 2011 for Invoice GMD110711.

153. Trade Capital's policy with Virtucall was that it would not fund the purchase of a new invoice until the oldest outstanding invoice owned by Trade Capital had been paid in full.

154. Mrs. Thompson and I received an email from Mr. Cook that forwarded an email purportedly from Mr. Bob Shea, the purported President of Global. This email confirmed Invoice GMD110711 in the amount of \$173,550.00 USD. It also confirmed that Trade Capital would be

paid \$81,000.00 USD. Mr. Cook's cover email stated this related to invoice GMD082211 which Trade Capital had previously purchased. Attached as Exhibit "47" is a true copy of the email from Mr. Cook dated November 8, 2011.

155. Based on everything I have discovered, as set out above, I now believe that the email confirmations forwarded to me and Mrs. Thompson by Mr. Cook purportedly from Mr. Shea were fraudulent emails written by Mr. Cook or someone working with Mr. Cook, and not by Mr. Shea. I further believe that Mr. Cook altered the email address and the contents of the email before forwarding the emails to Mrs. Thompson to make it look like the email was coming from Mr. Shea.

156. On or about November 9, 2011, Trade Capital received full payment of invoice GMD082211, which completed Trade Capital's control procedure for purchasing a new invoice. Attached as Exhibit "48" is a true copy of Trade Capital's bank statement which shows the payment of \$81,900.00 USD to Trade Capital.

157. Since invoice GMD082211 had been paid, on or about November 9, 2011, Trade Capital wired Virtucall the sum of \$146,066.20 USD, into TD US dollar bank account number 1038-7303753 maintained by Virtucall ("TD Virtucall US Account") on account of Trade Capital's purchase of Invoice GMD110711. Attached as Exhibit "49" is a true copy of the wire transfer confirmation signed by Mrs. Thompson.

158. As demonstrated in detail below, bank records obtained using the Norwich Order demonstrate that invoice GMD082211 was not paid by Global.

159. By making requests using the Norwich Order, Trade Capital obtained the following documents:

- a) a deposit account history for the TD US Virtucall Account from November 9, 2011 to October 31, 2012 ("TD Virtucall US Account History"), which is attached as Exhibit "50";
- b) a deposit account history for TD bank account number 1038-7303850 in the name of Global Medical ("Barker Global Account") containing entries from July 6, 2011 to May 8, 2012, when the account was closed ("Barker Global Account History"), which is attached as Exhibit "51"; and,
- c) the deposit account history for TD bank account 5214772 maintained by Virtucall ("TD Virtucall Canadian Account") from November 9, 2011 until October 17, 2012, when the account was closed ("TD Virtucall Canadian Account History"), which is attached as Exhibit "52".

160. TD provided Trade Capital with the back-up documentation demonstrating that on November 9, 2011, a wire transfer of \$81,900.00 USD came out of the TD Virtucall US Account, was deposited into the Barker Global Account and then was transferred to Trade Capital. Attached as Exhibit "53" is a true copy of the TD transfer memo.

161. The TD Virtual US Account History, which is attached as Exhibit "50" also shows that on November 9, 2011, Virtucall transferred the sum of \$81,900.00 USD to the Barker Global Account.

162. The Barker Global Account History, which is attached as Exhibit "51", shows that, on November 9, 2011, after receiving the payment of \$81,900.00 USD from Virtucall, a payment of \$81,900.00 USD was made to Trade Capital.

163. The Barker Global Account made it appear as though payments came from Global when in fact they were from Virtucall or other persons involved in the fraud.

164. The account opening documents for the Barker Global Account show that:

- a) Mr. Barker, not Global, opened and maintained the Barker Global Account personally. He gave Mr. D'Aoust a power of attorney over the Barker Global Account. Attached as Exhibit "54" is a true copy of the account opening documents for the Barker Global Account; and,
- b) Mr. Barker is the holder of the Master Business License for the sole proprietorship named Global Medical. Attached as Exhibit "55" is a true copy of the Master Business License for Global Medical.

165. Trade Capital also identified the following transactions on the TD Virtucall US Account History, which is attached as Exhibit "50":

- a) on November 9, 2011, Trade Capital wire transferred the sum of \$146,066.20 USD into the TD Virtucall US Account, which is confirmed by the wire transfer confirmation attached as Exhibit "49";

- b) on November 9, 2011, a wire transfer of \$77,465.16 USD was sent to RMP Capital Corp., which was deposited as \$77,385.00 USD. Attached as Exhibit "56" is a true copy of the TD transfer memo;
- c) on November 9, 2011, a wire transfer of \$9,790.00 USD was received from CoreFirst Bank + Trust. Attached as Exhibit "57" is a true copy of the wire transfer report received from TD;
- d) on November 9, 2011, a wire transfer of \$29,821.07 USD was sent to the TD Virtucall Canadian Account and was deposited into the TD Virtucall Canadian Account as \$30,000.00 CDN, which can be seen in the TD Virtucall Canadian Account History attached as Exhibit "52";
- e) on November 9, 2011, a wire transfer of \$72,097.65 USD was received from an unknown party. TD was unable to provide the back-up documents for this transaction;
- f) on November 9, 2011, a transfer of \$20,000.00 USD was taken from the TD Virtucall US Account. TD was unable to provide documentation supporting this transaction;
- g) on November 9, 2011, a cheque for \$56,000.00 USD was cashed by Website Buddy. Attached as Exhibit "58" is a true copy of the cheque payable to Website Buddy; and,
- h) on November 10, 2011, a wire transfer of \$29,928.17 USD was sent to the TD Virtucall Canadian Account and was deposited into the TD Virtucall Canadian

Account as \$30,000.00 CDN, which can be seen in the TD Virtucall Canadian Account History attached as Exhibit "52".

166. I conducted a Google search for RMP Capital Corp. which revealed that RMP Capital Corp. is a factoring company based in Long Island, New York. Attached as Exhibit "59" is a true copy of a page from RMP Capital Corp.'s website.

167. Based on a Google Search for CoreFirst Bank & Trust, I verily believe that CoreFirst Bank & Trust is a bank which has branches in the States of Colorado and Kansas. Attached as Exhibit "60" is a true copy of a print out from the "about" page on CoreFirst Bank & Trust's website.

168. The cheque that was payable to Website Buddy was cashed at a branch of Wells Fargo Bank, National Association. Trade Capital was unable to trace the funds paid to Website Buddy once they were transferred to Website Buddy because Website Buddy is located in Florida and beyond the reach of the Norwich Order.

169. Based on a Google search for Website Buddy, I verily believe that Website Buddy is a website traffic exchange. Attached as Exhibit "61" is a true copy of a print out from the "about" page on Website Buddy's webpage.

170. The following chart summarizes where the funds from Virtucall Funding #1 went. The first column sets out the date of the transaction. The second column describes the transaction. The third column lists withdrawals and the fourth column lists deposits. At the bottom of the chart it shows what amount of Trade Capital's funds can be accounted for and, in the miscellaneous row, what amount cannot be accounted for.

Date	Description	Withdrawals/debits	Deposits/credits
09/11/2011	Transfer from Trade Capital		\$ 146,066.20
09/11/2011	Wire to RMP	\$ 77,465.16	
09/11/2011	Wire from CoreFirst		\$ 9,790.00
09/11/2011	Transfer to Virtucall CDN\$	\$ 29,821.07	
09/11/2011	Wire from unknown		\$ 72,097.65
09/11/2011	Transfer to Unknown	\$ 20,000.00	
09/11/2011	Cheque 366 to Website Buddy	\$ 56,000.00	
10/11/2011	Transfer to Virtucall CDN\$	\$ 29,928.17	
		\$ 213,214.40	\$ 227,953.85
	Miscellaneous	\$ 14,739.45	
		\$ 227,953.85	\$ 227,953.85

#### **Virtucall Funding # 2 – \$88,484.22 USD - Global Invoice GMD111411**

171. In or around November 2011, Virtucall provided Trade Capital with invoice number GMD111411 dated November 14, 2011 under which Global purportedly owed Virtucall LLC \$168,150.00 USD (“Invoice GMD111411”) for purchase. Attached as Exhibit “62” is a true copy of Invoice GMD111411.

172. Trade Capital was provided with a Notification Sheet apparently executed by Mr. Barker. Attached as Exhibit “63” is a true copy of the Notification Sheet dated November 16, 2011 for Invoice GMD111411.

173. I am advised by Mrs. Thompson and verily believe that she received an email from Mr. Cook which forwarded an email purportedly from Mr. Shea which confirmed Invoice GMD111411 in the amount of \$168,150.00 USD. Attached as Exhibit “64” is a true copy of the email confirmation dated November 16, 2011.



174. Trade Capital received \$88,500.00 USD in full payment of invoice GMD082911, which completed Trade Capital's control procedure for purchasing a new invoice. Attached as Exhibit "65" is a true copy of Trade Capital's account statement dated September 30, 2011 to November 30, 2011, that shows this payment.

175. As a result, Trade Capital wired Virtucall the sum of \$88,484.22 USD (\$88,500.00 less fees of \$15.78), into the TD Virtucall US Account on account of Trade Capital's purchase of Invoice GMD111411. Attached as Exhibit "66" is a true copy of the wire transfer confirmation dated November 16, 2011 and executed by Mrs. Thompson.

176. The TD Virtucall US Account History and the Barker Global Account History, attached as Exhibits "50" and "51" show that Invoice GMD082911 for \$88,500.00 USD was paid from Virtucall to the Barker Global Account (not from Global) then to Trade Capital. Attached as Exhibit "67" is a true copy of a wire transfer memo showing these transactions.

177. Trade Capital identified the following transactions on the TD Virtucall US Account History, which is attached as Exhibit "50", using the following documents:

- a) on November 16, 2011, a transfer of \$88,500.00 USD was sent to the Barker Global Account (see Exhibit "67" attached);
- b) on November 16, 2011, a wire transfer of \$88,484.22 USD (\$88,500.00 less fees of \$15.78) was received from Trade Capital (see Exhibit "66" attached);
- c) from November 16 to 22, 2011, two transfers totaling \$57,389.80 USD were made into the TD Virtucall Canadian Account as specified below, each of which is also confirmed by the TD Virtucall Canadian Account History attached as Exhibit "52";

- I. on November 16, 2011, a transfer of \$22,821.90 USD deposited as \$23,000.00 CDN; and,
- II. on November 17, 2011, a transfer of \$34,567.90 USD deposited as \$35,000.00 CDN; and,
- d) on November 17, 2011, a wire transfer of \$37,259.95 USD was sent to Xynergy Healthcare Capital LLC ("Xynergy"). Attached as Exhibit "68" is a true copy of the Wire Report, received from TD.

178. Based on a Google Search for Xynergy, I verily believe that Xynergy is a healthcare factoring company located in Fort Lauderdale, Florida. Attached as Exhibit "69" is a true copy of a print out from the Xynergy's webpage.

179. Xynergy commenced an action against Virtucall LLC, Virtucall and Mr. Barker for fraud in the State of Florida and it successfully obtained judgment against Virtucall LLC for \$478,024.03 plus costs and attorney's fees. Attached as Exhibit "70" is a true copy of a printout from the Palm Beach of Florida Court website.

180. The following chart summarizes where the funds from Virtucall Funding # 2 went:

Date	Description	Withdrawals/debits	Deposits/credits
16/11/2011	Transfer from Trade Capital		\$ 88,484.22
16/11/2011	Transfer to Virtucall CDN\$	\$22,821.92	
17/11/2011	Wire to Xynergy	\$37,259.95	
17/11/2011	Transfer to Virtucall CDN\$	\$34,567.90	
		\$94,649.77	\$ 88,484.22
	miscellaneous	-\$ 6,165.55	
		\$88,484.22	\$ 88,484.22

**Virtucall Funding # 3 -- \$161,977.10 USD - Global Invoice GMD112111**

181. In or around December of 2011, Virtucall provided Trade Capital with invoice number GMD112111 dated November 21, 2011 under which Global purportedly owed Virtucall LLC \$189,600.00 USD ("Invoice GMD112111") for purchase. Attached as Exhibit "71" is a true copy of Invoice GMD112111.

182. Trade Capital was provided with a Notification Sheet apparently executed by Mr. Barker. Attached as Exhibit "72" is a true copy of the Notification Sheet dated December 7, 2011 for Invoice GMD112111.

183. I have been advised by Mrs. Thompson and verily believe that on or about December 7, 2011, she confirmed with Mr. Cook by telephone that he had received confirmation and acceptance by email from Mr. Shea which confirmed Invoice GMD112111 in the amount of \$189,600.00 USD. Mr. Cook subsequently forwarded the email to Mrs. Thompson purportedly from Mr. Shea on December 14, 2011. Attached as Exhibit "73" is a true copy of the email.

184. Trade Capital received full payment of invoice GMD090611, which completed Trade Capital's control procedure for purchasing a new invoice. Attached as Exhibit "74" is a true copy of Trade Capital TD bank statement which shows the payment of \$115,950.00 USD to Trade Capital on December 7, 2011.

185. As a result, Trade Capital wired Virtucall the sum of \$161,993.10 USD, into the TD Virtucall US Account on account of Trade Capital's purchase of Invoice GMD112111. Attached as Exhibit "75" is a true copy of the wire transfer confirmation signed by Mrs. Thompson, dated December 7, 2011.

186. The Barker Global Account History attached as Exhibit "51" demonstrates that Invoice GMD090611 was paid to the Barker Global Account (not from Global) then to Trade Capital. Attached as Exhibit "76" is a true copy of the wire transfer memo showing the transfers.

187. Trade Capital also identified the following transactions on the TD Virtucall US Account History, which is attached as Exhibit "50", using the following documents:

- a) on December 7, 2011, a wire transfer of \$161,977.10 USD was deposited in the TD Virtucall US Account from Trade Capital, which can be seen in exhibit "75";
- b) on December 8, 2011, one transfer of \$19,864.92 USD was sent to the TD Virtucall Canadian Account and deposited as \$20,000.00 CDN. This can be seen in the TD Virtucall Canadian Account History attached as Exhibit "52";
- c) on December 8, 2011, a transfer of \$45,050.18 USD was sent to Jobec. Attached as Exhibit "77" is a true copy of Jobec's Royal Bank of Canada ("RBC") bank statement showing receipt of \$45,000.00 USD; and,
- d) on December 8, 2011, a wire transfer of \$90,000.00 USD was sent to the Barker Global Account. Attached as Exhibit "78" is a true copy of the transfer slip, received from TD.

188. The following chart summarizes where the funds from Virtucall Funding # 3 went:

Date	Description	Withdrawals/debits	Deposits/credits
07/12/2011	Transfer from Trade Capital		\$ 161,977.10
08/12/2011	Transfer to Barker Global	\$ 90,000.00	
08/12/2011	Wire To Jobec	\$ 45,050.18	
08/12/2011	Transfer to Virtucall CDN\$	\$ 19,864.92	
		\$154,915.10	\$ 161,977.10

Date	Description	Withdrawals/debits	Deposits/credits
	miscellaneous	\$ 7,062.00	
		\$161,977.10	\$ 161,977.10

#### **Virtucall Funding #4 – \$66,878.60 USD - Holdback and Reserve**

189. Trade Capital keeps a reserve in relation to the invoices it purchases. On or about December 23, 2011, Virtucall informed Trade Capital that the reserve was in excess of the 20% target and requested that Trade Capital advance funds to Virtucall to return the reserve held by Trade Capital back down to 20%. It requested Trade Capital consider paying the holdback outstanding of \$13,365.50 USD from an invoice held by Trade Capital that had been previously paid and advance additional funds.

190. Trade Capital reviewed the credit status of the account and determined the age of the current accounts was within credit guidelines and that the payment history was adequate. Accordingly, Trade Capital agreed to Virtucall's request.

191. Trade Capital determined the amount owing to Virtucall was \$66,878.60 USD, consisting of a holdback owed of \$13,365.50 USD and an additional payment of \$40,975.60 USD to bring the overall account reserve back down to 20%. Attached as Exhibit "79" is a true copy of Trade Capital's internal worksheet.

192. As a result, Trade Capital wired Virtucall the sum of \$66,878.60 USD, into the TD Virtucall US Account. Attached as Exhibit "80" is a true copy of the wire transfer slip dated December 23, 2011.

193. The TD Virtucall US Account History also shows the following transactions:

- a) on December 23, 2011, a wire transfer of \$66,878.60 was received from Trade Capital which can be seen in Exhibit "81";
- b) on December 23, 2011, a transfer of \$19,956.10 USD was made to the TD Virtucall Canadian Account, which was confirmed by the TD Virtucall Canadian Account History attached as Exhibit "52";
- c) on December 23, 2011, a transfer of \$19,950.12 USD was made to the TD Virtucall Canadian Account, which was confirmed by the TD Virtucall Canadian Account History attached as Exhibit "52"; and,
- d) on December 23, 2011, cheque number 388 for \$23,000.00 USD, payable to Website Buddy was cashed. Attached as Exhibit "82" is a true copy of cheque number 388, received from TD.

194. The following chart summarizes where the funds from Virtucall Funding # 4 went:

Date	Description	Withdrawals/debits	Deposits/credits
23/12/2011	Transfer from Trade Capital		\$ 66,878.60
23/12/2011	Transfer to Virtucall CDN\$	\$ 19,956.10	
23/12/2011	Transfer to Virtucall CDN\$	\$ 19,950.12	
23/12/2011	Cheque 388 to Website Buddy	\$ 23,000.00	
		\$ 62,906.22	\$ 66,878.60
	miscellaneous	\$ 3,972.38	
		\$ 66,878.60	\$ 66,878.60

**Virtucall Funding #5 – \$176,295.75 USD - Global Invoice GMD121911**

195. On or about December 29, 2011, Virtucall provided Trade Capital with invoice number GMD121911 dated December 19, 2011 under which Global purportedly owed Virtucall LLC

\$203,700.00 USD ("Invoice GMD121911") for purchase. Attached as Exhibit "83" is a true copy of Invoice GMD121911.

196. Trade Capital was provided with a Notification Sheet apparently executed by Mr. Barker. Attached as Exhibit "84" is a true copy of the Notification Sheet dated December 29, 2011 for Invoice GMD121911.

197. I have been advised by Mrs. Thompson and verily believe that, on or about December 29, 2011, Mrs. Thompson confirmed with Mr. Cook by telephone that he had received verbal confirmation and acceptance from Mr. Shea, which confirmed Invoice GMD121911 in the amount of \$203,700.00 USD. Mr. Cook subsequently confirmed the conversation he supposedly had with Mr. Shea by email to Mrs. Thompson. Attached as Exhibit "85" is a true copy of the email from Mr. Cook dated December 29, 2011.

198. Trade Capital received full payment of invoice GMD091911, which completed Trade Capital's control procedure for purchasing a new invoice. Attached as Exhibit "86" is a true copy of the transfer slip from TD which shows the payment of \$150,750.00 USD from the Barker Global Account to Trade Capital on December 29, 2011.

199. As a result, Trade Capital wired Virtucall the sum of \$176,295.75 USD into the TD Virtucall US Account on account of Trade Capital's purchase of Invoice GMD121911. Attached as Exhibit "87" is a true copy of the wire transfer slip dated December 29, 2011.

200. The Barker Global Account History demonstrates that Invoice GMD091911 was paid from the Barker Global Account.

201. The TD Virtucall US Account History for December 29, 2011 to December 30, 2011, attached as Exhibit "50" shows the following transactions,

- a) on December 29, 2011, a wire transfer of \$176,295.75 USD received from Trade Capital, which can be seen in Exhibit "87";
- b) on December 29, 2011, a transfer of \$150,750.00 USD was sent to the Barker Global Account. Attached as Exhibit "88" is a true copy of the Transfer Slip, received from TD; and,
- c) on December 29, 2011, a transfer of \$19,936.20 USD was sent to the TD Virtucall Canadian Account, which can be seen in Exhibit "52".

202. The following chart summarizes where the funds from Virtucall Funding # 5 went:

Date	Description	Withdrawals/debits	Deposits/credits
29/12/2011	Transfer from Trade Capital		\$ 176,295.75
29/12/2011	Transfer to Barker Global	\$ 150,750.00	
29/12/2011	Transfer to Virtucall CDNS	\$ 19,936.20	
		\$ 170,686.20	\$ 176,295.75
	miscellaneous	\$ 5,609.55	
		\$ 176,295.75	\$ 176,295.75

#### **Virtucall Funding #6 – \$150,496.95 USD - Global Invoice GMD122611**

203. On or about January 5, 2012, Virtucall provided Trade Capital with invoice number GMD122611 dated December 26, 2011 under which Global purportedly owed Virtucall LLC \$171,150.00 USD ("Invoice GMD122611") for purchase. Attached as Exhibit "89" is a true copy of Invoice GMD122611.



204. Trade Capital was provided with a Notification Sheet apparently executed by Mr. Barker. Attached as Exhibit "90" is a true copy of the Notification Sheet dated January 5, 2011 for Invoice GMD122611.

205. I have been advised by Mrs. Thompson and verily believe that she confirmed with Mr. Cook by email that he had received confirmation and acceptance by phone from Mr. Shea, which confirmed the December 26 invoice. Attached as Exhibit "91" is a true copy of the email from Mr. Cook dated January 5, 2012.

206. Trade Capital received full payment of invoice GMD092611, which completed Trade Capital's control procedure for purchasing a new invoice. Attached as Exhibit "92" is a true copy of the transfer slip from TD dated January 5, 2012 which shows the payment of \$145,050.00 USD to Trade Capital from the Barker Global Account.

207. As a result, Trade Capital wired Virtucall the sum of \$150,496.95 USD into the TD Virtucall US Account on account of Trade Capital's purchase of Invoice GMD122611. Attached as Exhibit "93" is a true copy of the wire transfer confirmation dated January 5, 2012.

208. The Barker Global Account History at Exhibit "51" shows that Invoice GMD091911 was paid from the Barker Global Account.

209. The TD Virtucall US Account History, attached as Exhibit "50" shows the following transactions:

- a) on January 5, 2012, a wire transfer of \$150,496.95 USD was received from Trade Capital, which can be seen in Exhibit "93"; and,

b) on January 5, 2012, a transfer of \$151,000.00 USD was made to the Barker Global Account. Attached as Exhibit "94" is a true copy of the wire transfer slip.

210. The following chart summarizes where the funds from Virtucall Funding #6 went:

Date	Description	Withdrawals/debits	Deposits/credits
05/01/2012	Transfer from Trade Capital		\$ 150,496.95
05/01/2012	Transfer to Barker Global	\$ 151,000.00	
		\$ 151,000.00	\$ 150,496.95
	miscellaneous	-\$ 503.05	
		\$ 150,496.95	\$ 150,496.95

**Virtucall Funding #7 – \$171,150.00 USD - Global Invoice GMD01162012**

211. On or about January 25, 2012, Virtucall provided Trade Capital with invoice number GMD01162012 dated January 16, 2012 under which Global purportedly owed Virtucall LLC \$197,250.00 USD ("Invoice GMD01162012") for purchase. Attached as Exhibit "95" is a true copy of Invoice GMD01162012.

212. Trade Capital received a Notification Sheet apparently executed by Mr. Barker. Attached as Exhibit "96" is a true copy of the Notification Sheet dated January 25, 2012 for Invoice GMD01162012.

213. I am advised by Mrs. Thompson and verily believe that she received an email from Mr. Cook which attached an email purportedly from Mr. Shea which confirmed all invoices outstanding as of January 25, 2012, including Invoice GMD01162012 in the amount of \$197,250.00 USD. Attached as Exhibit "97" is a true copy of the email from Mr. Cook dated January 25, 2012.

214. Trade Capital received full payment of invoice GMD100311, which completed Trade Capital's control procedure for purchasing a new invoice. Attached as Exhibit "98" is a true copy of the transfer slip from TD dated January 25, 2012, which shows the payment of \$173,250.00 to Trade Capital.

215. As a result, Trade Capital wired Virtucall the sum of \$171,979.50 USD, into the TD Virtucall US Account on account of Trade Capital's purchase of Invoice GMD01162012. Attached as Exhibit "99" is a true copy of the transfer slip from TD dated January 25, 2012.

216. The TD Virtucall US Account History shows that on January 25, 2012, Virtucall transferred the sum of \$150,000.00 USD to the Barker Global Account, which is confirmed by the Barker Global Account History, attached as Exhibit "51".

217. Following the transfer of \$150,000.00 USD into the Barker Global Account, the Barker Global Account History confirms the subsequent transfer of \$173,250.00 USD to Trade Capital on January 25, 2012 described above. Exhibit "98" shows both transfers.

218. The TD Virtucall US Account History also shows the following transactions:

- a) on January 25, 2012, a wire transfer of \$171,979.50 USD was received from Trade Capital. Attached as Exhibit "99" is a true copy of the transfer slip from TD;
- b) on January 25, 2012, a transfer of \$20,249.06 USD was made to the TD Virtucall Canadian Account, which was confirmed by the TD Virtucall Canadian Account History attached as Exhibit "52" as a deposit of \$20,000.00 CAD;

- c) on January 26, 2012, a transfer of \$100,000.00 USD was made to Superior. Attached as Exhibit "100" is a true copy of the transfer slip provided by TD; and,
- d) on January 27, 2012, cheque number 399 in the amount of \$46,160.00 USD, payable to Instinctive Edge, was cashed. Attached as Exhibit "101" is a true copy of cheque number 399, received from TD.

219. Based on a Google search, I verily believe that Instinctive Edge is a marketing and advertising company in West Palm Beach, Florida. Attached as Exhibit "102" is a true copy of a LinkedIn page with respect to Instinctive Edge.

220. The following chart summarizes where the funds from Virtucall Funding #7 went:

Date	Description	Withdrawals/debits	Deposits/credits
25/01/2012	Transfer from Trade Capital		\$ 171,979.50
25/01/2012	Transfer to Virtucall CDN\$	\$ 20,249.06	
26/01/2012	Transfer to Superior	\$ 100,000.00	
27/01/2012	cheque 399 to Instinctive Edge	\$ 46,160.00	
		\$ 166,409.06	\$ 171,979.50
	miscellaneous	\$ 5,570.44	
		\$ 171,979.50	\$ 171,979.50

**Virtucall Funding #8 – \$164,536.80 USD - Global Invoice GMD01232012**

221. On or about February 8, 2012, Virtucall provided Trade Capital with invoice number GMD01232012 dated January 23, 2012 under which Global purportedly owed Virtucall LLC \$189,300.00 USD ("Invoice GMD01232012") for purchase. Attached as Exhibit "103" is a true copy of Invoice GMD01232012.

222. Trade Capital was provided with a Notification Sheet apparently executed by Mr. Barker. On this Notification Sheet, the invoice number is incorrectly recorded as GMD012312. This mistake resulted from using the old numbering system on the Notification Sheet. Under this old system, only the last two digits of the year were specified. Under the new numbering system, in place at the time of the invoice, all four digits of the year were specified. Attached as Exhibit "104" is a true copy of the Notification Sheet for GMD01232012, which bears the incorrect invoice number GMD012312 due to the typographical error.

223. I am advised by Mrs. Thompson and verily believe that she received verbal confirmation from Mr. Cook that Mr. Cook had received verbal confirmation from Mr. Shea, which confirmed invoice GMD01232012 in the amount of \$189,300.00 USD. Attached as Exhibit "105" is a true copy of the funding completion sheet dated February 9, 2012 documenting Mrs. Thompson's conversation with Mr. Cook regarding this confirmation.

224. On or about February 9, 2012, Trade Capital received full payment of invoice GMD101011, which completed Trade Capital's control procedure for purchasing a new invoice. Attached as Exhibit "106" is a true copy of the transfer slip from TD which shows the payment of \$173,850.00 USD to Trade Capital. This payment is confirmed by the Barker Global Account History.

225. As a result, Trade Capital wired Virtucall the sum of \$164,536.80 USD into the TD Virtucall US Account. The payment was on account of Trade Capital's purchase of Invoice GMD01232012. Attached as Exhibit "107" is a true copy of the transfer slip dated February 9, 2012 from TD.

226. The TD Virtucall US Account History attached as Exhibit "50" shows that on February 9, 2012, a transfer of \$173,850.00 USD was sent to the Barker Global Account. This is confirmed by the Barker Global Account History, attached as Exhibit "51". Attached as Exhibit "108" is a true copy the transfer slip which shows the payment from Virtucall to Global of \$173,850.00 USD.

227. The TD Virtucall US Account History for February 7, 2012 to February 10, 2012, attached as Exhibit "50", also shows, among others things, that on February 9, 2012 a transfer of \$133,000.00 USD was made to the Barker Global Account, by way of a TD transfer slip apparently signed by Mr. Barker. Attached as Exhibit "109" is a true copy of this slip, received from TD.

228. The following chart summarizes where the funds from Virtucall Funding #8 went:

Date	Description	Withdrawals/debits	Deposits/credits
09/02/2012	Transfer from Trade Capital		\$ 164,536.80
09/02/2012	Transfer to Barker Global	\$ 133,000.00	
		\$ 133,000.00	\$ 164,536.80
	miscellaneous	\$ 31,536.80	
		\$ 164,536.80	\$ 164,536.80

### Temporary Cessation of Purchasing Global Invoices

229. On or about February 10, 2012, Trade Capital ceased purchasing Global invoices from Virtucall because the ageing of the Global invoices owned by Trade Capital had deteriorated, resulting in a breach of Trade Capital's funding policy.

230. In or around the first three weeks of June 2012, Virtucall proposed a payment plan whereby Global would make weekly payments of \$100,000.00 USD to Trade Capital in

exchange for Trade Capital purchasing a Global invoice weekly with a value of \$100,000.00 USD.

231. On or about the third week of June of 2012, Trade Capital agreed to the payment plan ("Payment Plan"). The purchase of invoices purportedly from Virtucall LLC to Global resumed on or about June 22, 2012.

**Virtucall Funding #9 – \$77,000.00 USD - Global Invoice GMD220612**

232. Following the agreement by Trade Capital to the Payment Plan, on or about June 22, 2012, Virtucall provided Trade Capital with invoice number GMD220612 dated June 22, 2012 under which Global purportedly owed Virtucall LLC \$100,000.00 USD ("Invoice GMD220612") for purchase. Attached as Exhibit "110" is a true copy of Invoice GMD220612.

233. Trade Capital was provided with a Notification Sheet apparently executed by Mr. Barker. Attached as Exhibit "111" is a true copy of the Notification Sheet for Invoice GMD220612.

234. I have been advised by Mrs. Thompson and verily believe that she was copied on an email to Mr. Barker from Mr. Cook confirming that Mr. Cook had received verbal confirmation from Mr. Shea of an invoice for \$100,000.00. Attached as Exhibit "112" is a true copy of the email from Mr. Cook dated June 22, 2012.

235. On or about June 22, 2012, Trade Capital received payment of \$99,990.00 USD (\$100,000.00 less a wire fee of \$10) which completed Trade Capital's Payment Plan control procedure for purchasing a new invoice. Attached as Exhibit "113" is a true copy of Trade Capital's TD bank statement which shows the payment of \$99,990.00 USD to Trade Capital.

236. As a result, Trade Capital wired Virtucall the sum of \$77,000.00 USD, into the TD Virtucall US Account on account of Trade Capital's purchase of Invoice GM220612. Attached as Exhibit "114" is a true copy of the wire transfer confirmation dated June 22, 2012, received from TD.

237. The TD Virtucall US Account History also shows the following transactions:

- a) on June 22, 2012, a wire transfer in the amount of \$77,000.00 USD was received from Trade Capital, which can be seen in Exhibit "114";
- b) from June 22 to 25, 2012, two transfers totaling \$32,722.20 USD were sent to the TD Virtucall Canadian Account as specified below, which were confirmed by the TD Virtucall Canadian Account History attached as Exhibit "52":
  - III. on June 22, 2012, \$19,864.92 USD was transferred and deposited as \$20,000.00 CDN; and,
  - IV. on June 25, 2012, \$12,857.28 USD was transferred and deposited as \$13,000.00 CDN;
- c) on June 22, 2012, cheque number 504 for \$6,500.00 USD payable to and cashed by Virtucall LLC. Attached as Exhibit "115" is a true copy of cheque 504;
- d) on June 25, 2012, cheque number 490 for \$6,000.00 USD payable to and cashed by Mississippi Public Utilities Commission. Attached as Exhibit "116" is a true copy of cheque number 490;



e) on June 25, 2012, cheque number 506 for \$13,243.50 USD payable to and cashed by Mr. D'Aoust. Attached as Exhibit "117" is a true copy of cheque 506; and,

f) on June 25, 2012, cheque number 505 for \$10,276.00 USD payable to and cashed by Website Buddy. Attached as Exhibit "118" is a true copy of cheque 505.

238. I do not know why funds were sent to Mississippi Public Utilities.

239. The following chart summarizes where the funds from Virtucall Funding #9 went:

Date	Description	Withdrawals/debits	Deposits/credits
22/06/2012	Transfer from Trade Capital		\$ 77,000.00
22/06/2012	Transfer to Virtucall CDN\$	\$ 19,864.92	
22/06/2012	cheque 504 to Virtucall LLC	\$ 6,500.00	
25/06/2012	Transfer to Virtucall CDN\$ cheque 490 to Mississippi	\$ 12,857.28	
25/06/2012	Public Utilities	\$ 6,000.00	
25/06/2012	cheque 506 to D'Aoust	\$ 13,243.50	
25/06/2012	cheque 505 to Website Buddy	\$ 10,276.00	
		\$ 68,741.70	\$ 77,000.00
	miscellaneous	\$ 8,258.30	
		\$ 77,000.00	\$ 77,000.00

**Virtucall Funding #10 -- \$77,000.00 USD - Global Invoice GMD260612**

240. On or about June 26, 2012, Virtucall provided Trade Capital with invoice number GMD260612 dated June 26, 2012 under which Global purportedly owed Virtucall LLC \$100,000.00 USD ("Invoice GMD260612") for purchase. Attached as Exhibit "119" is a true copy of Invoice GMD260612.

241. Trade Capital was provided with a Notification Sheet apparently executed by Mr. Barker. Attached as Exhibit "120" is a true copy of the Notification Sheet for Invoice GMD260612 dated June 26, 2012.

242. I am advised by Mrs. Thompson and verily believe that she received email confirmation from Mr. Cook that Mr. Cook had received verbal confirmation from Mr. Shea which confirmed a new invoice. Attached as Exhibit "121" is a true copy of the email from Mr. Cook dated June 27, 2012.

243. Trade Capital received full payment of \$99,990.00 USD (\$100,000.00 less a wire fee of \$10) which completed Trade Capital's Payment Plan control procedure for purchasing a new invoice. Attached as Exhibit "122" is a true copy of Trade Capital's TD bank statement, which shows the payment of \$99,990.00 USD to Trade Capital.

244. As a result, Trade Capital wired Virtucall the sum of \$77,000.00 USD to the TD Virtucall US Account on account of Trade Capital's purchase of Invoice GM260612. Attached as Exhibit "123" is a true copy of the transfer slip dated June 27, 2012, received from TD.

245. The TD Virtucall US Account History also shows the following transactions:

- a) on June 27, 2012, a wire transfer in the amount of \$77,000.00 USD from Trade Capital, which can be seen in Exhibit "123";
- b) from June 27 to June 28, 2012, three transfers totaling \$66,099.45 USD were sent to TD Virtucall Canadian Account as specified below, which were also confirmed by the TD Virtucall Canadian Account History attached as Exhibit "52":

- I. on June 27, 2012, a transfer of \$29,705.91 USD deposited as \$30,000.00 CAD;
- II. on June 28, 2012, a transfer of \$29,472.44 USD deposited as \$30,000.00 CAD; and,
- III. on June 28, 2012, a transfer of \$6,921.10 USD deposited as \$7,000.00 CAD;
- c) on June 27, 2012, cheque number 500 for \$12,115.83 USD payable to and cashed by Five 9 Inc. Attached as Exhibit "124" is a true copy of cheque number 500; and,
- d) on June 27, 2012, cheque number 507 for \$13,132.50 USD payable to and cashed by Mr. D'Aoust. Attached as Exhibit "125" is a true copy of cheque number 507.

246. Based on a Google search for Five 9 Inc., I verily believe that Five 9 Inc. is in the business of selling call center software located in the United States. Attached as Exhibit "126" is a true copy of a print out from the Five 9 Inc.'s webpage.

247. The following chart summarizes where the funds from Virtucall Funding #10 went:

Date	Description	Withdrawals/debits	Deposits/credits
27/06/2012	Transfer from Trade Capital		\$ 77,000.00
27/06/2012	Transfer to Virtucall CDN\$	\$ 29,705.91	
27/06/2012	cheque 500 to Five 9	\$ 12,115.83	
27/06/2012	cheque 507 to D'Aoust	\$ 13,132.50	
28/06/2012	Transfer to Virtucall CDN\$	\$ 29,472.44	
28/06/2012	Transfer to Virtucall CDN\$	\$ 6,921.10	
		\$ 91,347.78	\$ 77,000.00
	miscellaneous	-\$ 14,347.78	
		\$ 77,000.00	\$ 77,000.00

**Virtucall Funding #11 – \$77,000 USD - Global Invoice GMD040712**

248. On or about July 4, 2012, Virtucall provided Trade Capital with invoice number GMD040712 dated July 4, 2012 under which Global purportedly owed Virtucall LLC \$100,000.00 USD ("Invoice GMD040712") for purchase. Attached as Exhibit "127" is a true copy of Invoice GMD040712.

249. Trade Capital was provided with a Notification Sheet apparently executed by Mr. Barker. Attached as Exhibit "128" is a true copy of the Notification Sheet dated July 4, 2012 for Invoice GMD040712.

250. I am advised by Mrs. Thompson and verily believe that she received email confirmation from Mr. Cook that he had received verbal confirmation and acceptance from Mr. Shea which confirmed Invoice GMD040712 in the amount of \$100,000.00. Attached as Exhibit "129" is a true copy of the email from Mr. Cook dated July 5, 2012.

251. Trade Capital received full payment of Invoice GMD040712, which completed Trade Capital's control procedure for purchasing a new invoice. Attached as Exhibit "130" is a true copy of the Trade Capital TD bank statement which shows the payment of \$99,990.00 USD (\$100,000.00 less wire fee of \$10) to Trade Capital on July 5, 2012.

252. As a result, Trade Capital wired Virtucall the sum of \$77,000.00 USD, into the TD Virtucall US Account on account of Trade Capital's purchase of Invoice GMD040712. Attached as Exhibit "131" is a true copy of the transfer slip dated July 6, 2012.

253. The TD Virtucall US Account History shows the following transactions:

a) on July 6, 2012 a wire transfer of \$77,000.00 USD received from Trade Capital.

Attached as Exhibit "131" is a true copy of the transfer slip, received from TD;

b) from July 6 to July 9, three transfers of a total of \$68,936.24 USD were sent to the

TD Virtucall Canadian Account, which were confirmed by the TD Vitrtucall

Canadian Account History attached as Exhibit "52":

I. on July 6, 2012, a transfer of \$29,934.14 USD deposited as \$30,000.00 CAD;

II. on July 6, 2012, a transfer of \$21,002.10 USD deposited as \$21,000.00 CAD; and,

III. on July 9, 2012, a transfer of \$18,000.00 USD deposited as \$18,000.00 CAD; and,

c) on July 9, 2012, cheque number 514 for \$12,375.00 USD payable to and cashed by

Mr. D'Aoust. Attached as Exhibit "132" is a true copy of cheque 514 received from

TD.

254. The following chart summarizes where the funds from Virtucall Funding #11 went:

Date	Description	Withdrawals/debits	Deposits/credits
06/07/2012	Transfer from Trade Capital		\$ 77,000.00
06/07/2012	Transfer to Virtucall CDN\$	\$29,934.14	
06/07/2012	Transfer to Virtucall CDN\$	\$21,002.10	
09/07/2012	Transfer to Virtucall CDN\$	\$18,000.00	
09/07/2012	cheque 514 to D'Aoust	\$12,375.00	
		\$81,311.24	\$ 77,000.00
	miscellaneous	-\$ 4,311.24	
		\$77,000.00	\$ 77,000.00

**Virtucall Funding #12 – \$77,000.00 USD - Global Invoice GMD100712**

255. On or about July 10, 2012, Virtucall provided Trade Capital with invoice number GMD100712 dated July 10, 2012 under which Global purportedly owed Virtucall LLC \$100,000.00 USD (“Invoice GMD100712”) for purchase. Attached as Exhibit “133” is a true copy of Invoice GMD100712.

256. Trade Capital was provided with a Notification Sheet apparently executed by Mr. Barker. Attached as Exhibit “134” is a true copy of the Notification Sheet for GMD100712.

257. I am advised by Mrs. Thompson and verily believe that she received an email from Mr. Cook which forwarded an email purportedly from Mr. Shea which confirmed Invoice GMD100712 in the amount of \$100,000.00 USD. Attached as Exhibit “135” is a true copy of the email from Mr. Cook dated July 12, 2012.

258. Trade Capital received full payment of \$99,990.00 USD (\$100,000.00 less wire fee of \$10) which completed Trade Capital’s Payment Plan control procedure for purchasing a new invoice. Attached as Exhibit “136” is a true copy of the Trade Capital TD bank statement, which shows the payment of \$99,990.00 USD to Trade Capital.

259. As a result, Trade Capital wired Virtucall the sum of \$77,000.00 USD, into TD Virtucall US Account on account of Trade Capital’s purchase of Invoice GMD100712. Attached as Exhibit “137” is a true copy of the transfer slip dated July 12, 2012 from TD.

260. The TD Virtucall US Account History shows the following transactions:

- a) on July 12, 2012, a wire transfer in the amount of \$77,000.00 USD from Trade Capital, which can be seen in exhibit "137";
- b) on July 12 and 13, 2012, three transfers totaling of \$75,174.85 USD sent to the TD Virtucall Canadian Account as specified below, which were confirmed by the TD Virtucall Canadian Account History attached as Exhibit "52":
- I. on July 12, 2012, a transfer of \$19,974.03 USD deposited as \$20,000.00 CDN;
  - II. on July 13, 2012, a transfer of \$30,075.19 USD deposited as \$30,000.00 CDN; and,
  - III. on July 13, 2012, a transfer of \$25,125.63 USD deposited as \$25,000.00 CDN.

261. The following chart summarizes where the funds from Virtucall Funding #12 went:

Date	Description	Withdrawals/debits	Deposits/credits
12/07/2012	Transfer from Trade Capital		\$ 77,000.00
12/07/2012	Transfer to Virtucall CDN\$	\$ 19,974.03	
13/07/2012	Transfer to Virtucall CDN\$	\$ 30,095.19	
13/07/2012	Transfer to Virtucall CDN\$	\$ 25,125.63	
		\$ 75,194.85	\$ 77,000.00
	miscellaneous	\$ 1,805.15	
		\$ 77,000.00	\$ 77,000.00

### Summary of All Virtucall Fundings

262. As set out in the charts above, the following people and entities, among others, received the following sums of Trade Capital's funds as a result of Trade Capital's purchase of fraudulent invoices from Virtucall LLC:

Total Transfers by Recipients from Virtucall U.S. \$		
Virtucall CDN	\$	460,048.20
Barker Global	\$	524,750.00
RMP Capital	\$	77,465.16
Xynergy	\$	37,259.95
Marc D'Aoust	\$	38,751.00
Website Buddy	\$	89,276.00
Instinctive Edge	\$	46,160.00
Superior	\$	100,000.00
Jobec Trade	\$	45,050.18
Five 9 Inc.	\$	12,115.83
Corefirst	-\$	9,790.00
Virtucall LLC.	\$	6,500.00
Misc or Unknown	\$	7,128.80
	\$	<u>1,434,715.12</u>

### *Invoices Purchased from Superior*

#### **Background on Superior**

263. On or about November 3, 2011, Trade Capital entered into a Full Factoring Agreement with Superior (although the documentation indicates that the company is named Superior Medical Services Inc.). Attached as Exhibit "138" is a true copy of the Full Factoring Agreement and its associated documents.



264. It was represented to Trade Capital that Mr. D'Aoust was the President of Superior. However, Mr. Barker is the sole officer and director of Superior. Attached as Exhibit "139" is a true copy of the corporation profile report for Superior.

**Superior Funding #1 – \$221,606.24 USD - Global Invoices 201135GMD and 201136GMD**

265. On or about November 23, 2011, Superior provided Trade Capital with two invoices for purchase under which Global purportedly owed Superior amounts.

266. Under invoice number 201135GMD dated November 7, 2011, Global purportedly owed Superior \$129,220.00 USD ("Invoice 201135GMD"). Under invoice number 201136GMD dated November 14, 2011, Global purportedly owed Superior \$143,080.00 USD ("Invoice 201136GMD"). Attached as Exhibit "140" are true copies of Invoice 201135GMD and Invoice 201136GMD.

267. Trade Capital received a Notification Sheet apparently executed by Mr. D'Aoust, the purported President of Superior. Attached as Exhibit "141" is a true copy of the Notification Sheet dated November 23, 2011 for Invoice 201135GMD and Invoice 201136GMD.

268. Trade Capital provided Global and Superior with a Notice of Assignment ("Assignment") for execution that provided that Global, from the date of execution, directed all payments for invoices from Superior to Trade Capital.

269. The Assignment also provided that Global confirmed acceptance of invoices 201135GMD and 201136GMD and that "the above invoices have been received, that they have been properly installed and accepted as satisfactory, and that payment of the above invoices will be made in full, without offset or deduction, on the above due dates".

270. Trade Capital received an Assignment apparently executed by Mr. D'Aoust and Mr. Shea. Attached as Exhibit "142" is a true copy of the Assignment dated November 23, 2011.

271. As a result, Trade Capital wired Superior the sum of \$221,606.24 CAD, into TD bank account number 1928-5233022 maintained by Superior ("TD Superior Account"). The payment was on account of Trade Capital's purchase of Invoices 201135GMD and 201136GMD. Attached as Exhibit "143" is a true copy of the wire transfer confirmation dated November 25, 2011.

272. Trade Capital later obtained a deposit account history for TD Superior Account from November 9, 2011 to October 17, 2012 when it was closed ("TD Superior Account History"). Attached as Exhibit "144" is a true copy of the TD Superior Account History.

273. The TD Superior Account History shows the following transactions:

- a) on November 25, 2011 a wire transfer of \$221,606.24 CAD was received from Trade Capital. Attached as Exhibit "145" is the wire report from TD (the name of the corporation on the wire transfer was inadvertently written as "2242216" instead of "2242116" but it did not impact the receipt of the funds into the TD Superior Account); and,
- b) on November 25, 2011, a transfer of \$220,000.00 CAD was sent to Virtucall. Attached as Exhibit "146" is an extract of the deposit account history for the TD Superior Account from November 25, 2011 to December 11, 2014, received from TD.

274. The following chart summarizes where the funds from Superior Funding #1 went:

Date	Description	Withdrawals/Debits	Deposits/Credits
25/11/2011	Transfer from Trade Capital		\$ 221,606.24
	transfer to Virtucall CDN\$	\$ 220,000.00	
		\$ 220,000.00	\$ 221,606.24
	miscellaneous	\$ 1,606.24	
		\$ 221,606.24	\$ 221,606.24

**Superior Funding #2 – \$124,316.28 CAD - Global Invoice 201137GMD and Orsini Invoice 201137**

275. On or about November 30, 2011, Superior provided Trade Capital with two invoices for purchase, under which Superior was purportedly owed:

- a) \$144,620.00 USD from Global on invoice number 201137GMD dated November 21, 2011 (“Invoice 201137GMD”), and,
- b) \$58,560.00 USD from Orsini Healthcare on invoice number 201137 dated November 21, 2011 (“Invoice 201137”).

Attached as Exhibit “147” are true copies of Invoice 201137GMD and Invoice 201137.

276. Trade Capital was provided with a Notification Sheet purportedly signed by Mr. D’Aoust. Attached as Exhibit “148” is a true copy of the Notification Sheet dated November 30, 2011 for Invoice 201137GMD and Invoice 201137.

277. I am advised by Mrs. Thompson and verily believe that she received an email from Mr. Cook that forwarded an email purportedly from Mr. Shea. This email confirmed Invoice 201137GMD in the amount of \$144,620.00. Attached as Exhibit “149” is a true copy of the email from Mr. Cook dated November 30, 2011.

278. I am further advised by Mrs. Thompson and verily believe that she received an email from Mr. Cook that forwarded an email apparently from Mr. Mike Fieri, Chief Operating Officer of Orsini Healthcare. This email confirmed Invoice 201137 in the amount of \$58,560.00. Attached as Exhibit "150" is a true copy of the email from Mr. Cook dated November 30, 2011.

279. Based on everything I have discovered, as set out above, I now believe that the email confirmations forwarded to Mrs. Thompson by Mr. Cook purportedly from Mr. Shea and Mr. Fieri were fraudulent emails written by Mr. Cook or someone working with Mr. Cook, and not by Mr. Shea and Mr. Fieri. I further believe that Mr. Cook altered the email addresses and the contents of the emails before forwarding the emails to Mrs. Thompson in order to make it look like the emails were coming from Mr. Shea and Mr. Fieri.

280. As a result, Trade Capital wired Superior the sum of \$124,316.28 CAD into the TD Superior Account. This payment was on account of Trade Capital's purchase of Invoice 201137GMD and Invoice 201137. Attached as Exhibit "151" is a true copy of the wire transfer confirmation dated December 2, 2011 (which contains the same error as the November 25, 2011 wire report). Attached as Exhibit "152" is an excerpt from TD Superior Account History for November 25, 2011 to January 6, 2012.

281. The TD Superior Account History shows the following transactions:

- a) on December 2, 2011, a wire transfer of \$124,316.28 CAD received from Trade Capital, which can be seen in the wire report from TD in Exhibit "151"; and,
- b) on December 2, 2011, a transfer out of \$125,000.00 CAD to Virtucall. Attached as Exhibit "153" is a true copy of the transfer slip received from TD.

282. The following chart summarizes where the funds from Superior Funding #2 went:

Date	Description	Withdrawals/Debits	Deposits/Credits
02/12/2011	Transfer from Trade Capital		\$ 124,316.28
	transfer to Virtucall CDN\$	\$ 125,000.00	
		\$ 125,000.00	\$ 124,316.28
	Miscellaneous	-\$ 683.72	
		\$ 124,316.28	\$ 124,316.28

### Superior Funding #3 -- \$99,096.53 CAD - Orsini Invoice 201203

283. On or about January 26, 2012, Superior provided Trade Capital with invoice number 201203 dated January 23, 2012, under which Orsini Healthcare purportedly owed Superior \$109,800.00 USD ("Invoice 201203") for purchase. Attached as Exhibit "154" is a true copy of Invoice 201203.

284. Trade Capital was provided with a Notification Sheet apparently signed by Mr. D'Aoust. Attached as Exhibit "155" is a true copy of the Notification Sheet for Invoice 201203 dated January 26, 2012.

285. I have been advised by Mrs. Thompson and verily believe that she received an email from Mr. Cook that forwarded an email apparently from Mr. Fieri. This email confirmed Invoice 201203 in the amount of \$109,80.00 (*sic*). Attached as Exhibit "156" is a true copy of the email from Mr. Cook dated January 26, 2012.

286. As a result, Trade Capital wired Superior the sum of \$99,096.53 CAD into TD Superior Account. This payment was on account of Trade Capital's purchase of Invoice 201203. Attached as Exhibit "157" is a true copy of the transfer slip dated January 26, 2012.

287. The TD Superior Account History shows the following transactions:

- a) on January 26, 2012, a wire transfer of \$99,096.53 CAD received from Trade Capital. Attached as Exhibit "158" is a true copy of the TD Superior Account for January 26, 2012;
- b) on January 27, 2012, a transfer of \$50,000.00 CAD sent to Virtucall. Attached as Exhibit "159" is a true copy of documentation of the transfer slip, received from TD;
- c) on February 2, 2012, a deposit in the amount of \$9,500.00 was made in the account from an unknown source. TD was unable to provide supporting documents for the deposit; and,
- d) on February 3, 2012, a transfer of \$67,000.00 CAD was sent to the Barker Global Account. Attached as Exhibit "160" is a true copy of documentation of the transfer slip received from TD.

288. The following chart summarizes where the funds from Superior Funding #3 went:

Date	Description	Withdrawals/Debits	Deposits/Credits
26/01/2012	Transfer from Trade Capital		\$ 99,096.53
27/01/2012	transfer to Virtucall CDN\$	\$ 50,000.00	
02/02/2012	Deposit from unknown		\$ 9,500.00
03/02/2012	Transfer to Barker Global	\$ 67,000.00	
		\$ 117,000.00	\$108,596.53
	miscellaneous	-\$ 8,403.47	
		\$108,596.53	\$108,596.53

**Superior Funding #4 – \$35,867.80 CAD - Debtresolve Invoice DR06222012**

289. On or about June 26, 2012, Superior provided Trade Capital with invoice number DR06222012 dated June 25, 2012, under which Debtresolve Inc. ("Debtresolve") purportedly

owed Superior \$88,140.00 CAD ("Invoice DR06222012") for purchase. Attached as Exhibit "161" is a true copy of Invoice DR06222012.

290. Mr. Racca is the sole officer and director of Debt Resolve-Mortgage Funding Solutions Inc. Attached as Exhibit "162" is a true copy of the corporation profile report for Debtresolve Resolve-Mortgage Funding Solutions Inc. Debtresolve is not incorporated. As demonstrated by the blank search results attached as Exhibit "163". Debtresolve appears to be carrying on business as a company which provides personal financial services.

291. Trade Capital was provided with a Notification Sheet apparently executed by Mr. D'Aoust. The Notification Sheet inadvertently listed the wrong invoice number and the wrong date for Invoice DR06222012. Attached as Exhibit "164" is a true copy of the Notification Sheet dated June 26, 2012 for Invoice DR06222012 (this contains a typo in the invoice number and date).

292. I am advised by Mrs. Thompson and verily believe that she received an email from Mr. Cook where Mr. Cook affirmed that he had confirmed the invoice with Mr. Racca at Debtresolve. Attached as Exhibit "165" is a true copy of the email from Mr. Cook dated June 27, 2012.

293. As a result, Trade Capital transferred to Superior the sum of \$35,867.80 CAD into the TD Superior Account. This payment was on account of Trade Capital's purchase of Invoice DR06222012. Attached as Exhibit "166" is an extract of Trade Capital's bank account statement which records the transfer dated June 27, 2012.

294. The TD Superior Account History shows the following transactions:

- a) on June 27, 2012, a wire transfer of \$35,867.80 CAD received from Trade Capital. Attached as Exhibit "167" is an extract of TD Superior Account History; and,
- b) on June 28, 2012, a transfer of \$35,500.00 CAD to Virtucall. Attached as Exhibit "168" is a true copy of the transfer slip received from TD.

295. The following chart summarizes where the funds from Superior Funding #4 went:

Date	Description	Withdrawals/Debits	Deposits/Credits
27/06/2012	Deposit from Trade Capital transfer to Virtucall CDNS TD		\$ 35,867.80
		\$ 35,500.00	
		\$ 35,500.00	\$ 35,867.80
		\$ 367.80	
		\$ 35,867.80	\$ 35,867.80

**Superior Funding #5 -- \$65,000.00 CAD - Debtresolve Invoices DR06292012 and DR07062012**

296. On or about July 11, 2012, Superior provided Trade Capital with two invoices for purchase. Under each invoice, Debtresolve purportedly owed Superior \$88,140.00 CAD and their details were as follows:

- a) invoice number DR06292012 dated July 4, 2012 ("Invoice DR06292012"), and,
- b) invoice number DR07062012 dated July 10, 2012 ("Invoice DR07062012").

Attached as Exhibit "169" are true copies of Invoice DR06292012 and Invoice DR07062012.

297. Trade Capital was provided with a Notification Sheet apparently signed by Mr. D'Aoust. Attached as Exhibit "170" is a true copy of the Notification Sheet for Invoices DR06292012 and DR07062012 dated July 11, 2012.



298. I have been advised by Mrs. Thompson and verily believe that on or about July 11, 2012, Mr. Cook confirmed with Mrs. Thompson that Mr. Racca had confirmed Invoice DR06292012 and Invoice DR07062012.

299. As a result, Trade Capital wired Superior the sum of \$65,000.00 CAD into the TD Superior Account. This payment was on account of Trade Capital's purchase of Invoice DR06292012 and Invoice DR07062012. Attached as Exhibit "171" is a true copy of the transfer slip dated July 11, 2012.

300. I have been advised by Mrs. Thompson and verily believe that she received an email from Mr. Cook that forwarded an email purportedly from Mr. Racca. This email confirmed Invoice DR06292012 and Invoice DR07062012, each in the amount of \$88,140.00. Attached as Exhibit "172" is a true copy of the email from Mr. Cook dated July 12, 2012.

301. The TD Superior Account History shows the following transactions:

- a) on July 11, 2012, a wire transfer of \$65,000.00 CAD received from Trade Capital. Attached as Exhibit "173" is an extract of TD Superior Account History;
- b) on July 11, 2012, a transfer of \$40,000.00 CAD sent to Virtucall. Attached as Exhibit "174" is a true copy of the transfer slip received from TD;
- c) on July 16, 2012, a transfer of \$7,000.00 CAD sent to Virtucall. Attached as Exhibit "175" is a true copy of the transfer slip received from TD;
- d) on July 17, 2012, a transfer of \$11,000.00 CAD sent to Virtucall. Attached as Exhibit "176" is a true copy of the transfer slip received from TD; and,

- e) on July 18, 2012, a transfer of \$7,400.00 CAD sent to Virtucall. Attached as Exhibit "177" is a true copy of the transfer slip received from TD.

302. The following chart summarizes where the funds from Superior Funding #5 went:

Date	Description	Withdrawals/Debits	Deposits/Credits
11/07/2012	Transfer from Trade Capital		\$ 65,000.00
	transfer to Virtucall CDN\$	\$ 40,000.00	
16/07/2012	transfer to Virtucall CDN\$	\$ 7,000.00	
17/07/2012	transfer to Virtucall CDN\$	\$ 11,000.00	
18/07/2012	transfer to Virtucall CDN\$	\$ 7,400.00	
		\$ 65,400.00	\$ 65,000.00
	miscellaneous	-\$ 400.00	
		\$ 65,000.00	\$ 65,000.00

**Superior Funding #6 - \$65,000.00 CAD - Debtresolve Invoices DR07132012 and DR07202012**

303. On or about July 31, 2012, Superior provided Trade Capital with three invoices for purchase. Under each invoice, Debtresolve purportedly owed Superior \$88,140.00 CAD. The details of the invoices were:

- a) invoice number DR07132012 dated July 17, 2012 ("Invoice DR07132012");
- b) invoice number DR07202012 dated July 24, 2012 ("Invoice DR07202012"); and,
- c) invoice number DR07272012 dated July 30, 2012 ("Invoice DR07272012").

Attached as Exhibit "178" are true copies of Invoice DR07132012, Invoice DR07202012 and Invoice DR07272012.

304. Trade Capital was provided with a Notification Sheet apparently executed by Mr. D'Aoust. Attached as Exhibit "179" is a true copy of the Notification Sheet for Invoices DR07132012, DR07202012 and DR07272012 dated July 31, 2012.

305. I have been advised by Mrs. Thompson and verily believe that she was copied on an email to Mr. Cook purportedly from Betty Wong ("Ms. Wong"), Finance Officer at Debtresolve. This email confirmed Invoices DR07132012, DR07202012 and DR07302012, each in the amount of \$88,140.00. Attached as Exhibit "180" is a true copy of the email to Mr. Cook dated July 30, 2012.

306. Based on everything I have discovered, as set out above, I now believe that the email confirmations sent to Mrs. Thompson purportedly from Ms. Wong were fraudulent emails written by Mr. Cook or someone working with Mr. Cook, and not by Ms. Wong. The domain appears as if it may be from a real debtresolve, but it has an extra "d" at the end of the address "debtresolved.ca". It may be that this domain was purchased and created to make it appear the emails were coming from Ms. Wong. (The operating Debtresolve Resolve-Mortgage Funding Solutions Inc. has the domain "debtresolve.ca").

307. As a result, Trade Capital wired Superior the sum of \$65,000.00 CAD into the TD Superior Account. This payment was on account of Trade Capital's purchase of Invoice DR07132012, Invoice DR07202012 and Invoice DR07272012. Attached as Exhibit "181" is a true copy of the transfer slip dated July 31, 2012.

308. The TD Superior Account History shows the following transactions:

- a) on July 31, 2012, a wire transfer of \$65,000.00 CAD received from Trade Capital, which can be seen in Exhibit "181"; and,
- b) on July 31, 2012, a transfer of \$65,000.00 CAD sent to Virtucall. Attached as Exhibit "182" is a true copy of the transfer slip received from TD.

309. The following chart summarizes where the funds from Superior Funding #6 went:

Date	Description	Withdrawals/Debits	Deposits/Credits
31/07/2012	Transfer from Trade Capital		\$ 65,000.00
	transfer to Virtucall CDN\$	\$ 65,000.00	
		\$ 65,000.00	\$ 65,000.00
		\$ 65,000.00	\$ 65,000.00

**Superior Funding #7 – \$35,000.00 CAD - Debtresolve Invoice DR08032012**

310. On or about August 10, 2012, Superior provided Trade Capital with invoice number DR08032012 dated August 8, 2012 under which Debtresolve purportedly owed Superior \$88,140.00 CAD ("Invoice DR08032012") for purchase. Attached as Exhibit "183" is a true copy of Invoice DR08032012.

311. Trade Capital was provided with a Notification Sheet apparently executed by Mr. D'Aoust. Attached as Exhibit "184" is a true copy of the Notification Sheet for Invoice DR08032012 dated August 10, 2012.

312. I am advised by Mrs. Thompson and verily believe that she received an email purportedly from Ms. Wong confirming Invoice DR08032012. Attached as Exhibit "185" is a true copy of the email from Ms. Wong dated August 10, 2012.

313. As a result, Trade Capital wired Superior the sum of \$35,000.00 CAD into the TD Superior Account. This payment was on account of Trade Capital's purchase of Invoice DR08032012. Attached as Exhibit "186" is a true copy of the transfer slip dated August 10, 2012.

314. The TD Superior Account History shows the following transactions:

- a) on August 10, 2012, a wire transfer of \$35,000.00 CAD received from Trade Capital. Attached as Exhibit "187" is an extract of the TD Superior Account History; and,
- b) on August 10, 2012, a transfer of \$34,770.67 CAD sent to Virtucall. Attached as Exhibit "188" is a true copy of the wire transfer received from TD.

315. The following chart summarizes where the funds from Superior Funding # 7 went:

Date	Description	Withdrawals/Debits	Deposits/Credits
10/08/2012	Transfer from Trade Capital		\$ 35,000.00
	transfer to Virtucall CDN\$	\$ 34,770.67	
		\$ 34,770.67	\$ 35,000.00
		\$ 229.33	
		\$ 35,000.00	\$ 35,000.00

#### **Superior Funding #8 - \$65,000.00 CAD – Debtresolve Invoice DR08172012**

316. On or about August 21, 2012, Superior provided Trade Capital with invoice number DR08172012 dated August 8, 2012 under which Debtresolve purportedly owed Superior \$176,280.00 CAD ("Invoice DR08172012") for purchase. Attached as Exhibit "189" is a true copy of Invoice DR08172012.

317. Trade Capital was provided with a Notification Sheet apparently signed by Mr. D'Aoust. Attached as Exhibit "190" is a true copy of the Notification Sheet for Invoice DR08172012 dated August 21, 2012.

318. I have been advised by Mrs. Thompson and verily believe that she received an email purportedly from Ms. Wong that confirmed Invoice DR08172012. Attached as Exhibit "191" is a true copy of the email from Mrs. Wong dated August 21, 2012.

319. As a result, Trade Capital wired Superior the sum of \$65,000.00 CAD into the TD Superior Account. This payment was on account of Trade Capital's purchase of Invoice DR08172012. Attached as Exhibit "192" is a true copy of the wire transfer confirmation dated August 21, 2012.

320. The TD Superior Account History shows the following transactions:

- a) on August 21, 2012, a wire transfer of \$65,000.00 CAD received from Trade Capital which can be seen in Exhibit "192"; and,
- b) on August 21, 2012 a transfer of \$60,000.00 CAD sent to Virtucall as seen in the Virtucall Canadian Account History attached as Exhibit "52" and the extract of the TD Superior Account History attached as Exhibit "193".

321. The following chart summarizes where the funds from Superior Funding # 8 went:

Date	Description	Withdrawals/Debits	Deposits/Credits
21/08/2012	Transfer from Trade Capital		\$ 65,000.00
	transfer to Virtucall CDN\$	\$ 60,000.00	
		\$ 60,000.00	\$ 65,000.00
	miscellaneous	\$ 5,000.00	

	\$ 65,000.00	\$ 65,000.00
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**Superior Funding #9 - \$93,341.40 CAD - Debtresolve Invoices DR08312012 and DR09142012**

322. On or about September 25, 2012, Superior provided Trade Capital with the following invoices purportedly rendered to Debtresolve for purchase:

- a) invoice number DR08312012 dated September 10, 2012 for \$176,280.00 CAD ("Invoice DR08312012"); and,
- b) invoice number DR09142012 dated September 20, 2012 for \$158,652.00 CAD ("Invoice DR09142012").

Attached as Exhibit "194" are true copies of Invoice DR08312012 and Invoice DR09142012.

323. Trade Capital was provided with a Notification Sheet apparently signed by Mr. D'Aoust. Attached as Exhibit "195" is a true copy of the Notification Sheet for Invoice DR08312012 and Invoice DR09142012 dated September 25, 2012.

324. I have been advised by Mrs. Thompson and verily believe that she received an email purportedly from Ms. Wong that confirmed Invoice DR08312012 and Invoice DR09142012. Attached as Exhibit "196" is a true copy of the email from Ms. Wong dated September 25, 2012.

325. As a result, Trade Capital wired Superior the sum of \$93,341.40 CAD into the TD Superior Account. This payment was on account of Trade Capital's purchase of Invoice DR08312012 and Invoice DR09142012. Attached as Exhibit "197" is a true copy of the transfer slip dated September 26, 2012.

326. The TD Superior Account History shows the following transactions:

- a) on September 26, 2012, a wire transfer of \$93,341.40 CAD received from Trade Capital. Attached as Exhibit "198" is an extract of the TD Superior Account History;
- b) on September 28, 2012, cheque number 48 for \$21,000.00 CAD payable to and cashed by the Cash House. Attached as Exhibit "199" is a true copy of cheque 48;
- c) on September 28, 2012, cheque number 86 of \$6,000.00 CAD payable to and cashed by 23362920 Ontario Inc. Attached as Exhibit "200" is a true copy of cheque number 86;
- d) on October 1, 2012 a transfer out of the account of \$40,000.00 CAD to Virtucall. Attached as Exhibit "201" is a true copy of the transfer slip received from TD; and,
- e) on October 1, 2012, cheque number 47 of \$21,000.00 CAD payable to and cashed by the Cash House. Attached as Exhibit "202" is a true copy of cheque number 47.

327. The following chart summarizes where the funds from Superior Funding #9 went:

Date	Description	Withdrawals/Debits	Deposits/Credits
26/09/2012	Transfer from Trade Capital		\$ 93,341.40
28/09/2012	Chq 48- Cash House	\$ 21,000.00	
	chq- 86- 23362920	\$ 6,000.00	
01/10/2012	transfer to Virtucall CDN\$	\$ 40,000.00	
	Chq 47- Cash House.	\$ 21,000.00	
		\$ 88,000.00	\$ 93,341.40
	Miscellaneous	\$ 5,341.40	
		\$ 93,341.40	\$ 93,341.40



**Superior Funding #10 - \$172,258.35 CAD – Debtresolve Invoice DR10262012**

328. On or about November 1, 2012, Superior provided Trade Capital with invoice number DR10262012 dated October 31, 2012 under which Debtresolve purportedly owed Superior \$210,067.00 CAD ("Invoice DR10262012") for purchase. Attached as Exhibit "203" is a true copy of Invoice DR10262012.

329. Trade Capital was provided with a Notification Sheet apparently executed by Mr. D'Aoust. Attached as Exhibit "204" is a true copy of the Notification Sheet for Invoice DR10262012 dated November 1, 2012.

330. I have been advised by Mrs. Thompson and verily believe that she received an email confirmation of Invoice DR10262012 purportedly from Ms. Wong. Attached as Exhibit "205" is a true copy of the email from Ms. Wong dated November 2, 2012.

331. As a result, Trade Capital wired Superior the sum of \$172,258.35 CAD (\$172,273.35 less a wire transfer fee of \$15.00) into a Canadian Imperial Bank of Commerce ("CIBC") CIBC bank account number 05022-9956611 maintained by Superior ("CIBC Superior Account"). The payment was on account of Invoice DR10262012. Attached as Exhibit "206" is a true copy of the wire transfer confirmation dated November 2, 2012.

332. The CIBC Superior Account is in Superior's name and Mr. Barker is listed as the President and signing officer. Attached as Exhibit "207" is a true copy of the bank opening documents for the CIBC Superior Account.

333. Trade Capital later obtained a deposit account history for the CIBC Superior Account from November 1, 2012 to March 12, 2013 ("CIBC Superior Account History"), at which point

the account was closed. Attached as Exhibit "208" is a true copy of CIBC Superior Account History.

334. The CIBC Superior Account History shows the following transactions:

- a) on November 2, 2012, a wire transfer of \$172,258.35 CAD received from Trade Capital. Attached as Exhibit "209" is an extract of the CIBC Superior Account History;
- b) on November 5, 2012, a debit memo of \$135,290.00 CAD sent to Jobec. Attached as Exhibit "210" is a true copy of the debit memo;
- c) on November 6, 2012, a withdrawal of \$35,000.00 CAD for the purchase of a bank draft payable to 233. Attached as Exhibit "211" is a true copy of the bank draft received from CIBC; and,
- d) on November 8, 2012, a transfer of \$1,000.00 CAD payable to Mr. Cadenhead. Attached as Exhibit "212" is a true copy of the email transfer to Mr. Cadenhead received from CIBC.

335. The following chart summarizes where the funds from Superior Funding # 10 went:

Date	Description	Withdrawals/Debits	Deposits/Credits
02/11/2012	Wire from Trade Capital		\$ 172,258.35
05/11/2012	Wire to- Jobec	\$ 135,290.00	
06/11/2012	Bank draft- 233	\$ 35,000.00	
08/11/2012	email transfer to Cadenhead	\$ 1,000.00	
		\$ 171,290.00	\$ 172,258.35
	Miscellaneous	\$ 968.35	
		\$ 172,258.35	\$ 172,258.35

**Superior Funding #11 - \$81,239.77 CAD Debtresolve Invoice DR11092012**

336. On or about November 29, 2012, Superior provided Trade Capital with invoice number DR11092012 under which Debtresolve purportedly owed Superior \$95,485.00 CAD ("Invoice DR11092012") for purchase. Attached as Exhibit "213" is a true copy of Invoice DR11092012.

337. Trade Capital was provided with a Notification Sheet apparently signed by Mr. D'Aoust. Attached as Exhibit "214" is a true copy of the Notification Sheet for Invoice DR11092012 dated November 29, 2012.

338. I have been advised by Mrs. Thompson and verily believe that she received an email confirmation of Invoice DR11092012 purportedly from Ms. Wong. Attached as Exhibit "215" is a true copy of the email from Ms. Wong dated November 30, 2012.

339. As a result, Trade Capital wired Superior the sum of \$81,239.77 CAD (\$81,254.77 less wire transfer fee of \$15.00) into the CIBC Superior Account. The payment was on account of Invoice DR11092012. Attached as Exhibit "216" is a true copy of the wire transfer confirmation dated November 30, 2012.

340. The CIBC Superior Account History shows the following transactions:

- a) on November 30, 2012, a wire transfer of \$81,239.77 CAD received from Trade Capital, the wire transfer can be seen at Exhibit "216". Attached as Exhibit "217" is a true copy of an excerpt from the CIBC Superior Account History for November 30, 2012;

- b) on December 3, 2012, a deposit of \$13,000.00 CAD received from 233. Attached as Exhibit "218" is a true copy of the cheque from 233 deposited on December 3, 2012 into the CIBC Superior Account; and,
- c) on December 3, 2012, a withdrawal of \$91,857.50 CAD for the purchase of a bank draft payable to the Cash House. Attached as Exhibit "219" is a true copy of the bank draft to the Cash House received from CIBC.

341. The following chart summarizes where the funds from Superior Funding #11 went:

Date	Description	Withdrawals/Debits	Deposits/Credits
30/11/2012	Wire from Trade Capital		\$ 81,239.77
03/12/2012	Deposit from 233		\$ 13,000.00
03/12/2012	Bank Draft- Cash House	\$ 91,850.00	
		\$ 91,850.00	\$ 94,239.77
	miscellaneous	\$ 2,389.77	
		\$ 94,239.77	\$ 94,239.77

**Superior Funding #12 - \$292,456.69 CAD – Debtresolve Invoice DR11232012, Invoice DR12072012 and Invoice DR12212012**

342. On or about January 3, 2013, Superior provided Trade Capital with the following three invoices for purchase purportedly rendered to Debtresolve:

- a) invoice number DR11232012 dated December 6, 2012 for \$152,776.00 CAD ("Invoice DR11232012");
- b) invoice number DR12072012 dated December 18, 2012 for \$132,210.00 CAD ("Invoice DR12072012"); and,

- c) invoice number DR12212012 dated December 28, 2012 for \$117,520.00 CAD ("Invoice DR12212012").

Attached as Exhibit "220" are true copies of Invoice DR11232012, Invoice DR12072012 and Invoice DR12212012.

343. Trade Capital was provided with a Notification Sheet apparently signed by Mr. D'Aoust. Attached as Exhibit "221" is a true copy of the Notification Sheet for Invoices DR11232012, DR12072012 and DR12212012 dated January 3, 2013.

344. I have been advised by Mrs. Thompson and verily believe that she received an email confirmation of Invoice DR11232012, Invoice DR12072012 and Invoice DR12212012 purportedly from Ms. Wong. Attached as Exhibit "222" is a true copy of the email from Ms. Wong dated January 3, 2013.

345. As a result, Trade Capital wired Superior the sum of \$292,456.69 CAD (\$292,471.69 less wire transfer fee of \$15.00) into the CIBC Superior Account. The payment was on account of Trade Capital's purchase of Invoice DR11232012, Invoice DR12072012 and Invoice DR12212012. Attached as Exhibit "223" is an extract of the CIBC Superior Account History confirming receipt of the sum of \$292,456.69 from Trade Capital.

346. The CIBC Superior Account History shows the following transactions,

- a) on January 4, 2013, a transfer of \$292,456.69 CAD received from Trade Capital, which can be seen in Exhibit "223"; and,

b) on January 4, 2013, a withdrawal of \$278,200.00 CAD for the purchase of a bank draft payable to the Cash House. Attached as Exhibit "224" is a true copy of the bank draft received from CIBC.

347. The following chart summarizes where the funds from Superior Funding #12 went:

Date	Description	Withdrawals/Debits	Deposits/Credits
04/01/2013	Wire from Trade Capital		\$ 292,456.69
04/01/2013	Bank Draft- Cash House	\$ 278,200.00	
		\$ 278,200.00	\$ 292,456.69
	miscellaneous	\$ 14,256.69	
		\$ 292,456.69	\$ 292,456.69

**Superior Funding # 13 - \$44,800.00 USD – Four Leaf Clover Invoice FL200468**

348. On or about May 18, 2012, Superior provided Trade Capital with invoice number FL200468 dated April 30, 2012 under which Four Leaf Clover purportedly owed Superior \$73,000.00 USD ("Invoice FL200468 ") for purchase. Attached as Exhibit "225" is a true copy of Invoice FL200468.

349. Trade Capital was provided with a Notification Sheet apparently signed by Mr. D'Aoust. Attached as Exhibit "226" is a true copy of the Notification Sheet for Invoice FL200468 dated May 18, 2012.

350. I have been advised by Mrs. Thompson and verily believe that she received an email confirmation of Invoice FL200468 purportedly from Mr. Bill Sweeney of Four Leaf Clover. Attached as Exhibit "227" is a true copy of the email from Mr. Sweeney dated May 18, 2012.

351. Based on everything I have discovered, as set out above, I now believe that the email confirmation forwarded to Mrs. Thompson by Mr. Cook purportedly from Mr. Sweeney was a fraudulent email written by Mr. Cook or someone working with Mr. Cook, and not by Mr. Sweeney, and that Mr. Cook altered the email address and the contents of the email before forwarding the email to Mrs. Thompson in order to make it look like the email was coming from Mr. Sweeney.

352. Based on a Google search for Four Leaf Clover, I verily believe that Four Leaf Clover Diabetic Supplies is a company located in North Carolina of which Mr. Sweeney is the President. Attached as Exhibit "228" are true copies of webpages regarding Four Leaf Clover Diabetic Supplies.

353. I am advised by Mrs. Thompson and verily believe that Mr. D'Aoust asked her to wire the funds to one of Superior's suppliers, Instinctive Edge LLC. Mr. D'Aoust provided Trade Capital with Instinctive Edge LLC's wire instructions.

354. As a result, Trade Capital wired Instinctive Edge LLC the sum of \$44,800.00 USD into Wells Fargo Bank N.A, 420 Montgomery Street, San Francisco, California. The payment was on account of Invoice DR11092012. Attached as Exhibit "229" is a true copy of the wire transfer confirmation and transfer slip dated May 18, 2012.

355. As set out above, I verily believe that Instinctive Edge LLC is a marketing and advertising company in West Palm Beach, Florida.

356. Trade Capital was unable to determine where the money was transferred following the funding by Trade Capital because Wells Fargo Bank N.A. does not recognize the Norwich Order.

**Superior Funding # 14 - \$158,333.20 CAD – Debtresolve Invoice *DR10052012***

357. On or about October 30, 2012, Superior provided Trade Capital with invoice DR10052012 dated October 17, 2012 under which Debtresolve purportedly owed Superior \$205,660.00 CAD ("Invoice DR10052012") for purchase. Attached as Exhibit "230" is a true copy of Invoice DR10052012.

358. Trade Capital was provided with a Notification Sheet apparently signed by Mr. D'Aoust. Attached as Exhibit "231" is a true copy of the Notification Sheet for Invoice DR10052012 dated October 30, 2012.

359. I have been advised by Mrs. Thompson and verily believe that she received an email confirmation of Invoice DR10052012 purportedly from Ms. Wong. Attached as Exhibit "232" is a true copy of the email from Ms. Wong dated October 30, 2012.

360. I am advised by Mrs. Thompson and verily believe that Mr. D'Aoust asked her to pay the total advance to Superior's staffing provider, CJR Consulting at 2464 Weston Rd, Suite 503, Toronto.

361. Mr. D'Aoust provided Trade Capital with CJR Consulting's bank wire information for RBC at 5125 Sheppard Avenue East, Scarborough, Ontario.

362. CJR Consulting is a sole proprietorship registered to Mr. Bennett. Attached as Exhibit "233" is a true copy of the business names registration for CJR Consulting.



363. As a result, Trade Capital wired CJR Consulting the sum of \$158,333.20 CAD into RBC account number 06492-101-028-9 ("Bennett CJR Consulting Account") maintained by CJR Consulting. The payment was on account of Trade Capital's purchase of Invoice DR10052012. Attached as Exhibit "234" is a true copy of the wire transfer confirmation dated October 30, 2012.

364. Trade Capital later obtained the deposit account history for the Bennett CJR Consulting Account from August 27, 2012 to May 6, 2013 when it was closed ("Bennett CJR Consulting Account History"). Attached as Exhibit "235" is a true copy of Bennett CJR Consulting Account History.

365. The Bennett CJR Consulting Account History shows the following transactions:

- a) on October 30, 2012, a transfer of \$158,333.20 CAD received from Trade Capital, which can be seen in Exhibit "235";
- b) on October 30, 2012, a cash withdrawal of \$1,000.00 CAD by an unknown recipient. Attached as Exhibit "236" is a true copy of the search response from RBC, showing the withdrawal;
- c) on October 30, 2012, a telephone banking transfer of \$2,003.00 CAD sent to Mr. Bennett which can be seen in Exhibit "236";
- d) on October 30, 2012, a debit memo of \$39,000.00 CAD sent to Jobec, which can be seen in Exhibit "236";

- e) on November 1, 2012, a transfer of \$59,157.50 CAD sent to Greenlink Canada Group. Attached as Exhibit "237" is a true copy of the bank draft received from RBC;
- f) on November 2, 2012, a transfer of \$1,000.00 CAD sent to "the client" which can be seen in Exhibit "236". The bank account is in the name of "CJR Consulting O/B Christopher Bennett";
- g) on November 2, 2012, a debit memo of \$40,000.00 CAD sent to Jobec. Attached as Exhibit "236" is a true copy of the documentation received from RBC;
- h) on November 6, 2012, a transfer of \$10,007.50 CAD to 233, which can be seen in Exhibit "236"; and,
- i) on November 8, 2012, a transfer of \$4,350.00 CAD sent to an unknown recipient which can be seen in Exhibit "236". RBC was unable to provide documentation for this transfer.

366. The following chart summarizes where the funds from Superior Funding #14 paid to CJR Consulting went:

Date	Description	Withdrawals/Debits	Deposits/Credits
30/10/2012	Wire from Trade Capital		\$ 158,333.20
	Cash Withdrawal- unknown recipient	\$ 1,000.00	
	Transfer- Chris Bennett	\$ 2,003.00	
	Jobec	\$ 39,000.00	
01/11/2012	Greenlink Group	\$ 59,157.50	
	Cash Withdrawal- unknown recipient	\$ 1,000.00	
02/11/2012	Jobec	\$ 40,000.00	
06/11/2012	233	\$ 10,007.50	

Date	Description	Withdrawals/Debits	Deposits/Credits
08/11/2012	Cash Withdrawal- unknown recipient	\$ 4,350.00	
		\$ 156,518.00	\$ 158,333.20
	miscellaneous	\$ 1,815.20	
		\$ 158,333.20	\$ 158,333.20

**Superior Funding # 15 - \$190,690.50 – Citicorp Invoice Citi10012014**

367. On or about March 7, 2013, Superior provided Trade Capital with invoice number Citi10012014 dated February 27, 2013 under which Citicorp purportedly owed Superior \$247,650.00 CAD ("Invoice Citi10012014") for purchase. Attached as Exhibit "238" is a true copy of Invoice Citi10012014.

368. Trade Capital was provided with a Notification Sheet apparently signed by Mr. D'Aoust. Attached as Exhibit "239" is a true copy of the Notification Sheet for Invoice Citi10012014 dated March 8, 2013.

369. I have been advised by Mrs. Thompson and verily believe that she received an email confirmation of Invoice Citi10012014 purportedly from Monica Adams ("Ms. Adams"), Vice President of Citicorp. Attached as Exhibit "240" is a true copy of the email from Ms. Adams dated March 7, 2013.

370. Based on everything I have discovered, as set out above, I now believe that the email confirmations sent to Mrs. Thompson purportedly from Ms. Adams were fraudulent emails written by Mr. Cook or someone working with Mr. Cook, and not by Ms. Adams. The domain "citicorpcredit.com" was likely used by the fraudsters to make it appear as though it was the correct domain.

371. I am advised by Mrs. Thompson and verily believe that on or about March 8, 2013, Mr. D'Aoust asked that the payment for the purchase of invoice Citi10012014 be directed to Virtucall's Scotiabank account number 10132-0073911 ("Scotiabank Virtucall Account").

372. The Scotiabank Virtucall Account is in the name of "Virtucall Inc." and Mr. Barker is listed as the owner. Attached as Exhibit "241" is a true copy of the bank opening documents for the Scotiabank Virtucall Account.

373. As a result, Trade Capital wired Virtucall the sum of \$190,690.50 CAD, into the Scotiabank Virtucall Account. The payment was on account of Trade Capital's purchase of Invoice Citi10012014. Attached as Exhibit "242" is a true copy of the wire transfer confirmation dated March 8, 2013.

374. Trade Capital later obtained the deposit account history for Scotiabank Virtucall Account from January 31, 2013 to May 31, 2013 ("Scotiabank Virtucall Account History"). Attached as Exhibit "243" is a true copy of the Scotiabank Virtucall Account History.

375. The Scotiabank Virtucall Account History shows the following transactions:

- a) on March 8, 2013, a wire transfer of \$190,690.50 CAD received from Trade Capital. Attached as Exhibit "244" is an extract of Scotiabank Virtucall Account History; and,
- b) on March 8, 2013, a debit memo of \$189,000.00 CAD for the purchase of a bank draft payable to Jobec. Attached as Exhibit "245" is a true copy of the bank draft received from Scotiabank.

376. The following chart summarizes where the funds from the Superior Funding #15 paid to Virtucall went:

Date	Description	Withdrawals/Debits	Deposits/Credits
3/8/2012	Wire from Trade Capital		\$ 190,690.50
3/8/2012	Draft- Jobec	\$ 189,000.00	
		\$ 189,000.00	\$ 190,690.50
	Surplus	\$ 1,690.50	
		\$ 190,690.50	\$ 190,690.50

**Superior Funding #16 - \$193,393.20 CAD – Citicorp Invoice Citi10012018**

377. On or about June 18, 2013, Superior provided Trade Capital with invoice number Citi10012018 dated June 12, 2013 under which Citicorp purportedly owed Superior \$251,160.00 CAD ("Invoice Citi10012018") for purchase. Attached as Exhibit "246" is a true copy of Invoice Citi10012018.

378. Trade Capital was provided with a Notification Sheet apparently signed by Mr. D'Aoust. Attached as Exhibit "247" is a true copy of the Notification Sheet for Invoice Citi10012018 dated June 18, 2013.

379. I have been advised by Mrs. Thompson and verily believe that she received an email confirmation of Invoice Citi10012018 purportedly from Ms. Adams. Attached as Exhibit "248" is a true copy of the email from Ms. Adams dated June 18, 2013.

380. I am advised by Mrs. Thompson and verily believe that on or about June 18, 2013, Mr. D'Aoust asked that the payment for the purchase of invoice Citi10012014 be directed to 222, a supplier of services to Superior.

381. 222 is a corporation incorporated pursuant to the laws of the Province of Ontario. Hanna Nikolayev Luchkanyn and Sergiy Patyaka are the sole directors of 222 and Sergiy Patyaka is the sole officer of 222. Attached as Exhibit "249" is a copy of the corporation profile report for 222.

382. As a result, Trade Capital wired 222 the sum of \$193,393.20 CAD, into Bank of Montreal ("BMO") account number 03682-1044570 maintained by 222 ("222 Account"). The payment was on account of Trade Capital's purchase of Invoice Citi10012018. Attached as Exhibit "250" is a true copy of the wire transfer confirmation dated June 19, 2013.

383. Trade Capital later obtained deposit account history for the 222 Account from May 1, 2013 to October 31, 2013 ("222 Account History"). Attached as Exhibit "251" is a true copy of the 222 Account History.

384. The 222 Account History shows the following transactions:

- a) on June 19, 2013, a wire transfer of \$193,393.20 CAD received from Trade Capital, which can be seen in exhibit "252";
  - b) on June 21, 2013, a bank draft of \$10,000.00 CAD sent to Zahra Awan Kumar. Attached as Exhibit "253" is a true copy of the bank draft;
  - c) on June 24, 2013, cheque number 3 of \$10,000.00 CAD payable to and cashed by Mark Pintucci. Attached as Exhibit "254" is a true copy of the cheque;
  - d) on June 24, 2013, cheque number 8 of \$10,000.00 CAD payable to and cashed by
146. Attached as Exhibit "255" is a true copy of the cheque;

- e) on June 24, 2013, cheque number 1 of \$5,000.00 CAD payable to and cashed by Pizza Rustica Inc. Attached as Exhibit "256" is a true copy of the cheque;
- f) on June 24, 2013, cheque number 2 of \$103,200.00 CAD payable to and cashed by 225 Attached as Exhibit "257" is a true copy of the cheque;
- g) on June 25, 2013, cheque number 4 of \$41,500.00 CAD payable to and cashed by Mr. Racca. Attached as Exhibit "258" is a true copy of the cheque;
- h) on June 27, 2013, a withdrawal of \$2,600.00 CAD made by Sulaiman Anwari. Attached as Exhibit "259" is a true copy of the transaction record; and,
- i) on June 28, 2013 a bank draft of \$10,000.00 CAD payable to and cashed by Yii Yong Siik. Attached as Exhibit "260" is a true copy of the bank draft.

385. I have no information on who Zahara Awan Kumar, Mark Pintucci, Sulaiman Anwari or Yii Yong Siik are.

386. The following chart summarizes where the funds from Superior Funding #16 paid to 222 went:

Date	Description	Withdrawals/Debits	Deposits/Credits
19/06/2013	Wire From Trade Capital		\$ 193,393.20
21/06/2013	Draft-Zahra Kumar	\$ 10,000.00	
24/06/2013	Chq 3-Mark Pintucci	\$ 10,000.00	
	Chq 8-1461	\$ 10,000.00	
	Chq 1-Pizza Rustica	\$ 5,000.00	
	Chq 2-225	\$ 103,200.00	
25/06/2013	Chq 4-Rocky Racca	\$ 41,500.00	
27/06/2013	Cash Withdrawal-S. Anwari	\$ 2,600.00	
28/06/2013	Draft-Yii Yong Siik	\$ 10,000.00	
		\$ 192,300.00	\$ 193,393.20

Date	Description	Withdrawals/Debits	Deposits/Credits
	Surplus	\$ 1,093.20	
		\$ 193,393.20	\$ 193,393.20

### Summary of All Superior Fundings

387. As set out in the charts above, the following people and entities, among others, received the following sums of Trade Capital's funds as a result of Trade Capital's purchase of fraudulent invoices from Superior:

Total Superior Fundings by Recipient	
Virtucall Canadian	\$ 695,670.67
Barker Global	\$ 67,000.00
Cash House	\$ 412,050.00
2336292	\$ 6,000.00
Jobec	\$ 403,290.00
Greenlink Group	\$ 59,157.50
233	\$ 32,007.50
Mr. Racca	\$ 41,500.00
225	\$ 103,200.00
Pizza Rustica	\$ 5,000.00
146	\$ 10,000.00
Instinctive Edge	\$ 44,800.00 USD
Mr. Cadenhead	\$ 1,000.00
Mr. Bennett	\$ 2,003.00
Cash Withdrawals	\$ 6,350.00
Miscellaneous	\$ 48,371.29
	\$ 1,937,399.96

### *Invoices Purchased from Greenlink*

### Background on Greenlink

388. On or about December 20, 2011, Trade Capital entered into a Full Factoring Agreement with Greenlink. Attached as Exhibit "261" is a copy of the Full Factoring Agreement and associated documents.



389. Mr. Cadenhead was represented as being the President of Greenlink in the Full Factoring Agreement. The corporation profile report for Greenlink shows that Mr. D'Aoust is the sole director of Greenlink. Attached as Exhibit "262" is the corporation profile report for Greenlink.

390. As will be shown in more detail below, Trade Capital was directed to transfer funds to:

- a) CIBC account number 00112-42-24213 ("CIBC Greenlink Account"); and,
- b) Scotiabank account number 10132-01513-19 ("Scotiabank Greenlink Account").

391. Upon obtaining the account opening documentation for what Trade Capital thought was Greenlink's bank accounts using the Norwich Order, Trade Capital discovered that:

- a) the CIBC Greenlink Account was in the name Green Link Canada Inc. and Dayawansa Wickramasinghe was listed as President and Don Bonny Lokuge was listed as Secretary; and,
- b) the Scotiabank Greenlink Account was in the name of Greenlink Group and Mr. Barker was listed as the owner. Attached as Exhibit "263" is the Scotiabank Business Account Service request form for Greenlink Group.

392. Attached as Exhibit "264" is a true copy of the bank account opening documents for the CIBC Greenlink Account. Attached as Exhibit "265" is a true copy of the bank account opening and information documents for the Scotiabank Greenlink Account.

393. Trade Capital conducted a search and determined that Green Link Inc. is a corporation whose officers and directors are Mr. Lokuge, Mr. Wickramasinghe and Arachehige Samantha

Jayasuriya. Attached as exhibit "266" is a true copy of the corporation profile report of Green Link Inc.

394. Trade Capital conducted a search and determined that Greenlink Group is a sole proprietorship registered to Mr. Barker. Attached as Exhibit "267" is the Ontario Master Business License.

395. Trade Capital and I were not aware of the existence of Greenlink Group or Green Link Inc. and we continued to believe that Trade Capital was dealing with Greenlink and was transferring money to Greenlink.

**Greenlink Funding #1- \$168,907.66 CAD – PTI Invoice 6884374**

396. On or about January 9, 2012, Trade Capital was provided with invoice number 6884374 dated January 9, 2012 under which PTI Premium Camp Services ("PTI") purportedly owed Greenlink \$219,483.98 CAD ("Invoice 6884374") for purchase. Attached as Exhibit "268" is a true copy of Invoice 6884374.

397. Trade Capital was provided with a Notification Sheet apparently signed by Mr. Cadenhead. Attached as Exhibit "269" is a true copy of the Notification Sheet for Invoice 6884374 dated January 9, 2012.

398. I have been advised by Mrs. Thompson and verily believe that she received an email from Mr. Cook that forwarded an email purportedly from PTI Account Management, which confirmed Invoice 6884374 in the amount of \$219,483.98. Attached as Exhibit "270" is a true copy of the email from Mr. Cook dated January 9, 2012.

399. Based on everything I have discovered, as set out above, I now believe that the email confirmations forwarded to Mrs. Thompson by Mr. Cook purportedly from PTI Account Management were fraudulent emails written by Mr. Cook or someone working with Mr. Cook. I further believe that Mr. Cook altered the email address and the contents of the email before forwarding the emails to Mrs. Thompson in order to make it look like the email was coming from PTI Account Management.

400. As a result, Trade Capital wired the sum of \$168,907.66 CAD (\$168,922.66 less a wire transfer fee of \$15.00) into the CIBC Greenlink Account. The payment was on account of Trade Capital's purchase of Invoice 6884374. Attached as Exhibit "271" is a true copy of the wire transfer confirmation dated January 9, 2012.

401. As a result of making requests pursuant to the Norwich Order, Trade Capital received a deposit account history for CIBC Greenlink Account from November 9, 2011 to August 13, 2012 when the account was closed ("CIBC Greenlink Account History"). Attached as Exhibit "272" is a true copy of CIBC Greenlink Account History.

402. The CIBC Greenlink Account History showed the following transactions:

- a) on January 9, 2012, a wire transfer of \$168,907.66 CAD received from Trade Capital. Attached as Exhibit "273" is an extract of the CIBC Greenlink Account Statement;
- b) on January 10, 2012, certified cheque number 53 for \$98,000.00 CAD payable to and cashed by "Living Benefits o/a 6980023 Inc" which appears to be 6980023 Canada

Inc. operating as Living Benefits ("Living Benefits"). Attached as Exhibit "274" is a true copy of cheque 53 received from TD;

- c) on January 10, 2012, certified cheque number 54 for \$37,000.00 CAD payable to and cashed by Living Benefits. Attached as Exhibit "275" is a true copy of cheque number 54;
- d) on January 10, 2012, cheque number 58 for \$5,000.00 CAD payable to and cashed by Mr. Wickramasinghe. Attached as Exhibit "276" is a true copy of cheque number 58;
- e) on January 10, 2012, cheque number 33 for \$2,000.00 CAD payable to and cashed by Bonny Lokuge. Attached as Exhibit "277" is true copy of cheque number 33; and,
- f) on January 11, 2012, cheque number 60 for \$3,000.00 CAD payable to and cashed by Bonny Lokuge. Attached as Exhibit "278" is true copy of cheque number 60 and the debit note; and,

403. Mr. D'Aoust is the sole director of Living Benefits. Attached as Exhibit "279" is a true copy of the corporation profile report for Living Benefits.

404. As set out above, Mr. Wickramasinghe is listed as the President of Green Link Inc. on the account opening documentation for the CIBC Greenlink Account.

405. The following chart summarizes where the funds from Greenlink Funding # 1 went:

Date	Description	Withdrawal/debits	Deposits/credits
09/01/2012	wire from Trade Capital		\$ 168,907.66
10/01/2012	certified cheque #53- Living Benefits	\$ 98,000.00	
	certified cheque #54- Living Benefits	\$ 37,000.00	
	cheque 58- Dayawansa Wickramasinghe	\$ 5,000.00	
	cheque 33- Bonny Lokuge	\$ 2,000.00	
11/01/2012	cheque 60- Bonny Lokuge	\$ 3,000.00	
	Subtotals	\$ 145,000.00	\$ 168,907.66
	miscellaneous	\$ 23,907.66	
	Total	\$ 168,907.66	\$ 168,907.66

**Greenlink Funding #2 - \$74,905.00 CAD – Compass Group Invoices C1645502 and C1645503**

406. On or about July 13, 2012, Greenlink provided Trade Capital with two invoices for purchase under which Compass Group PLC (“Compass Group”) purportedly owed Greenlink amounts, the particulars of which are as follows:

- a) invoice number C1645502 dated June 5, 2012 for \$194,100.00 CAD (“Invoice C1645502”), and,
- b) invoice number C1645503 dated July 5, 2012 for \$198,600.00 CAD (“Invoice C1645503”).

Attached as Exhibit “280” are true copies of Invoices C1645502 and C1645503.

407. Trade Capital was provided with a Notification Sheet apparently signed by Mr. Cadenhead. Attached as Exhibit “281” is a true copy of the Notification Sheet for Invoice C1645502 and Invoice C1645503, dated July 13, 2012.

408. I have been advised by Mrs. Thompson and verily believe that she received an email purportedly from Heather Jones (“Ms. Jones”) of Compass Group, which confirmed Invoice

C1645502 in the amount of \$194,100.00 and Invoice C1645503 in the amount of \$198,600.00.

Attached as Exhibit "282" is a true copy of the email from Ms. Jones dated July 13, 2012.

409. Based on everything I have discovered, as set out above, I now believe that the email confirmations sent to Mrs. Thompson purportedly from Ms. Adams were fraudulent emails written by Mr. Cook or someone working with Mr. Cook, and not by Ms. Adams. The domain "compasspm.ca" was likely used by the fraudsters to make it appear as though it was the correct domain.

410. As a result, Trade Capital wired Greenlink the sum of \$74,905.00 CAD (\$74,920.00 less wire fee of \$15.00) into the CIBC Greenlink Account. The payment was on account of Trade Capital's purchase of Invoice C1645502 and Invoice C1645503. Attached as Exhibit "283" is a true copy of the wire transfer confirmation dated July 17, 2012.

411. The CIBC Greenlink Account History shows the following transactions:

- a) on July 17, 2012, a wire transfer of \$74,905.00 CAD received from Trade Capital. Attached as Exhibit "284" is an extract of the CIBC Greenlink Account Statement; and,
- b) on July 18, 2012, certified cheque number 121 for \$74,885.000 CAD payable to and cashed by Virtucall. Attached as eExhibit "285" is a true copy of certified cheque number 121 received from CIBC.

412. The following chart summarizes where the funds from Greenlink Funding # 2 went:

Date	Description	Withdrawal/debits	Deposits/credits
17/07/2012	Wire from Trade Capital		\$ 74,905.00

18/07/2012	certified cheque 121- Virtucall CDN\$	\$ 74,885.00	
	Subtotals	\$ 74,885.00	\$ 74,905.00
	miscellaneous	\$ 20.00	
	Total	\$ 74,905.00	\$ 74,905.00

### **Greenlink Funding #3 - \$197,945.29 CAD – Compass Group Invoice C1645504**

413. On or about August 10, 2012, Greenlink provided Trade Capital with invoice number C1645504 dated August 7, 2012 under which Compass Group purportedly owed Greenlink \$257,100.00 CAD (“Invoice C1645504”) for purchase. Attached as Exhibit “286” is a true copy of Invoice C1645504.

414. Trade Capital was provided with a Notification Sheet apparently signed by Mr. Cadenhead. Attached as Exhibit “287” is a true copy of the Notification Sheet for Invoice C1645504, dated August 10, 2012.

415. I have been advised by Mrs. Thompson and verily believe that she received an email purportedly from Ms. Jones which confirmed Invoice C1645504 in the amount of \$257,100.00. Attached as Exhibit “288” is a true copy of the email from Ms. Jones dated August 12, 2012.

416. As a result, Trade Capital wired Greenlink the sum of \$197,945.29 CAD into the Scotiabank Greenlink Account. The payment was on account of Trade Capital’s purchase of Invoice C1645504. Attached as Exhibit “289” is a true copy of the wire transfer confirmation dated August 16, 2012.

417. As a result of making requests pursuant to the Norwich Order, Trade Capital obtained a deposit account history for Scotiabank Greenlink Account from August 14, 2012 to April 2, 2013

when it was closed ("Scotiabank Greenlink Account History"). Attached as Exhibit "290" is a true copy of Scotiabank Greenlink Account History.

418. The Scotiabank Greenlink Account History shows the following transactions:

- a) on August 16, 2012, a wire transfer of \$197,945.29 CAD received from Trade Capital. Attached as Exhibit "291" is an extract of the Scotiabank Greenlink Account Statement from August 14, 2012 to August 31, 2012;
- b) on August 16, 2012, a debit memo of \$41,026.50 CAD, for the purchase of a bank draft payable to 146. Attached as Exhibit "292" is a true copy of the bank draft;
- c) on August 17, 2012, a debit memo of \$15,000.00 CAD, for the purchase of a bank draft payable to "Osler, Hoskind Harcourt LLP, In Trust" Attached as Exhibit "293" is a true copy of the bank draft;
- d) on August 20, 2012, a debit memo of \$40,000.00 CAD, for the purchase of a bank draft payable to Superior. Attached as Exhibit "294" is a true copy of the bank draft;
- e) from August 20 to 31, 2012, four debit memos of an aggregate amount of \$101,500.00, each memo for the purchase of bank drafts that were payable to Virtucall, as specified below. Attached as Exhibit "295" are true copies of the following bank drafts:

- I. August 20, 2012 for \$51,000.00 CAD;
- II. August 27, 2012 for \$22,000.00 CAD;
- III. August 28, 2012 for \$16,000.00 CAD; and,



## IV. August 31, 2012 for \$12,500.00 CAD.

419. The following chart summarizes where the funds from Greenlink Funding # 3 went:

Date	Description	Withdrawal/Debit	Deposit/Credit
16/08/2012	Wire from Trade Capital		\$ 197,945.29
	Bank Draft- 146	\$ 41,026.50	
	Bank draft- Osler Hoskind Harcourt		
17/08/2012	LLP	\$ 15,000.00	
20/08/2012	Bank Draft- Superior	\$ 40,000.00	
	Bank Draft- Virtucall CDN\$	\$ 51,000.00	
27/08/2012	Bank Draft- Virtucall CDN\$	\$ 22,000.00	
28/08/2012	Bank Draft- Virtucall CDN\$	\$ 16,000.00	
31/08/2012	Bank Draft- Virtucall CDN\$	\$ 12,500.00	
		\$ 197,526.50	\$ 197,945.29
	miscellaneous	\$ 418.79	
	Total	\$ 197,945.29	\$ 197,945.29

**Greenlink Funding #4 - \$195,170.00 CAD – Compass Group C1645505**

420. On or about September 27, 2012, Greenlink provided Trade Capital with invoice number C1645505 dated September 13, 2012 under which Compass Group purportedly owed Greenlink \$253,500.00 CAD (“Invoice C1645505”) for purchase. Attached as Exhibit “296” is a true copy of Invoice C1645505.

421. Trade Capital was provided with a Notification Sheet apparently signed by Mr. Cadenhead. Attached as Exhibit “297” is a true copy of the Notification Sheet for Invoice C1645505 dated September 27, 2012.

422. I have been advised by Mrs. Thompson and verily believe that she received an email purportedly from Ms. Jones which confirmed Invoice C1645505 in the amount of \$253,500.00

CAD. Attached as Exhibit "298" is a true copy of the email from Ms. Jones, dated September 28, 2012.

423. As a result, Trade Capital wired Greenlink the sum of \$195,170.00 CAD into Scotiabank Greenlink Account. The payment was on account of Trade Capital's purchase of Invoice C1645505. Attached as Exhibit "299" is a true copy of the wire transfer confirmation dated September 28, 2012.

424. The Scotiabank Greenlink Account History shows the following transactions:

- a) on September 28, 2012, a wire transfer of \$195,170.00 CAD received from Trade Capital. Attached as Exhibit "300" is an extract of the Scotiabank Greenlink Account Statement;
- b) from October 2 to 10, 2012, three debit memos of an aggregate amount of \$195,000.00, each memo for the purchase of bank drafts that were payable to Virtucall, as specified below. Attached as Exhibit "301" are true copies of the following bank drafts, received from Scotiabank:

- I. October 2, 2012 for \$70,000.00 CAD;
- II. October 3, 2012 for \$35,000.00 CAD; and,
- III. October 10, 2012 for \$90,000.00 CAD.

425. The following chart summarizes where the funds from Greenlink Funding # 4 went:

Date	Description	Withdrawal/Debit	Deposit/Credit
28/09/2012	Wire from Trade Capital		\$ 195,170.00

02/10/2012	Bank Draft- Virtucall CDN\$	\$ 70,000.00	
03/10/2012	Bank Draft- Virtucall CDN\$	\$ 35,000.00	
10/12/2012	Bank Draft- Virtucall CDN\$	\$ 90,000.00	
		\$ 195,000.00	\$ 195,170.00
	Miscellaneous	\$ 170.00	
	Total	\$ 195,170.00	\$ 195,170.00

**Greenlink Funding #5 - \$194,792.70 CAD – Compass Group Invoice C1645507**

426. On or about October 18, 2012, Greenlink provided Trade Capital with invoice number C1645507 dated October 10, 2012 under which Compass Group purportedly owed Greenlink \$253,010.00 CAD (“Invoice C1645507”) for purchase. Attached as Exhibit “302” is a true copy of Invoice C1645507.

427. Trade Capital was provided with a Notification Sheet apparently signed by Mr. Cadenhead. Attached as Exhibit “303” is a true copy of the Notification Sheet for Invoice C1645507 dated October 18, 2012.

428. I have been advised by Mrs. Thompson and verily believe that she received an email purportedly from Ms. Jones which confirmed Invoice C1645507 in the amount of \$253,010.00 CAD. Attached as Exhibit “304” is a true copy of the email from Ms. Jones dated October 18, 2012.

429. As a result, Trade Capital wired Greenlink the sum of \$194,792.70 CAD into Scotiabank Greenlink Account. The payment was on account of Trade Capital’s purchase of Invoice C1645507. Attached as Exhibit “305” is a true copy of the wire transfer confirmation dated October 19, 2012.

430. The Scotiabank Greenlink Account History shows the following transactions:

- a) on October 19, 2012, a wire transfer of \$194,792.70 CAD from Trade Capital. Attached as Exhibit "306" is an extract of the Scotiabank Greenlink Account Statement;
- b) on October 19, 2012, cheque number 36 of \$60,250.61 CAD payable to and cashed by 2013395 Ontario Inc. Attached as Exhibit "307" is a true copy of the cheque;
- c) on October 19, 2012, cheque number 35 of \$5,000.00 CAD payable to and cashed by 1098837 Ontario Ltd. Attached as Exhibit "308" is a true copy of the cheque;
- d) on October 22, 2012, four cheques of an aggregate amount of \$183,750.00, each cheque payable to and cashed by the Cash House, as specified below. Attached as Exhibit "309" are true copies of the following cheques, received from Scotiabank:
- I. October 22, 2012, cheque number 5 for \$47,250.00 CAD;
  - II. October 22, 2012, cheque number 4 for \$47,250.00;
  - III. October 22, 2012, cheque number 6 for \$47,250.00 CAD; and,
  - IV. October 22, 2012, cheque number 3 for \$42,000.00 CAD;
- e) on October 22 and 23, 2012, two cheques of an aggregate amount of \$34,637.05, each cheque payable to and cashed by 146, as specified below. Attached as Exhibit "310" are true copies of the following cheques:
- I. October 22, 2012, cheque number 37 for \$17,650.05 CAD; and,
  - II. October 22, 2012, cheque number 38 for \$16,987.00 CAD;

- f) on October 23, 2013, a transfer of \$45,000.00 CDN from Virtucall. Attached as Exhibit "311" is a true copy of the posting journal entry, received from Scotiabank;
- g) on October 23, 2013, a transfer of \$27,000.00 CDN from Virtucall. Attached as Exhibit "312" is a true copy of the transaction log, received from Scotiabank; and,
- h) on October 22, 2012, a deposit of \$40,000.00 CDN from 233. Attached as Exhibit "313" is a true copy of the cancelled cheques, received from Scotiabank.

431. Dan Lawrie is the sole officer and director of 2013395 Ontario Inc. Attached as Exhibit "314" is a true copy of the corporation profile report for 2013395 Ontario Inc.

432. I have been advised by Dan Lawrie and verily believe that Mr. Lawrie had an investment with Mr. Cook through his investment company, 2013395 Ontario Inc. and that Mr. Cook owed Mr. Lawrie interest pursuant to the terms of the investment.

433. 1098837 Ontario Ltd. is a corporation incorporated pursuant to the laws of the Province of Ontario. The sole officers and directors of the company are Lloyd Raskina and Patty-Lynn Raskina. Attached as Exhibit "315" is a true copy of the corporate profile report for 1098837 Ontario Ltd.

434. The following chart summarizes where the funds from Greenlink Funding # 5 went:

Date	Description	Withdrawal/Debit	Deposit/Credit
19/10/2012	Wire from Trade Capital		\$ 194,792.70
	Chq 36- 2013395	\$ 60,250.61	
22/10/2012	Deposit from 233		\$ 40,000.00
	Chq 5- Cash House	\$ 47,250.00	
	Chq 4- Cash House	\$ 47,250.00	
	Chq 6- Cash House	\$ 47,250.00	
	Chq 37- 146	\$ 17,650.05	

	Chq 38- 146	\$ 16,987.00	
	Chq 35- 1098837	\$ 5,000.00	
	Chq 3- Cash House	\$ 42,000.00	
23/10/2012	Transfer from Virtucall CDN\$		\$ 45,000.00
	Transfer from Virtucall CDN\$		\$ 27,000.00
		<u>\$ 283,637.66</u>	<u>\$ 306,792.70</u>
	Surplus	\$ 23,155.04	
	Total	<u>\$ 306,792.70</u>	<u>\$ 306,792.70</u>

**Greenlink Funding #6 - \$213,405.01 CAD – Compass Group C1645604**

435. On or about November 7, 2012, Greenlink provided Trade Capital with invoice number C1645604 dated November 6, 2012 under which Compass Group purportedly owed Greenlink \$255,200.00 CAD (“Invoice C1645604”) for purchase. Attached as Exhibit “316” is a true copy of Invoice C1645604.

436. Trade Capital was provided with a Notification Sheet apparently signed by Mr. Cadenhead. Attached as Exhibit “317” is a true copy of the Notification Sheet for Invoice C1645604 dated November 7, 2012.

437. I have been advised by Mrs. Thompson and verily believe that she received an email purportedly from Ms. Jones which confirmed Invoice C1645604 in the amount of \$255,200.00. Attached as Exhibit “318” is a true copy of the email from Ms. Jones dated November 8, 2012.

438. As a result, Trade Capital wired Greenlink the sum of \$213,405.01 CAD into the Scotiabank Greenlink Account. The payment was on account of Trade Capital’s purchase of Invoice C1645604. Attached as Exhibit “319” is a true copy of the wire transfer confirmation, dated November 8, 2012.

439. The Scotiabank Greenlink Account History for November 7, 2012 to November 13, 2012 shows the following transactions:

- a) on November 8, 2012, a wire transfer of \$213,405.01 CAD from Trade Capital. Attached as Exhibit "320" is an extract of the Scotiabank Greenlink Account Statement;
- b) from November 9 to 13, 2012, three cheques of an aggregate amount of \$73,500.00, each cheque payable to and cashed by the Cash House, as specified below:

- I. November 9, 2012, cheque number 81 for \$21,000.00 CAD;
- II. November 9, 2012, cheque number 64 for \$26,250.00 CAD; and,
- III. November 9, 2012, cheque number 62 for \$26,250.00 CAD;

Attached as Exhibit "321" are true copies of the cheques;

- c) on November 9, 2012, a debit memo of \$75,000.00 CAD, for the purchase of a bank draft payable to 233. Attached as Exhibit "322" is a true copy of the bank draft; and,
- d) on November 9, 2012, cheque number 106 of \$3,000.00 CAD was payable to and cashed by New Era Resolution and Consulting Inc. ("New Era"). Attached as Exhibit "323" is a true copy of the cheque.

440. The following chart summarizes where the funds from Greenlink Funding # 6 went:

Date	Description	Withdrawal/Debit	Deposit/Credit
08/11/2012	Wire from Trade Capital		\$ 213,405.01
09/11/2012	Chq 81- Cash House	\$ 21,000.00	

Chq 64- Cash House	\$ 26,250.00	
Chq 62- Cash House	\$ 26,250.00	
Chq 106- New Era Resolutions	\$ 3,000.00	
Bank Draft- 233	\$ 75,000.00	
	\$151,500.00	\$ 213,405.01
Surplus	\$ 61,905.01	
Total	\$213,405.01	\$ 213,405.01

**Greenlink Funding #7 - \$219,987.77 CAD – Compass Group Invoice C1645610**

441. On or about December 20, 2012, Greenlink provided Trade Capital with invoice number C1645610 dated December 14, 2012 under which Compass Group purportedly owed Greenlink \$258,600.00 CAD (“Invoice C1645610”) for purchase. Attached as Exhibit “324” is a true copy of Invoice C1645610.

442. Trade Capital was provided with a Notification Sheet apparently signed by Mr. Cadenhead. Attached as Exhibit “325” is a true copy of the Notification Sheet for Invoice C1645610 dated December 20, 2012.

443. I have been advised by Mrs. Thompson and verily believe that she received an email purportedly from Ms. Jones which confirmed Invoice C1645610 in the amount of \$258,600.00 CAD. Attached as Exhibit “326” is a true copy of the email from Ms. Jones dated December 21, 2012.

444. As a result, Trade Capital wired Greenlink the sum of \$219,987.77 CAD into the Scotiabank Greenlink Account. The payment was on account of Trade Capital’s purchase of Invoice C1645610. Attached as Exhibit “327” is a true copy of the wire transfer confirmation, dated December 24, 2012.



445. The Scotiabank Greenlink Account History shows the following transactions:

- a) on December 24, 2012, a wire transfer of \$219,987.77 CAD received from Trade Capital. Attached as Exhibit "328" is an extract of the Scotiabank Greenlink Account Statement; and,
- b) on December 24, 2012, a debit memo of \$185,032.50 CAD for the purchase of a bank draft payable to the Cash House. Attached as Exhibit "329" is a true copy of the bank draft.

446. The following chart summarizes where the funds from Greenlink Funding # 7 went:

Date	Description	Withdrawal/Debit	Deposit/Credit
24/12/2012	Wire from Trade Capital		\$ 219,987.77
	Bank Draft- Cash House	\$ 185,032.50	
		\$ 185,032.50	\$ 219,987.77
	Surplus	\$ 34,955.27	
		\$ 219,987.77	\$ 219,987.77

**Greenlink Funding #8 - \$127,872.00 CAD – Compass Group Invoice C1645611**

447. On or about December 28, 2012, Greenlink provided Trade Capital with invoice number C1645611 dated December 27, 2012 under which Compass Group purportedly owed Greenlink \$166,100.00 CAD ("Invoice C1645611") for purchase. Attached as Exhibit "330" is a true copy of Invoice C1645611.

448. Trade Capital was provided with a Notification Sheet apparently signed by Mr. Cadenhead. Attached as Exhibit "331" is a true copy of the Notification Sheet for Invoice C1645611 dated December 28, 2012.

449. I have been advised by Mrs. Thompson and verily believe that she received an email purportedly from Ms. Jones which confirmed Invoice C1645611 in the amount of \$166,100.00 CAD. Attached as Exhibit "332" is a true copy of the email from Ms. Jones dated December 28, 2012.

450. As a result, Trade Capital wired Greenlink the sum of \$127,872.00 CAD into Scotiabank Greenlink Account. The payment was on account of Trade Capital's purchase of Invoice C1645611. Attached as Exhibit "333" is an extract of the Scotiabank Greenlink Statement showing the receipt of funds from Trade Capital.

451. The Scotiabank Greenlink Account History shows the following transactions:

- a) on December 31, 2012, a wire transfer of \$127,872.00 CAD received from Trade Capital, which can be seen in Exhibit "333";
- b) on December 31, 2012, a debit memo of \$70,495.00 CAD, for the purchase of a bank draft payable to the Cash House. Attached as Exhibit "334" is a true copy of the bank draft; and,
- c) on December 31, 2012, a debit memo of \$51,320.00 CAD, for the purchase of a bank draft payable to 146. Attached as Exhibit "335" is a true copy of the bank draft.

452. The following chart summarizes where the funds from Greenlink Funding # 8 went:

Date	Description	Withdrawal/Debit	Deposit/Credit
31/12/2012	Wire from Trade Capital		\$ 127,872.00
	Bank Draft- Cash House	\$ 70,495.00	
	Bank Draft- 146	\$ 51,320.00	
		<u>\$ 121,815.00</u>	<u>\$ 127,872.00</u>
	surplus	\$ 6,057.00	

\$ 127,872.00	\$ 127,872.00
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**Greenlink Funding #9 - \$375,504.00 CAD – Compass Group Invoices C1645612, C1645613 and C1645614**

453. On or about March 8, 2013, Greenlink provided Trade Capital with three invoices for purchase under which Compass Group purportedly owed Greenlink amounts, and the invoices details were as follows:

- a) invoice number C1645612 dated January 18, 2013 for \$159,900.00 CAD (“Invoice C1645612”);
- b) invoice number C1645613 dated February 20, 2013 for \$168,800.00 CAD (“Invoice C1645613”); and,
- c) invoice number C1645614 dated February 20, 2013 for \$159,000.00 CAD (“Invoice C1645614”).

Attached as Exhibit “336” are true copies of Invoices C1645612, C1645613 and C1645614.

454. Trade Capital was provided with a Notification Sheet apparently signed by Mr. Cadenhead. Attached as Exhibit “337” is a true copy of the Notification Sheet for Invoices C1645612, C1645613 and C1645614 dated March 8, 2013.

455. I have been advised by Mrs. Thompson and verily believe that she received an email purportedly from Ms. Jones which confirmed Invoices C1645612, C1645613 and C1645614. Attached as Exhibit “338” is a true copy of the email from Ms. Jones dated March 6, 2013.

456. As a result, Trade Capital wired Greenlink the sum of \$375,504.00 CAD into Scotiabank Greenlink Account. The payment was on account of Trade Capital's purchase of Invoices C1645612, C1645613 and C1645614. Attached as Exhibit "339" is a true copy of the wire transfer confirmation dated March 11, 2013.

457. The Scotiabank Greenlink Account History for February 28, 2013 to March 15, 2013 shows the following transactions:

- a) on March 11, 2013, a wire transfer of \$375,504.00 CAD received from Trade Capital. Attached as Exhibit "340" is a true copy of the Scotiabank Greenlink Account Statement for February 28, 2013 to March 28, 2013;
- b) on March 11, 2013, a debit memo of \$222,000.00 CAD, for the purchase of a bank draft payable to "The Cash House"; and,
- c) on March 11, 2013 a debit memo of \$125,000.00 CAD, for the purchase of a bank draft payable to "The Cash House".

Attached as Exhibit "341" are true copies of the two bank drafts listed above.

458. The bank drafts to the Cash House were deposited into an account at the Buduchnist Credit Union belonging to 116, which operates as the Cash House, which can be seen on the backs of the bank drafts attached as Exhibit g125.

459. The following chart summarizes where the funds from Greenlink Funding # 9 went:

Date	Description	Withdrawal/Debit	Deposit/Credit
11/03/2013	Wire from Trade Capital		\$ 375,504.00
	Bank Draft- 116	\$ 222,000.00	

Bank Draft- 116	\$ 125,000.00	
	\$ 347,000.00	\$ 375,504.00
Surplus	\$ 28,504.00	
	\$ 375,504.00	\$ 375,504.00

**Greenlink Funding #10 - \$291,948.77 – PTI Invoices 6884281 and 6884361**

460. On or about December 20, 2011, Greenlink requested that Trade Capital purchase two invoices from its existing factoring provider Liquid Capital Corporation of Toronto (“Liquid Capital”), specifically, invoice number 6884281 dated November 7, 2011 under which PTI purportedly owed Greenlink \$208,564.11 CAD (“Invoice 6884281”), and invoice number 6884361 dated December 6, 2011 under which PTI purportedly owed Greenlink \$152,721.98 CAD (“Invoice 6884361”). Attached as Exhibit “342” are true copies of Invoice 6884281 and Invoice 6884361.

461. Trade Capital was provided with a Notification Sheet apparently signed by Mr. Cadenhead. Attached as Exhibit “343” is a true copy of the Notification Sheet for Invoices 6884281 and 6884361.

462. I have been advised by Mrs. Thompson and verily believe that she received a confirmation purportedly from Sonia Pritchard (“Ms. Pritchard”), accounts payable department at PTI, which confirmed the assignment to Trade Capital of Invoices 6884281 and 6884361 from Greenlink to PTI. Attached as Exhibit “344” is a true copy of Ms. Pritchard’s executed confirmation dated December 20, 2011.

463. Based on everything I have discovered, as set out above, I now believe that this confirmation was signed by someone working with Mr. Cook, and not by Ms. Pritchard.

464. On or about December 20, 2011, Trade Capital received wire payment instructions to complete the purchase of Invoice 6884281 and Invoice 6884361 from Liquid Capital.

465. Trade Capital was instructed to deposit the funds into Scotiabank account number 10132-0141216 (“Scotiabank LC Account”).

466. As a result of making requests pursuant to the Norwich Order, Trade Capital obtained the bank account opening documents for the Scotiabank LC Account which showed that the account was in the name of LC Exchange which is a sole proprietorship registered to Mr. Barker. Attached as Exhibit “345” is a true copy of the bank account opening and information documents.

467. On or about December 21, 2011, Trade Capital wired LC Exchange the sum of \$291,948.77 CAD into the Scotiabank LC Account, on account of Trade Capital’s purchase of Invoice 6884281 and Invoice 6884361. Attached as Exhibit “346” is a true copy of the wire transfer confirmation.

468. As a result of making requests pursuant to the Norwich Order, Trade Capital obtained the a deposit account history for the Scotiabank LC Account for December 6, 2011 to August 30, 2013 (“Scotiabank LC Account History”). Attached as exhibit “347” is a true copy of the Scotiabank LC Account History.

469. The Scotiabank LC Account History shows the following transactions:

- a) on December 21, 2011, a wire transfer of \$291,948.77 CAD received from Trade Capital. Attached as Exhibit “348” is a true copy of the Scotiabank LC Account Statement for December 6, 2011 to December 30, 2011;

- b) on December 21, 2011, a debit memo of \$150,000.00 CAD for the purchase of a bank draft payable to Virtucall. Attached as Exhibit "349" is a true copy of the debit memo;
- c) on December 22, 2011, a debit memo of \$1,000.00 CAD for an e-mail transfer sent to Mr. Barker. Attached as Exhibit "350" is a true copy of the email transfer history listed above, as received from Scotiabank;
- d) on December 28, 2011, a debit memo of \$24,000.00 CAD for the purchase of a bank draft payable to 146. Attached as Exhibit "351" is a true copy of the bank draft, as received from Scotiabank;
- e) three debit memos dated December 28, 2011 for an aggregate amount of \$60,000.00, each memo for the purchase of bank drafts that were payable to individuals but were endorsed to and deposited in 146's BMO bank account number 0006-1067-356 ("146 BMO Account"), as specified below:

- I. a bank draft of \$19,000.00 CAD payable to R. Biggs;
- II. a bank draft of \$21,000.00 CAD payable to D. Koblinsky; and,
- III. a bank draft of \$20,000.00 CAD payable to E. Moses;

Attached as Exhibit "352" are true copies of the bank drafts and cancelled cheques as received from Scotiabank. Attached as Exhibit "353" is the request from Loopstra Nixon for the 146 BMO Account and the deposit slips showing the deposits into 146 BMO Account, as received from BMO;

- f) on January 3, 2012, a debit memo of \$1,000.00 CAD for an e-mail transfer to Mr. Barker. Attached as Exhibit "354" is a true copy of the debit memo;
- g) from January 4 to 12, 2012, three cheques for a total of \$46,000.00 CAD, each cheque payable to and cashed by 146 as specified below:
- I. January 4, 2012, cheque number 4 for \$13,000.00 CAD;
  - II. January 5, 2012, cheque number 5 for \$13,000.00 CAD, and,
  - III. January 12, 2012, cheque number 6 for \$20,000.00 CAD;

Attached as Exhibit "355" are true copies of the cheques; and,

- h) on March 12, 2012, a debit memo of \$9,000.00 CAD for the purchase of a bank draft payable to Virtucall. Attached as Exhibit "356" is a true copy of the bank draft payable to Virtucall.

470. I do not have any information about who R. Biggs, D. Koblinsky or E. Moses are or if they are real people.

471. The following chart summarizes where the funds from Greenlink Funding #10 paid to LC Exchange went:

Date	Description	Withdrawal/Debits	Deposits/Credits
21/12/2011	Wire from Trade Capital		\$ 291,948.77
	Bank draft to Virtucall		
	CDN\$	\$ 150,000.00	
	cash e-transfer to Tom		
22/12/2011	Barker	\$ 1,000.00	



Date	Description	Withdrawal/Debits	Deposits/Credits
28/12/2011	Bank draft- R. Biggs. Endorsed and deposited into BMO bank account for 146	\$ 19,000.00	
	Bank draft- 146	\$ 24,000.00	
	Bank draft- D. Koblinsky. Endorsed and deposited into BMO bank account for 146	\$ 21,000.00	
	Bank draft- E. Moses. Endorsed and deposited into BMO bank account for 146	\$ 20,000.00	
03/01/2012	cash e-transfer to Tom Barker	\$ 1,000.00	
04/01/2012	cheque 4- 146	\$ 13,000.00	
05/01/2012	cheque 5- 146	\$ 13,000.00	
12/01/2012	Cheque 6- 146	\$ 20,000.00	
12/03/2012	Canadian Dollar bank draft to Virtucall CDN\$	\$ 9,000.00	
	Total transactions	\$ 291,000.00	\$ 291,948.77
	miscellaneous transactions	\$ 948.77	
	Balance	\$ 291,948.77	\$ 291,948.77

### Summary of All Greenlink Fundings

472. As set out in the charts above, the following people and entities, among others, received the following sums of Trade Capital's funds as a result of Trade Capital's purchase of fraudulent invoices from Greenlink:

Total Greenlink Fundings by Recipient	
Virtucall CDN\$	\$ 593,385.00
146	\$ 256,983.55
Cash House	\$ 512,777.50
116	\$ 347,000.00
233	\$ 35,000.00

2013395	\$	60,250.61
Superior	\$	40,000.00
Tom Barker	\$	2,000.00
Miscellaneous	\$	213,041.54
	\$	2,060,438.20

***Invoices Purchased from 233***

**Background on 233**

473. On or about August 24, 2012, Trade Capital entered into a Full Factoring Agreement with 233. Attached as Exhibit "357" is a true copy of the Full Factoring Agreement and associated documents.

474. Mr. Keery is the sole officer and director of 233, the corporation profile report for 233 can be seen at Exhibit "26".

**233 Funding #1 - \$237,512.30 CAD – Lavalin Invoice SNC001002**

475. On or about October 17, 2012, 233 provided Trade Capital with an invoice for purchase, specifically, invoice number SNC001002 dated October 12, 2012 under which SNC-Lavalin Inc. ("Lavalin") purportedly owed 233 \$308,490.00 CAD ("Invoice SNC001002"). Attached as Exhibit "358" is a true copy of Invoice SNC001002.

476. Trade Capital was provided with a Notification Sheet apparently signed by Mr. Keery. Attached as Exhibit "359" is a true copy of the Notification Sheet for Invoice SNC001002 dated October 17, 2012.

477. I have been advised by Mrs. Thompson and verily believe that she received an email purportedly from Jim Whitehouse, an executive with Lavalin in their Mississauga office,

confirming Invoice SNC001002. Attached as Exhibit "360" is a true copy of the email from Mr. Whitehouse dated October 18, 2012.

478. Based on everything I have discovered, as set out above, I now believe that the email confirmations sent to Mrs. Thompson purportedly from Mr. Whitehouse were fraudulent emails written by Mr. Cook or someone working with Mr. Cook, and not by Mr. Whitehouse. The domain "snc-lavalin-tt.com" was likely used by the fraudsters to make it appear as though it was the correct domain. .

479. As a result, Trade Capital wired 233 the sum of \$237,512.30 CAD into TD account number 1552-5270311 maintained by 233 ("TD 233 Account"). This payment was on account of Trade Capital's purchase of Invoice SNC001002. Attached as Exhibit "361" is a true copy of the transfer slip dated October 18, 2012.

480. The bank opening documents for the TD 233 Account show that Kevin Barker is the President with sole signing authority and that Mr. Barker had his signing authority deleted from the account "due to close by bank of his account". It also states that Mr. Barker is the father of Kevin Barker. Attached as Exhibit "362" is a true copy of the account opening documents for the TD 233 Account.

481. Trade Capital later obtained a deposit account history for TD 233 Account from October 2, 2012 to January 2, 2013 ("TD 233 Account History"), at which point the account was closed. Attached as Exhibit "363" is a true copy of TD 233 Account History.

482. The TD 233 Account History shows the following transactions:

- a) on October 18, 2012, a wire transfer of \$237,512.30 CAD received from Trade Capital. Attached as Exhibit "364" is a true copy of pages 1 and 2 of TD 233 Account Statement for November 9, 2011 to November 6, 2013;
- b) on October 19, 2012, three transfers to 233's US dollar account in the following amounts (which can be seen at Exhibit "363"):
- i) \$35,322.00;
  - ii) \$35,322.00; and,
  - iii) \$6,602.05;
- c) on October 24, 2012 a bank draft of \$100,000.00 CAD payable to Greenlink Group. Attached as Exhibit "365" is a true copy of the bank draft received from TD; and,
- d) on October 25, 2012, cheque number 3 of \$40,000.00 CAD was payable to and cashed by Greenlink Group. Attached as Exhibit "366" is a true copy of the cheque received from TD.

483. The following chart summarizes where the funds from 233 Funding # 1 went:

Date	Description	Withdrawals/Debits	Deposits/Credits
18/10/2012	transfer from Trade Capital		\$ 237,512.30
19/10/2012	Transfer to 233 US\$ account	\$ 35,322.00	
	Transfer to 233 US\$ account	\$ 35,322.00	
	Transfer to 233 US\$ account	\$ 6,602.05	
24/10/2012	Bank Draft- Greenlink Group	\$ 100,000.00	
25/10/2012	Chq 3- Greenlink Group	\$ 40,000.00	
		\$ 217,246.05	\$ 237,512.30
	Miscellaneous	\$ 20,266.25	
		\$ 237,512.30	\$ 237,512.30

**233 Funding #2 - \$245,430.21 CAD – Lavalin Invoice SNC001003**

484. On or about November 15, 2012, 233 provided Trade Capital with invoice SNC001003 dated November 14, 2012 under which Lavalin purportedly owed 233 the sum of \$318,773.00 CAD ("Invoice SNC001003") for purchase. Attached as Exhibit "367" is a true copy of Invoice SNC001003.

485. Trade Capital was provided with a Notification Sheet apparently signed by Mr. Keery. Attached as Exhibit "368" is a true copy of the Notification Sheet for Invoice SNC001003 dated November 15, 2012.

486. I have been advised by Mrs. Thompson and verily believe that she received an email purportedly from Mr. Whitehouse. This email confirmed Invoice SNC001003 in the amount of \$318,773.00 CAD. Attached as Exhibit "369" is a true copy of the email from Mr. Whitehouse dated November 15, 2012.

487. As a result, Trade Capital wired 233 the sum of \$245,430.21 CAD into the TD 233 Account. This payment was on account of Trade Capital's purchase of Invoice SNC001003. Attached as Exhibit "370" is a true copy of the transfer slip dated November 15, 2012.

488. The TD 233 Account History shows the following transactions,

- a) on November 15, 2012, a wire transfer of \$245,430.21 CAD received from Trade Capital. Attached as Exhibit "371" is an extract of the TD 233 Account Statement;

- b) on November 15, 2012, a certified cheque numbered 243 of \$147,200.00 CAD payable to and cashed by the Cash House. Attached as Exhibit "372" is a true copy of the certified cheque;
- c) on November 15, 2012, cheque number 200 of \$43,000.00 CAD payable to and cashed by Greenlink Group. Attached as Exhibit "373" is a true copy of the cheque; and,
- d) on November 16, 2012 a certified cheque number 244 of \$29,900.00 CAD payable to and cashed by the Cash House. Attached as Exhibit "374" is a true copy of the certified cheque.

489. The following chart summarizes where the funds from 233 Funding # 2 went:

Date	Description	Withdrawals/Debits	Deposits/Credits
15/11/2012	transfer from Trade Capital		\$ 245,430.21
	Certified Chq 243- Cash House	\$ 147,200.00	
	Chq 200- Greenlink Group	\$ 43,000.00	
16/11/2012	Certified Chq 244- Cash House	\$ 29,900.00	
		\$ 220,100.00	\$ 245,430.21
	Miscellaneous	\$ 25,330.21	
		\$ 245,430.21	\$ 245,430.21

**233 Funding #3 - \$125,000 CAD- Lavalin Invoice SNC001004**

490. On or about December 10, 2012, 233 provided Trade Capital with invoice number SNC001004 dated December 10, 2012 under which Lavalin purportedly owed 233 the sum of \$308,490.00 CAD ("Invoice SNC001004") for purchase. Attached as Exhibit "375" is a true copy of Invoice SNC001004.

491. Trade Capital was provided with a Notification Sheet apparently signed by Mr. Keery. Attached as Exhibit "376" is a true copy of the Notification Sheet for Invoice SNC001004 dated December 10, 2012.

492. I have been advised by Mrs. Thompson and verily believe that she received an email purportedly from Mr. Whitehouse that confirmed Invoice SNC001004 in the amount of \$308,490.00 CAD. Attached as Exhibit "377" is a true copy of the email from Mr. Whitehouse dated December 10, 2012.

493. As a result, Trade Capital wired 233 the sum of \$125,000.00 CAD into the TD 233 Account. This payment was on account of Trade Capital's purchase of Invoice SNC001004. Attached as Exhibit "378" is a true copy of the transfer slip dated December 11, 2012.

494. The TD 233 Account History shows the following transactions:

- a) on December 11, 2012, a wire transfer of \$125,000.00 CAD received from Trade Capital, as seen in Exhibit "378". Attached as Exhibit "379" is an extract of the TD 233 Account Statement;
- b) on December 11, 2012, a certified cheque numbered 436 of \$69,335.00 CAD payable to and cashed by the Cash House. Attached as Exhibit "380" is a true copy of the certified cheque received from TD; and,
- c) on December 12, 2012, a certified cheque numbered 446 of \$50,000.00 CAD payable to 146. Attached as Exhibit "381" is a true copy of the certified cheque, received from TD.

495. The following chart summarizes where the funds from 233 Funding # 3 went:

Date	Description	Withdrawals/Debits	Deposits/Credits
11/12/2012	Transfer- Trade Capital		\$ 125,000.00
	Certified Chq 436- Cash House	\$ 69,335.00	
12/12/2012	Certified Chq 446- 146	\$ 50,000.00	
		\$ 119,335.00	\$ 125,000.00
	Miscellaneous	\$ 5,665.00	
		\$ 125,000.00	\$ 125,000.00

**233 Funding #4 - 245,310.91 CAD – Lavalin Invoice SNC001000**

496. On or about August 28, 2012, 233 provided Trade Capital with invoice number SNC001000 dated August 27, 2012 under which Lavalin purportedly owed 233 the sum of \$318,773.00 CAD ("Invoice SNC001000") for purchase. Attached as Exhibit "382" is a true copy of Invoice SNC001000.

497. Trade Capital was provided with a Notification Sheet apparently signed by Mr. Keery. Attached as Exhibit "383" is a true copy of the Notification Sheet for Invoice SNC001000 dated August 28, 2012.

498. Trade Capital provided 233 and Lavalin with its Notice of Assignment ("233 Assignment") for execution that provided that Lavalin, from the date of execution, direct all payments for invoices from 233 to Trade Capital.

499. Mr. Whitehouse purportedly executed the 233 Assignment and returned it to Trade Capital. Attached as Exhibit "384" is a true copy of the 233 Assignment dated August 29, 2012.

500. I have been advised by Mrs. Thompson and verily believe that she received an email purportedly from Mr. Whitehouse that confirmed Invoice SNC001000 in the amount of



\$318,773.00 CAD. Attached as Exhibit "385" is a true copy of the email from Mr. Whitehouse dated August 31, 2012.

501. Mr. Keery advised me that he required the funds being provided by Trade Capital to partially finance 233's acquisition of Bell phone line switches from Millwalk. Mr. Keery requested Trade Capital pay the total advance to Millwalk.

502. Millwalk is an Ontario corporation. Its officers are Marcelo Millar, Monica Millar, David Walker and Bunny Walker. Its directors are Marcelo Millar, David Walker and Bunny Walker. Attached as Exhibit "386" is a true copy of the corporation profile report for Millwalk.

503. Trade Capital wired Millwalk the sum of \$245,310.91 CAD into the RBC account number 00292-101-002-4 maintained by Millwalk ("RBC Millwalk Account"). This payment was on account of Trade Capital's purchase of Invoice SNC001000. Attached as Exhibit "387" is a true copy of the wire transfer confirmation dated August 31, 2012.

504. Using the Norwich Order, Trade Capital obtained a deposit account history for the RBC Millwalk Account from October 18, 2011 to October 18, 2013 ("RBC Millwalk Account History"). Attached as Exhibit "388" is a true copy of the RBC Millwalk Account History.

505. The RBC Millwalk Account History shows the following transactions:

- a) on September 6, 2012, a wire transfer of \$245,310.21 CAD (\$245,375.21 less a fee) received from Trade Capital. Attached as Exhibit "389" is a true copy of the RBC Millwalk Account History for August 17, 2012 to September 18, 2012;

- b) on September 6, 2012, a cash withdrawal of \$151,971.00 CAD for the purchase of two bank drafts, payable to Virtucall for \$127,000.00 CAD and Superior for \$24,956.00 CAD. Attached as Exhibit "390" is a true copy of the bank drafts; and,
- c) on September 11, 2012, a cash withdrawal of \$90,007.50 CAD for the purchase of a bank draft payable to Virtucall in the amount of \$90,000.00 CAD. Attached as Exhibit "391" is a true copy of the bank draft received from TD.

506. The following chart summarizes where the funds from 233 Funding #4 paid to Millwalk went:

Date	Description	Withdrawals/Debits	Deposits/Credits
06/09/2012	Wire from Trade Capital		\$ 245,310.21
	Bank Draft- Virtucall CDN\$	\$ 127,000.00	
	Bank Draft- Superior	\$ 24,956.00	
11/09/2012	Bank Draft- Virtucall	\$ 90,000.00	
		\$ 241,956.00	\$ 245,310.21
		\$ 3,354.21	
		\$ 245,310.21	\$ 245,310.21

**233 Funding #5 - 245,430.21 CAD – Lavalin Invoice SNC001001**

507. On or about September 6, 2012, 233 provided Trade Capital with invoice number SNC001001 dated September 4, 2012 under which Lavalin purportedly owed 233 the sum of \$318,773.00 CAD ("Invoice SNC001001") for purchase. Attached as Exhibit "392" is a true copy of Invoice SNC001001.

508. Trade Capital was provided with a Notification Sheet apparently signed by Mr. Keery. Attached as Exhibit "393" is a true copy of the Notification Sheet for Invoice SNC001001 dated September 6, 2012.

509. I have been advised by Mrs. Thompson and verily believe that she received an email purportedly from Mr. Whitehouse that confirmed Invoice SNC001001 in the amount of \$318,773.00 CAD. Attached as Exhibit "394" is a true copy of the email from Mr. Whitehouse dated September 6, 2012.

510. As a result, Trade Capital wired Millwalk the sum of \$245,430.21 CAD into the RBC Millwalk Account. This payment was on account of Trade Capital's purchase of Invoice SNC001001. Attached as Exhibit "395" is a true copy of the wire transfer confirmation dated September 12, 2012.

511. The RBC Millwalk Account History shows the following transactions:

- a) on September 12, 2012, a wire transfer of \$245,430.21 CAD received from Trade Capital. Attached as Exhibit "396" is a true copy of the RBC Millwalk Account History for August 17, 2012 to September 18, 2012;
- b) on September 17, 2012, a cash withdrawal of \$125,007.50 CAD for the purchase of a bank draft payable to Virtucall. Attached as Exhibit "397" is a true copy of the bank draft received from TD; and,
- c) on September 18, 2012, a cash withdrawal of \$110,015.00 CAD for the purchase of two bank drafts, payable to Virtucall for \$100,000.00 CAD and Superior for \$10,000.00 CAD. Attached as Exhibit "398" is a true copy of the bank drafts, received from TD.

512. The following chart summarizes where the funds from 233 Funding #5 paid to Millwalk went:

funds to the Barker Global Account, the TD Virtucall US Account, 146, Xynergy, Living Benefits and Cash House. Attached as Exhibit "399" is a true copy of a chart showing these transactions and the backup documentation.

516. During the period of time that Trade Capital was defrauded, the funds from the TD Virtucall Canadian Account (seen in Exhibit "52") (not all of which belonged to Trade Capital) were paid out to a number of people and entities, including the following Defendants:

<b>Summary of cheques traced from Virtucall</b>		
<b>CDN\$</b>		
1461350	\$	2,844,613.46
Cash House	\$	2,722,222.50
Rocky Racca	\$	33,330.00
Living Benefits	\$	512,378.00
Blackwood	\$	120,000.00
Tsvetkov	\$	302,250.00
Triton	\$	165,765.52
Baldi	\$	44,050.00
New Era	\$	42,000.00
D'Aoust	\$	4,500.00
Jobec Trade Finance	\$	25,200.00
Cadenhead	\$	8,000.00
Garret	\$	22,200.00
	\$	<u>6,846,509.48</u>

## **SECTION VI - EVIDENCE OF INSIDER PARTICIPATION, UNUSUAL BANK ACCOUNT ACTIVITY AND CONNECTIONS BETWEEN CERTAIN DEFENDANTS**

### ***Insider Participation***

517. As set out above, at the September 24 Meeting, Mr. Cook said that there were real employees at Enbridge, Wells Fargo and Bell who represented to Trade Capital that fraudulent

invoices were valid. The employees Trade Capital dealt with at these companies, respectively, were the Defendants, Mr. Zito, Mr. Pennacchio and Ms. Sladkowski.

518. In tracing the funds of Trade Capital, I obtained documents evidencing the following payments to Mr. Zito:

- a) a bank draft dated June 11, 2013, from Mr. Racca's personal bank account, account number 5169057, at the Royal Bank of Canada ("RBC Racca Personal Account") to Mr. Zito in the amount of \$1,825.00. Attached as Exhibit "400" is a true copy of the bank draft and the bank draft listing;
- b) a bank draft dated June 15, 2013, from the RBC Racca Personal Account to Mr. Zito in the amount of \$3,475.00. Attached as Exhibit "401" is a true copy of the bank draft and the bank draft listing;
- c) a cheque dated June 28, 2013 written on the RBC Racca Personal Account to Mr. Zito in the amount of \$3,075.00. Attached as Exhibit "402" is a true copy of the cheque; and,
- d) a cheque dated July 11, 2013 written on the RBC Racca Personal Account to Mr. Zito in the amount of \$7,500.00. Attached as Exhibit "403" is a true copy of the cheque.

519. Mr. Zito was charged criminally in connection with the fraud against Trade Capital. Attached as Exhibit "404" is a true copy of the Information against Mr. Zito.

520. In reviewing the emails recovered from Mr. Cook's computer, Trade Capital found an email string dated April 18, 2013, between Mr. Cook and Mr. D'Aoust which discusses whether Mr. Zito will send a confirmation email to Liquid Capital Corp from his email or whether Mr. D'Aoust will send it and close copy Mr. Zito's email at Enbridge. Attached as Exhibit "405" is a true copy of the email string. I have been advised by Sol Rotor, the President of Liquid Capital, and verily believe that Liquid Capital has been defrauded by Mr. Cook and others working with him.

521. Trade Capital did not discover any payments to Mr. Pennacchio. However, Mr. Pennacchio was charged criminally in connection with the fraud against Trade Capital. Attached as Exhibit "406" is a true copy of the Information against Mr. Pennacchio.

522. Trade Capital has not been able to find any payments to Ms. Sladkowski and she has not been charged with any criminal offence to my knowledge.

*Movement of Funds From Cash House to 116*

523. As the Cash House is in the pay day loans business, the bank statements for the Cash House Scotiabank Account in any given month are comprised of an average of approximately 50 pages of transactions. In order to understand the financial activity within the account, Trade Capital would need to have all of the backup documentation for the transactions listed in the bank statements and would probably require someone familiar with the business activities of the Cash House to explain the financial activity.

524. A review of the bank statements for the Cash House Scotiabank Account showed that each business day several large deposits were made into the Cash House Scotiabank Account and

a large number of cheques were cashed for amounts typically between \$50,000.00 and \$280,000.00 each. The end result was that by the end of each business day, all funds deposited into the Cash House Scotiabank Account that day were withdrawn from the Cash House Scotiabank Account.

525. Most cheques written to 116 were deposited into 116's bank account at the Buduchnist Credit Union. Attached as Exhibit "407" are true copies of three cheques written to 116 from the Cash House on November 19 and 20, 2012 totaling \$540,000.00.

526. In February of 2013, the Cash House Scotiabank Account was closed. Following the closing of the Case House Scotiabank Account, Cash House cheques were deposited directly into 116's account with the Buduchnist Credit Union. Copies of bank drafts written to the Cash House and deposited into 116's account are attached as Exhibit "341".

### *Virtucall*

527. As set out above, there were so many transactions into and out of the TD Virtucall Canadian Account that it was difficult to trace. However, the documents Trade Capital obtained using the Norwich Order show that Mr. Racca, Mr. Barker, Mr. D'Aoust and possibly other individuals were involved in depositing significant sums of cash into the TD Virtucall Canadian Account between November of 2011 and October of 2013. Generally, the deposits were for less than \$10,000.00. As well, a number of deposits would be made on the same day at multiple branches within a short distance of each other, typically within a one to two hour time period.

528. Using the deposit slips, I was able to determine that Mr. Racca deposited \$657,380.00, Mr. Barker deposited \$1,744,126.6 and Mr. D'Aoust deposited \$469,250.00 between November

of 2011 and October of 2013. Because of the volume of documents, I have not attached the deposit slips as exhibits.

*146 and Bruno Didiomede*

529. Using the Norwich Order, Trade Capital identified two bank accounts in 146's name at the main branch of the BMO in Hamilton. Trade Capital traced some of its funds into one of the accounts, BMO Account number 1067-356 ("146 BMO Account").

530. In addition to Trade Capital's money traced to the 146 BMO Account, the bank records for both accounts show that multiple cheques were deposited into 146's accounts on a weekly basis. The majority were processed by a teller with the initials "CCS". Money was subsequently withdrawn from the bank accounts as "Cheques Processed by Branch".

531. I have been advised by Julia Carter, a representative at BMO, and verily believe that:

- a) the policy of BMO is to not allow regular cash withdrawals from corporate bank accounts;
- b) BMO in Hamilton facilitated regular cash withdrawals by 146 by creating cheques at the branch level referred to as "Cheques Processed by Branch";
- c) "Cheques Processed by Branch" allowed customers to withdraw cash on corporate bank accounts;
- d) all "Cheques Processed by Branch" in 146's bank statements were actually cash withdrawals; and,
- e) she had contacted the branch in Hamilton to confirm the procedure.



Attached as Exhibit "408" is a true copy of the 146 BMO Account statement for February 1, 2012 to November 29, 2013. Attached as Exhibit "409" is a true copy of the bank statements for 146's other BMO account for November 2011 until December of 2013.

532. Based on my review of 146's bank accounts, From November 2011 to December 2013, cash withdrawals in excess of \$11 million were made from 146's two BMO accounts. Based on its investigation, Trade Capital believes a portion of these funds were from Trade Capital. Attached as Exhibit "410" is a true copy of a spreadsheet detailing the withdrawals.

***Rocky Racca and 225***

533. As set out above, Trade Capital traced \$657,380.00 of deposits into the TD Virtual Canadian Account between November of 2011 and October of 2013 identified with Mr. Racca's signature. All but three of the deposits were for less than \$10,000.00. The remaining three deposits were less than \$20,000.00.

534. Using the Norwich Order, Trade Capital was also able to trace funds transferred from 116 to 225 and Mr. Racca.

535. On March 5, 2013, 225 received \$242,505.00 from the Cash House. Attached as Exhibit "411" is a true copy of the CIBC account statement for 225 showing the transfer. Also attached as Exhibit "412" is an email from "Carlo" with the email address [carlo@cashhouse.ca](mailto:carlo@cashhouse.ca) to Andrew Ostapchuk who I understand is a Financial Services Officer at BCU Financial Group, which appears to be affiliated with Buduchnist Credit Union, authorizing a wire in the amount of \$242,520.00 CDN to 225 and the related backup documentation.

536. On March 16, 2013, 116 transferred \$310,000.00 from its Buduchnist Credit Union account number 37922 to 225's CIBC bank account number 64-94338. The CIBC bank statement showing the transfer can be seen at Exhibit "rr1". Attached as exhibit "413" is a true copy of the Buduchnist Credit Union bank statement printout received from the Buduchnist Credit Union.

***Connection Between Mr. Cook, Mr. D'Aoust, Mr. Racca and Mr. De Maria***

537. In reviewing the emails recovered from Mr. Cook's computer, Trade Capital found an email dated January 17, 2013 from Grace, a Director of Operations/Foreign Exchange at the Cash House, to Mr. Racca at Debt Resolve (a company of which Mr. Racca is the sole officer and director) which provided as follows:

*Rocky,*

*Your remaining balance for the week is \$298,000. We must have this payment by 1pm tomorrow via cash or draft.*

538. On January 17, 2013 at 8:08pm, Mr. Racca sent an email to Grace, Mr. D'Aoust and Marco Santonato, an officer and director of New Era Resolutions & Consulting Inc. (which received \$3,000.00 of Trade Capital's funds and \$42,000.00 from Virtucall) and Peter Cook which provided as follows:

*Thanks Grace.*

*Peter and Marc have been advised on Carlo's needs.*

*It will get done.*

Attached as Exhibit "414" is a true copy of the emails dated January 17, 2013.

## SECTION VII – TRADE CAPITAL’S LOSSES

539. As a result of the fraudulent scheme, Trade Capital suffered losses including, but not limited to,

- (a) \$5,051,721.79 CAD and \$1,479,515.12 USD, being the amount it advanced to purchase fraudulent invoices;
- (b) profits Trade Capital would have earned with the money it advanced to purchase the fraudulent invoices had the fraud not occurred;
- (c) the future value of the business if the fraud had not occurred; and,
- (d) the costs of investigating the fraud and tracing Trade Capital’s assets.

540. Trade Capital has not yet quantified the actual amount of its losses under items (b), (c) and (d). Based on my knowledge of Trade Capital’s business, I am certain that its total losses exceed \$10,000,000.00.

## SECTION VIII – EVIDENCE REGARDING REQUIREMENTS FOR OBTAINING A MAREVA INJUNCTION

### *Strong Prima Facie Case*

541. Based on the evidence contained in the foregoing paragraphs of my affidavit, I verily believe that all of the Defendants participated in, facilitated, coordinated, organized and/or benefited from the fraudulent scheme perpetrated against Trade Capital and that Trade Capital has a strong case against the Defendants.

***Particulars of Claim Against the Defendants***

542. The particulars of the claim against the Defendants stating the grounds of the claims and the amounts thereof are set out in the allegations contained in the Statement of Claim and in this affidavit.

543. To the extent that I am aware of any factual points that could fairly be made against the claims by the Defendants, I have pointed them out.

***Grounds for Believing the Defendants Have Assets In Ontario***

544. To determine whether the Defendants against whom Trade Capital is seeking a Mareva injunction have assets in Ontario, Trade Capital, through its lawyers, retained The Corpa Group Inc. to conduct asset investigations on a number of the Defendants. In addition, I believe that the following Defendants have the assets in Ontario based on what I have learned by tracing Trade Capital's funds using the Norwich Order and based on my own internet research:

<b>Name of Party</b>	<b>Assets in Ontario</b>
Mr. Barker - Global Medical - LC Exchange - Greenlink	- sole proprietorships registered in Ontario - each sole proprietorship has a bank account which Trade Capital's funds were traced into - wire transfers directly received by Mr. Barker - two of the three accounts have been closed
Mr. Bennett - CJR Consulting	- sole proprietorship registered in Ontario - Trade Capital deposited funds into CJR Consulting's bank account - funds were traced from CJR Consulting to Mr. Bennett -the bank account has been closed
Mr. Cadenhead	- funds wired directly into bank account in Ontario
Cash House	- carries on business in Ontario - bank account at the Buduchnist Credit Union in Ontario
116	- funds traced to a bank account at the Buduchnist Credit Union in Ontario

Name of Party	Assets in Ontario
225	- funds traced into a bank account of 225 located in Ontario
Mr. Racca	- funds traced into a bank account of Mr. Racca located in Ontario - sole officer and director of Pizza Rustica Inc., a restaurant operating in Toronto
Debtresolve	- Based on a google search for Debtresolve Mortgage Funding Solutions Inc., I verily believe that it is an operating company carrying on business providing financial services. Attached as Exhibit "415" is a true copy of a print-out from the website debtresolve.ca.
146	- bank accounts at the Bank of Montreal in Ontario
Virtucall	- funds traced into a Canadian dollar bank account at TD and Scotiabank in Ontario, which accounts have been closed
222	- funds traced into a bank account at Bank of Montreal in Ontario
Jobec	- funds traced into a bank account at Royal Bank of Canada in Ontario
Jobec RT	-It's an Ontario corporation that paid a Trade Capital invoice - it is in litigation and has a lawyer representing it
Superior	- funds traced into a bank account at TD and CIBC in Ontario, the CIBC account has been closed
Green Link Inc.	- funds traced into a bank account at a bank in Ontario, which has been closed
233	- funds received into a bank account at TD in Ontario, which has been closed
Millwalk	- funds received into a bank account at RBC in Ontario
WF Canada	-It's an Ontario corporation that paid a Trade Capital invoice
Living Benefits	- funds traced into a bank account at a bank in Ontario

545. In addition, I have discovered that Mr. Zito has a property in Ontario that he owns jointly with Mary Zito. Attached as Exhibit "416" is a true copy of the parcel register for the property.

546. I have also discovered that Mr. Pennacchio has a property in Ontario that he owns jointly with Sandra Pennacchio. Attached as Exhibit "417" is a true copy of the parcel register for the property.

547. I have been advised by Kevin D. Bousquet, a Certified Fraud Examiner with The Corpa Group Inc., and verily believe that Ms. Sladkowski:

- a) has a property in Ontario that she owns jointly with George Andrew Sladkowski;
- b) two vehicles registered in her name;
- c) a bank account at City Savings Credit Union Limited; and,
- d) is employed by Bell.

548. Catherine Francis, counsel for RBC in the action commenced by 2013395 Ontario Limited against Jobec, Jobec RT, Mr. Cook and RBC, provided Trade Capital's lawyers with a letter from Mr. Paul Michell to Lisa S. Corne, which stated that RBC has frozen the funds of Jobec RT in a bank account at RBC. Attached as Exhibit "418" is a true copy of the letter dated March 20, 2015.

549. During the process of tracing Trade Capital's funds, I learned that Mr. Didiomede has the following accounts with the following assets as of the following dates:

<u>Account</u>	<u>Amount</u>	<u>Date</u>	<u>Bank Branch Location</u>
BMO			
#0006-4615-388 US\$	\$22,756.33	Dec-13	Bank of Montreal 50 Bay Street South Hamilton, Ontario L8P 4V9
#0006 -8986-451	\$55,683.94	Jan-14	
#0006-10081205986 (TFSA)	Unknown		

#2919 8019-047	\$20,232.91	Dec-13	Bank of Montreal 999 Upper Wntworth St Hamilton, Ontario L9A 4X5
Meridian Credit Union Limited			
00842-037-7454903	Unknown		Jackson Square 2 King Street West Hamilton, Ontario L8P 1A1
TD Mutual Funds			
0004-10202-06905235875	Unknown		Toronto-Dominion Bank 55 King St West Toronto, Ontario M5K 1A2
Manulife Bank of Canada			
0003-02234-000009930769	Unknown		Royal Bank of Canada 8 Prince Andrew Place Don Mills, Ontario M3C 2B4

***Real Risk of the Assets Being Removed Out of Ontario, Or Disposed of Within Ontario Or Otherwise Dealt With So that Trade Capital Will be Unable to Satisfy A Judgment Awarded to It***

550. The Defendants other than the insiders at Bell, Wells Fargo and Enbridge have already dissipated, hidden, removed from the jurisdiction, dealt with and/or attempted to put Trade Capital's assets beyond its reach.

551. Given the extent to which Trade Capital's funds have been dissipated, the fact that most of the Defendants have dealt with Trade Capital's funds, the number of times that Trade Capital's funds were transferred, the fact that some of Trade Capital's funds were removed from Ontario and the attempts to put Trade Capital's funds beyond its reach, I verily believe that there is a serious risk that the Defendants will take steps to put their assets and/or the remaining assets of

Trade Capital beyond the reach of Trade Capital so that it will be unable to satisfy a judgment awarded to it.

***Full and Frank Disclosure***

552. I am aware of Trade Capital's obligation to make full and frank disclosure of all material matters within its knowledge. Trade Capital has complied with this obligation to the best of my knowledge.

***Undertaking As To Damages***

553. Trade Capital undertakes to abide by any order concerning damages that this Court may make if it ultimately appears that the granting of an interlocutory injunction has caused damages to the Defendants for which the Plaintiff ought to compensate the Defendants ("Undertaking"). However, I wish to fully and frankly disclose to the Court that Trade Capital has no assets. As a direct result of the fraud perpetrated against it, Trade Capital could not continue to operate its business.

554. To give substance to the Undertaking, Trade Capital has obtained an irrevocable and unconditional guarantee from Parkview Capital TCFC Inc. ("Parkview"), a shareholder of Trade Capital, for the prompt payment and satisfaction of obligations of Trade Capital following a damages order being issued by the Court, up to a maximum of \$1,000,000.00.00. Attached to my affidavit and marked as Exhibit "419" is a true copy of the guarantee.

555. I am advised by Mrs. Herring, a director of Parkview, and verily believe capital was recently infused into Parkview for this purpose and that Parkview currently has \$1,000,000.00 in



realizable assets and will continue to have \$1,000,000.00 in realizable assets for the duration of the litigation.

556. Mrs. Herring has provided me with an email showing the current bank balance of Parkview's bank account. Attached to my affidavit and marked as Exhibit "420" is a true copy of the printout.

557. I make this Affidavit in support of this motion for a Mareva injunction and other relief and for no other or improper purpose.

SWORN before me at )  
the City of Toronto )  
in the Province of Ontario )  
this 30<sup>th</sup> day of April, 2015 )



Christopher Lee, Barrister & Solicitor  
A Commissioner for Taking Affidavits, etc...

  
DARCY THOMPSON

**TAB B**

This is Exhibit "B" referred to in the  
Affidavit of Darcy Thompson sworn before  
me, this 12th day of November, 2018.



\_\_\_\_\_  
A Commissioner, etc.

Emily Ann Elizabeth Pace, a Commissioner, **etc.**,  
Province of Ontario, while a Student-at-Law,  
Expires June 13, 2020.

Amended this 31<sup>st</sup> day of May  
2016

Pursuant to the order of the Honourable

Justice Emery

Court File No. CV-15-2110-00

Dated this 3<sup>rd</sup> day of June  
2016

[Signature]  
 ONTARIO  
 SUPERIOR COURT OF JUSTICE  
 Per: [Signature]

BETWEEN:

TRADE CAPITAL FINANCE CORP.

Plaintiff

- and -

PETER COOK also known as PETER WILLIAM COOK, MARC D'AOUST also known as JEAN MARC D'AOUST, THOMAS BARKER also known as THOMAS RICHARD BARKER (personally and carrying on business as LC EXCHANGE, GLOBAL MEDICAL and GREENLINK CANADA GROUP), ROCKY RACCA, BRUNO DIDIOMEDE also known as BRUNO DIAIOMEDE, ALAN KEERY also known as ALAN JOHN KEERY, CHRIS BENNETT JR. also known as CHRIS BENNETT also known as CHRISTOPHER BENNETT (personally and carrying on business as CJR CONSULTING), TODD CADENHEAD, DAYAWANSA WICKRAMASINGHE, BONNY LOKUGE also known as DON BONNY LOKUGE, VIRTUCALL INC., VIRTUCALL INTERNATIONAL LLC, DEBT RESOLVE-MORTGAGE FUNDING SOLUTIONS INC. carrying on business as DEBTRESOLVE INC., THE CASH HOUSE INC., 1160376 ONTARIO LIMITED operating as THE CASH HOUSE, 2242116 ONTARIO INC. carrying on business as SUPERIOR MEDICAL SERVICES INC. and SUPERIOR MEDICAL SERVICES, CARLO DE MARIA also known as CARLO VINCE DE MARIA also known as CARLO VINCENT DE MARIA also known as CARLO VINCENZO DE MARIA, MATTEO PENNACCHIO, FRANK ZITO also known as FRANCESCO ZITO, SIMONE SLADKOWSKI, JOBEC TRADE FINANCE INC., 1461350 ONTARIO INC., 2299430 ONTARIO INC., WF CANADA LTD., JOBEC INVESTMENTS RT LTD., GREEN LINK CANADA INC., 2339989 ONTARIO INC., 2252364 ONTARIO INC., 2224754 ONTARIO LTD., 6980023 CANADA INC. operating as LIVING BENEFITS, MILLWALK ENTERPRISES INC., OAK HILLS WATER DURHAM INC., JOSHUA COOK, ELIZABETH COOK, REBECCA COOK, MARK PINTUCCI, MARCO SANTONATO also known as MARC SANTONATO and NEW ERA RESOLUTIONS & CONSULTING INC.

Defendants

### AMENDED STATEMENT OF CLAIM

TO THE DEFENDANTS:

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff. 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 Plaintiff's lawyer, or where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service, in this Court Office, WITHIN TWENTY DAYS after this Statement of Claim is served upon 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.

IF YOU PAY THE PLAINTIFF'S CLAIM, and \$1,000.00 for costs, within the time for serving and filing your Statement of Defence, you may move to have this proceeding dismissed by the Court. If you believe the amount claimed for costs is excessive, you may pay the Plaintiff's claim and \$400.00 for costs and have the costs assessed by the Court.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date May 6 2015

Issued by Christine Oliveira  
Local Registrar

Address of Court Office:

7755 Hurontario Street  
Brampton, Ontario  
L6W 4T6

TO: PETER COOK also known as PETER WILLIAM COOK  
1173 Salmers Drive  
Oshawa, Ontario  
L1K 0A9

AND TO: MARC D'AOUST also known as JEAN MARC D'AOUST  
70 Radenhurst Crescent  
Barrie, Ontario

LAN 4C3

AND TO: THOMAS BARKER also known as THOMAS RICHARD BARKER, personally  
and carrying on business as LC EXCHANGE, GLOBAL MEDICAL AND  
GREENLINK CANADA GROUP  
111 Crawford Rose Drive  
Aurora, Ontario  
L4G 4S1

AND TO: ROCKY RACCA  
126 Snowling Drive  
Ajax, Ontario  
L1Z 0G2

AND TO: BRUNO DIDIOMEDE also known as BRUNO DIAIOMEDE  
62 Palace Boulevard  
Hamilton, Ontario  
L8T 4Z7

AND TO: ALAN KEERY also known as ALAN JOHN KEERY  
20 Pinecliff Crescent  
Barrie, Ontario  
L4N 5V2

AND TO: CHRIS BENNETT JR. also known as CHRIS BENNETT also known as  
CHRISTOPHER BENNETT (personally and carrying on business as CJR  
CONSULTING)  
2464 Weston Road, No. 503  
York, Ontario  
M9N 0A2

AND TO: TODD CADENHEAD  
7 Guest Lane  
Mossley, Ontario  
N0L 1V0

AND TO: DAYAWANSA WICKRAMASINGHE  
3311 Chockcherry Crescent  
Mississauga, Ontario  
L5L 1B1

AND TO: BONNY LOKUGE also known as DON BONNY LOKUGE  
1-31 Glebe Road East  
Toronto, Ontario  
M4S 1N7

AND TO: VIRTUCALL INC.  
70 Radenhurst Crescent  
Barrie, Ontario  
L4N 4C3

AND TO: VIRTUCALL INTERNATIONAL LLC  
1201 N Orange Street, Suite 600  
Wilmington, Delaware  
19801 U.S.A.

AND TO: DEBT RESOLVE-MORTGAGE FUNDING SOLUTIONS INC. carrying on  
business as DEBTRESOLVE INC.  
893 Bayly Street  
Pickering, Ontario  
L1W 3P6

AND TO: THE CASH HOUSE INC.  
325 Rogers Road  
Toronto, Ontario  
M6E 1R5

AND TO: 1160376 ONTARIO LIMITED carrying on business as THE CASH HOUSE  
282 Caledonia Road  
Toronto, Ontario  
M6E 1R5

AND TO: 2242116 ONTARIO INC. carrying on business as SUPERIOR MEDICAL  
SERVICES INC.  
111 Crawford Rose Drive  
Aurora, Ontario  
L4G 4S1

AND TO: CARLO DE MARIA also known as CARLO VINCE DE MARIA  
325 Rogers Road  
Toronto, Ontario  
M6E 1R5

AND TO: MATTEO PENNACHIO  
83 Cousteau Drive  
Bradford, Ontario  
L3Z 0H8

AND TO: FRANK ZITO  
9 Sgotto Boulevard  
Vaughan, Ontario

L4H 1X1

- AND TO: SIMONE SLADKOWSKI  
53 Langston Drive  
Brampton, Ontario  
L6V 3X9
- AND TO: JOBEC TRADE FINANCE INC.  
1173 Salmers Drive  
Oshawa, Ontario  
L1K 0A9
- AND TO: 1461350 ONTARIO INC.  
10 George Street, 4<sup>th</sup> Floor  
Unit 29  
Hamilton, Ontario  
L8P 1C8
- AND TO: 2299430 ONTARIO INC.  
2464 Weston Road, No. 503  
York, Ontario  
M9N 0A2
- AND TO: WF CANADA LIMITED  
1173 Salmers Drive  
Oshawa, Ontario  
L1K 0A9
- AND TO: JOBEC INVESTMENTS RT LTD.  
1173 Salmers Drive  
Oshawa, Ontario  
L1K 0A9
- AND TO: GREEN LINK CANADA INC.  
57 Scunthorpe Road  
Toronto, Ontario  
M1S 4V7
- AND TO: 2339989 ONTARIO INC.  
20 Pinecliff Crescent  
Barrie, Ontario  
L4N 5V2
- AND TO: 2252364 ONTARIO INC.  
126 Snowling Avenue  
Ajax, Ontario



L1Z 0E3

AND TO: 2224754 ONTARIO LTD.  
100 Cavell Avenue  
Suite 107  
Toronto, Ontario  
M8V 3V6

AND TO: 6980023 CANADA INC. operating as LIVING BENEFITS  
70 Radenhurst Crescent  
Barrie, Ontario  
L4N 4C3

AND TO: MILLWALK ENTERPRISES INC.  
41 Lakeshore Road West  
Oro Station, Ontario  
L0L 2E0

AND TO: OAK HILLS WATER DURHAM INC.  
1173 Salmers Drive  
Oshawa, Ontario  
L1K 0A9

AND TO: JOSHUA COOK  
1173 Salmers Drive  
Oshawa, Ontario  
L1K 0A9

AND TO: ELIZABETH COOK  
1173 Salmers Drive  
Oshawa, Ontario  
L1K 0A9

AND TO: REBECCA COOK  
1173 Salmers Drive  
Oshawa, Ontario  
L1K 0A9

AND TO: MARK PINTUCCI  
38 Limerick Avenue  
Toronto, Ontario  
M9N 2P3

AND TO: MARCO SANTONATO also known as MARC SANTONATO  
146 Compton Crescent  
Bradford, Ontario

L3Z 2X9

AND TO: NEW ERA RESOLUTIONS & CONSULTING INC.  
146 Compton Crescent  
Bradford, Ontario  
L3Z 2X9

## CLAIM

1. The Plaintiff, Trade Capital Finance Corp. (“Trade Capital”), claims:
  - a) as against the Defendant, Peter Cook also known as Peter William Cook (“Mr. Cook”), for damages in the approximate amount of \$20,000,000.00 for breach of contract and breach of fiduciary duty;
  - b) as against the Defendants, Mr. Cook, Marc D’Aoust also known as Jean Marc D’Aoust (“Mr. D’Aoust”), Thomas Barker also known as Thomas Richard Barker (“Mr. Barker”), Alan Keery also known as Alan John Keery (“Mr. Keery”), Virtucall Inc. (“Virtucall”), Virtucall International LLC (“Virtucall LLC”), 2242116 Ontario Inc. carrying on business as Superior Medical Services Inc. and Superior Medical Services (“Superior”), Green Link Canada Inc. (“Green Link Inc.”), Debt Resolve-Mortgage Funding Solutions Inc. operating as Debtresolve Inc. (“Debtresolve”), Rocky Racca (“Mr. Racca”), Chris Bennett Jr. also known as Chris Bennett also known as Christopher Bennett (“Mr. Bennett”), Todd Cadenhead (“Mr. Cadenhead”), Matteo Pennacchio (“Mr. Pennacchio”), Frank Zito also known as Francesco Zito (“Mr. Zito”), Simone Sladkowski (“Ms. Sladkowski”), Jobec Trade Finance Inc. (“Jobec”), 2299430 Ontario Inc. (“229”), WF Canada Limited (“WF Canada”), Jobec Investments RT Ltd. (“Jobec RT”) and 2339989 Ontario Inc. (“233”), for damages in the approximate amount of \$20,000,000.00 for civil fraud, fraudulent misrepresentation and negligent misrepresentation;
  - c) as against all of the Defendants, for:

- i. for a Mareva injunction restraining these Defendants, and their servants, employees, agents, assigns, officers, directors, affiliates and anyone else acting on their behalf or in conjunction with any of them, and any and all persons with notice of this injunction, from directly or indirectly, by any means whatsoever:
  1. selling, removing, dissipating, alienating, transferring, assigning, encumbering, or similarly dealing with any assets of any of the these Defendants, that are located in Canada or the United States;
  2. instructing, requesting, counselling, demanding, or encouraging any other person to do so; and,
  3. facilitating, assisting in, aiding, abetting, or participating in any acts the effect of which is to do so;
- ii. such further and other relief related to or ancillary to the Mareva injunction as this Court may deem just;
- iii. damages in the approximate amount of \$20,000,000.00 for fraudulent conspiracy, conversion, unjust enrichment, breach of trust and intentional interference with economic interests, knowing receipt of trust property and knowing assistance of breach of trust;
- iv. the appointment of an interim receiver over the assets and businesses of the corporate Defendants and granting the interim receiver full powers to investigate all matters pertaining to the funds at issue used by the corporate

Defendants, including the power to investigate the whereabouts of such funds and hold and preserve such funds or assets;

- v. a declaration that the Defendants received funds belonging to Trade Capital which were fraudulently converted by some or all of the Defendants to the personal use of the Defendants;
- vi. an accounting of all assets, effects and property of the Defendants, including any accounts and any improper dissipation thereof, and all money had or received by the Defendants, or any person or entity on their behalf, and all the dealings and transactions between the Defendants and between the Defendants and Trade Capital;
- vii. a declaration that the Defendants received funds belonging to Trade Capital that were fraudulently converted by one or more of them to their personal use;
- viii. a declaration that Trade Capital is entitled to trace the monies fraudulently obtained from Trade Capital into and through any financial institution, accounts or deposit facilities in the name of the Defendants and into or through any assets purchased by the Defendants with Trade Capital's money and to recover the same;
- ix. an accounting of what property belonging to Trade Capital came into the Defendants' hands;

- x. a declaration that Trade Capital is entitled to trace its assets into the hands of the Defendants and that the Defendants hold all these assets as constructive trustees for Trade Capital;
- xi. a declaration that all money, property and other assets transferred to the Defendants were held on a resulting and/or constructive trust for the benefit of Trade Capital;
- xii. damages for breach of constructive trust or resulting trust;
- xiii. damages arising out of the detection, investigation and quantification of the losses suffered by Trade Capital;
- xiv. a declaration that any Judgment in this action shall survive the bankruptcy or insolvency of any of the Defendants by operation of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, in particular section 178;
- xv. exemplary, aggravated and punitive damages in the amount of \$5,000,000.00;
- xvi. a declaration that some or all of the Defendants are jointly and severally liable for all damages suffered by Trade Capital;
- xvii. prejudgment and postjudgment interest on the above sums in accordance with the *Courts of Justice Act*, R.S.O. 1990, c. C.43 from September 1, 2013;
- xviii. the costs of this action on a full indemnity scale, together with applicable Harmonized Sales Tax ("HST") thereon; and,
- xix. such further and other relief as this Honorable Court deems just.

**PARTIES**

2. Trade Capital is a corporation incorporated pursuant to the laws of Ontario and carried on business as a factoring company.

3. The Defendant, Mr. Cook, is an individual who resides in Oshawa, Ontario. Mr. Cook is the sole officer and director of the Defendants, Jobec, Jobec RT and WF Canada, which are corporations incorporated pursuant to the laws of the Province of Ontario.

4. The Defendant, Mr. D'Aoust, is an individual who resides in Barrie, Ontario. Mr. D'Aoust is the sole officer and director of the Defendant, Virtucall, which is a corporation incorporated pursuant to the laws of the Province of Ontario and 6980023 Canada Inc. operating as Living Benefits ("Living Benefits"), which is a corporation incorporated pursuant to the laws of Canada.

5. The Defendant, Mr. Bennett, is an individual who resides in Toronto, Ontario who carries on business under the business name CJR Consulting. He is also the sole officer and director of the Defendant, 229, which is a corporation incorporated pursuant to the laws of the Province of Ontario.

6. The Defendant, Mr. Keery, is an individual who resides in Barrie, Ontario. Mr. Keery is the sole officer and director of the Defendant, 233, which is a corporation incorporated pursuant to the laws of the Province of Ontario.

7. The Defendant, Mr. Barker, is an individual who resides in Aurora, Ontario and carries on business under the business names LC Exchange, Greenlink Canada Group ("Greenlink

Group”) and Global Medical. He is also the sole officer and director of the Defendant, Superior, which is a corporation incorporated pursuant to the laws of the province of Ontario.

8. The Defendant, Virtucall LLC, is a corporation incorporated in the State of Delaware in the United States of America.

9. The Defendant, Carlo De Maria, also known as Carlo Vince De Maria also known as Carlo Vincent De Maria also known as Carlo Vincenzo De Maria (“Mr. De Maria”), is an individual who resides in Toronto, Ontario. Mr. De Maria is and was at all material times an officer and director of the Defendant, 1160376 Ontario Limited, carrying on business as the Cash House (“116”), which is a corporation incorporated pursuant to the laws of the Province of Ontario. Mr. De Maria was at all material times an officer and director of the Defendant, The Cash House Inc. (“Cash House”), which is a corporation incorporated pursuant to the laws of the Province of Ontario.

10. The Defendant, Mr. Racca, is an individual who resides in Ajax, Ontario. Mr. Racca is the sole officer and director of the Defendants, 2252364 Ontario Inc. (“225”) and Debtresolve, which are corporations incorporated pursuant to the laws of the Province of Ontario.

11. The Defendant, Bruno Didiomede also known as Bruno Diaiomede (“Mr. Didiomede”), is an individual who resides in Hamilton, Ontario. Mr. DiDiomede is the sole officer and director of the Defendant, 1461350 Ontario Inc. (“146”), which is a corporation incorporated pursuant to the laws of the Province of Ontario.

12. The Defendant, 2224754 Ontario Ltd. (“222”), is a corporation incorporated pursuant to the laws of the Province of Ontario.



13. The Defendant, Mr. Cadenhead, is an individual who resides in Mossley, Ontario.
14. The Defendant, Mr. Pennachio, is an individual who resides in Bradford, Ontario and is a former employee of Wells Fargo Financial Corporation Canada (“Wells Fargo”).
15. The Defendant, Mr. Zito, is an individual who resides in Vaughan, Ontario and is a former employee of Enbridge Gas Distribution Inc. (“Enbridge”).
16. The Defendant, Ms. Sladkowski, is an individual who resides in Brampton, Ontario.
17. The Defendant, Dayawansa Wickramasinghe (“Mr. Wickramasinghe”), is an individual who resides in Mississauga, Ontario. Mr. Wickramasinghe is an officer and director of Green Link Inc., which is a corporation incorporated pursuant to the laws of the Province of Ontario.
18. The Defendant, Bonny Lokuge also known as Don Bonny Lokuge (“Mr. Lokuge”), is an individual who resides in Toronto, Ontario. Mr. Lokuge is also an officer and director of Green Link Inc.
19. The Defendant, Millwalk Enterprises Inc. (“Millwalk”), is a corporation incorporated pursuant to the laws of the Province of Ontario.
- 19(a) The Defendant, Oak Hills Water Durham Inc. (“Oak Hills”), is a corporation incorporated pursuant to the laws of the Province of Ontario.
- 19(b) The Defendant, Elizabeth Cook (“Mrs. Cook”), is an individual who resides in Oshawa, Ontario and is the wife of Mr. Cook.
- 19(c) The Defendant, Joshua Cook (“Joshua”), is an individual who resides in Oshawa, Ontario and is the son of Mr. Cook.

19(d) The Defendant, Rebecca Cook (“Rebecca”), is an individual who resides in Oshawa, Ontario and is the daughter of Mr. Cook.

19(e) The Defendant, Mark Pintucci (“Mr. Pintucci”), is an individual who lives in Toronto, Ontario.

19(f) The Defendant, Marco Santonato also known as Marc Santonato (“Mr. Santonato”), is an individual who lives in Bradford, Ontario.

19(g) The Defendant, New Era Resolutions & Consulting Inc. (“New Era”), is a corporation incorporated pursuant to the laws of the Province of Ontario.

## OVERVIEW

20. Trade Capital is a factoring company which was the victim of a significant fraud perpetrated by Trade Capital’s former President, Mr. Cook, and others including the remaining Defendants acting in concert with him.

21. Over a period of approximately eighteen months, Mr. Cook and his accomplices induced Trade Capital to advance \$5,051,721.79 CAD and \$1,479,471.12 USD to purchase fraudulent invoices.

22. In October of 2013, Trade Capital obtained a *Norwich Pharmacal* Order which enabled Trade Capital to trace the funds it had advanced through the hands of most of the Defendants and the majority of Trade Capital’s funds were traced to the Cash House, 116, which was a company related to the Cash House, 146, which operated a Cash House location, 225 and Mr. Racca.

## BACKGROUND

***Factoring***

23. Factoring is a financial transaction in which a business (“Original Invoice Owner”) sells the accounts receivable of its customer (“Debtor”) in the form of an invoice to a factoring company. The factoring company then makes an advance to the Original Invoice Owner of 70% to 90% of the receivable amounts of the purchased invoice(s). The factoring company now owns the invoice(s) and collects the full amount of the purchased invoice from the Debtor. The factoring company then pays the balance due to the Original Invoice Owner after deducting its commission and other charges.

***Brief History of Trade Capital***

24. Trade Capital was incorporated in 2011. Mr. Cook, through Jobec, owned a portion of Trade Capital and was the President of Trade Capital from November of 2011 to September of 2013. Mr. Cook and Darcy Thompson managed Trade Capital from Trade Capital’s inception until the discovery of the fraud against Trade Capital.

25. In November of 2011, Trade Capital purchased an existing portfolio of invoices from Jobec. Over time, Trade Capital expanded its portfolio by acquiring additional invoices from existing and new Original Invoice Owners.

***Trade Capital’s Confirmation and Credit Procedures***

26. When an invoice was purchased by Trade Capital, it was Mr. Cook’s responsibility to contact the Debtor and determine whether the invoice was valid. Trade Capital’s confirmation procedure for a new Debtor required Mr. Cook to communicate with the Debtor to ensure it

agreed to the factoring transaction and to obtain their verbal and written confirmation of the validity of the invoice.

27. Mr. Cook then provided the foregoing information to others in Trade Capital for them to confirm the validity of the invoice. Other executives at Trade Capital would take further steps to confirm the validity of the invoice by confirming certain information.

### *Ongoing Credit Procedures*

28. Trade Capital monitored, on a daily basis, the age of the invoices in its portfolio. Each Debtor was required to pay invoices before its past due date established by Trade Capital based on a number of factors specific to the Debtor. Trade Capital required the Original Invoice Owners to pay for past due invoices with cash or other acceptable invoices. It would commence credit collection procedures if the invoice was not paid. Trade Capital's policy with some Original Invoice Owners was that it would not purchase a new invoice until the oldest outstanding invoice owned by Trade Capital had been paid in full.

### **DISCOVERY OF THE FRAUD**

29. In late September of 2013, Trade Capital determined that it had been the victim of a significant fraud committed by Mr. Cook and others when it discovered certain inconsistencies in an invoice it had purchased from Virtucall.

### *Mr. Cook, Virtucall and Mr. D'Aoust Introduced Trade Capital to Capital One*

30. In or around November of 2011, Mr. Cook, Mr. D'Aoust and Virtucall had made the following statements and representations to Trade Capital:

- a) Virtucall was a call center located in Toronto which specializes in debt collections and medical sales leads;
- b) Virtucall was contracted by some of its customers to contact delinquent accounts with the goal of collecting those delinquent accounts; and,
- c) Virtucall was paid for its services by various methods, including per hour charges and a percentage success fee.

31. On or about September 18, 2013, Mr. D'Aoust and Virtucall offered invoices, rendered by Virtucall to Capital One, to Trade Capital for purchase. At around that time, Mr. Cook and Mr. D'Aoust represented to Trade Capital that Capital One was Virtucall's newest customer and that Virtucall had been hired by Capital One for delinquent credit card collections. They also represented that Virtucall's fees for services under its contract with Capital One would be \$32 per hour per seat that was actively logged on Virtucall's system. One seat represents one Virtucall employee actively calling Capital One delinquent accounts, such that ten employees calling for one hour each on Capital One delinquent accounts would be billed as a \$320.00 fee to Capital One.

32. While reviewing the Capital One documentation before approval, Mrs. Thompson noticed that, on an invoice to Capital One dated September 12, 2013, the email address for the Capital One representative, Ryan Scouller, read "ryanscouller@capiatlonecollections.com". The "a" and the "t" in the word "capital" were reversed from what she expected.

33. Mrs. Thompson also reviewed the agreement for service between Capital One and Virtucall dated August 6, 2013 (“Agreement for Service”) and noticed several inconsistencies between the Agreement for Service and the invoice dated September 12, 2013, specifically:

- a) the Agreement for Service was between Virtucall and Capital One but the invoice presented to Trade Capital was an invoice to Capital One from Superior Medical Services;
- b) the hourly rate in the contract was \$32 per hour per seat but the rate per hour per seat on the invoice was \$36; and,
- c) the Agreement for Service stated the fee for services was “per hour per seat actively logged on to ENBRID System” but Mr. Cook, Mr. D’Aoust and Virtucall had previously represented to Trade Capital that Enbrid is a software system that is used for accounts with Enbridge Gas Distribution Inc. (“Enbridge”).

34. Although Virtucall did business with Enbridge, it seemed illogical for Virtucall to be using the Enbrid system for Capital One accounts.

*Invoices Rendered to Capital One Were Suspicious*

35. On or about September 18, 2013, Mrs. Thompson contacted Mr. Cook by telephone to inform him of apparent errors and inconsistencies relating to the Capital One documentation, and directed Mr. Cook to bring the errors to Capital One’s attention so that Capital One could explain and correct the errors and inconsistencies.

*Investigation of Capital One’s Invoices Demonstrated They Were Fraudulent*

36. Mrs. Thompson tried to reconfirm the information provided by Virtucall and Mr. Cook by contacting Capital One representative, Mr. Scouller, directly at his office and she left a message with Mr. Scouller on Thursday, September 19, 2013, asking him to call Trade Capital.

37. On September 19, 2013, Mrs. Thompson emailed Mr. Scouller through Mr. Scouller's LinkedIn online profile asking that Mr. Scouller accept her into Mr. Scouller's online LinkedIn group. Mr. Scouller accepted Mrs. Thompson's LinkedIn request, whereby Mrs. Thompson was provided access to Mr. Scouller's Capital One email address which is "[ryan.scouller@capitalone.com](mailto:ryan.scouller@capitalone.com)".

38. Mr. Scouller's actual Capital One email address is different than the email address provided to Trade Capital on the invoice dated September 12, 2013, which email address on the September 12, 2013 invoice is "ryanscouller@capiatlonecollections.com".

39. Early in the morning of September 20, 2013, Mr. Scouller returned Mrs. Thompson's phone call from September 19, 2013 and informed her that he did not know of Mrs. Thompson, Trade Capital or Mr. Cook. He also informed Mrs. Thompson that he did not work in Capital One's collections department.

40. Through email correspondence, Mr. Scouller advised Mrs. Thompson that,

- a) he was not the right contact as he is not in collections at Capital One; and,
- b) he did not know Mr. D'Aoust.

41. Soon thereafter, Mr. Jay Acharya of Capital One's collection department contacted Trade Capital and asked that Trade Capital forward him the relevant documents so that he could

investigate the matter. Trade Capital provided Mr. Acharya with copies of the September 12, 2013 invoice and the Agreement for Service.

42. About an hour later, Mr. Acharya responded stating that “Capital One, specifically Ryan Scouller, has not signed this contract. That is not his signature, not a valid email address and we never use PO Box’s in contracts.”

***Discovery of Mr. Cook’s Involvement of Fraud***

43. After the discussion with Mr. Acharya, Trade Capital became quite certain that Mr. Cook was also involved in the attempted fraud because he had represented to Trade Capital that he had factoring discussions with Mr. Scouller of Capital One.

***Tracing of Other Transactions and Discovery of Further Fraud Involving Companies of Which Mr. Cook was an Officer and Director***

44. Being certain that a fraud had been attempted upon Trade Capital, Trade Capital began tracing some of Trade Capital’s other incoming wire transfer payments from other Debtors controlled by Mr. D’Aoust to determine whether the payments originated from the actual Debtors. If the Debtors were not fraudulent, the payments would have come directly from the Debtors.

45. On Friday, September 20, 2013, Trade Capital made information requests to its bank in relation to two wire transfer payments. One was dated April 18, 2013 in the amount of \$136,753.90, which Trade Capital believed was a payment from Wells Fargo and the other was dated June 17, 2013 in the amount of \$226,736.00 which Trade Capital believed was a payment from Citicorp Credit Services (“Citicorp”).



46. On September 20, 2013, the bank confirmed to Trade Capital that the April 18, 2013 wire transfer payment (believed to be from Wells Fargo) was paid by WF Canada and that the June 17, 2013 wire transfer payment (believed to be from Citicorp) was paid by 229.

47. Mr. Cook had presented 229 to Trade Capital as a sales prospect in December 2012 as being an information technology company which was selling its services to Bell Canada, Rogers and SNC Lavalin. Mr. Cook and Mr. Bennett, the sole officer and director of 229, further represented that 229 was in a growth mode and desired to factor its receivables with Trade Capital to support its growth. Trade Capital turned down the proposal.

48. Considering that 229 came to Trade Capital seeking financial support in December of 2012, Trade Capital concluded that it is extremely unlikely that 229 was in any position to be paying Citicorp's payment obligations and, therefore, that the Citicorp invoices owned by Trade Capital were fraudulent.

49. On September 20, 2013, Trade Capital obtained a corporation profile report for WF Canada which revealed that Mr. Cook was its sole director and no officers were listed.

50. On Monday, September 23, 2013, Trade Capital made information requests to its bank in relation to further wire transfer payments. One was a May 29, 2013 wire transfer in the amount of \$24,990.00, which Trade Capital believed was a payment from Renee Johnson LLC. The second was an August 7, 2013 wire transfer in the amount of \$224,990.00, which Trade Capital believed to be a partial payment on a pending approved credit insurance claim from Export Development Bank of Canada ("EDC").

51. On September 23, 2013, the bank confirmed that the May 29, 2013 wire transfer payment believed to be from Renee Johnson LLC was actually sent from Renee K Johnson DBA New Age Electric ("New Age"), and that the August 7, 2013 wire transfer payment believed to be from EDC was actually paid by Jobec RT, whose sole officer and director is Mr. Cook.

*Recovery of Mr. Cook's Emails*

52. On Monday, September 23, 2013, Trade Capital had its information technology consultant provide it with a copy of the emails that Mr. Cook had sent and received using his Trade Capital email address by way of Trade Capital property.

53. Mr. Cook had attempted to delete all email messages that he sent and received on a daily and regular basis since the email account was established in September of 2011, but the consultant was able to recover more than 6,000 email messages that Mr. Cook sent and received by way of the Trade Capital email account he used since September of 2011.

54. As is set out in more detail below, several of the email messages provide clear evidence of the fraudulent scheme perpetrated by Mr. Cook and others.

**MR. COOK'S CONFESSION**

55. Shortly after Trade Capital discovered the fraud, Mr. Cook confessed to it at a meeting on September 24, 2013 with Donald Jackson and Catherine Herring, both of whom are principals of Trade Capital.

56. During the meeting, the following comments were made:

- (a) Mr. Cook said, in reference to Trade Capital, "...we have a real problem with the company because we have false invoices there that have nothing behind them, and this has all come about uh because I've been involved in it and I'll explain what happened";
- (b) Mr. Cook said "...as you know I had a little operating company Jobec, which did nice little business and we ported it over into Trade Capital as the first thing we did and probably sometime after it got into Trade Capital – I'm not sure exactly the timing but – we had a problem with an account that I identified and I went and tried to deal with it...I tried to fix it and it was Virtualcall";
- (c) Mr. Cook said "...in the end the real problem was that the client was getting money from some very bad people on the street and that money was getting diverted from us to the street and, and I tried to fix that. I have no experience in that I'm more of a King and Bay kinda guy or a small town guy";
- (d) Mr. Cook said "I could tell you that there's articles about them in the newspaper. That lead guy just got let out of jail this year and you've read the articles. It's, it's who it is";
- (e) Mr. Cook said "the more I tried to fix it the more I then make falsehoods to Darcy and Susan and as I tried to band aid my way through it...it kept escalating because these guys when they get into you these are not very friendly people...they certainly surveil my home at this point...":

- (f) Mr. Cook said “I’m quite confident on it, um and we are exposed for five million dollars in there and uh you know there’s our good accounts...and then there’s ones where there are manufactured invoices”;
- (g) Mr. Cook said “I’m not really afraid of the police I’m afraid of the other guys and I’m afraid of the black SUVs is what I’m afraid of”;
- (h) Mr. Cook said “I’m the cause of it. We have exposure in there where there’s paper that’s false for five million dollars”;
- (i) Mr. Cook said “Um, I did not take any of this money. I don’t have any of the money. It’s not in my hands”;
- (j) when asked if any accounts were not false, Mr. Cook said “Atlas is not false. Artex is not false. Retail Merchandise is not false. Some things in there are false”;
- (k) Mr. Cook said “The Virtucall account was, to my knowledge, real when we began. The company Global who we are owed we thought we have an EDC claim but what we really have is a court case against Global for a million five that were real business but it’s not EDC insured the way it’s thought to be”;
- (l) when asked how Trade Capital had letters on Export Development Corporation letterhead and reports of conference calls, Mr. Cook said “[t]here are false documents some of which I participated in some of which were presented to me. There are real people who work at these companies like Bell or Enbridge or Wells Fargo who obviously are not people I knew but that were provided by these

people. My wording would be that they're their people. Um, and I essentially became a conduit..."

- (m) when asked if he was saying that employees of those three companies colluded Mr. Cook interrupted and said "Yes";
- (n) when asked if the people verifying invoices at Bell, Enbridge and Wells Fargo are in fact employees of those institutions who are saying yes to Trade Capital, Mr. Cook said "That's right";
- (o) when asked if he was saying that he got connected through Virtucall to some bad guys that for one reason or another were able to shake him down, Mr. Cook appeared to give an affirmative "hmmm" but then when Mr. Jackson added "to participate with them in a fraudulent series of schemes" Mr. Cook said "...in the end...I did what I did";
- (p) Mr. Bill Thomson stated that "Uh, there certainly is um, and you know one has to be careful and one has to choose one's words carefully here that there's certainly actions here that uh imply criminal action here. There's no question not just by Peter but by some others...";
- (q) Mr. Cook said that when he realized there was a problem with accounts he brought into the company, rather than put his hand up he tried to fix it "And I end up in a, you know you always wonder how much you should say about these people. I end up in an Italian restaurant um and I felt I was in a movie";

- (r) when asked if the meeting at the restaurant was in Canada, Mr. Cook said “Oh, yeah...And I learned in that particular meeting that this company Virtucall started out making money by laundering cash for these guys and cash laundering used to pay money and then recently that switched to where now they charge for laundering their money but they’ll give it to you for a week while you launder it so you can use it. So there was a lot of cash moving back and forth....”;
- (s) Mr. Cook said “...but I’m scared of it. Anyway, so I do this thing to put through a false invoice and it works and you know...”;
- (t) when asked if he is referring to a Virtucall invoice Mr. Cook says “To Trade Capital. I don’t sign on the bank but I know how to put a package together uh and I did and, and the minute I made that payment then it became when’s the next payment...somebody to phone you on Saturday morning and say you know come outside I want to talk to you, you know they’re sitting in front of your house in a truck, I always say it’s an SUV but obviously an Escalade or something but, you know they intrude in your personal life, um”;
- (u) when Ms. Herring said “But let me understand this. They are literally saying you’ve given us cash through falsifying an invoice...and we want more”, Mr. Cook said “Yea and these guys all want more the Virtucall guys”;
- (v) “...still when these people reach into your personal life, um, I am gonna...give you an example but, in February you may recall that Susan told a story about how we had an account that was applied for...and the person killed himself. That account was given to me by the representative in front of my house on a Saturday

morning in the back of an SUV and I turned it down. I turned it down by Tuesday and he was dead by Wednesday. Um, I don't know what happened, I have no idea. I just know what I saw. Um, and I could recite a few more instances, not directly like that, related to me but that scared the freakin hell out of me and I was scared...";

- (w) when asked if he was afraid to go to the police, Mr. Cook said "I'm afraid to go to the police because of these guys";
- (x) when asked by Mr. Jackson where the money had gone, Mr. Cook said "It's funded out into accounts that funded it out to the bad people. They pay, you know, there's operating companies in some operating companies...in here. There really is a call center at Virtucall. There really is one at Barrie.";
- (y) when asked by Ms. Herring if the bad guys know where the money has been coming from Mr. Cook said "You mean do they know the company?" so Ms. Herring asked "Do they know the funders. I mean you're their contact but how far will they reach back?" Mr. Cook said "... I should rephrase that, I am not really their contact" and went on to say "...the manipulation comes from the client and comes from them individually and it comes from messengers so to speak so its weird stuff that's like it";
- (z) when Ms. Herring suggested that "That's a hell of a creative act of falsifying" Mr. Cook said "It was not at one time. It's inconceivable that you can actually have a senior manager at Enbridge who Susan could write to and they would confirm these things";

- (aa) when Ms. Herring responded “Bell, Enbridge, Wells Fargo”, Mr. Cook said “Senior people” and when Mr. Jackson said “And they’d been placed there by the bad guys” Mr. Cook said “It’s nobody I knew. One or two of them, one’s on my linkedin, I met him once but I don’t really know him. One of them I met once. One of them I never met. They’re real people with real senior jobs in those companies. They are nobody I knew. I wouldn’t have those relationships. Uh, they would basically create that”;
- (bb) when Mr. Jackson said “But are you suggesting that this is just a whole big web of compromised people? Because if there are senior people in those companies that are approving false invoices clearly they’re a part...of a compromised web” Mr. Cook said “Yes”;
- (cc) when Ms. Herring said “But you, you know, call me naive isn’t the RCMP pouring over everybody’s bank accounts and cash flow and like, how does this happen?...” Mr. Bill Thomson eventually responds “I think that you’re not naive at all. The one comment I would make is because of some other experience that I’ve had whether it’s the RCMP or in this case, it probably is the RCMP, they take longer than what you want...It takes longer than the obvious facts would dictate. So before they actually find that person at Enbridge and charge him a considerable amount of time passes because they have to get their case in such that it is absolutely foolproof”;
- (dd) when asked by Ms. Herring whether he had any conjecture as to what the activities of the bad people are, Mr. Cook responded “Well, I, these are, this is not



somebody I hang out with, this is somebody who you know phones you from out on the street, calls you out to the curb, this is somebody who sends somebody a message. I don't know what they do. I know from the Virtucall people, they were moving you know half a million a week in cash for them, after the fact"; and,

- (ee) when asked about the whether the EDC thing was real, Mr. Cook admitted that it was not and when asked if he manufactured conference calls, he admitted that he did and when asked whether he manufactured letterhead with confirmation he said "I wouldn't, I didn't do all of that but I was aware. Yeah".

#### **HOW THE FRAUD WAS PERPETRATED**

57. Prior to the discovery of the fraud, Trade Capital believed it provided factoring services to four independent, unrelated Original Invoice Owners who were its clients:

- a) Virtucall, a call center operating in Toronto, which Trade Capital understood was owned and operated by Mr. Barker;
- b) Superior, a call center in Barrie, which Trade Capital understood was owned and operated by Mr. D'Aoust;
- c) Greenlink, a commercial laundry operating in Fort McMurray, Alberta, which Trade Capital understood was owned and operated by Mr. Cadenhead; and,
- d) 233, a telecommunications switch software and hardware supplier, which Trade Capital understood was owned and operated by Mr. Keery.

58. Trade Capital was provided with an invoice or invoices for purchase by the following individuals on behalf of the Clients:

- a) Mr. Barker on behalf of Virtucall (although the invoices referred to Virtucall LLC);
- b) Mr. D'Aoust on behalf of Superior;
- c) Mr. Cadenhead on behalf of Greenlink; and,
- d) Mr. Keery on behalf of 233.

59. Trade Capital had control procedures requiring acknowledgement of each invoice by the Debtor. This was to obtain independent confirmation that the invoice was valid and to ensure the Debtor would directly pay Trade Capital. Trade Capital would not have purchased any invoice without the comfort provided by this confirmation.

60. Trade Capital would receive written confirmation in one of two ways. Some emails and faxes were directly from a Debtor representative whom Mr. Cook, the representative of the Original Invoice Owner and that representative each represented was an employee of the respective Debtor that would acknowledge and confirm the purchase of the invoice, or Trade Capital would receive an email from Mr. Cook which purportedly forwarded an email from a person purportedly affiliated with the respective Debtor acknowledging and confirming the purchase of the invoice.

61. After receiving confirmation of the invoice, Trade Capital's control procedures were complete and Trade Capital would advance a percentage of the face value of the invoice to the bank account to which the Clients directed it to advance the funds.

## HOW THEY KEPT THE FRAUD GOING

62. To keep the fraud going after the initial advances, the Defendants used a fraudulent insurance claim, the replacement of the original fraudulent invoices with other fraudulent invoices and the payment of some of the old outstanding invoices, among other things.

### *Fraudulent Insurance Claim*

63. Trade Capital's practice was to purchase insurance with respect to Debtor invoices it purchased from Original Invoice Owners to cover losses to Trade Capital resulting from bankruptcy or significant payment defaults relating to invoices owned by Trade Capital. Credit insurance typically does not include losses resulting from fraud or from unresolved invoice disputes.

64. The initial invoices purchased by Trade Capital in late 2011 and early 2012 were insured by credit insurance policies held by Trade Capital's Original Invoice Owners. Insurance proceeds from the Original Invoice Owners' insurance proceeds were assigned to Trade Capital as a third party payee.

65. Virtucall, Mr. Cook, Mr. D'Aoust and Mr. Barker represented to Trade Capital that Virtucall insured its invoices with EDC.

66. In the Spring of 2012, the receivables from Global Medical Direct LLC ("Global") had deteriorated. After numerous communications between Mr. Thompson, Mr. Cook and Mr. Barker regarding the Global invoices, Trade Capital determined that it was in Trade Capital's best interest to file an insurance claim on the EDC policy with respect to the Global invoices.

67. Mr. Cook assured Trade Capital he and Mr. Barker had discussed payments with Global's directing minds and that Global had agreed to a payment plan of \$400,000.00 over a five week period.

68. Trade Capital received four payments of \$100,000.00 each purportedly from Global between June 22, 2012 and July 11, 2012. As a result of the four payments purportedly from Global, Trade Capital purchased new invoices from Global. The payment to Global for the four additional \$100,000.00 invoices totaled \$308,000.00.

69. A second payment plan identical to that of the first Global payment plan was agreed to by all parties, including EDC. Such was confirmed by way of letter from EDC dated July 18, 2012.

70. Trade Capital did not receive any payments with respect to this second Global payment plan. As a result, it was represented to Trade Capital by Mr. Cook that Mr. Barker, with the assistance of Mr. Cook, submitted a claim to EDC, which claim was in the amount of \$1,832,150.00.

71. In June 2013, Mr. Thompson directed Mr. Cook to arrange a conference call with Mr. Neil Spence ("Mr. Spence") of EDC. During the conference call on June 28, 2013, a person purporting to be Mr. Spence of EDC stated that the EDC claim had been authorized for payment on June 17, 2013 and that the payment was expected to be made to Trade Capital on July 18, 2013.

72. On August 7, 2013, Trade Capital received a wire transfer payment which appeared to be from EDC in the amount of \$224,990.00, which payment was represented by Mr. Cook as being the collections received by EDC from Global.

73. Mr. Cook informed Mr. Thompson that payment of the balance of the EDC claim would follow. Trade Capital did not receive any further payments from EDC.

74. During the September 24 Meeting, Mr. Cook stated that the EDC claim was never made. Mr. Cook stated, "...it's not EDC insured the way it's thought to be". When he was asked again later in the conversation by Mrs. Herring if, "*the whole EDC thing is just a creation?*" Mr. Cook replied, "*there really was Global debt, there really is non-payment. There really is a lawsuit but the EDC thing is not real*".

75. Mr. Cook further stated during the September 24 Meeting that he had manufactured conference calls so as to make it appear that representatives of EDC, such as Mr. Spence, had participated in such conference calls. Mr. Cook also stated that he manufactured EDC letterhead and letters appearing to be written by EDC, which indicated that the EDC claim had been approved by EDC.

76. On or about September 23, 2013, Trade Capital received an email from its bank that advised that the August 7, 2013 wire transfer payment represented by Mr. Cook as having been made by EDC was in fact paid by Mr. Cook's company, Jobec RT.

77. On October 4, 2013, Trade Capital's bank informed Mrs. Thompson that four wire transfer payments made between June 22, 2012 and July 11, 2012, which were represented by Mr. Cook as having been paid by Global or EDC, were in fact paid by Jobec.

### ***Replacement Invoices***

78. After purchasing the invoices in the manner set out above, the majority of the invoices went unpaid. A small number of invoices were paid to convince Trade Capital to continue to advance funds to the Original Invoice Owners and others.

79. Beginning in early 2013, in order to keep the fraud going, Virtucall, Superior and 233 offered to replace the unpaid invoices with invoices purportedly issued to Wells Fargo, Enbridge and Bell Canada Enterprises (“Bell”) (“Replacement Invoices”).

80. The amount owing on the Replacement Invoices offered to Trade Capital took into account the interest that had accrued on the unpaid invoice that was being replaced. For example, an invoice that Trade Capital had purchased worth \$100.00 with accrued interest of \$10.00 was replaced by a Replacement Invoice with a value of \$110.00.

81. In most cases, Trade Capital accepted the Replacement Invoices as Trade Capital believed that the invoices were issued to reputable corporations and that Trade Capital would be paid on the invoices.

82. In order to purchase the Replacement Invoices, Trade Capital went through the same control procedures it had done with the original invoices. As is set out below, unlike the original purchase of fraudulent invoices, the individuals who confirmed the fraudulent invoices on behalf of the Debtors appear to be real individuals employed by the Debtors.

83. With respect to the Wells Fargo invoices:

- (a) the notification letters were emailed to Matteo Pennacchio at the email address of “matteopennacchio@wellsfargo.com”, for his confirmation and acceptance on behalf of Wells Fargo;

- (b) Mrs. Thompson confirmed that the email domain of Mr. Pennacchio's email address is in fact an email domain of Wells Fargo by searching Wells Fargo's website, which contains various email addresses with the same domain used in Mr. Pennacchio's email address;
- (c) Trade Capital received fax transmissions of the notification letters signed by Mr. Pennacchio from what appeared to Trade Capital to be a Wells Fargo fax machine;
- (d) on June 12, 2013, Mrs. Thompson received an email from Mr. Cook stating that Mr. Pennacchio was no longer with Wells Fargo; and,
- (e) during the September 24 Meeting, Mr. Cook stated that the Wells Fargo invoices were fraudulent and that a person employed with Wells Fargo participated in the fraud.

84. With respect to Enbridge:

- (a) the notification letters were provided to Mr. Frank Zito by way of email message, to the address of Frank.Zito@enbridge.com;
- (b) Mrs. Thompson confirmed that the email domain of Mr. Zito's email address is in fact an email domain of Enbridge by searching Enbridge's website, which contains various email addresses with the same domain used in Mr. Zito's email address; and,
- (c) email messages sent from Mr. Zito to Trade Capital were sent from the email address of frankzito@telus.blackberry.net.

85. With respect to Bell:

- (a) the notification letters were provided to Ms. Simone Sladkowski (“Ms. Sladkowski”) at the email address of “simone.sladkowski@bell.ca” which contains a valid Bell email domain;
- (b) after the fraud was discovered, Mrs. Thompson confirmed that the email domain of Ms. Sladkowski’s email address is in fact an email domain of Bell by searching Bell’s website, which contains various email addresses with the same domain used in Ms. Sladkowski’s email address; and,
- (c) email messages sent from Ms. Sladkowski to Trade Capital were sent from the email address of “Simone.Sladkowski@bell.blackberry.net”.

86. During the September 24 Meeting, Mr. Cook explained “There are false documents some of which I participated in some of which were presented to me. There are real people who work at these companies like Bell or Enbridge or Wells Fargo...”. Then, in response to Mrs. Herring’s question, “so they’re real, so we’re verifying invoices with folks at Bell, Enbridge and Wells Fargo who are in fact employees of those institutions who are, saying yes to us?”, Mr. Cook stated “That’s right.”.

87. A little later during the September 24 Meeting, Mr. Jackson, in discussing Bell, Enbridge and Wells Fargo, asked Mr. Cook “are you suggesting that this is just a whole big web of compromised people? Because if there are senior people in those companies that are producing false invoices its part a compromised web.” Mr. Cook answered “yes”.

88. Trade Capital’s lawyers sent letters demanding payment of the invoices to Wells Fargo, Bell and Enbridge, all of which denied that the invoices were valid.



89. Trade Capital did not receive payment on a single Enbridge or Bell invoice. Trade Capital believed that it received a payment on a Wells Fargo invoice, but it subsequently learned that the payment in the amount of \$136,753.90 was made by wire transfer dated April 18, 2013, from WF Canada.

90. As a result of purchasing the Replacement Invoices, at the time the fraud was discovered, Trade Capital owned \$9,559,645.64 of invoices which were fraudulent. The advances by Trade Capital against those invoices was \$5,051,721.79 CAD and \$1,479,471.12 USD.

#### **THE NORWICH PHARMACAL ORDER AND TRACING TRADE CAPITAL'S ASSETS**

91. On or about October 28, 2013, Trade Capital obtained a *Norwich Pharmacal* Order which allowed it to trace the assets it had advanced on account of the fraudulent invoices, as set out in the following paragraphs. It discovered that the Defendants perpetrated, facilitated and/or benefited from the fraud and/or received and/or transferred Trade Capital's assets with knowledge of the fraud.

##### ***A. Invoices purchased from Virtucall LLC***

92. Between November of 2011 and July of 2012, Trade Capital was provided with various invoices for purchase by Virtucall purportedly issued by Virtucall LLC to Global. Trade Capital was advised that Virtucall LLC was a subsidiary of Virtucall.

93. On each occasion, Trade Capital provided Virtucall LLC with a Trade Capital Notification Sheet for execution which provided, in part, that, "*we certify that each RECEIVABLE represents a valid and bona fide sale, that the goods, merchandise and/or*

*services represented by the RECEIVABLE have been validly delivered and/or completely rendered...*" ("Notification Sheet") which listed the invoices being purchased.

94. On each occasion Mr. Barker executed the Notification Sheet on behalf of Virtucall and returned it to Trade Capital, confirming the invoice amounts.

95. On each occasion, Mrs. Thompson received an email from Mr. Cook which either forwarded an email from Bob Shea, the purported President of Global, which confirmed the invoice amounts or which confirmed that Mr. Cook had confirmed the invoice amounts with Mr. Shea. Trade Capital now does not believe that Mr. Shea actually sent the confirming emails, but instead that they were sent by Mr. Cook or others working with him.

96. Trade Capital's policy with Virtucall was that it would not fund the purchase of a new invoice until the oldest outstanding invoice owned by Trade Capital had been paid in full. In June of 2012, Virtucall proposed a payment plan whereby Global would make weekly payments of \$100,000.00 USD to Trade Capital in exchange for Trade Capital purchasing an invoice rendered to Global every week with a value of \$100,000.00 USD.

97. Prior to each advance, Trade Capital either received full payment of a previously purchased invoice or a \$100,000.00 USD payment pursuant to the payment plan, which completed Trade Capital's control procedure for purchasing a new invoice. Trade Capital later discovered that payment of the invoices and of the payment plan payments came from a TD account opened up in the name Global Medical, which was a sole proprietorship registered to Mr. Barker.

98. As a result, Trade Capital transferred to Virtucall certain amounts to Virtucall in U.S. funds on account of the invoices, as set out in the charts below.

99. Shortly after the funds were deposited into the Virtucall US Account, the funds were distributed as set out in the charts below by means of wire transfer, bank draft or cheque as follows:

**Virtucall Funding #1**

Date	Description	Withdrawals/debits	Deposits/credits
09/11/2011	Transfer from Trade Capital		\$ 146,066.20
09/11/2011	Wire to RMP	\$ 77,465.16	
09/11/2011	Wire from CoreFirst		\$ 9,790.00
09/11/2011	Transfer to Virtucall CDN\$	\$ 29,821.07	
09/11/2011	Wire from unknown		\$ 72,097.65
09/11/2011	Transfer to Unknown	\$ 20,000.00	
09/11/2011	Cheque 366 to Website Buddy	\$ 56,000.00	
10/11/2011	Transfer to Virtucall CDN\$	\$ 29,928.17	
		\$ 213,214.40	\$ 227,953.85
	Miscellaneous	\$ 14,739.45	
		\$ 227,953.85	\$ 227,953.85

**Virtucall Funding #2**

Date	Description	Withdrawals/debits	Deposits/credits
16/11/2011	Transfer from Trade Capital		\$ 88,484.22
16/11/2011	Transfer to Virtucall CDN\$	\$22,821.92	
17/11/2011	Wire to Xynergy	\$37,259.95	
17/11/2011	Transfer to Virtucall CDN\$	\$34,567.90	
		\$94,649.77	\$ 88,484.22
	miscellaneous	-\$ 6,165.55	
		\$88,484.22	\$ 88,484.22

**Virtucall Funding #3**

Date	Description	Withdrawals/debits	Deposits/credits
07/12/2011	Transfer from Trade Capital		\$ 161,977.10
08/12/2011	Transfer to Barker Global	\$ 90,000.00	
08/12/2011	Wire To Jobec	\$ 45,050.18	
08/12/2011	Transfer to Virtucall CDN\$	\$ 19,864.92	
		\$154,915.10	\$ 161,977.10
	miscellaneous	\$ 7,062.00	
		\$161,977.10	\$ 161,977.10

**Virtucall Funding #4**

Date	Description	Withdrawals/debits	Deposits/credits
23/12/2011	Transfer from Trade Capital		\$ 66,878.60
23/12/2011	Transfer to Virtucall CDN\$	\$ 19,956.10	
23/12/2011	Transfer to Virtucall CDN\$	\$ 19,950.12	
23/12/2011	Cheque 388 to Website Buddy	\$ 23,000.00	
		\$ 62,906.22	\$ 66,878.60
	miscellaneous	\$ 3,972.38	
		\$ 66,878.60	\$ 66,878.60

**Virtucall Funding #5**

Date	Description	Withdrawals/debits	Deposits/credits
29/12/2011	Transfer from Trade Capital		\$ 176,295.75
29/12/2011	Transfer to Barker Global	\$ 150,750.00	
29/12/2011	Transfer to Virtucall CDN\$	\$ 19,936.20	
		\$ 170,686.20	\$ 176,295.75
	miscellaneous	\$ 5,609.55	
		\$ 176,295.75	\$ 176,295.75

**Virtucall Funding #6**

Date	Description	Withdrawals/debits	Deposits/credits
05/01/2012	Transfer from Trade Capital		\$ 150,496.95
05/01/2012	Transfer to Barker Global	\$ 151,000.00	
		\$ 151,000.00	\$ 150,496.95
	miscellaneous	-\$ 503.05	
		\$ 150,496.95	\$ 150,496.95

**Virtucall Funding #7**

Date	Description	Withdrawals/debits	Deposits/credits
25/01/2012	Transfer from Trade Capital		\$ 171,979.50
25/01/2012	Transfer to Virtucall CDN\$	\$ 20,249.06	
26/01/2012	Transfer to Superior	\$ 100,000.00	
27/01/2012	cheque 399 to Instinctive Edge	\$ 46,160.00	
		\$ 166,409.06	\$ 171,979.50
	miscellaneous	\$ 5,570.44	
		\$ 171,979.50	\$ 171,979.50

**Virtucall Funding #8**

Date	Description	Withdrawals/debits	Deposits/credits
09/02/2012	Transfer from Trade Capital		\$ 164,536.80
09/02/2012	Transfer to Barker Global	\$ 133,000.00	
		\$ 133,000.00	\$ 164,536.80
	miscellaneous	\$ 31,536.80	
		\$ 164,536.80	\$ 164,536.80

**Virtucall Funding #9**

Date	Description	Withdrawals/debits	Deposits/credits
22/06/2012	Transfer from Trade Capital		\$ 77,000.00
22/06/2012	Transfer to Virtucall CDN\$	\$ 19,864.92	
22/06/2012	cheque 504 to Virtucall LLC	\$ 6,500.00	
25/06/2012	Transfer to Virtucall CDN\$ cheque 490 to Mississippi	\$ 12,857.28	
25/06/2012	Public Utilities	\$ 6,000.00	
25/06/2012	cheque 506 to D'Aoust	\$ 13,243.50	
25/06/2012	cheque 505 to Website Buddy	\$ 10,276.00	
		\$ 68,741.70	\$ 77,000.00
	miscellaneous	\$ 8,258.30	
		\$ 77,000.00	\$ 77,000.00

**Virtucall Funding #10**

Date	Description	Withdrawals/debits	Deposits/credits
27/06/2012	Transfer from Trade Capital		\$ 77,000.00
27/06/2012	Transfer to Virtucall CDN\$	\$ 29,705.91	
27/06/2012	cheque 500 to Five 9	\$ 12,115.83	
27/06/2012	cheque 507 to D'Aoust	\$ 13,132.50	
28/06/2012	Transfer to Virtucall CDN\$	\$ 29,472.44	
28/06/2012	Transfer to Virtucall CDN\$	\$ 6,921.10	
		\$ 91,347.78	\$ 77,000.00
	miscellaneous	-\$ 14,347.78	
		\$ 77,000.00	\$ 77,000.00

**Virtucall Funding #11**

Date	Description	Withdrawals/debits	Deposits/credits
06/07/2012	Transfer from Trade Capital		\$ 77,000.00
06/07/2012	Transfer to Virtucall CDN\$	\$29,934.14	
06/07/2012	Transfer to Virtucall CDN\$	\$21,002.10	
09/07/2012	Transfer to Virtucall CDN\$	\$18,000.00	
09/07/2012	cheque 514 to D'Aoust	\$12,375.00	
		\$81,311.24	\$ 77,000.00
	miscellaneous	-\$ 4,311.24	
		\$77,000.00	\$ 77,000.00

**Virtucall Funding #12**

Date	Description	Withdrawals/debits	Deposits/credits
12/07/2012	Transfer from Trade Capital		\$ 77,000.00
12/07/2012	Transfer to Virtucall CDN\$	\$ 19,974.03	
13/07/2012	Transfer to Virtucall CDN\$	\$ 30,095.19	
13/07/2012	Transfer to Virtucall CDN\$	\$ 25,125.63	
		\$ 75,194.85	\$ 77,000.00
	miscellaneous	\$ 1,805.15	
		\$ 77,000.00	\$ 77,000.00

100. Trade Capital was not paid on account of any of the invoices it purchased from Virtucall setout above.

101. As set out in the charts above, Trade Capital has found that the following Defendants, among others, received at least the following sums of Trade Capital's funds in U.S. dollars as a result of Trade Capital's purchase of fraudulent invoices from Virtucall LLC:

- (a) Virtucall (Canadian account) - \$460,048.20;
- (b) Mr. Barker operating as Global Medical - \$524,750.00;
- (c) Mr. D'Aoust - \$38,751.00;
- (d) Superior - \$100,000.00;
- (e) Jobec - \$45,050.18; and,
- (f) Virtucall LLC - \$6,500.00.

***B. Invoices Purchased from Superior***

102. Between November of 2011 and January of 2013, Trade Capital was provided with various invoices for purchase by Superior issued to Global, Orsini and Debtresolve.

103. On each occasion, Trade Capital provided Superior with a Notification Sheet which listed the invoices being purchased.

104. On each occasion, Mr. D'Aoust, the purported President of Superior, executed the Notification Sheet on behalf of Superior and returned it to Trade Capital, confirming the invoice amounts. However, Trade Capital now knows that Mr. Barker is the President of Superior.

105. For each invoice, Trade Capital received an email from Mr. Cook which forwarded an email purportedly from the representative of the Debtor which confirmed the invoice amounts. Trade Capital now does not believe that any of the purported Debtor representatives actually sent the confirming emails, with the exception of Mr. Racca. The other emails were sent by Mr. Cook or other defendants working with him.

106. As a result, Trade Capital transferred to Superior certain amounts into a TD bank account or a CIBC bank account maintained by Superior on account of the invoices, as set out in the charts below.

107. On four occasions, at Superior's request, Trade Capital transferred the advance money to other entities, that being, CJR Consulting, Instinctive Edge LLC, Virtucall and 222, on account of invoices purchased from Superior, instead of to Superior.



108. Shortly after the funds were deposited into the bank account, the funds were distributed as set out in the charts below by means of wire transfer, bank draft or cheque as follows:

### Superior Funding #1

Date	Description	Withdrawals/Debits	Deposits/Credits
25/11/2011	Transfer from Trade Capital		\$ 221,606.24
	transfer to Virtucall CDN\$	\$ 220,000.00	
		\$ 220,000.00	\$ 221,606.24
	miscellaneous	\$ 1,606.24	
		\$ 221,606.24	\$ 221,606.24

### Superior Funding #2

Date	Description	Withdrawals/Debits	Deposits/Credits
02/12/2011	Transfer from Trade Capital		\$ 124,316.28
	transfer to Virtucall CDN\$	\$ 125,000.00	
		\$ 125,000.00	\$ 124,316.28
	Miscellaneous	-\$ 683.72	
		\$ 124,316.28	\$ 124,316.28

### Superior Funding #3

Date	Description	Withdrawals/Debits	Deposits/Credits
26/01/2012	Transfer from Trade Capital		\$ 99,096.53
27/01/2012	transfer to Virtucall CDN\$	\$ 50,000.00	
02/02/2012	Deposit from unknown		\$ 9,500.00
03/02/2012	Transfer to Barker Global	\$ 67,000.00	
		\$ 117,000.00	\$108,596.53
	miscellaneous	-\$ 8,403.47	
		\$108,596.53	\$108,596.53

**Superior Funding #4**

Date	Description	Withdrawals/Debits	Deposits/Credits
27/06/2012	Deposit from Trade Capital		\$ 35,867.80
	transfer to Virtucall CDN\$ TD	\$ 35,500.00	
		\$ 35,500.00	\$ 35,867.80
		\$ 367.80	
		\$ 35,867.80	\$ 35,867.80

**Superior Funding #5**

Date	Description	Withdrawals/Debits	Deposits/Credits
11/07/2012	Transfer from Trade Capital		\$ 65,000.00
	transfer to Virtucall CDN\$	\$ 40,000.00	
16/07/2012	transfer to Virtucall CDN\$	\$ 7,000.00	
17/07/2012	transfer to Virtucall CDN\$	\$ 11,000.00	
18/07/2012	transfer to Virtucall CDN\$	\$ 7,400.00	
		\$ 65,400.00	\$ 65,000.00
	miscellaneous	-\$ 400.00	
		\$ 65,000.00	\$ 65,000.00

**Superior Funding #6**

Date	Description	Withdrawals/Debits	Deposits/Credits
31/07/2012	Transfer from Trade Capital		\$ 65,000.00
	transfer to Virtucall CDN\$	\$ 65,000.00	
		\$ 65,000.00	\$ 65,000.00
		\$ -	
		\$ 65,000.00	\$ 65,000.00

**Superior Funding #7**

Date	Description	Withdrawals/Debits	Deposits/Credits
10/08/2012	Transfer from Trade Capital		\$ 35,000.00
	transfer to Virtucall CDN\$	\$ 34,770.67	
		\$ 34,770.67	\$ 35,000.00
		\$ 229.33	
		\$ 35,000.00	\$ 35,000.00

**Superior Funding #8**

Date	Description	Withdrawals/Debits	Deposits/Credits
21/08/2012	Transfer from Trade Capital		\$ 65,000.00
	transfer to Virtucall CDN\$	\$ 60,000.00	
		\$ 60,000.00	\$ 65,000.00
	miscellaneous	\$ 5,000.00	
		\$ 65,000.00	\$ 65,000.00

**Superior Funding #9**

Date	Description	Withdrawals/Debits	Deposits/Credits
26/09/2012	Transfer from Trade Capital		\$ 93,341.40
28/09/2012	Chq 48- Cash House	\$ 21,000.00	
	chq- 86- 23362920	\$ 6,000.00	
01/10/2012	transfer to Virtucall CDN\$	\$ 40,000.00	
	Chq 47- Cash House.	\$ 21,000.00	
		\$ 88,000.00	\$ 93,341.40
	Miscellaneous	\$ 5,341.40	
		\$ 93,341.40	\$ 93,341.40

**Superior Funding #10**

Date	Description	Withdrawals/Debits	Deposits/Credits
02/11/2012	Wire from Trade Capital		\$ 172,258.35
05/11/2012	Wire to- Jobec	\$ 135,290.00	
06/11/2012	Bank draft- 233	\$ 35,000.00	
	email transfer to		
08/11/2012	Cadenhead	\$ 1,000.00	
		<u>\$ 171,290.00</u>	<u>\$ 172,258.35</u>
	miscellaneous	\$ 968.35	
		<u>\$ 172,258.35</u>	<u>\$ 172,258.35</u>

**Superior Funding #11**

Date	Description	Withdrawals/Debits	Deposits/Credits
30/11/2012	Wire from Trade Capital		\$ 81,239.77
03/12/2012	Deposit from 233		\$ 13,000.00
03/12/2012	Bank Draft- Cash House	\$ 91,850.00	
		<u>\$ 91,850.00</u>	<u>\$ 94,239.77</u>
	miscellaneous	\$ 2,389.77	
		<u>\$ 94,239.77</u>	<u>\$ 94,239.77</u>

**Superior Funding #12**

Date	Description	Withdrawals/Debits	Deposits/Credits
04/01/2013	Wire from Trade Capital		\$ 292,456.69
04/01/2013	Bank Draft- Cash House	\$ 278,200.00	
		<u>\$ 278,200.00</u>	<u>\$ 292,456.69</u>
	miscellaneous	\$ 14,256.69	
		<u>\$ 292,456.69</u>	<u>\$ 292,456.69</u>

**Superior Funding #13 – Paid to Instinctive Edge LLC**

109. Trade Capital was unable to determine where the money was transferred following the funding by Trade Capital because Wells Fargo Bank N.A. does not recognize the Norwich Order.

**Superior Funding #14 – Paid to Mr. Bennett carrying on business as CJR Consulting**

Date	Description	Withdrawals/Debits	Deposits/Credits
30/10/2012	Wire from Trade Capital		\$ 158,333.20
	Cash Withdrawal-unknown recipient	\$ 1,000.00	
	Transfer- Chris Bennett	\$ 2,003.00	
	Jobec	\$ 39,000.00	
01/11/2012	Greenlink Group	\$ 59,157.50	
02/11/2012	Cash Withdrawal-unknown recipient	\$ 1,000.00	
	Jobec	\$ 40,000.00	
06/11/2012	233	\$ 10,007.50	
08/11/2012	Cash Withdrawal-unknown recipient	\$ 4,350.00	
		\$ 156,518.00	\$ 158,333.20
	miscellaneous	\$ 1,815.20	
		\$ 158,333.20	\$ 158,333.20

**Superior Funding #15 – Paid to Virtucall**

Date	Description	Withdrawals/Debits	Deposits/Credits
3/8/2012	Wire from Trade Capital		\$ 190,690.50
3/8/2012	Draft- Jobec	\$ 189,000.00	
		\$ 189,000.00	\$ 190,690.50
	Surplus	\$ 1,690.50	
		\$ 190,690.50	\$ 190,690.50

**Superior Funding #16 – Paid to 222**

Date	Description	Withdrawals/Debits	Deposits/Credits
19/06/2013	Wire From Trade Capital		\$ 193,393.20
21/06/2013	Draft-Zahra Kumar	\$ 10,000.00	
24/06/2013	Chq 3-Mark Pintucci	\$ 10,000.00	
	Chq 8-1461	\$ 10,000.00	
	Chq 1-Pizza Rustica	\$ 5,000.00	
	Chq 2-225	\$ 103,200.00	
25/06/2013	Chq 4-Rocky Racca	\$ 41,500.00	
27/06/2013	Cash Withdrawal-S. Anwari	\$ 2,600.00	
28/06/2013	Draft-Yii Yong Siik	\$ 10,000.00	
		\$ 192,300.00	\$ 193,393.20
	Surplus	\$ 1,093.20	
		\$ 193,393.20	\$ 193,393.20

110. Trade Capital was not paid on account of any of the invoices it purchased from Superior set-out above.

111. As set out in the charts above, the following Defendants, among others, received the following sums of Trade Capital's funds in Canadian dollars as a result of Trade Capital's purchase of fraudulent invoices from Superior:

- (a) Virtucall - \$695,670.67;
- (b) Mr. Barker carrying on business as Global - \$67,000.00;
- (c) Cash House - \$412,050.00;
- (d) Jobec - \$403,290.00
- (e) Greenlink Group - 59,157.50;

- (f) 233 - \$32,007.50;
- (g) Mr. Racca - \$41,500.00;
- (h) 225 - \$103,200.00;
- (i) 146 - \$10,000.00;
- (j) Mr. Cadenhead - \$1,000.00; and,
- (k) Mr. Bennett - \$2,003.00.

***C. Invoices purchased from Greenlink***

112. Between January of 2012 and March of 2013, Trade Capital was provided with various invoices for purchase purportedly issued by Greenlink to PTI Premium Camp Services (“PTI”) and Compass Group PLC (“Compass”).

113. On each occasion Mr. Cadenhead, the purported President of Greenlink, executed a Notification Sheet with respect to the invoices and their amounts. Trade Capital now knows that Mr. D’Aoust is the President of Greenlink.

114. For each invoice, Trade Capital received an email from Mr. Cook which forwarded an email purportedly from the representative of the Debtor which confirmed the invoice amounts. Trade Capital now believes that the email confirmations purportedly from the representatives of the Debtor were fraudulent emails written by Mr. Cook or someone working with Mr. Cook.

115. As a result, Trade Capital wired certain amounts into Scotia Bank account number 10132-01513-19 maintained by Greenlink Group or CIBC account number 12010-42-24213 maintained

by Greenlink Inc. on account of the invoices, as set out in the chart below. Trade Capital was also requested to advance one funding to CJR Consulting.

116. Shortly after the funds were deposited into the bank accounts, the funds were distributed as set out in the charts below by means of wire transfer, certified cheque, bank draft or cheque as follows:

**Greenlink Funding #1 – Paid to Greenlink Inc.**

Date	Description	Withdrawal/debits	Deposits/credits
09/01/2012	wire from Trade Capital		\$ 168,907.66
10/01/2012	certified cheque #53- Living Benefits	\$ 98,000.00	
	certified cheque #54- Living Benefits	\$ 37,000.00	
	cheque 58- Dayawansa Wickramasinghe	\$ 5,000.00	
	cheque 33- Bonny Lokuge	\$ 2,000.00	
11/01/2012	cheque 60- Bonny Lokuge	\$ 3,000.00	
	Subtotals	\$ 145,000.00	\$ 168,907.66
	miscellaneous	\$ 23,907.66	
	Total	\$ 168,907.66	\$ 168,907.66

**Greenlink Funding #2 – Paid to Greenlink Inc.**

Date	Description	Withdrawal/debits	Deposits/credits
17/07/2012	Wire from Trade Capital		\$ 74,905.00
18/07/2012	certified cheque 121- Virtucall CDN\$	\$ 74,885.00	
	Subtotals	\$ 74,885.00	\$ 74,905.00
	miscellaneous	\$ 20.00	
	Total	\$ 74,905.00	\$ 74,905.00



**Greenlink Funding #3 – Paid to Greenlink Group**

Date	Description	Withdrawal/Debit	Deposit/Credit
16/08/2012	Wire from Trade Capital		\$ 197,945.29
	Bank Draft- 146	\$ 41,026.50	
17/08/2012	Bank draft- Osler Hoskin Harcourt LLP	\$ 15,000.00	
20/08/2012	Bank Draft- Superior	\$ 40,000.00	
	Bank Draft- Virtucall CDN\$	\$ 51,000.00	
27/08/2012	Bank Draft- Virtucall CDN\$	\$ 22,000.00	
28/08/2012	Bank Draft- Virtucall CDN\$	\$ 16,000.00	
31/08/2012	Bank Draft- Virtucall CDN\$	\$ 12,500.00	
		\$ 197,526.50	\$ 197,945.29
	miscellaneous	\$ 418.79	
	Total	\$ 197,945.29	\$ 197,945.29

**Greenlink Funding #4 – Paid to Greenlink Group**

Date	Description	Withdrawal/Debit	Deposit/Credit
28/09/2012	Wire from Trade Capital		\$ 195,170.00
02/10/2012	Bank Draft- Virtucall CDN\$	\$ 70,000.00	
03/10/2012	Bank Draft- Virtucall CDN\$	\$ 35,000.00	
10/12/2012	Bank Draft- Virtucall CDN\$	\$ 90,000.00	
		\$ 195,000.00	\$ 195,170.00
	Miscellaneous	\$ 170.00	
	Total	\$ 195,170.00	\$ 195,170.00

**Greenlink Funding #5 – Paid to Greenlink Group**

Date	Description	Withdrawal/Debit	Deposit/Credit
19/10/2012	Wire from Trade Capital		\$ 194,792.70
	Chq 36- 2013395	\$ 60,250.61	
22/10/2012	Deposit from 233		\$ 40,000.00
	Chq 5- Cash House	\$ 47,250.00	
	Chq 4- Cash House	\$ 47,250.00	
	Chq 6- Cash House	\$ 47,250.00	
	Chq 37- 146	\$ 17,650.05	
	Chq 38- 146	\$ 16,987.00	
	Chq 35- 1098837	\$ 5,000.00	
	Chq 3- Cash House	\$ 42,000.00	
23/10/2012	Transfer from Virtucall CDN\$		\$ 45,000.00
	Transfer from Virtucall CDN\$		\$ 27,000.00
		\$ 283,637.66	\$ 306,792.70
	Surplus	\$ 23,155.04	
	Total	\$ 306,792.70	\$ 306,792.70

**Greenlink Funding #6– Paid to Greenlink Group**

Date	Description	Withdrawal/Debit	Deposit/Credit
08/11/2012	Wire from Trade Capital		\$ 213,405.01
09/11/2012	Chq 81- Cash House	\$ 21,000.00	
	Chq 64- Cash House	\$ 26,250.00	
	Chq 62- Cash House	\$ 26,250.00	
	Chq 106- New Era Resolutions	\$ 3,000.00	
	Bank Draft- 233	\$ 75,000.00	
		\$151,500.00	\$ 213,405.01
	Surplus	\$ 61,905.01	
	Total	\$213,405.01	\$ 213,405.01

**Greenlink Funding 7 – Paid to Greenlink Group**

Date	Description	Withdrawal/Debit	Deposit/Credit
24/12/2012	Wire from Trade Capital		\$ 219,987.77
	Bank Draft- Cash House	\$ 185,032.50	
		\$ 185,032.50	\$ 219,987.77
	Surplus	\$ 34,955.27	
		\$ 219,987.77	\$ 219,987.77

**Greenlink Funding #8 – Paid to Greenlink Group**

Date	Description	Withdrawal/Debit	Deposit/Credit
31/12/2012	Wire from Trade Capital		\$ 127,872.00
	Bank Draft- Cash House	\$ 70,495.00	
	Bank Draft- 146	\$ 51,320.00	
		\$ 121,815.00	\$ 127,872.00
	surplus	\$ 6,057.00	
		\$ 127,872.00	\$ 127,872.00

**Greenlink Funding #9 – Paid to Greenlink Group**

Date	Description	Withdrawal/Debit	Deposit/Credit
11/03/2013	Wire from Trade Capital		\$ 375,504.00
	Bank Draft- 116	\$ 222,000.00	
	Bank Draft- 116	\$ 125,000.00	
		\$ 347,000.00	\$ 375,504.00
	Surplus	\$ 28,504.00	
		\$ 375,504.00	\$ 375,504.00

**Greenlink Funding #10 – Paid to Mr. Barker carrying on business as LC Exchange**

Date	Description	Withdrawal/Debits	Deposits/Credits
21/12/2011	Wire from Trade Capital		\$ 291,948.77
	Bank draft to Virtucall CDN\$	\$ 150,000.00	
22/12/2011	cash e-transfer to Tom Barker	\$ 1,000.00	
	Bank draft- R. Biggs.		
28/12/2011	Endorsed		
	and deposited into BMO bank account for 146	\$ 19,000.00	
	Bank draft- 146	\$ 24,000.00	
	Bank draft- D. Koblinsky.		
	Endorsed		
	and deposited into BMO bank account for 146	\$ 21,000.00	
	Bank draft- E. Moses.		
	Endorsed		
	and deposited into BMO bank account for 146	\$ 20,000.00	
03/01/2012	cash e-transfer to Tom Barker	\$ 1,000.00	
04/01/2012	cheque 4- 146	\$ 13,000.00	
05/01/2012	cheque 5- 146	\$ 13,000.00	
12/01/2012	Cheque 6- 146	\$ 20,000.00	
12/03/2012	Canadian Dollar bank draft to Virtucall CDN\$	\$ 9,000.00	
	Total transactions	\$ 291,000.00	\$ 291,948.77
	miscellaneous transactions	\$ 948.77	
	Balance	\$ 291,948.77	\$ 291,948.77

117. Trade Capital was not paid on account of any of the invoices it had purchased from Greenlink.

118. As set out in the charts above, the following Defendants, among others, received the following sums of Trade Capital's funds in Canadian dollars as a result of Trade Capital's purchase of fraudulent invoices from Greenlink:

- (a) Virtucall – \$593,385.00;
- (b) Cash House - \$512,777.50;
- (c) 116 - \$347,000.00;
- (d) 233 -\$35,000.00;
- (e) 146 – \$256,983.55;
- (f) Superior - \$40,000.00; and,
- (g) Mr. Barker - \$2,000.00.

***D. Invoices purchased from 233***

119. Between October and December of 2012, Trade Capital was provided with invoices from 233 to SNC Lavalin Inc. (“SNC”) for purchase.

120. On each occasion, Allan Keery, the President of 233, executed the Notification Sheet on behalf of 233 with respect to the invoice and returned it to Trade Capital.

121. In addition, on each occasion, Mrs. Thompson received an email from Jim Whitehouse, a Vice President of SNC, confirming the invoices in their stated amounts. Trade Capital now believes that the emails were not, in fact, sent by Mr. Whitehouse, but instead were sent by Mr. Cook or other defendants working with him.

122. As a result, Trade Capital wired 233 certain amounts into a TD bank account maintained by 233 on account of the invoices, as set out in the charts below. In addition, at

233's request, Trade Capital advanced funds to Millwalk on account of the purchase of two invoices from 223.

123. Shortly after the funds were deposited into the bank account, the funds were distributed as set out in the charts below by means of wire transfer, certified cheques or cheques as follows:

### 233 Funding #1

Date	Description	Withdrawals/Debits	Deposits/Credits
18/10/2012	transfer from Trade Capital		\$ 237,512.30
19/10/2012	Transfer to 2339989 US\$ account	\$ 35,322.00	
	Transfer to 2339989 US\$ account	\$ 35,322.00	
	Transfer to 2339989 US\$ account	\$ 6,602.05	
24/10/2012	Bank Draft- Greenlink Group	\$ 100,000.00	
25/10/2012	Chq 3- Greenlink Group	\$ 40,000.00	
		\$ 217,246.05	\$ 237,512.30
	Miscellaneous	\$ 20,266.25	
		\$ 237,512.30	\$ 237,512.30

### 233 Funding #2

Date	Description	Withdrawals/Debits	Deposits/Credits
15/11/2012	transfer from Trade Capital		\$ 245,430.21
	Certified Chq 243- Cash House	\$ 147,200.00	
	Chq 200- Greenlink Group	\$ 43,000.00	
16/11/2012	Certified Chq 244- Cash House	\$ 29,900.00	
		\$ 220,100.00	\$ 245,430.21
	Miscellaneous	\$ 25,330.21	
		\$ 245,430.21	\$ 245,430.21

**233 Funding #3**

Date	Description	Withdrawals/Debits	Deposits/Credits
11/12/2012	Transfer- Trade Capital		\$ 125,000.00
	Certified Chq 436- Cash House	\$ 69,335.00	
12/12/2012	Certified Chq 446- 146	\$ 50,000.00	
		\$ 119,335.00	\$ 125,000.00
	Miscellaneous	\$ 5,665.00	
		\$ 125,000.00	\$ 125,000.00

**233 Funding #4 – Paid to Millwalk**

Date	Description	Withdrawals/Debits	Deposits/Credits
06/09/2012	Wire from Trade Capital		\$ 245,310.21
	Bank Draft- Virtucall CDN\$	\$ 127,000.00	
	Bank Draft- Superior	\$ 24,956.00	
11/09/2012	Bank Draft- Virtucall	\$ 90,000.00	
		\$ 241,956.00	\$ 245,310.21
		\$ 3,354.21	
		\$ 245,310.21	\$ 245,310.21

**233 Funding #5 – Paid to Millwalk**

Date	Description	Withdrawals/Debits	Deposits/Credits
12/09/2012	Wire from Trade Capital		\$ 245,430.21
17/09/2012	Bank Draft- Virtucall CDN\$	\$ 125,000.00	
18/09/2012	Bank Draft- Superior	\$ 10,000.00	
	Bank Draft- Virtucall CDN\$	\$ 100,000.00	
		\$ 235,000.00	\$ 245,430.21
		\$ 10,430.21	
		\$ 245,430.21	\$ 245,430.21

124. Trade Capital was not paid on account of any of the invoices it had purchased from 233 set-out above.

125. As set out in the charts above, the following Defendants, among others, received the following sums of Trade Capital's funds as a result of Trade Capital's purchase of fraudulent invoices from 233:

- (a) 233 – \$77,246.05 USD;
- (b) Virtucall - \$442,000.00 CAD;
- (c) Cash House - \$246,435.00 CAD;
- (d) Superior - \$34,956.00 CAD;
- (e) Greenlink Group -\$183,000.00 CAD; and,
- (f) 146 - \$50,000.00 CAD.

*E. Summary of Amounts Traced to the Defendants*

126. In summary, using the *Norwich Order*, Trade Capital was able to trace its assets to the following Defendants, among others:

- a) Virtucall: \$1,731,055.67 CAD and \$460,000.00 USD;
- b) Cash House: \$1,171,262.50 CAD;
- c) 116: \$347,000.00 CAD;
- d) Jobec: \$403,290.00 CAD and \$45,050.18 USD;
- e) Mr. Racca: \$41,500.00 CAD;



- f) 225: \$103,200.00 CAD;
- g) 146: \$316,983.55 CAD;
- h) 233: \$144,253.55 CAD;
- i) Greenlink Group: \$242,157.50 CAD;
- j) Superior: \$74,956.00 CAD and \$100,000.00 USD;
- k) Mr. Barker: \$2,000.00 CAD;
- l) Mr. Barker operating as Global Medical: \$67,000.00 CAD and \$524,750.00 USD;
- m) Mr. Cadenhead: \$1,000.00 CAD;
- n) Mr. Bennett: \$2,003.00 CAD;
- o) Virtucall LLC: \$6,500.00 CAD; and,
- p) Mr. D'Aoust: \$38,751.00 USD.

127. As set out above, between 2011 and 2013, a large amount of Trade Capital's funds were transferred to Virtucall's TD Canadian bank account.

128. Trade Capital traced the flow of funds out of Virtucall's TD Canadian bank account during the time period that Trade Capital was defrauded and the following Defendants, among others, received the following amounts in Canadian dollars directly from Virtucall, although we cannot be certain all of the funds were Trade Capital's funds:

- a) 146: \$2,844,613.46;

- b) Cash House: \$2,722,222.50;
- c) Rocky Racca: \$33,330.00;
- d) Living Benefits: \$512,378.00;
- e) Mr. D' Aoust: \$4,500.00;
- f) Jobec: \$25,200.00; and,
- g) Mr. Cadenhead: \$8,000.00.
- h) New Era Resolutions & Consulting Inc.: \$3,000.00.

*F. Additional Information Obtained from Tracing Trade Capital's Assets*

*Cash House and 116*

129. Trade Capital obtained a copy of the Cash House's Scotiabank bank account statement. It showed, among other things that, after Trade Capital's funds were deposited into the Cash House's bank account, large amounts were transferred to, among other people and entities, 116.

130. In February of 2013, the Cash House Scotiabank Account was closed and thereafter the Cash House cheques were deposited directly into 116's account with the Buduchnist Credit Union.

*146 and Mr. DiDiomede*

131. Trade Capital identified two bank accounts in the name of 146 at the Bank of Montreal ("BMO"). Trade Capital obtained a copy of the account statements for both accounts, which

showed that, from November of 2011 until December of 2013, \$11 million was withdrawn from the two accounts as “Cheques Processed by Branch”.

132. A representative from BMO confirmed to Trade Capital that “Cheques Processed by Branch” is a cash withdrawal from a corporate bank account, which circumvents BMO’s policy that does not allow regular cash withdrawals from corporate bank accounts.

### *Virtucall*

133. Trade Capital obtained back-up documentation for the Virtucall TD Canadian account, which revealed that, between November of 2011 and October of 2013, Mr. D’Aoust, Mr. Barker and Mr. Racca deposited significant sums of money into Virtucall’s TD Canadian account, almost of all which were less than \$10,000.00 and many deposits were made on the same day at different TD branches.

### *225 and Mr. Racca*

134. Trade Capital was also able to trace funds transferred from 116 to 225 and Mr. Racca.

135. On March 5, 2013, 225 received \$242,505.00 from the Cash House. At around that time, “Carlo” with the email address [carlo@cashhouse.ca](mailto:carlo@cashhouse.ca) sent an email to Andrew Ostapchuk, a Financial Services Officer at BCU Financial Group, which appears to be affiliated with Buduchnist Credit Union, authorizing a wire in the amount of \$242,520.00 CDN to 225 and the related backup documentation.

136. On March 16, 2013, 116 transferred \$310,000.00 from its Buduchnist Credit Union account number 37922 to 225’s CIBC bank account number 64-94338.

G. The Second Norwich Order

136(a). On October 13, 2015, Trade Capital obtained a second Norwich Pharmacal Order which enabled Trade Capital to trace the funds in the bank accounts of Mr. Pintucci.

136(b). Trade Capital was able to trace funds from Mr. Pintucci's bank account to the Cash House, Ms. Sladkowski, Mr. Racca, Mike Santonato, Mary Santonato and Jeff Sladkowski.

136(c). As set out in paragraph 85 above, Mrs. Thompson was sending emails to simone.sladkowski@bell.ca and receiving emails from simone.sladkowski@bell.blackberry.net and sladkowskisimone@gmail.com between April of 2013 and September of 2013.

136(d). Mr. Pintucci made a payment in the amount of \$1,000.00 to Ms. Sladkowski on June 13, 2013 and a further payment of \$2,000.00 to Ms. Sladkowski on July 17, 2013, both of which payments were made in the same timeframe that Mrs. Thompson was communicating with Ms. Sladkowski.

136(e). Trade Capital pleads that Ms. Sladkowski and Mr. Pintucci participated in, facilitated, coordinated, organized and/or benefited from the fraudulent scheme perpetrated against Trade Capital.

136(f). In particular, Trade Capital pleads that Ms. Sladkowski was asked to facilitate the fraudulent scheme against Trade Capital by allowing emails to be sent to her work email account, communicating with others involved in the fraudulent scheme about the contents of the emails and the fraudulent scheme, and by engaging in acts or omissions to ensure that Mrs. Thompson was not alerted to the fraudulent scheme.

136(g). Trade Capital further pleads that Ms. Sladkowski took a number of steps to conceal her involvement in the fraudulent scheme. Specifically, she was careful not to send emails related to the fraudulent scheme from her work email account but rather she or others working in concert with her sent emails from sladkowskisimone@gmail.com and simone.sladkowski@bell.blackberry.net so that Ms. Sladkowski could deny her involvement in the fraudulent scheme.

136(h). Trade Capital further pleads that Ms. Sladkowski was paid by Mr. Pintucci, who is related to her, and others for her participation in the fraudulent scheme.

#### **FACTS DISCOVERED FROM MR. COOK'S EMAILS**

##### *Cash House, 116 and Mr. DeMaria*

137. Mr. De Maria is an officer and director of the Cash House and 116 and Mr. Jim De Maria is an officer and director of 116.

138. In reviewing the emails recovered from Mr. Cook's computer, Trade Capital found an email dated January 17, 2013 from Grace, a Director of Operations/Foreign Exchange at the Cash House, to Mr. Racca at Debt Resolve (a company of which Mr. Racca is the sole officer and director) which provided as follows:

*Rocky,*

*Your remaining balance for the week is \$298,000. We must have this payment by 1pm tomorrow via cash or draft.*

139. On January 17, 2013 at 8:08pm, Mr. Racca sent an email to Grace, Mr. D'Aoust and Marco Santonato, an officer and director of New Era Resolutions & Consulting Inc. (which

received \$3,000.00 of Trade Capital's funds and \$42,000.00 from Virtucall) and Peter Cook which provided as follows:

*Thanks Grace.  
Peter and Marc have been advised on Carlo's needs.  
It will get done.*

140. Trade Capital found an email string dated April 18, 2013, between Mr. Cook and Mr. D'Aoust which discusses whether Mr. Zito will send a confirmation email to Liquid Capital Corp. from his email or whether Mr. D'Aoust will send it and close copy Mr. Zito's email at Enbridge.

#### **MR. COOK'S FAMILY AND OAK HILLS**

140(a). In early to mid-2014, after the fraudulent scheme was discovered, Mr. Thompson had a conversation with Mr. Cook during which Mr. Cook told him that,

- a) he had purchased the distribution rights for a water business which he did not identify by name;
- b) the shares of the company were not in his name but in the names of his family members and his whole family was involved in the operation of the water business; and,
- c) the water business had leased or purchased a vehicle.

140(b). At that time, it did not occur to Mr. Thompson that Mr. Cook might have used funds fraudulently procured from Trade Capital to purchase the water company.

140(c). After Trade Capital conducted an extensive investigation using the Norwich Pharmacal Order and determined that (a) it could not at that time trace any of the fraudulently procured

funds to bank accounts owned by Mr. Cook, one of the primary perpetrators of the fraud; and, (b) significant amounts of the fraudulently procured funds were converted into cash, Trade Capital concluded that Mr. Cook had used cash he received from the funds fraudulently procured from Trade Capital to purchase the water company.

140(d). In or around May of 2015, Mr. Thompson conducted some internet searches and found a listing for Oak Hills on the Greater Oshawa Chamber of Commerce website. The contact for the company was identified as Mr. Cook and the cell phone number provided was 905-391-0051. Mr. Thompson recognized the phone number because it was the phone number for the cell phone Mr. Cook used when he was at Trade Capital.

140(e). The listing for Oak Hills has a link called "Visit Site". When Mr. Thompson clicked on the link, it led him to a website for Oak Hills Artesian Water Company. The website indicated that the contact email for the Toronto East Durham/Whitby office was peter@oakhillswaterdurham.com.

140(f). Oak Hills is the water business Mr. Cook had discussed with Mr. Thompson in 2014.

140(g). The corporation profile report for Oak Hills indicates that it:

- a) was incorporated on January 31, 2014, four months after the fraudulent scheme perpetrated against Trade Capital was discovered;
- b) has a registered office address of 1173 Salmers Drive, which is Mr. Cook's home address; and,
- c) the officers and directors of Oak Hills are Mrs. Cook, Joshua and Rebecca.

140(h). Joshua, Mrs. Cook and Rebecca do not have any experience owning or operating a water distribution business and they did not have the financial resources to acquire such a business.

140(i). Trade Capital pleads that:

- a) Mr. Cook, as one of the main perpetrators of the fraudulent scheme against Trade Capital, received cash from the funds fraudulently stolen from Trade Capital;
- b) Mr. Cook, knowing that any assets held in his name would likely be seized, used the fraudulently obtained funds to purchase the distribution rights and the assets of Oak Hills and deposited the fraudulently procured funds into bank accounts belonging to Mrs. Cook, Joshua, Rebecca and/or Oak Hills; and,
- c) Mrs. Cook, Joshua and/or Rebecca transferred some of the fraudulently procured funds into bank account(s) belonging to Oak Hills.

## **LIABILITY**

141. Trade Capital alleges that all of the defendants knowingly participated in, facilitated, coordinated, organized and/or benefitted from the fraudulent scheme against Trade Capital, the full particulars of which are within the knowledge of the defendants.

141(a). In furtherance of the fraudulent scheme, the participants in the fraudulent scheme including the defendants communicated with each other before, during and after the perpetration of the fraudulent scheme. The particulars of the communications between the participants in the scheme are within the knowledge of the participants. The communications were made by various means including orally, in writing and electronically, including by text and email.



141(b). In furtherance of the fraudulent scheme, each of the defendants used accounts at financial institutions, held by them and/or an entity in which they had a direct or indirect interest, to do the following:

(a) receive and/or transfer the proceeds of the fraudulent scheme;

(b) compensate participants in the fraudulent scheme, including participants who have not yet been identified, for their role in the fraudulent scheme;

(c) retain, transfer, deal with or dissipate the proceeds of the fraudulent scheme or the compensation they received for participating in the fraudulent scheme; and,

(d) such further and other conduct as may be advised before trial.

The particulars of the manner in which they used the accounts is within the knowledge of each of the defendants.

141 (c). Some or all of the participants in the fraudulent scheme including the defendants are known to one another and/or share familial relations. The participants in the fraudulent scheme including the defendants were recruited to participate in or assist with the fraudulent scheme through their social connections and family relationships. The participants in the fraudulent scheme used their social connections and family relationships to recruit others into the fraudulent scheme and to further the fraudulent scheme. The social connections and family relationships of the participants in the fraudulent scheme including the defendants are within the knowledge of the defendants.

**NDRANGHETA**

141(d). The fraudulent scheme perpetrated by Trade Capital was part of a series of other fraudulent schemes against factoring companies including Invico, Liquid Capital and Trade Finance Solutions.

141(e). The fraudulent schemes were planned, financed, facilitated and/or organized, at least in part, by members of the Ndrangheta. The Ndrangheta is a criminal organization centred in Calabria, Italy. The Ndrangheta is built on a confederacy of like-minded clans, each relying on family bonds. The Ndrangheta has a heavy presence in Canada and has set up money laundering operations in Ontario.

141(f) In the fraudulent schemes, fraudulently procured funds were traced to The Cash House Inc. while it was under the control of the defendant Mr. Carlo De Maria.

141(g) Mr. Carlo De Maria is the son of Jimmy De Maria, who was identified in a November 2010 Italian police report as one of the top Greater Toronto Area leaders of the Ndrangheta. Mr. Carlo De Maria and Mr. Jimmy De Maria were at all material times officers and directors of the Defendant, 116, which received funds from the fraudulent scheme perpetrated against Trade Capital.

141(h). The connection of the participants in the fraudulent scheme to the Ndrangheta are not limited to the De Maria family. Mr. Frank Zito, the insider at Wells Fargo, is the son of Rocco Zito, who was a long-time senior member of the Ndrangheta in the Greater Toronto Area. The full extent of the relationship between each of the Defendants and the Ndrangheta or people involved with the Ndrangheta is not fully known to Trade Capital but is within the knowledge of the defendants.

141(i) Mr. De Maria and the Cash House played a central role in the fraudulent scheme including but not limited to,

- a) planning, financing, organizing and facilitating the fraudulent scheme;
- b) recruiting, introducing and connecting participants in the fraudulent scheme;
- c) collaborating with and instructing other participants in the fraudulent scheme including Mr. Cook and Mr. D'Aoust;
- d) profiting from the fraudulent scheme;
- e) laundering money procured using the fraudulent scheme for themselves and for other participants in the scheme and taking other steps to make the fraudulently procured funds untraceable;
- f) earning fees from laundering money fraudulently taken from Trade Capital;
- g) engaging in a sham sale of the Cash House to attempt to distance Mr. DeMaria from the activities of the Cash House and to provide Mr. De Maria with an excuse for failing to provide documents which would establish his culpability;
- h) trying to undo the sham sale of the Cash House when it fooled no one; and,
- i) such further and other acts and omissions as may be advised before trial.

#### **BREACH OF CONTRACT AND BREACH FIDUCIARY DUTY BY MR. COOK**

142. By the facts pleaded above, Trade Capital pleads that Mr. Cook breached the express or implied terms of his employment contract with Trade Capital and that Trade Capital has suffered damages as a result.

143. By the facts pleaded above, Trade Capital states that a fiduciary relationship between Mr. Cook and Trade Capital was created when Mr. Cook was hired by Trade Capital as its President because, among other things,

- (a) Mr. Cook had scope for the exercise of some discretion or power over Trade Capital's business;
- (b) Mr. Cook could unilaterally exercise his power or discretion so as to affect Trade Capital's legal or practical interests; and,
- (c) Trade Capital was peculiarly vulnerable to or at the mercy of Mr. Cook.

144. The relationship between Trade Capital and Mr. Cook was one of trust and confidence where Trade Capital relied upon the skill, knowledge and advice of Mr. Cook.

145. The fiduciary relationship between Trade Capital and Mr. Cook imposed an obligation on Mr. Cook to,

- (a) act diligently, with honesty and integrity and in the utmost good faith for the benefit of Trade Capital;
- (b) advise Trade Capital carefully, honestly and in good faith;
- (c) not act in a way that would conflict with Trade Capital's interests;

- (d) accurately represent the nature of each invoice, Original Invoice Owners and Debtors;
- (e) not defraud Trade Capital or misappropriate funds advanced by Trade Capital; and,
- (f) such further and other obligations as may be advised prior to trial.

146. Mr. Cook breached his fiduciary duty to Trade Capital by breaching all of the obligations described in the previous paragraph and such further and other breaches as may be discovered prior to trial.

147. Trade Capital states that it has suffered damages as a result of Mr. Cook's breach of his fiduciary duties.

#### **CIVIL FRAUD AND FRAUDULENT MISREPRESENTATION**

148. Trade Capital pleads that Mr. Cook, Mr. D'Aoust, Mr. Barker, Mr. Keery, Virtucall, Virtucall LLC, Superior, Green Link Inc., Debtresolve, Mr. Racca, Mr. Cadenhead, Mr. Bennett, Mr. Pennachio, Mr. Zito, Ms. Sladkowski, Jobec, 229, WF Canada, Jobec RT and 233 falsely represented to Trade Capital that,

- (a) the Original Invoice Owners had provided a service or materials to the Debtors;
- (b) the invoices purchased by Trade Capital were issued by the Original Invoice Owner;
- (c) the invoices purchased by Trade Capital were issued to the Debtor;

- (d) the invoices purchased by Trade Capital were bona fide invoices;
- (e) the invoices purchased by Trade Capital were verified by the purported recipient of the invoices;
- (f) Trade Capital would be paid by the purported recipient of the invoices for the invoices; and/or,
- (g) such further and other representations as may be advised prior to trial.

149. They made the representations with the knowledge that the representations were false because:

- (a) the Original Invoice Owners had not provided a service or materials to the Debtors;
- (b) the invoices purchased by Trade Capital were not issued by the Original Invoice Owner;
- (c) the invoices purchased by Trade Capital were not issued to the Debtor;
- (d) the invoices were not bona fide invoices;
- (e) the invoices were fraudulent invoices;
- (f) the invoices purchased by Trade Capital had not been verified by the Debtor;
- (g) Trade Capital would not be paid on account of the invoices;
- (h) payments of invoices had not come from the Debtor; and,

- (i) such further and other reasons as may be advised prior to trial.

150. In addition, Mr. Cook represented to Trade Capital that he has caused Trade Capital to enter into a payment plan with Global, which he knew was false.

151. Mr. Cook, Mr. Barker, Jobec, Jobec RT, 229 and WF Canada, by their actions, represented to Trade Capital that Global invoices had been paid by Global when, in fact they were paid by Jobec, Jobec RT, 229, WF Canada or Mr. Barker carrying on business as Global Medical.

152. These Defendants made the representations to Trade Capital with the intention that Trade Capital would act on the representations and advance funds to various corporations on account of the invoices.

153. Trade Capital reasonably relied on the representations and purchased additional invoices from the Clients and advanced the sum of \$5,051,721.79 CAD and \$1,479,515.12 USD to the Defendants as set out above.

#### **NEGLIGENT MISREPRESENTATION**

154. By the facts pleaded above, Trade Capital states that,

- (a) Mr. Cook, Mr. D'Aoust, Mr. Barker, Mr. Keery, Virtucall, Virtucall LLC, Superior, Green Link Inc., Debtresolve, Mr. Racca, Mr. Cadenhead, Mr. Bennett, Mr. Pennachio, Mr. Zito, Ms. Sladkowski, Jobec, 229, WF Canada, Jobec RT and 233 each owed Trade Capital a duty of care based on a special relationship between them;
- (b) the representations made by these Defendants to Trade Capital that were untrue, inaccurate, or misleading include the following:

- i. the Original Invoice Owners had provided a service or materials to the Debtors;
  - ii. the invoices purchased by Trade Capital were issued by the Original Invoice Owner;
  - iii. the invoices purchased by Trade Capital were issued to the Debtor;
  - iv. the invoices purchased by Trade Capital were bona fide invoices;
  - v. the invoices purchased by Trade Capital were verified by the purported recipient of the invoices;
  - vi. Trade Capital would be paid by the purported recipient of the invoices for the invoices; and,
  - vii. such further and other representations as may be advised prior to trial;
- (c) these Defendants acted negligently in making the representations;
  - (d) Trade Capital relied, in a reasonable manner, on the negligent misrepresentations; and,
  - (e) Trade Capital suffered damages as a result of his reliance on the representations.

### **FRAUDULENT CONSPIRACY**

155. By the facts pleaded above, Trade Capital states that the Defendants conspired and agreed to jointly perpetrate the fraudulent scheme against Trade Capital to enable the Defendants to convert the funds of Trade Capital.

156. The facts of the agreement and scheme were known to all of the Defendants and they intended to be parties to the agreement and scheme.



157. In furtherance of the agreement, the Defendants engaged in the following conduct directed towards Trade Capital:

- a) created an interrelated web of corporations, businesses and individuals to further the scheme and as a sham for the fraudulent scheme;
- b) sold Trade Capital fraudulent invoices;
- c) made representations with respect to the validity of the invoices;
- d) placed, paid or corrupted people inside of legitimate businesses and organizations to confirm the fraudulent invoices;
- e) paid fraudulent invoices to convince Trade Capital to advance more funds;
- f) accepted Trade Capital's advances of funds;
- g) transferred and converted funds belonging to Trade Capital;
- h) participated in, facilitated, coordinated, organized, received, transferred and/or otherwise dealt with the funds fraudulently procured from Trade Capital; and,
- i) such further and other conduct as may be advised prior to trial.

158. The Defendants knowingly and intentionally participated in the above course of action with a view to enabling some or all of the Defendants to misappropriate funds belonging to Trade Capital and with the knowledge that injury to Trade Capital would result.

159. Trade Capital states that the predominant purpose of the conduct was to cause injury to Trade Capital.

160. Trade Capital pleads that the conduct was unlawful or, in the alternative, even if the conduct was lawful, Trade Capital pleads that the lawful acts became unlawful by virtue of their predominant purpose to injure Trade Capital.

161. In the alternative, Trade Capital states that the conduct set out above was directed towards Trade Capital with the knowledge that injury to Trade Capital would likely result.

162. The Defendants have suffered damages as a result of the conspiracy and acts committed in furtherance thereof.

### **CONVERSION**

163. By the facts pleaded above, Trade Capital further states that the Defendants wrongfully interfered with the funds of Trade Capital in a manner inconsistent with Trade Capital's right of possession by taking possession of the funds and dealing with them. Trade Capital suffered damages as a result of the conversion.

### **UNJUST ENRICHMENT**

164. By the facts pleaded above, Trade Capital pleads that the Defendants have received funds fraudulently misappropriated from Trade Capital and have been unjustly enriched by Trade Capital and that Trade Capital has suffered a corresponding deprivation. There is no juristic reason for the Defendants' enrichment and it has resulted in damages to Trade Capital.

### **BREACH OF TRUST**

165. Trade Capital pleads that the Defendants hold the funds fraudulently misappropriated from Trade Capital upon a resulting trust and/or a constructive trust for its benefit.

166. The Defendants have breached the terms of the trust or trusts and violated their duty to Trade Capital by dealing with Trade Capital's funds for their own benefit and not for the benefit of Trade Capital.

167. Trade Capital has suffered damages as a result of the breach or breaches of trust.

**KNOWING RECEIPT OF TRUST FUNDS AND KNOWING ASSISTANCE OF BREACH OF TRUST**

168. By the facts pleaded above, Trade Capital pleads that the Defendants are liable to Trade Capital for knowing receipt of trust funds because:

- a) the Defendants have received or applied the funds of Trade Capital, which were held in trust for the benefit of Trade Capital, for their own use or benefit rather than as agents of the trustees; and,
- b) the Defendants had actual knowledge of the misapplication of the trust funds and/or failed to inquire as to the possible misapplication of the trust funds, with knowledge of facts would put a reasonable person on inquiry.

169. By the facts pleaded above, Trade Capital further pleads that the Defendants are liable to Trade Capital for knowing assistance of breach of trust because:

- a) the funds received by the Defendants were subject to a trust in favour of Trade Capital;
- b) a dishonest and/or fraudulent breach of the trust occurred when the Defendants dissipated the assets from the trust;

- c) the Defendants had actual knowledge, or were reckless or willfully blind, of the trust and what was being done by the Defendants to breach the trust;
- d) the Defendants facilitated the breach of the trust; and,
- e) the Defendants had actual knowledge of the misapplication of the trust funds and/or failed to inquire as to the possible misapplication of the trust funds, with knowledge of facts that would put a reasonable person on inquiry.

170. Trade Capital claims restitution of the trust funds.

#### **INTENTIONAL INTERFERENCE WITH ECONOMIC INTERESTS**

171. By the facts pleaded above, Trade Capital pleads that,

- a) the Defendants intended to injure Trade Capital's economic interests;
- b) the interference with Trade Capital's economic interests was by illegal or unlawful means; and,
- c) Trade Capital has suffered economic harm as a result.

#### **PIERCING THE CORPORATE VEIL**

172. By the facts pleaded above, Trade Capital pleads that the corporate veil of Virtucall, Virtucall LLC, Superior, Debtresolve, 229, WF Canada, Jobec, Jobec RT, Greenlink Inc., the Cash House, 116, 146, 233, 225 and Living Benefits, should be pierced and the directors and officers of those corporations named as Defendants should be found liable for the acts of the corporations because:

- (a) the company was incorporated for an illegal, fraudulent and/or improper purpose;
- (b) the Defendant directors expressly directed the wrongful acts of the corporations to be done;
- (c) the corporations are completely dominated and controlled by the Defendant directors; and/or,
- (d) the corporations are being used as shields for fraudulent and/or improper conduct.

### **TRACING AND ACCOUNTING**

173. Trade Capital pleads that a tracing and accounting is necessary to determine the whereabouts of Trade Capital's funds and to recover the funds. The Defendants have variously transferred the funds to each other and used the funds for their own benefit and for other purposes, the full particulars of which are not known to Trade Capital at this time.

### **DAMAGES**

174. As a result of the breaches of contract and fiduciary duty by Mr. Cook, the civil fraud, fraudulent misrepresentations, negligent misrepresentations, fraudulent conspiracy, conversion, breach of trust, knowing receipt of trust funds, knowing assistance in breach of trust, intentional interference with economic interests, and unjust enrichment of the Defendants and, as set out above, Trade Capital has suffered the following damages:

- (a) \$5,051,721.79 CAD and \$1,479,515.12 USD, being the amounts it advanced to purchase fraudulent invoices;

- (b) the profits Trade Capital would have earned with the money it advanced to purchase the fraudulent invoices had the fraud not occurred, in an amount to be advised prior to trial;
- (c) the future value of the business if the fraud had not occurred, in an amount to be advised prior to trial;
- (d) the costs of investigating the fraud and tracing Trade Capital's assets, in an amount to be advised prior to trial; and,
- (e) such further and other damages as may be advised prior to trial.

175. The damages were a reasonably foreseeable consequence of the conduct of the Defendants.

176. Trade Capital further pleads that the Defendants' conduct was planned and deliberate. The Defendants intended to defraud Trade Capital and cause Trade Capital harm. The Defendants' conduct was malicious, oppressive and reprehensible. Trade Capital pleads that it is entitled to recover punitive damages in the amount of \$5,000,000.00.

177. The Defendants are jointly and severally liable to Trade Capital and each is liable to Trade Capital for the entire loss claimed.

178. Trade Capital pleads that by virtue of the individual Defendants' fraudulent conduct as principals of the corporate Defendants, the individual Defendants are jointly and severally liable with the corporate Defendants for the acts of the corporate Defendants.

179. Trade Capital pleads and relies upon the *Negligence Act*, RSO 1990 c N.1 and the *Business Corporations Act*, RSO 1990, c B.16.

180. The Defendant, Virtucall LLC, may, without a Court order, be served outside Ontario with the Statement of Claim because the proceeding against it consists of a claim in respect of a tort committed in Ontario and for an injunction ordering a party to do, or refrain from doing, anything in Ontario or affecting real or personal property in Ontario.

181. Trade Capital relies on Rules 17.02(g) and (i) of the *Rules of Civil Procedure* in support of such service.

182. Trade Capital proposes that this action be tried at Brampton.

May 6, 2015  
Amended: May 31, 2016

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Lawyers for the Plaintiff

**TRADE CAPITAL FINANCE CORP.**  
(Plaintiff)

vs

**PETER COOK et al**  
(Defendants)

Court File No. CV-15-2110-00

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**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at **Brampton**

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**AMENDED STATEMENT OF CLAIM**

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Lawyers for the Plaintiff



**TAB C**

This is Exhibit "C" referred to in the  
Affidavit of Darcy Thompson sworn before  
me, this 12th day of November, 2018.



\_\_\_\_\_  
A Commissioner, etc.

Emily Ann Elizabeth Pace, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires June 13, 2020.

**TAB D**

This is Exhibit "D" referred to in the  
Affidavit of Darcy Thompson sworn before  
me, this 12th day of November, 2018.



\_\_\_\_\_  
A Commissioner, etc.

Emily Ann Elizabeth Pace, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires June 13, 2020.

**Peter Cook Confession**

(Inaudible)

Don: Come on in Bill. Can I get you a water?

Bill: Could I have some water? (Inaudible). But that's a few years ago.

Don: The embarrassing thing to me is how quickly that (inaudible) my assistant here (inaudible) I asked her if she would go back. I'm trying to restructure some cost base on some shares I got (inaudible) I think it was back in 1983 (inaudible) my other associates (inaudible) you may not have even been born then.

Male A: Our (inaudible) tells me what you spent some of your time in Italy.

Don: Yes. Well, we have a home in Perugia, or rather in Umbria, which the capital is Perugia so just outside of Perugia.

Bill: He bought a pretty significant property in a place called Karateore, just north of the lake, so if you want to see our grandchildren it's not too hard to do.

(Inaudible)

Don: Just asking why I have a place in Italy. And who makes (inaudible) that I do?

Male A: Peter.

Male: Peter, yea.

Don: It was supposed to be an investment, and it might still turn out to be. But it's a fun project not always easy. I don't speak Italian and I don't know that much about Italian culture other than red wine and good food. It's five acres with 100 olive trees and a nice view within a 200 acre plot of land that's owned by a house of wealthy Italians and it has a big old castle on it that is half refurbished and they are refurbishing it and have signed an agreement they tell me with Four Seasons to go in and manage and development and an 18 hole rubber....

Bill: I've got to tell you, my son bought the castle in the town of Karatore and it was called Pracasine because you know these small Italian villages always have a certain (inaudible) and he bought it in (inaudible) situation and he spent all the money he hasn't got (inaudible) to try to fix it up (inaudible) he would have about five I think. In contrast to your situation he would have about 65 olive trees. It's a big deal now (inaudible) I'm not sure I'd do that (inaudible)

Male: Does he live there full time?

Bill: He lives in Forest Hill and spends the other half of his time there. He keeps an office there and an office in LA and an office in the UK. He travels a good bit (inaudible) and he decided

when he was in university that the only girls he liked were Italians so he pursued a series of Italian girls until he found one that sort of could teach him the language but (inaudible) was sort of interesting to hear that.....

Don: I've for the most part enjoyed it...it's been frustrating

Bill: But it's finished now...

Male: You're supposed to be over there now too because of all of (inaudible) .I've got a lot of other things going on so I don't know if...

Male: So what's your business now?

Bill: I do two things. I'm a corporate direction so I have about...these days. I'm probably the largest (inaudible) in Vietnam. I'm a director so I oversee people (inaudible) hotel.

Male: I'm sorry?

Bill: I'm a director of a group of people who are building casinos and hotels in Vietnam.

Male: Oh

Bill: But as well I'm a merchant banker. I have about 250 people who are around me (inaudible) some other associates (inaudible) reasonably senior people who have their own companies or (inaudible) and we are sort of a group of entrepreneurs who attach ourselves to situations, mostly domestic but a fair amount of international as well (inaudible)

Male: Sounds interesting.

Bill: We see a lot a lot of transactions and invariably what they want are people to run or take them over or finance them or govern them in some way. So you would say that the group I have would be people between 50 and 70, none of whom has to (inaudible) the learning curve so to the extent that you have a project in a particular industry you would have people that would fit to that industry. So you know we see many things and its more a matter of matching to the right industry.

Male: Interesting

Bill: I'm partners with (inaudible) and I think we're gonna develop the (inaudible) Pan Asian games in 2017. We are advising on the commonwealth games so we are in the midst of being enjoined to be the project manager for the Pan Asian games in 2017, which is quite a large project (inaudible)

Male: And you're based in Toronto?

Bill: Yes

Female: And u take equity positions in these companies?

Darcy That's the key element. There are so many business people who work their entire career who always working for somebody else and they really never get to participate in the value that they create and one of the things that we try to do is to save those people. Look we will put you in situations where if you make your contributions your rewards will be attached in the success you create. And those are sort of magic words. You may be too young to understand how that may motivate people. That's the attraction that is to be given an opportunity to run something and of course we are very experienced turnaround people so a lot of experience in that area as well. So we can be problem solvers, we are not consultants we are solutions providers. Sometimes we will go will no where else will tread.

Don: Have you known Peter for a while?

Bill: I met him yesterday

Don: Oh long relationship

Bill: The thing that attracted me to him is cause I had to help people from Bridgewire

Don: I'm sorry?

Bill: Bridgewire.

Female: Oh you're an east coaster. Salt of the Earth.

Don: Is Peter from....

Bill: Bridgewire

Female: Yea. He still goes back quite a bit I think He still has ties back he worked there for a while.

Bill: Where he's from is north of Bridgewater it's called Cook town

Female: Oh. Town of Cooks

Bill: He's actually from there

Female: You don't want your mother and father to have the same last name though. That's never a good thing. It's a lovely part of that world that part of that world.

**Peter Enter**

Female: We've got a lot of folks in the office today.

Peter: Have you guys all met? Do you remember one another?

Bill: Well you know he didn't remember me but he's unforgettable.

Don: He's saying I haven't changed a bit since then.

Female: How many years ago was it that you were you the CEO?

Bill: I left there in 93 I think

Female: 20 years.

Bill: Well, after I had the experience with all that stuff (inaudible) so I (inaudible) CEO of Reuters, BF Goodrich, Howard Johnson and a whole bunch....always a turnaround guy (inaudible)

Female: Well you must have been good at turnarounds. You either do one or you do a whole strong of them.

Bill: Well I mean you're as good as you last. It's a different type of business, it's demanding obviously but you know you get exhausted after a while too so...

Bill: So we're here today to chat and Peter's gonna outline the situation over here. Peter and I talked 24 hours ago and we had a chat and pretty deliberately decided that we should have a chat with you. So with that introduction I'll let Peter tell his story and we'll go from there.

Peter: This is... I'm not sure if you have any of the heads up from Darcy but this is probably the toughest situation I've ever been in in my life and I'll start with an apology because I'm the cause of this so I think the best thing for me to do is tell you what it is and tell you what the problem is so we can at least see where we are. I think I've already repeated it once so this is the second time I'm going to repeat it. We have a real problem in the company because we have false invoices there that have nothing behind them, and this has all come about because I've been involved in it and ill explain what happened. And I'm not explaining it because I want to give an excuse, I just want to tell you where we are. Basically as you know I own a little operating company, Joanbec, which did a nice little business and we ported it over into Trade Capital which is the first thing that we did and probably sometime after it got into Trade Capital. I'm not sure exactly the timing but we had a problem with an account that I identified and I went and tried to deal with it and even at the time I rationalized in my mind and I guaranteed that account anyway sort of thing so it was my money first loss so I tried to fix it and it was invirtical. And when I tried to fix it and I did things like go down to the States and meet with DME's and so on but in the end the real problem was that the client was getting money from some very bad people on the street and the money was getting diverted from us to the street and I tried to fix that. I have no experience in that I'm more of a King and Bay kinda guy or small town guy and certainly today I'd tell u I was in over my head but anyway but as this progressed it was pretty clear that the client had a significant position with these people and they...



Don: He was borrowing money from some questionable people and that's the call center?

Peter: Its more than questionable I could tell that there's articles about them in the newspaper. That Le guy just got let out of jail. You've read the articles. That's who it is.

Female: This is Paul; or whatever?

Peter: Mark and Tom

Female: Mark Daoud

Peter: Yea. The more I tried to fix it the more I then made falsehoods to Darcy and Susan and as I tried to band aid my way through it and what it culminated in and it kept escalating and these guys when they get into you they are not very friendly people. They may walk into a room and be friendly but...certainly for me if I get the newspaper right now on Saturday morning I wouldn't step out the door without looking first. They certainly would have surveilled my house at this point.

Bill: You should underline that. It would seem as though he's being watched.

Peter: I didn't bring my car here today and I didn't bring my phone. I came from subways and other tractions. These aren't excuses I did what I did so we are exposed in Trade Capital today for what I believe and I have to reconcile it. Darcy's over there freaking out the past few days. I'm quite confident on it and were exposed for 5 million dollars in there and there's our good accounts and legitimate pay and then there's ones where there are manufactured invoices. Darcy and Susan I think found it on Friday or found an indication and they've been working ever since to piece it together. I can't get into my emotion I have to tell somebody where we are and I realize the things that I've done and when I open that door on Saturday morning I'm not really afraid of the police I'm afraid of the other guys I'm afraid of the black SUV's is what I'm afraid of. But I did what I did and I tried to always trying to have a bigger picture in my head like we're gonna get out of this mess we're gonna make money and things to get out of this and it just kept magnifying. These people...it might have been the first time I've been involved in anything like that but I don't think it was theirs. So we have an issue in trade capital. I'm the cause of it. We have exposure in there where there's paper that's false for 5 million dollars. Darcy and Susan are gonna be able to piece it together audit trail and I know they're already doing it. I was gonna meet Darcy this morning at 11 o'clock we didn't talk today but I can see the trail of research they're doing. They know what they're doing. My emotion doesn't really matter what matters is this where we're at. I don't have a solution for how to fix it. I have ideas around how to protect the company and give back some of the assets that are available. I'd do anything to help the company. I did not take any of this money. I don't have any of this money. It's not in my hands. I have an 800k house and a 600 k mortgage and 880k in trade capital. That's what I had

Female: But Peter Virtucall has not 5 million dollars.

Peter: But the other accounts are false.

Female: Oh

Peter: It started out with Real...

Female: Are any accounts are not false?

Peter: Yea Atlas is not false. Taxes is not false. Retail merchandising is not false

Female: So all the trade finance stuff is not false.

Peter: Yes. The Virtucall account to my knowledge was real when we began. The company Global who we are owed we thought we have an ADC plane but what we really have is a court case against Global for a million 5 that were a real business there but it's not ADC insured the way its thought to be.

Guy: It's not ADC insured.

Female: We've had letters on ADC letterhead. We've had reports of conference calls. What is all that?

Peter: There are false documents some of which I participated in some of which were presented to me. There are real people who work at these companies like Bell or Enbridge or Wells Fargo who obviously are not people who I knew but that were provided by these people. My wording would be that they're their people. And I essentially became a conduit.

Guy: Are you saying the employees in those companies colluded?

Peter: They colluded so..

Female: So we are verifying invoices with folks at Bell Enbridge and Wells Fargo who are in fact employees of those institutions who are saying yes to us.

Bill: That's right

Peter: That's correct. I understand that there could potentially be some recourse against those companies.

Don: Have you gone to the police?

Peter: No.

Bill: Not yet.

Peter: Well I went to....well the first of all, the first thing you're scared of is I broke the law. I'm not supposed to say that out loud but I did. C'mon. So I'm worried for me. I'm worried for the

money. I'm worried for the investors. I'm worried for the company. Darcy and Susan have just gotta be freaking and....

Don: So Peter you're saying that you got connected to some guys that bad guys and that they for one reason or another were able to shake you down to participate with them in a fraudulent series of schemes.

Peter: In the end even though you described that the way that you did in the end I did what I did. To you it doesn't matter but I did what I did.

Bill: Let there be no doubt. I sat with Peter yesterday. The person who introduced me is one of our leading criminal lawyers and so the three of us had a chat yesterday. Bottom line here is that there's no question that Peter's action constitutes cause. First of all Peters action within this corporation will constitute cause so that's easy for me. That's easy. But it's beyond that. There certainly is and one has to be careful and one has to choose one's words carefully here and there's certainly actions here that imply criminal action there's no question not just by Peter but also some others that there is criminal action.

Peter: Not others at Trade Capital.

Bill: Not others from Trade Capital. To his credit what he's attempting to do is be very forthright with you and admit that to start with. I think its important we don't start on the basis of allowing him to drill down and find this out. The front of what he's saying is here I am I've done some wrong things. I realize my risk. I realize the things that could happen. Obviously over the next days weeks whatever more details are going to be determined but the other people who are within the company (inaudible). My knowledge is superficial at this moment but there's no question about the fact that things have been done improperly and he is exposed. We are going to talk about some other exposure as well but he is exposed and he's attempting to ensure that you understand and he understands his exposure

Female: Peter, my assessment of you has always been that you're a good guy. What did people do to you? What was the threat?

Peter: First of all I thought I was gonna get out. I thought I was gonna make a payment and get out and fix it. And then just earn back the payment.

Don: What caused you to feel like you had to make a payment? Cause the company was being shortchanged on some paper that was around Virtucall?

Peter: Right and which was affecting our book. We were gonna take a loss on our books if we didn't try to fix these guys. So instead of putting my hand up at the time and saying were gonna take a loss we've got a problem over here we have a big issue and I tried to fix it.

Female: When was this?

Peter: I wanna say it was.... I can't put the month in my head.

Female: Give us a quarter

Peter: Within the last year. A year ago.

Female: So within Q3 '12, somewhere around there. After we closed with you.

Peter: I'll have to get back to you on that one. Sorry. And I'm not avoiding you I just don't want to tell you something wrong. You've got more written down than I do right now so to speak. I think I'm gonna fix this I think I'm gonna protect us I think I'm gonna protect me because the original accounts that were paid were my responsibility.

Don: So you had given reps and warranties on the value of these accounts. It was important for you to try to fix them so that you didn't take a personal hit on the reps and warranties

Peter: Yea. So I tried to fix this thing. Nobody knows but I'm trying to fix it. And I end up...I'm wondering how much I should say about these people. I end up in an Italian restaurant. I felt like I was in a movie.

Male: In Canada?

Peter: Yea. And I learned at that particular meeting that this company Virtucall started out making money by laundering cash for these guys and cash laundering used to pay money and recently that switched to where they now charge for laundering their money but they'll give it to you for a week while you launder it so you can use it. So there was a lot of cash moving back and forth. I know the company that came from which is public on the street but I don't think that you really wanna know that know how much you want to know that. I don't know how much you want to know. I'll tell you anything you want to know. I'm scared. Anyway, I do this thing to put through a false invoice and it works and you know....

Female: False invoice that's a Virtucall invoice.

Peter: To Trade Capital. I don't know how to sign for the bank but I know how to put a package together and I did. The minute I made that payment then it became when's the next payment and you say what did they do. It's weird to have you know somebody...my wife knows nothing about this, nobody does this is only the second time I've said this to anybody. If somebody were to phone you Saturday morning and say come outside I want to talk to you and they're sitting in front of your house their truck or SUV or escalade. They intrude in your personal life.

Female: But let me understand this. They are literally saying you've given us cash through falsifying an invoice and we want more.

Peter: Yea and these guys all want more the Virtucall guys.

Female: So Virtucall owes more and your gonna find us more.

Peter: They're not like business people

Female: So you're the money guy you're gonna find us some more money. So Peter at that point don't you pick up the phone and call the police and say I'm receiving threats and as it escalates gee my reps and warranties are the least of my worries.

Peter: I gotta say something and I'm gonna say this in front of Joe. And I want to be careful and I believe he represents some of these people at some point. I'll give you one example In February...

Bill: Our mutual friend is one of our prominent criminal lawyers in Canada. He's been practicing for more than 50 years. I've known him for 40. He acts for criminals. He's Canada's Rum Polo if you watch the series so he knows many many many people but if you said is he in any way coloured no he is not. He is independent, objective. He would not in any way be a part of the activities of any of his clients I think that's the easy way to say it his reputation is...

Female: I'm sorry?

Guy: I understand he made an illusion, Joe would act for some of these people he acts for these kinds of people.

Peter: That's what his job is.

Bill: That's what his job is.

Peter: What I'm trying to explain and Katherine if you wanna know how I lay awake at night think about beat myself out and if I ever saw any of this anywhere in my life. No. Do I wish I could replay some if it. Yea but still when these people reach into your personal life. I'm gonna give you an example. In February you may recall that Susan told us a story about how we had an account we were applying for and the person killed himself. That account was given to me by a representative in front of my house on a Saturday morning from the back of an SUV and I turned it down. I turned it down Tuesday and he was dead on Wednesday. I don't know what I happened I have no idea. I just know what I saw. And I could recite a few words its not directly like that related to me but scared the freaking hell out of me and I was scared. But I cant' use that as an excuse because I'm accountable.

Don: Are you afraid to go to the police?

Peter: I'm afraid to go to the police for what I did. I'm afraid to go to the police because of these guys. I'm afraid who I'm even talking to if I go to the police. These people do things. They can socially be quite visible. I don't do those things but they would invite me to those things and I've never gone but you could have police at those things. It's scary, Don. I'm not giving you an excuse I did what I did I wanna be accountable for what I did but I'm only explaining how the

circumstances unfolded. I'm not a guy that sits around and make excuses for what I did I did what I did and I'm accountable I did what I did and it's not right.

Don: I appreciate your candour but...why are you here?

Bill: I listened to his story. And one of the things that's appealing about his story is the fact that he's quite prepared to accept the effects of his actions. He'll throw himself under the bus. No question about that. But I was also impressed by the thought that sort of goes along with it that's his voluntary stepping out and going to the police. You're company is going to be exposed, extremely exposed because this is going to be public. And before he absolutely decides to stick a knife in his chest its probably useful to have a chat to see whether or not there are any alternatives. What I started to think about is...we met less than a day ago...

Male: How did you meet?

Bill: Because my (inaudible) friend called me and said he's experienced in financial matters come and have a chat. So I was introduced to Peter by the criminal lawyer that Peter consulted.

Don: So you independently consulted a criminal lawyer and what advice did he give you?

Peter: Well this advice and knew in particular that it would be difficult to come have a meeting where we could sit down and talk openly if I was bringing a lawyer and if I was bringing a lawyer I would have to tell you to bring a lawyer and so lets find somebody who might be able to come and engage in conversation instead of a room full of lawyers. Basically in my words...

Female: But I still don't understand. I'm confused by why you are here like Peter why are you not here why do we have two people here? I'm still confused.

Bill: If you want in a heartbeat Ill go home.

Female: No I'm just trying to understand.

Peter: The lawyer would not let me come alone.

Bill: That's first of all and secondly my recommendation was that he not come. When a criminal lawyer comes to a meeting like this you should and would have someone of your own here and that's not the type of conversation that I think can be useful here. The type of conversation that might be useful is to try to speculate whether or not there are some alternatives simply here instead of Peter just going out through the door to the cops or whoever he was going to go to and having the full effect of the mistakes that he's made. Simply stating I believe that based on from the other things he has told us about the company has promised....company has two things there is some promise and there are some upsides. There are some initiatives there that are explainable and are positive but the second thing is that it is associated with some people of high reputation, prominence and this is the sort of thing which is going to expose those reputations and is going to be very public. I don't need to sort of hit you in between the eyes with that but its not me

speculating its true is what he would do would cause things to go into the public forum. And before he does that he should at least he should come in and have a chat with somebody that would be reasonable. He talked about the other characters I think Thomson who I don't know and

Peter: Jameson

Bill: Jameson. But that you were perhaps one step removed and that he might be more comfortable coming and having a chat with you rather than for instance having everybody in the room where he's having the discussion so this is what you might call an polite terms an exploratory conversation to determine whether or not there might be some alternatives here whereby the company like to retain, which, forget about the commercial opportunities that might be in your future, to be perfectly frank, I'm much more concerned about exposing your reputation, very much more concerned.

Don: Well we aren't.

Bill: Perfect.

Don: We've done nothing wrong.

Bill: Good.

Female: We don't associate with criminal action.

Bill: I agree with that too.

Don: What are the alternatives you think you'd like to explore?

Bill: Well as I say

Don: Because we don't have a lot of thought as to where we are.

Bill: I think to be perfectly frank when Joe and Peter asked me that yesterday what I suggested was that I didn't have solutions but rather it was important to enjoin the other principals here in such a way such that collectively if there were some solutions they could be reached rather than simply allowing this man go off and talk to the police because if he talks to the police things come a (inaudible). If there are solutions to it and I'm not sure I know exactly what they are then they are better reached on a cooperative basis.

Don: Have the bad guys give us back all of our money and we'll be happy and not go to the police.

Bill: That may be your alternative I don't know I'm not a criminal guy I do not know all that I am is I am a commercial guy. When I see a situation like this you have an upside in business which you may well be prepared to sacrifice and you and your other colleagues said a history

and a strong reputation and the extent to which his actions dealing the way that he would have to go exposes you and I don't like that at all.

Female: I can tell you I'm not really happy right now at all but we are people of the very highest ethical standards and first and foremost that is where we begin and end.

Bill: Yes I understand that and we wouldn't be here if we didn't think that

Female: I don't know that your gonna get anything out of me. I'm processing emotion at this moment.

Bill: Don't get me wrong I'm not asking for anything. What this is is an opportunity for Peter to if you like come clean and...

Don: Have you ever been involved in anything like this before?

Peter: Never

Don?: With any other parties?

Peter: No

Don: Is this a part of the factoring business?

Peter: There are individuals in the factoring business who some would say would be money that wasn't very clean but it's found in business but I dunno you know the business too it can exist.

Bill: There are elements in the factoring business that are not always top drawer. We understand that the factoring business has traditionally been known as (inaudible) of last resort and as (inaudible) of last resort the thing that you have to keep looking at is the usury laws. So a factor sits at his desk with his law book open and makes sure he doesn't violate the usury laws and that's the way that many of them think. It is not a business for the faint of heart. I'll put it that way.

Peter: It's sometimes not the factor where the problem it's the client which is what happened here.

Female: So Peter you've created a house of cards here to the tune of 5 million dollars. Is there any recovery?

Peter: There's an opportunity from some recovery from things like the lawsuit against Global. There are some items in there that there can be recovery on. The lawsuit against Global was for a million five. There's some opportunity but I would like to tell you there's more.

Female: Peter you know numbers. What's possible out of 5 million? You've lay awake at night I assume and obsessed over this for months and months. What's gone and what's not gone?



Peter: I think 4. There's a recovery of a million.

Don: Where has it gone? Its just gone to the bad people?

Peter: Mm hmm. It's funded out into accounts that funded it out to the bad people. There's operating companies in here. There really is a call center at Virtucall. There really is one at Barrie. But the debt that they would have is substantially more than what they're owed and the bulk of it is Global which is this lawsuit they have. So on a recovery basis I think there could be 1 million there and....

Female: Do the bad guys know who the money has been coming from?

Peter: You mean do they know the company?

Female: Do they know the funders. I mean you're their contact. But how far will they reach back?

Peter: Let me rephrase that I'm not really their contact.

Female: Okay. You tell me the wording.

Peter: Well I don't know the wording to tell you the truth. The manipulation comes from the client and comes from them individually it comes from messengers so to speak so its weird stuff that's like....

Don: Well what's you here proposal today? I have no idea what...

Peter: My original proposal, before I even talked to Joe and tried to figure this out was like okay like this is you know scary. It can't go on. It has to end. I'm gonna have to find ways to make money to pay it back. That's always my reaction because that's how my brain works. What can I do to do things to pay it back. Well I can't pay it back if I cant work and do things and even to do that it's a hard road so my first reaction is (1) what can I do to recover and (2) what can I do to pay it back. If I'm in factoring and I have a bad account I pay for it by doing more good accounts that's my brain that's where it is but you know I've breached everyone's trust and....

Female: But what your telling us is that the entire book of business is false excluding those that where the debtor was the client.

Peter: The largest percentage. It was not...

Female: That's a hell of a creative active falsifying.

Peter: It was not at one time. Its inconceivable that you can actually have a senior manager at Enbridge who Susan could write to and they would confirm these things.

Female: Bell, Enbridge, Wells Fargo.

Peter: Senior people.

Don? And they'd been placed there by the bad guys.

Peter: its nobody I knew. 1 of them on my linkedn I met him once but I don't really know him. One of them I met once. One of them I never met. They're real people with real senior jobs in those companies. They are nobody I knew. I wouldn't have those relationships. They would basically create that.

Don: Are you suggesting that this is just a whole big web of compromised people? Because if there are senior people in those companies that are producing false invoices it's part a compromised web.

Peter: Yes

Bill: There's no question about he fact that once you start this everything that you say is correct all of those things are..

Female: Call me naïve but isn't the RCMP pouring over everybody's bank accounts, cash flow. How does this happen? Okay I guess I'm naïve.

Bill: You're not naive at all. The one comment that I would make is because of some other experience that I've had whether it's the RCMP or in this case, it probably is the RCMP, they take longer than you want. Inaudible. It takes longer than the obvious facts would dictate. So before they can actually find that person at Enbridge and charge him a considerable amount of time passes because they have to get their case in such as way that its foolproof. It takes a long time. So while you're not naïve you shouldn't overestimate how quickly and how abruptly they would act because they don't. They act slowly and deliberately.

Peter: I certainly don't know whatever arrangement they had with these people. I don't know.

Female: Do you have any...the bad people, do you have conjecture as to what their activities are?

Peter: What they do?

Female: Yea what does badness include?

Peter: Well this is not someone I hang out with this is someone who phones you from out in the street and calls you out to the curb this is somebody who sends somebody to send you a message. I don't know what they do. I know from the Virtucall people that they were moving half a million a week in cash for them after the fact.

Female: So Peter the whole ADC thing is just a creation.

Peter: There really was Global debt there really is a non-payment. There really is a lawsuit but the ADC thing is not real.

Female: So you manufactured conference calls?

Peter: Yes I did

Female: You manufactured letterhead with confirmation of...

Peter: I didn't do all of that but I was aware.

Female: I mean I'm offended on multiple levels and its reeling.

Peter: And I understand that and to Dons point I'm in this. The situation is where it is and I had to come tell you. It's not easy for me to tell you. It's not easy for me to deal with and I'm not asking for anything I just want to tell you.

Don: I'm going to ask you this very specifically have you ever done this with any of your other previous business associates?

Peter: No. This is....

Don: Or anything like it?

Peter: No this is like crazy because I mean here we are drug into this by one client. It's not something I started out to manufacture. I mean I didn't even financially benefit from it. I lost what I had in it as well.

Female: Peter I'm going to ask you again because I think you know the answer. When we closed in June of 2012, did you have a bad account at Virtucall?

Peter: How many account do we have? We have Virtucall and....

Female: I don't know I'd have to go back and see. We had more than Virtucall. We had Greenlink? Fake?

Peter: Yes.

Female: We had Greenlink

Peter: It had happened but...

Don: Greenlink was fake?

Peter: Yea. It had happened but..

Female: And Peter now I'm just getting a bit more personal I guess but your inaudible goes out to our network to fundraise?

Peter: Wrongly so, the thought process I had was that I was gonna get a solution and be able to solve it and pay out the accounts.

Don: No it became more than just one account Peter didn't it? It became a whole bunch of accounts that you were fabricating and continuing to fraudulently take money from partners and trusted business associates to funnel to somebody who was what...threatening you? I'm not sure this wasn't just one big scheme right from day one.

Peter: Well I don't know what I... I can certainly tell you that I did not benefit from this money. I did in that I drew a salary from the company and I lost my original investment but I did not set out to defraud this thing this way. This is not some big scheme and if I had you know I don't have anything.

Female: Well you know, Peter, let me put on my sceptical hat. To pull this off amongst a group of pretty smart people is very clever. And if you're that clever, where the money funnels to would be very cleverly designed, could be very cleverly designed. I'm not making any allegations here but there's a lot of cleverness going on here so where the money goes how will we ever know?

Peter: I don't know what to say to that other than what I said. I have no credibility here anyway I mean I realize that. You're not going to believe a word I say.

Bill: I think that the other thing you said before was that it was your style not only here but in your previous situation you when you expected that you had a bad account what you would do is inaudible to recover the losses in the last one. But that in some ways its converted into kind of cause this is...

Female: No this is fraud.

Mystery: Well its fraud there's no question about that. I don't think that anybody is denying that this is fraud. Not at all.

Female: So let's use the word.

Bill: But what he's done is....

Don: Here we've got a guy that's been pushed as far as these people have allowed him to be pushed and you meet him yesterday and you're here to help him solve his problems in some manner. I find that a little bit incredulous.

Bill: Well I'm sorry but that's who I am. That's what I mean You can't leave somebody like this alone.

Don: You're a man who has earlier indicated that you're an entrepreneur. What's in it for you?

Bill: That's probably not a proper question. I have not been promised anything. I have no financial motives here. I listened to this man's story and am strongly empathetic. It's about as simple as that. I'm not in any way adversarial with you. I'm not...inaudible. It's just for him to have the courage to step up and talk to you the way that he is I feel an obligation to support him and to help him. If what that means is that ultimately he reaps the world in and is charged with fraud and all the implications with that so be it. But at least what I will be able to say to myself is that I've tried to help him and that's all it is.

Female: Well at this point we've been brought inside the tent and we need to talk and we need to process but I can tell you not for a second will I be complicit with any fraudulent or criminal activity.

Bill: I understand that and I don't think that's what the request is. What the comment is what he's doing is he's attempting to be as direct as he can with the situation in which he finds himself and situation in which he's dragged you. Simple as that. Now what the solutions are and I don't know I can't tell you I'll help. Not for financial gain you know but that's my business. I'm a person who does turnarounds in a person with deep experience in problem situations. You've got problems here. This is not about my making money this is about if I can make a contribution to solving this then I want to do that. And if you don't need that than I...

Don: Well you must have come here with some ideas.

Bill: Let me tell you the only idea and I talked about it previously, broadly, and I do not know all of the implications of it and I'm trying not to wave it in front of you. And look I respect that you're of the highest integrity and I'm not here in any way to compromise that. However, you don't remember that we know one another but I've watched you. I know who you are. You have a strong reputation. I have no interest in causing that to be exposed. If you simply say to this man okay you've done a wrong thing go and reap the world in, the company could well go down so be it. The company could go bankrupt so be it. The relationships that the company has established whatever those are and I'm not familiar with them all will be affected. But most particularly the reputation of the people who have been involved can be affected. And one of the things that struck me yesterday was you don't want to let that happen on the basis of you simply being broadsided. One day you wake up and all of a sudden the world seems to have collapsed on you so if there are, and I don't know what those solutions are but if simply if nothing happens then all the things I said are going to occur because this is what's going to be on the public record and you're going to be exposed. I don't mean it this way when I say who cares about the money the money is the money.

Don: The money is gone.

Bill: The money is gone. But there's more here than money. I'm obligated based on whatever sense of ethics that I have to save you. Be careful about exposing your reputation and your background that's all I'm saying to you.

Female: I don't feel exposed. I don't think Don's exposed. We are suckers in a Ponzi scheme perpetrated by sophisticated people to what end we don't know.

Bill: As long as you don't feel exposed then that's great. Perfect. I'm here just to alert you and if you feel as though the circumstances under which you got involved here and the circumstances which continue are such that you will be able to be absolved and not be exposed then great.

Don: We will be embarrassed but not exposed. People made bad investment decisions all the time.

(Inaudible)

Peter: Just to clarify, I wanted to be able to come here and speak to you and I received advice that I shouldn't come alone. That was my mandate today.

Female: Well you know, Peter, to be honest, I mean, whatever goodwill guides you to be here we'll respect but frankly the dialogue today is with you and maybe it's not a dialogue maybe it's a seeing exercise...

Peter: I understand but I wanted to deliver the message and I don't think it's easy on my side but I wanted to deliver the message I had to be able to give the right way to deliver it and anyway.

Don: We'll think about this we'll talk about it and we'll make our own determinations. I'll ask you one more time. Have you ever compromised the value of anybody else you've worked with. And if I find that you have not answered that truthfully, and there's a bunch of shit that's likely to come out of this, it will determine how we'll conduct ourselves in the future.

Peter: I'll be careful how I answer that. I have never before with anyone I've worked with, whether I was an employee or officer or an owner ever had a situation like this. There could be situations in this situation where I've reached out to other companies but that's this situation.

Female: And the common factor is you, the wrong word, the common denominator in any ripple effect is you.

Don: But you felt so compromised let me just read between the lines but you just felt so compromised in this situation that you may have tried to compromise other people you've worked in this industry?

Peter: That certainly was a place that I thought of going and...

Don: Did you?

Peter: There's one situation out there that could be a problem.

Female: Peter what are you going to do when you leave here.

Peter: Right now?

Female: Yea

Peter: You mean after I walk out the door?

Female: Yea. What are you doing tonight. What are you doing next? What are you going to do tomorrow morning? What is your plan of action? What is your personal plan of action?

Peter: My first plan was...first of all you don't believe me that I didn't take any money so it doesn't matter...

Female: No, we're listening.

Peter: My personal plan always was to try to find a way out of it and it kept getting worse and worse and I couldn't get out of it and I'll be open with you it was okay. You know I could raise 30 million in a bond and use the profitable accounts to pay for the bad accounts and work my way out. And I did that for another company in the past but it wasn't my problem that I created but I solved it and it's a solution to take profitable business to pay for the unprofitable business. When I walk out of here tonight I'm gonna go back to where my car is and drive home. And at some point have a conversation late tonight probably with my lawyer and tell him that I have held this meeting. What do I want to do beyond that? I mean...

Female: No, what are you going to do beyond that, Peter?

Peter: What am I going to do?

Female: Yea. What is your personal plan?

Peter: I wish my plan was to be able to solve this and pay it back but if that's not going to...you hold the cards in that.

Female: No, I actually would like to hear like...what are you going to do tomorrow? You're going to talk to your lawyer and then what are you going to do after that?

Bill: with respect what I think he's gonna do is this. I think he had discovered that Thomson and the others in the office are building a case against him as we speak. You haven't been enjoined in that but he's started this conversation with me. He's about to be found out. So with respect what's going to happen is he's going to react to whatever occurs to him within tomorrow because one would expect that his partners are gonna come attack him tomorrow.

Female: No no, come attack him is a very poor reflection of what is going to happen. Peter...

Peter: Let me try to answer your question.

Female: Please answer. What are you going to do tomorrow. Forget that if...

Peter: You're asking me that like I have the right answer?

Female: No I think I'd have an answer if I were in this situation. You know the gig is up. Whether its your partners who have figured it out or whether you've had this discussion here. You know that you are wildly offside with the law. You've consulted a criminal lawyer you've come and talked to us. What is your next step?

Peter: I don't know what the next step is it is subject to what occurs here in this event but tomorrow morning I'm going to the Virtucall office to hook up with the lawyer that is in the States representing their lawsuit against Global because my first reaction is whatever recovery there is I've got to go after it. My next reaction is I'm afraid, to tell you the truth. I mean I can figure out a problem and solve it and I've gone way out of the box in this one but my brain can do that but I can't deal with these people.

Don: It sounds like you don't have a job to start with.

Peter: No I don't have a job. I understand that, Don. What am I gonna do tomorrow? It was hard enough to go the last 48 hours knowing that I was going to come to meet with you today without sleep and...

Don: You're here to meet us because you think you're being caught out there and that the gig's up back in Oakville?

Peter: I'm pretty confident I am but it's, you know it was coming to a head because it's not getting better it's getting worse. There's no money flowing so its escalated with these people on the street. It isn't so much that Darcy and Susan are figuring this out. That's part of it. It's escalated in my personal life and I don't know how to manage that. I don't know how to handle that.

Don: I had an interesting discussion last week with a business associate who had one time in his career been responsible for international operations and one of the managers in his operation was being shaken down by corrupt people and the way he solved it is he went to the press and exposed it all. Corruption is a bad thing. And it stays a bad thing if its under the rocks and never exposed to the light of day. The one thing corruption can't stand, and there may be some risks to take, corruption cannot stand the light of day. As you've been prepared to work the alleys and work with under the rocks and not tell your partners and try to solve it...that's keeping it in the dark. And Peter it will never go away. You're new friends will never leave you. Shining some



light on it. Am I worried about my reputation? Not one iota. Not the littlest bit. And if this hits the front pages of the press I'll be giving my side of the story.

Peter: Well I wouldn't use the words friends. They're not my friends.

Female: Peter I'm stunned, shocked, dismayed, sad, pissed, I am... what do we say to you at this point.

Bill: I think you may have picked up what our position is.

Don: We will not do any compromise...

Peter: Let me clarify. I didn't come here to compromise. I came...

Don: Peter I'll tell you what's going through my mind I have three or four or five alternatives in my mind and as to why you're here. And I'm going to be very clear about what my response is that I've just given. If any of those alternatives in my mind as to why you're here is enlightened by my response then so be it.

Bill: Let me reassure you there's been no discussion, no thought about any ulterior motives. Peter has, from what at least what he told me yesterday had to do something and if he went back to those people with what would apparently be a significant confrontation he does feel a requirement to tell somebody and the only advice that I gave him was to tell somebody with whom you have a relationship which that is not adversarial. As I understand it some of the relationships he's had out there are becoming adversarial so he came here on that basis and it was my suggestion for him to come here and tell you...

Don: And we appreciate that.

Female: Gentlemen, you've now told us. We now know. You know that we know and we know. So we'll will conduct ourselves accordingly. But what is the agenda for the rest of this meeting?

Bill: I have no other...

Peter: Well I achieved what I set out to do...

Mystery Guy: Well I'll give you a little example. If you were in Peter's position what would you do when you left this office?

I would go to a police officer. I would figure out who was talking to but I would walk out of this office and to the law.

Bill: And you didn't have to think very long about that.

Female: No I did not. And you've compelled us into a situation.

Bill: What does that mean?

Female: I now know. I have been informed of criminal activity.

Bill: That's correct. Again let me be sure you understand. That was not any sort of an intent here. The intent was I've got to tell somebody who do I tell and inaudible the best person to tell is you.

Don: Why?

Peter: You're the chairman of the company. You're one of the four shareholders in the company and I wasn't sure I tell this story, get through it.


Don: Okay we appreciate you coming and I share your sentiments and I am deeply deeply disappointed and I hurt undoubtedly financially, but I trusted you. I trusted you implicitly. And I am hurt because my judgment was so fucked up.

**Peter Exit**

Don: I'm not sure this wasn't the beginning of a shake down

# T A B L E

This is Exhibit "E" referred to in the  
Affidavit of Darcy Thompson sworn before  
me, this 12th day of November, 2018.



\_\_\_\_\_  
A Commissioner, etc.

Emily Ann Elizabeth Pace, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires June 13, 2020.



Court File No. CV-15-2110-00

ONTARIO  
SUPERIOR COURT OF JUSTICE

AK/bf

B E T W E E N:

TRADE CAPITAL FINANCE CORP.

Plaintiff

- and -

PETER COOK also known as PETER WILLIAM COOK, MARC D'AOUST also known as JEAN MARC D'AOUST, THOMAS BARKER also known as THOMAS RICHARD BARKER (personally and carrying on business as LC EXCHNAGE, GLOBAL MEDICAL and GREENLINK CANADA GROUP), ROCKY RACCA, BRUNO DIDIOMEDE also known as BRUNO DIAIOMEDE, ALAN KEERY also known as ALAN JOHN KEERY, CHRIS BENNETT JR. also known as CHRIS BENNETT also known as CHRISTOPHER BENNETT (personally and carrying on business as CJR CONSULTING), TODD CADENHEAD, DAYAWANSA WICKRAMASINGHE, BONNY LOKUGE also known as DON BONNY LOKUGE, VIRTUCALL INC., VIRTUCALL INTERNATIONAL LLC, DEBT RESOLVE-MORTGAGE FUNDING SOLUTIONS INC., carrying on business as DEBTRESOLVE INC., THE CASH HOUSE INC., 1160376 ONTARIO LIMITED operating as THE CASH HOUSE, 2242116 ONTARIO INC. carrying on business as SUPERIOR MEDICAL SERVICES INC. and SUPERIOR MEDICAL SERVICES, CARLO DE MARIA also known as CARLO VINCE DE MARIA also known as CARLO VINCENT DE MARIA also known as CARLO VINCENZO DE MARIA, MATTEO PENNACCHIO, FRANK ZITO also known as FRANCESCO ZITO, SIMONE SLADKOWSKI, JOBEC TRADE FINANCE INC., 1461350 ONTARIO INC., 2299430 ONTARIO INC., WF CANADA LTD., JOBEC INVESTMENTS RT LTD., GREEN LINK CANADA INC., 2339989 ONTARIO INC., 2252364 ONTARIO INC., 2224754 ONTARIO LTD., 6980023 CANADA INC. operating as LIVING BENEFITS, MILLWALK ENTERPRISES INC., OAK HILLS WATER DURHAM INC., MARK JOSHUA COOK, ELIZABETH COOK, REBECCA COOK, MARC PINTUCCI, MARCO SANTONATO also known as MARC SANTONATO and NEW ERA RESOLUTIONS & CONSULTING INC.

Defendant



VICTORY VERBATIM

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This is the Examination for Pursuant to Rule 39.03 of  
PETER COOK, taken at the offices of VICTORY VERBATIM  
REPORTING SERVICES INC., 222 Bay Street, Suite 900, Ernst  
& Young Tower, Toronto-Dominion Centre, Toronto, Ontario,  
on the 2nd day of August, 2017.

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A P P E A R A N C E S:

PETER W.G. CAREY	--	for the Plaintiff
PHILIP VIATER (via teleconference)	--	For the Defendant, Frank Zito also known as Francesco Zito
HOWARD GERSON	--	for the Defendant, Alan Keery also known Alan John Keery



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1           3.           Q.       Now, Mr. Cook, you are the Peter  
2                   Cook who is the defendant in the lawsuit by Drea  
3                   Capital Finance Corp. against you and a number of  
4                   other individuals, including Marc D'Aoust, Al  
5                   Keery, Frank Zito, The Cash House, et cetera, et  
6                   cetera. Is that correct?

7                   A.       Yes, that's correct.

8           4.           Q.       Today, we're going to examine you  
9                   pursuant to Rule 39.03. I don't expect you to  
10                  know what that means. And what it means is that  
11                  Mr. Keery and Mr. Zito have brought motions  
12                  before the court, or are bringing motions for a  
13                  summary judgment before the court to have the  
14                  action dismissed as against them only. Okay?

15                  A.       Okay.

16           5.           Q.       And further to this motion, we  
17                   are entitled, "we" being Trade Capital Finance  
18                   Corp., are entitled to examine people we think  
19                   might have information relevant to those motions,  
20                   under Rule 39.03, which is why it's called Rule  
21                   39.03 Examination. I note, today, however that  
22                   you do not have a lawyer with you.

23                  A.       No, I don't.

24           6.           Q.       You are not represented by a  
25                   lawyer in this action, this main lawsuit, are



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1                   you?

2                               A.       No.

3       7.                   Q.       And you have not filed a defence.

4                   Is that correct?

5                               A.       That's correct.

6       8.                   Q.       As much as it pains me to say  
7                   this, if you decide you want a lawyer, you should  
8                   let us know now, and we will adjourn this hearing  
9                   to allow you to obtain a lawyer, to assist you  
10                   with the hearing. Do you wish to have a lawyer  
11                   present for the hearing?

12                               A.       No, no.

13       9.                   Q.       I am going to be asking you a  
14                   series of questions concerning the circumstances  
15                   surrounding Trade Capital Finance Corp., and the  
16                   fraud, and Mr. Zito, and Mr. Keery. Everything  
17                   that we say today is taken down in a transcript  
18                   verbatim. You understand that?

19                               A.       Yes.

20       10.                  Q.       And it will be...and may be used  
21                   as evidence in court later on, not just at these  
22                   motions, but in the action, in general. Do you  
23                   understand that?

24                               A.       Yes, I do.

25       11.                  Q.       As a result, it is important that



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1 your answers be accurate when you give them, so  
2 we would ask...and this is just general advice,  
3 don't guess. If you don't know something for  
4 sure, tell us you don't know something for sure,  
5 qualify your answers. Because, once you say it,  
6 it becomes transcribed, and it becomes evidence,  
7 and it will be difficult to resile from that  
8 evidence later on. Do you understand?

9 A. I understand.

10 12. Q. In addition, if you feel that my  
11 questions are not clear, that you do not  
12 understand them, please, feel free to ask me to  
13 elaborate on the question to explain it, to  
14 simplify it, or put it in a sense that you can  
15 understand.

16 A. Okay.

17 13. Q. Is that okay? Is your...

18 MR. GERSON: Just a quick  
19 housekeeping thing. You were examined  
20 on June 20th under the same rule. Do  
21 you recall that?

22 THE DEPONENT: Yes.

23 MR. GERSON: Thank you.

24  
25 BY MR. CAREY:



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1 14. Q. Is your full name Peter Cook?

2 A. Yes...no, I have a middle name,  
3 William. Peter William Cook.

4 15. Q. What was your date of birth, sir?

5 A. January 25th, 1958.

6 16. Q. Where were you born?

7 A. Bridgewater, Nova Scotia.

8 17. Q. Can you, please, describe your

9 educational background to me?

10 A. Okay, high school that I finished

11 in Charlottetown, Prince Edward Island, followed

12 by two years of community college in

13 Charlottetown, completed a certificate program in

14 accounting and after that...

15 18. Q. When did you get the certificate

16 in accounting?

17 A. Pardon me?

18 19. Q. Do you recall what year you got

19 the certificate in accounting?

20 A. Yes, 1977.

21 20. Q. Sorry, go ahead.

22 A. After that, I went to work at the

23 time for Scotiabank, and any other education I

24 had were management or executive-type courses, or

25 industry courses, like investment funds in Canada



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1 for selling mutual funds, so mostly licencing-  
2 type courses.

3 21. Q. And these would have all been  
4 through the bank when you were working there?

5 A. That's right.

6 22. Q. Because...

7 A. Some are industry courses, but  
8 yes, through the bank.

9 23. Q. So, you started working for the  
10 bank in 1977?

11 A. Yes.

12 24. Q. How long did you work for the  
13 bank in Charlottetown?

14 A. So, I worked for Scotiabank from  
15 1977 to 1989 at various locations throughout  
16 Atlantic Canada. And when I left Scotiabank in  
17 1989, I was working here, in Toronto.

18 25. Q. So, you had been posted to  
19 Toronto by the bank in 1989?

20 A. Well, I'll back up. So, I joined  
21 in Charlottetown, I took multiple transfers to  
22 progress my career. In 1978 I moved to  
23 Campbellton, New Brunswick. In 1980, I moved to  
24 St. Stephen, New Brunswick. In 1986, the bank  
25 moved me to Toronto. And in 1989, I resigned



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1 from Scotiabank.

2 26. Q. So, you resigned in 1989, and why  
3 did you resign?

4 A. I joined TD Bank.

5 27. Q. And in what capacity did you join  
6 the TD Bank?

7 A. As a manager of administration  
8 for Atlantic Canada and Halifax.

9 28. Q. That was based in Toronto?

10 A. No, Halifax.

11 29. Q. So, you moved back to Halifax in  
12 1989?

13 A. Yes.

14 30. Q. So, in 1989 how long did you stay  
15 in Halifax for?

16 A. I was there until 1994, and I was  
17 transferred to Summerside, Prince Edward Island  
18 by TD.

19 31. Q. So, you stayed with the bank from  
20 '89 until '94, and then in '94 you were  
21 transferred to PEI?

22 A. With TD Bank.

23 32. Q. With TD Bank, all with TD Bank,  
24 right?

25 A. Yes, then '96 I was transferred



P. Cook - 11

1 back to Halifax, and then in '97 I was  
2 transferred to Toronto.

3 33. Q. Once again, with the TD Bank?

4 A. Yes. And I left the TD Bank; I  
5 resigned from the TD Bank in March of 2001.

6 34. Q. Why did you leave the TD Bank?

7 A. I joined a small public company.  
8 So, to pursue another opportunity.

9 35. Q. What was the small public  
10 company?

11 A. It was called Commercial  
12 Consolidators Corp.

13 36. Q. You say it was public? Public...

14 A. Yes.

15 37. Q. Commercial Consolidators Corp.,  
16 and what did they do?

17 A. They were a consolidator of IT  
18 hardware and software products.

19 38. Q. And they would sell these to end-  
20 users?

21 A. Yes. My role was vice president  
22 and director, and my job was to integrate the  
23 companies they purchased into the business. They  
24 were in a growth stage. Most companies that they  
25 purchased were in the U.S. and Canada.



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1 39. Q. You started with the Commercial  
2 Consolidators Corp in 2001. How long did you  
3 stay there for?

4 A. Commercial Consolidators went  
5 into bankruptcy in 2003, I think. I'm not...it's  
6 kind of hard to remember those timelines, but  
7 after a couple years. They went into bankruptcy,  
8 and coming out of bankruptcy I ended up as an  
9 owner, a part owner, of a company called HITS  
10 Entertainment that did...provided video on demand  
11 services for hotels, primarily in the Caribbean.

12 40. Q. How did you end up...so, I mean,  
13 you were the vice president and director of  
14 Commercial Consolidator Corp., did it go  
15 officially bankrupt? Did it just become  
16 insolvent, or do you know?

17 A. No, they went official bankrupt.

18 41. Q. Okay, and then how did you end up  
19 with...as a part owner of HITS Entertainment?

20 A. I assisted the lender...and the  
21 lead lender to Commercial Consolidators in  
22 gathering their assets, or collecting their  
23 assets, and as a result they introduced me to  
24 associates of theirs who were the co-owners in  
25 the company, the one asset they sold off that I





P. Cook - 13

1 ended up being a shareholder in. It was almost  
2 like a "thank you" for the work I did.

3 42. Q. So, they introduced you to the  
4 shareholders of HITS Entertainment?

5 A. Yes, the company was sold...the  
6 receiver was Richter. When HITS was sold it was  
7 previously called Tri-Vu. HITS was sold, and it  
8 was purchased by myself, and the partners of  
9 Liquid Capital Corps, and we changed the name to  
10 HITS Entertainment. And we operated it from  
11 Liquid Capital Corps offices.

12 43. Q. And those offices were in  
13 Toronto?

14 A. Yes.

15 44. Q. And so, the principles of Liquid  
16 Capital Corp. were your fellow owners for HITS  
17 Entertainment?

18 A. That's right.

19 45. Q. And who were they?

20 A. Sol Roter, Brian Birnbaum,  
21 Barnett Gordon.

22 46. Q. Had you met any of these  
23 gentleman prior to that or had you met them...

24 A. No.

25 47. Q. This was the first time you had



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1           been introduced to them...

2                   A.       First time.

3       48.           Q.       ...was through this transaction?

4                   A.       That's right.

5       49.           Q.       And what did Liquid Capital Corp  
6           do at that time?

7                   A.       They were a franchise company  
8           that provided...set up small businesses in the  
9           factoring industry.

10       50.           Q.       Meaning they were a franchisor  
11           for factors?

12                   A.       Yes.

13       51.           Q.       So, they would set up small  
14           factoring offices and advise them how to go about  
15           factoring things?

16                   A.       They would sell them franchises,  
17           they would give them procedures and training, and  
18           they would provide them with a service platform  
19           from Accord Financial to do their back office. I  
20           think at the time they had about 30 franchisees  
21           in Canada.

22       52.           Q.       Was this a full-time job working  
23           for HITS Entertainment for you?

24                   A.       Yes, it was. I operated as a  
25           general manager, and we ran the company for two



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1 years, approximately, and then we sold it.

2 53. Q. So, what did you do after HITS  
3 Entertainment was sold?

4 A. At that time Liquid Capital was  
5 expanding rapidly in the United States.

6 54. Q. The same type of business,  
7 franchising factoring?

8 A. Yes. And I rolled over basically  
9 into work in the same office for Liquid Capital  
10 to support the franchise growth.

11 55. Q. What was your title at Liquid  
12 Capital? What did you do?

13 A. It's funny, they never had  
14 titles. I was in charge of the marketing budget  
15 and franchise sales in Canada, and somewhat in  
16 the U.S. So, I used to travel to trade shows for  
17 franchise shows to sell franchises.

18 56. Q. How long did you stay at Liquid  
19 Capital?

20 A. Sorry, I just have to think about  
21 that.

22 57. Q. Sure. Take your time.

23 A. You know, I want to say two  
24 years, or maybe less.

25 58. Q. So, that would put us about 2005?



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1 A. Yes, somewhere in there, 2005,  
2 maybe 2006.

3 59. Q. Well, 2005/2006 would be when  
4 you...you would have bought HITS Entertainment  
5 2003, right?

6 A. Right.

7 60. Q. So, if you spent two years  
8 there...

9 A. Right...

10 61. Q. ...2005...you would have started  
11 at Liquid Capital in 2005, or so?

12 A. That's right. Now you're  
13 back...you're correct. So, 2007, I left Liquid  
14 Capital to join a company called Trade Finance  
15 Solutions Inc.

16 62. Q. Trade...

17 A. Finance Solutions Inc.

18 63. Q. Is that another factoring  
19 company?

20 A. Yes, it is.

21 64. Q. It sounds like a factoring  
22 company.

23 A. It's a factory company.

24 65. Q. Why did you leave Liquid Capital  
25 to go to Trade Finance Solutions Inc.?



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1 A. Some of the principals of the  
2 Commercial Consolidators, the company that I  
3 joined when I left TD, principals and owners of  
4 Trade Finance Solutions Inc., and one of their  
5 senior partners developed ALS and they asked if I  
6 would come in to help them in the management of  
7 the company.

8 66. Q. Okay, so in 2007 you were at  
9 Trade Finance Solutions, you started there?

10 A. Right.

11 67. Q. And how long did you last...stay  
12 there?

13 A. I'm trying to go backwards,  
14 because I'm trying to go back to where we  
15 started. Trade Capital Finance Corp...I'm trying  
16 to think what year we started that. I'm thinking  
17 2010...late 2010. So, I stayed there until I  
18 joined...until we started, created, Trade Capital  
19 Finance Corp.

20 68. Q. That's the plaintiff in this  
21 action?

22 A. That's right, yes.

23 69. Q. And you say, "we created", who is  
24 the "we", and how was it created?

25 A. Trade Capital Finance Corp.?



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1 70. Q. Yes.

2 A. It was Neil Jamieson, who I had  
3 been doing some business with, introduced me to  
4 D'arcy Tucker, or Thompson, sorry, Freudian slip.

5 So, he introduced me to D'arcy. He felt  
6 that...I believe, I don't like to speak for him,  
7 but I believe his thought was that I had sales  
8 skills, and that D'arcy had administrative  
9 skills, and that we would be a good fit. And  
10 that was the original start of Trade Capital  
11 Finance Corp.

12 71. Q. Okay. And that would have been,  
13 what, 2010?

14 A. Yes, I think it was 2010.

15 72. Q. Now, at this point you knew Marc  
16 D'Aoust, correct?

17 A. That's right.

18 73. Q. And you were involved with  
19 Virtucall?

20 A. That's right. It wasn't called  
21 Virtucall then, it was called...

22 74. Q. Pardon me.

23 A. ...DCSI.

24 75. Q. Do you know what that stands for?

25 A. I have no idea.



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1           76.                   Q.       Okay. Now, tell me about your  
2 involvement with Mr. D'Aoust and Virtucall/DCSI,  
3 however, it's called.

4                   A.       I think I first met Marc D'Aoust  
5 in...when I was working for Liquid Capital. And  
6 one of the franchise operators was doing a  
7 service call and asked me to accompany him as  
8 training...almost as a training activity. So, it  
9 would have been, like, 2006 or 2007.

10                   He was at 2200 Steeles Avenue on a large  
11 call centre, that he and Tom Barker had recently  
12 purchased and had taken over from Citibank. It  
13 looked like a Citibank when you walked in, the  
14 colours and the furniture, and so on, and I  
15 learned fairly quickly that D'Aoust was a VP with  
16 Citibank, and involved in collection activities  
17 in Citibank. And my take was that Citibank had  
18 closed down and outsourced it to those two guys.

19                   And so, I met Barker at that time, at  
20 that meeting, and D'Aoust for the first time, and  
21 Barker told me his history was that he was a CGA  
22 and he previously worked for Allied, which I  
23 think is a collection company. And both D'Aoust  
24 and Barker had a history in the collections  
25 industry.



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1           77.                   Q.       Okay, and did Mr. D'Aoust at that  
2                                   point, or actually, thereafter, ask you to obtain  
3                                   financing for Virtucall?

4                                   A.       The...again, at that time it was  
5                                   called DCSI, and he only came back to me later  
6                                   when I was at Trade Finance Solutions. So,  
7                                   the...which was before Trade Capital Finance,  
8                                   sorry, they're all confusing. And, at that time,  
9                                   it was Virtucall, and they...no, sorry, it was  
10                                  still DCSI. And they asked me to provide  
11                                  financing, which we did through Trade Finance  
12                                  Solutions Inc., for DCSI, which was a call centre  
13                                  providing outbound calling, primarily for  
14                                  newspapers. Their largest customer was the Globe  
15                                  and Mail.

16           78.                   Q.       So, you said DCSI's largest  
17                                   customer was the Globe and Mail, and they  
18                                   would...so, Trade Finance Solutions factored  
19                                   their invoices for the newspapers?

20                                  A.       That's right.

21           79.                   Q.       And subsequently, I understand  
22                                   that Mr. D'Aoust approached you and asked you to  
23                                   get additional \$2,000,000 in funding for  
24                                   Virtucall?

25                                  A.       So, I don't recall him ever





P. Cook - 21

1 asking me for \$2,000,000. I recall that the  
2 operations at DCSI eventually wound down at  
3 Steeles Avenue and a new call centre was opened  
4 on Ronson, the building on the side of the 401,  
5 the SYNEX building. And that call centre was  
6 called Virtucall. And the business model  
7 was...seemed to be shifting from just newspapers,  
8 and into diabetic medical devices for companies  
9 in the U.S., and they made applications to  
10 finance Virtucall and factor their receivables.

11 80. Q. And they applied to Trade Finance  
12 Solutions Inc.?

13 A. No, I don't think Trade Finance  
14 Solutions Inc. ever had an account under the name  
15 of Virtucall.

16 81. Q. Who did they apply to for  
17 financing?

18 A. They applied to Trade Capital  
19 Finance Corp. And prior to that, they had  
20 applied to me individually in a company that I  
21 owned called Jobec Trade Finance, which was a  
22 small business that I owned on the side where I  
23 did some transactions. And I had done some  
24 factoring with them through Jobec Trade Finance.

25 82. Q. So, before you got involved with



P. Cook - 22

1 Trade Capital Finance Corp., you would have been  
2 operating Jobec Trade Finance. And was that a  
3 wholly owned company by you?

4 A. Yes.

5 83. Q. And when did Jobec start up?

6 A. Whenever...whatever year it was  
7 when I joined Trade Finance Solutions Inc.

8 84. Q. Did Jobec factor in the accounts  
9 for Virtucall?

10 A. Yes.

11 85. Q. Do you know what the dollar value  
12 of the accounts it factored would have been?

13 A. I'm not sure. I mean, if I had  
14 to estimate, I would say \$400,000 - \$500,000  
15 dollars.

16 86. Q. Did Jobec have any trouble  
17 collecting on the invoices if factored for  
18 Virtucall?

19 A. No, nobody...Jobec didn't have a  
20 problem, Trade Finance Solutions didn't have a  
21 problem, everything operated the way it should.

22 87. Q. So, you're saying that after  
23 Trade Finance you met D'arcy Thompson and you  
24 become involved in Trade Capital Finance Corp?

25 A. Correct.



P. Cook - 23

1 88. Q. How was that structured?

2 A. The company structure?

3 89. Q. Yes. Were you an owner in it?

4 A. Yes. Initially, there were three  
5 partners: Neil Jamieson, D'arcy Thompson, or  
6 whatever holding companies they may have used, or  
7 whatever to hold their shares, and myself.

8 90. Q. Did it remain that way?

9 A. No, it changed...somebody, Neil  
10 or D'arcy introduced Don Jackson to the business  
11 as a new investor to bring more capital to the  
12 company, and he eventually became...he or one of  
13 his holding companies became a shareholder. And  
14 I...I'm not 100 percent sure, but I believe it  
15 was kind of four partners, 25 percent each.

16 91. Q. You were involved in selling  
17 fraudulent invoices to Trade Capital Finance  
18 Corp., correct?

19 A. That's correct.

20 92. Q. Tell me how that happened. How  
21 did that get started?

22 A. I don't know. It's tough to  
23 frame how that started. I mean, everything  
24 worked well with these guys; everything was  
25 getting paid. By the way, nobody has ever asked



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1 me this question before. I've been asked a lot  
2 of questions in a lot of different places, and  
3 nobody has ever asked me that question, ever, in  
4 this last...I don't know how many years this has  
5 been going on.

6 Initially, Barker's and D'Aoust's  
7 account seemed to run fine. But, once you find  
8 that the account is out of line, it doesn't take  
9 very long to figure out something's wrong. You  
10 can make some phone calls, you can see payments  
11 aren't made. I started finding a lot of problems  
12 with the account, and eventually found out that  
13 the largest customer for the account was a  
14 company called Global Medical in the U.S. And  
15 D'Aoust and Barker had opened a bank account in  
16 Canada with a similar name. And whatever  
17 collections they were getting from Global Medical  
18 they were floating through that account,  
19 controlling payments to Trade Capital. And  
20 rather than put my hand up and say, "We have a  
21 major issue here", I tried to fix it, and that  
22 trying to fix it is what caused a real problem.

23 93. Q. Now, when you had started Trade  
24 Capital Finance Corp., wasn't one of the things  
25 you brought to the table the account from



P. Cook - 25

1 Virtucall?

2 A. That's right.

3 94. Q. So, you had to book of business  
4 from Virtucall and it was a substantial book of  
5 business, and one of the things you did when you  
6 started Trade Finance was you said, "I can  
7 contribute this book of business"?

8 A. That's right, it's just a part of  
9 the startup.

10 95. Q. That's part of the startup. And  
11 then you say you became aware that, in fact, the  
12 invoices that were being factored by Virtucall  
13 were not legitimate invoices from Global Medical?

14 A. Not all of them; some of them  
15 weren't legitimate invoices. It was a real  
16 customer. It was a real business. Global  
17 Medical was a real client. The issue was how  
18 much money Global Medical was...if they were  
19 invoicing them as an example, \$10,000; was Global  
20 Medical paying all 10 or were they only paying 6,  
21 and that was the issue. They weren't full  
22 paying, and Barker and D'Aoust were hiding that  
23 through this bank account that they had opened in  
24 Canada. They wouldn't make the full payment.

25 96. Q. I see. So, when did you discover



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1 this?

2 A. I knew you were going to ask me  
3 that. I'm not sure, and I'm not sure if we found  
4 it right when we were converting the accounts. I  
5 can't sit here and say I only found it after we  
6 did this; I think I found it before.

7 97. Q. And you didn't alert Mr.  
8 Thompson...

9 A. No.

10 98. Q. ...or Mr. Jackson Mr. Jamieson to  
11 this?

12 A. No, I didn't.

13 99. Q. Why not?

14 A. Again, a question I've never been  
15 asked. And I thought about it, that was a stupid  
16 thing not to do. I think...

17 REPORTER: Sorry to interrupt. Mr.  
18 Viater lost reception and asked that you  
19 guys call him back.

20 100. MR. CAREY: If you could just hold  
21 for a second, Mr. Cook.

22  
23 --- DISCUSSION OFF THE RECORD

24

25



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1 MR. COOK, resumed

2 CONTINUED EXAMINATION BY MR. CAREY:

3 101. Q. So, the last question is: Why  
4 didn't you tell you partners at Trade Capital  
5 Finance Corp. that the Virtucall account was  
6 apparently fraudulent in nature, at least,  
7 partially fraudulent in nature?

8 A. Yes, it's a mistake, I should  
9 have. It's hard to know today why I didn't do  
10 it, but I look back at it and go, I was really  
11 worried that it was going to blow up our whole  
12 new partnership, and that our business would  
13 fail. I was convinced I could fix it. That, you  
14 know, there really was a real customer at the  
15 other end; there really were real sales  
16 happening. The issue was it was out of line, and  
17 that's the only excuse.

18 I should have done it, I didn't. I  
19 really thought I could fix it, and I really was  
20 scared that it was going come apart; that our  
21 whole business would not happen.

22 102. Q. So, I take it that you became  
23 further and further involved in issuing or having  
24 fraudulent invoices issued to Trade Capital  
25 Finance Corp., not just by Virtucall, but by



1 other entities?

2 A. Yes.

3 103. Q. Is that correct?

4 A. Yes.

5 104. Q. And how did that happen?

6 A. So, it's hard to put it in  
7 context, because I've never written it down, you  
8 know, how that all occurred. And as I look back  
9 at that, how many years ago it was, but as  
10 Virtucall came apart, and had bigger and bigger  
11 exposure, I got more involved. I went to South  
12 Carolina and met with medical companies down  
13 there that they did business with...I got  
14 extremely involved in finding out, you know,  
15 "where...who were these debtors and are they  
16 going to pay or aren't they going to pay?"

17 And along the way, this whole concept of  
18 generating false invoices, and financing false  
19 companies...I think at first it started with  
20 invoices, and then it started with companies,  
21 where a company name would be put up...like, if I  
22 take the example in Al Keery's case, D'Aoust  
23 would come to me and he would go, "Okay, here's a  
24 company to finance. Here's a set of articles,  
25 and here's who the owner is. Here's where the





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1 address is. And here's who the debtors are going  
2 to be." And I certainly knew that that wasn't a  
3 legitimate company, and it wasn't legitimate  
4 invoices. And it's almost like kiting cheques;  
5 it's like putting through the invoices to get the  
6 money to pay the other invoices in Virtucall so  
7 that you could keep that account current while  
8 you're trying to fix it. And...

9 105. Q. You're saying the concept wasn't,  
10 you said that the concept arose, but you didn't  
11 indemnify who came to you with the concept  
12 initially.

13 A. D'Aoust. Which, as I think about  
14 it now was a natural thing for him to think,  
15 because he was already giving invoices that were  
16 false that even at the time I didn't know they  
17 were, and he was getting money for them. But,  
18 the scheme to go introduce other companies got  
19 extremely complicated.

20 106. Q. Now, this went on for quite some  
21 time, for several years, in fact.

22 A. M'hmm.

23 107. Q. Correct? You have to say yes.

24 A. Yes.

25 108. Q. Sorry.



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1 A. Yes.

2 109. Q. Ultimately, you became aware that  
3 you were being found out, and you arranged to  
4 have a meeting with D'arcy Thompson and Don  
5 Jackson, correct?

6 A. Don Jackson...I met with Don  
7 Jackson and Catherine Herring.

8 110. Q. Catherine Herring, I apologize.

9 A. Yes.

10 111. Q. And in that meeting, you advised  
11 them you had been basically part and parcel  
12 approving to Trade Capital Finance Corp.,  
13 correct?

14 A. That's correct.

15 112. Q. And in that meeting you told them  
16 that even the invoices, by otherwise reputable  
17 companies, such as Wells Fargo or Enbridge, would  
18 had people on the inside who would have been used  
19 to lend credibility to these, otherwise, phony  
20 invoices. Is that correct?

21 A. That's correct. That's what I  
22 said.

23 113. Q. Okay, and you said that this was  
24 the idea of unsavoury bad people that you had  
25 met, I think I'm quoting you directly on that



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1 point, is that correct?

2 A. Correct.

3 114. Q. Who were these unsavoury bad  
4 people that you met, and how did you meet them?

5 A. This is one I don't really talk  
6 about very much, if at all. D'Aoust and Barker  
7 borrowed money from several different places;  
8 individuals and companies, like The Cash House.  
9 And the unknown and any effort I tried to make to  
10 figure out how to recover and get out of this was  
11 all this debt they had accumulated with outside  
12 parties. And some of this debt carried extremely  
13 expensive rates. I was...

14 115. Q. Like what? Give me an example.  
15 What would be the rate?

16 A. Well, over 60 percent. I know  
17 the number 60, because I'm a lender. The...I was  
18 aware that they utilized services of...I didn't  
19 know it was The Cash House. I knew they used a  
20 money store that they went to, and the money  
21 store would cash post-dated cheques. The money  
22 store would...

23 116. Q. When you say, "money store", you  
24 mean, small "m" and small "s", you're identifying  
25 anything?



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1                   A.       That's right. I mean, I know who  
2                   The Cash House is now, I didn't know who it was  
3                   then.

4                   117.               Q.       But, you know they've gone to a  
5                   money store, but you now know that it was The  
6                   Cash House?

7                   A.       Right. There may have been  
8                   others, but I know The Cash House has been  
9                   identified. And they would...they could cash a  
10                  post-dated cheque; they could draw money for  
11                  payroll and, you know, leave a company cheque.  
12                  There were a number of services that they would  
13                  provide to them. And through that process, more  
14                  people would get involved because instead of me  
15                  meeting with D'Aoust to go over something, all of  
16                  a sudden there's three other guys there. They  
17                  don't carry business cards, and they don't pass  
18                  out names. And those guys were the kind of  
19                  people who would talk about, "Okay, we have a rep  
20                  at Wells Fargo. So, you can use Wells Fargo."

21                               And it's interesting, when I look at  
22                               your claim documents where you trace where the  
23                               money went, I look down at some of these names,  
24                               who some I don't know who they are, and I'm  
25                               trying to figure out if I've ever met them. But,



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1 in those meetings, I remember that one in  
2 particular with Wells Fargo. And, it was  
3 declared that they had somebody from Wells Fargo  
4 that would participate on the other side for  
5 confirmation.

6 118. Q. Who did they tell you at Wells  
7 Fargo it was?

8 A. Who?

9 119. Q. Yes.

10 A. No. They didn't tell me.

11 120. Q. But you found out later on it  
12 was...

13 A. Found out later on.

14 121. Q. Who was it?

15 A. Sure, it's Pennacchio, Matteo  
16 Pennacchio. And you know, he has since pleaded  
17 guilty and was accused of a crime and he  
18 pleaded...I had never met him, and the first time  
19 I ever saw him was in a courtroom at a  
20 preliminary hearing; I had to testify.

21 122. Q. Now, did you ever get the names  
22 of any of the people, these bad people you met  
23 with, any first names?

24 A. The one guy, I knew who he was,  
25 Rocky Racca. When I first met him, he was the



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1 supervisor in the call centre at DCSI. However,  
2 I later learned that he arranged loans  
3 for...short-term loans for Tom and Marc.

4 123. Q. For D'Aoust and Barker?

5 A. Yes, yes, sorry.

6 124. Q. Sorry, otherwise I have trouble  
7 keeping them all sorted, so I go by the last  
8 names, not any...other than that. Do you know  
9 who he arranged these loans with?

10 A. No.

11 125. Q. But, you know that Virtucall owed  
12 a lot of money to The Cash House; we've already  
13 discussed that?

14 A. Yes.

15 126. Q. You were told that there was a  
16 rep at Enbridge?

17 A. Yes, so I can explain how that  
18 one worked. The typical would be, "Holy shit,  
19 there is a bill that has to be paid on Friday",  
20 and maybe it's an invoice that Virtucall said has  
21 to be paid or a payment commitment that has to be  
22 met, and D'Aoust would come in and say, "Okay,  
23 well, here's a company that you can use", I don't  
24 know where he got the company. You usually  
25 produce the Articles of Incorporation, and an



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1 owner's name, and a bank account. And, "Here's  
2 who they do business with, and here is who you  
3 you're going to use the contact person for that  
4 business."

5 So, I would see that side. I actually  
6 didn't know until I was sitting...I don't know if  
7 it was in a discovery or the preliminary hearing,  
8 that that bank account that was used in that  
9 example with Enbridge was open by Barker and his  
10 son's name was on it; news to me. I had no  
11 knowledge, no sight of that.

12 127. Q. But, who was the contact you knew  
13 about at Enbridge?

14 A. Frank Zito.

15 128. Q. Did you ever speak to Mr. Zito  
16 directly?

17 A. No.

18 129. Q. But, you pretended to be Mr. Zito  
19 by using a BlackBerry e-mail address?

20 A. No, I never used the BlackBerry.  
21 The BlackBerry e-mail addresses were created and  
22 used by D'Aoust and/or people with him. I never  
23 held them or used them or communicated with them.  
24 I may have written to it, but I didn't have  
25 access to it.



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1 130. Q. So, would you have used the  
2 Blackberry to send messages under the e-mail  
3 address, frankzito@telus.blackberry.net?

4 A. No, I never had access to that.

5 131. Q. Okay, well Mr. D'Aoust says you  
6 did. He says you did all the messages.

7 A. I can explain it to your very  
8 specifically. I have no idea how to open a  
9 BlackBerry e-mail; I've never done it in my life,  
10 or go get a throwaway phone. I have only ever  
11 opened a Gmail account, and in Gmail, I have also  
12 registered domain names that may have been  
13 similar to company names. But, I have never  
14 created a BlackBerry e-mail account. I have  
15 never...I don't even know how to do it.

16 132. Q. But, your e-mail address was  
17 pcook@tradecapfinance.com, correct?

18 A. Yes.

19 133. Q. So, then e-mails sent there would  
20 be e-mails to your address and to your attention,  
21 right?

22 A. Correct.

23 134. Q. So, you're saying you would  
24 never...you had never used the BlackBerry address  
25 for Frank Zito?





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1 A. I may have written to that  
2 address, but I did not control that address.

3 135. Q. So, any messages coming from that  
4 address would not have come from you?

5 A. It can't be me.

6 136. Q. And you would not have the  
7 BlackBerry telephone to receive those messages,  
8 is what you're telling me?

9 A. No. That's correct.

10 137. Q. And you never communicated with  
11 Mr. Zito at all?

12 A. There was...no, I had never  
13 spoken to him, I had never met him, and the only  
14 time I had ever seen him was at his preliminary  
15 that I had to testify at. But, there was one  
16 point where...I realize that when you look at it  
17 from the outside, it's like, "Oh, everybody knew  
18 what everybody was doing in this orchestrated  
19 thing between D'Aoust and I", I was never sure  
20 what he was doing, or what he wasn't doing, or  
21 what accounts were what accounts.

22 There was one e-mail I wrote when I was  
23 kind of like, "Okay, I thought some of this was  
24 real", and I wrote an e-mail to Frank Zito at  
25 Enbridge that is to his Enbridge e-mail address



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1 to say, "Okay, what is this?" You know? And he  
2 confirmed back that it was nothing, nothing was  
3 real, nothing was...none of these invoices were  
4 being paid. And that was the only time, I think,  
5 I ever wrote directly to his corporate e-mail  
6 address and got an answer from him. So, we did  
7 communicate then, because I wrote him an e-mail  
8 and he answered.

9 138. Q. I'm going to show you an e-mail  
10 from you to Marc D'Aoust, and this is  
11 Exhibit...oh, and the affidavit of D'arcy  
12 Thompson, sworn June 30th, 2017.

13 MR. GERSON: Is that the Zito  
14 material?

15  
16 BY MR. CAREY:

17 139. Q. Yes, it's the Zito material. And  
18 this is an e-mail from you at  
19 pcook@tradecapfinance, and you've already  
20 confirmed that was your e-mail address?

21 A. That's right, yes.

22 140. Q. And it's to marcaoust@adment.com  
23 and Mr. D'Aoust has already confirmed in his  
24 examination that that is his address. You agree  
25 with that?



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1 A. Yes.

2 MR. VIATER: I apologize; can the  
3 speaker go a little bit closer to the  
4 witness? It's just sometimes it's  
5 harder to hear.

6 141. MR. CAREY: Yes, hold on.

7 THE DEPONENT: Okay.

8 BY MR. CAREY:

9 142. Q. And this is part of a chain, if  
10 you view the bottom of this from Gordon  
11 Barnett...or is it Barnett Gordon? Two first  
12 names.

13 A. It's Gordon Barnett.

14 143. Q. And Mr. Barnett sends an e-mail  
15 to you, to Peter Cook.

16 A. Right.

17 144. Q. It says, "Can you and Frank Zito  
18 e-mail payment confirmation to my e-mail  
19 address?" Okay, and on top of that, it's been  
20 forwarded to you saying, "Barnett sent that on a  
21 Friday before you wired." On top of that, you  
22 go, "I just read it", and you sent this e-mail to  
23 Mr. D'Aoust, "I just read it in my spam today.  
24 How about I send Zito an e-mail requesting  
25 confirmation to Barnett?" Then you respond, "Or



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1 should we just ignore, since we the payment was  
2 sent."

3 So, you were going to send an e-mail  
4 that required Mr. Zito requesting confirmation of  
5 the invoice. Is that correct? Directly?

6 A. Well, yes, that's exactly what it  
7 says. I would believe that that would be to the  
8 Zito BlackBerry e-mail address.

9 145. Q. Well, you didn't say that, you  
10 said, "Send Zito."

11 A. Yes, exactly. I see what it  
12 says.

13 146. Q. Well, you're still taking the  
14 opinion...you're just saying now we should read  
15 it, and that was not to Mr. Zito directly, but  
16 Mr. Zito's BlackBerry address.

17 A. Yes. Yes, sorry.

18 147. Q. Then why would you have said that  
19 to Mr...well, who did you think it was on the  
20 other end of the Zito BlackBerry address? You  
21 knew it was Marc D'Aoust?

22 A. That's right. That's correct.

23 148. MR. CAREY: So, why would you write  
24 an e-mail to Marc D'Aoust going, "How  
25 about I send Zito an e-mail requesting



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1 confirmation"? Why wouldn't you say,  
2 "Why wouldn't I send an e-mail to you,  
3 Marc, requesting confirmation?"  
4

5 --- TELECONFERENCE CALL DISCONNECTS  
6

7 --- DISCUSSION OFF THE RECORD  
8

9 BY MR. CAREY:

10 149. Q. Okay, so now Mr. Cook, in your  
11 discussion with Don Jackson and Catherine...

12 A. Herring.

13 150. Q. ...Herring, you indicated that  
14 Virtucall had been laundering money for the bad  
15 people that they were involved with. Do you  
16 recall making that comment?

17 A. I do.

18 151. Q. How would they be laundering that  
19 money, do you know?

20 A. Does that pertain to what we're  
21 here to do today?

22 152. Q. It does, because it deals with  
23 the fraud, overall, and it deals with the parties  
24 of the fraud, and Mr. Zito, and to some degree,  
25 Mr. Keery. So?



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1           A.       I wasn't privy to the details of  
2 what they were doing and how they were doing it,  
3 and even who they did it with. And, in fact, the  
4 name, Carlo De Maria, I never heard until D'arcy  
5 Thompson told me in the fall of 2013, or whatever  
6 point it was when you guys traced where money  
7 went.

8           So, I really don't have much information  
9 on that, other than that some of the loans they  
10 received, and I'm not sure from who, but some of  
11 the loans they received were received in cash.  
12 And apparently, by lending money in the cash is a  
13 form of laundering money because then you're  
14 moving the cash because you gave it out as a  
15 loan.

16           MR. GERSON:     I just want to clarify  
17 something, do you have personal  
18 knowledge of that? I think you asked  
19 him not to guess.

20           153.       MR. CAREY:       I've asked Mr. Cook; he's  
21 answered.

22           THE DEPONENT:     I've seen large bags  
23 of cash. That's how I would have  
24 confirmation of that. I don't have  
25 confirmation of what the arrangement



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1 was, but I had seen large bags of cash.

2

3 BY MR. CAREY:

4 154. Q. Would any of these large bags of  
5 cash have come from The Cash House?

6 A. I have no knowledge of that.

7 155. Q. So, who would have told  
8 you...you're saying that Mr. D'Aoust told you  
9 that Zito was the inside man at Enbridge?

10 A. The process was that  
11 everything...

12 156. Q. I don't want the process; I want  
13 specific details of Mr. Zito.

14 A. Yes, so anybody who was a company  
15 or a person, like Zito, was a name given to me by  
16 D'Aoust. I never knew if Zito knew or didn't  
17 know anything or...I had no knowledge of any of  
18 that. All I know is that was a name that was  
19 given, and, "Here is the information, here is the  
20 e-mail addresses, here is the contact details to  
21 use."

22 I knew the BlackBerry was controlled by  
23 D'Aoust, but I really never knew whether in  
24 Zito's case or Pennacchio's case, or any of these  
25 other names that are involved in this, were they



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1 participating or weren't they? I didn't know.

2 157. Q. As the money was paid for  
3 fraudulent invoices, did you receive any of it?

4 A. No.

5 158. Q. None of it?

6 A. I earned a salary from the  
7 company, and I didn't receive any payments from  
8 any of that money.

9 159. Q. Well, you know there's about...to  
10 use your own words, I think there's more than  
11 this, but at the meeting you indicated there was  
12 \$5,000,000 of worthless invoices that were paid  
13 for. So, where did that \$5,000,000 go?

14 A. Well, as I said to you earlier,  
15 it's my understanding that some of this money has  
16 been tracked through some of your actions.

17 Because some of where the money went, I only read  
18 in your reports. When the money was advanced, it  
19 was advanced to whoever our customers were. So,  
20 if it was a customer of Trade Capital Corp., and  
21 it was Virtucall, or it was a numbered company,  
22 the money was advanced into those company  
23 accounts. I have no control over any of those  
24 company accounts.

25 160. Q. So, you're saying that Mr.





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1 D'Aoust or Mr. Barker would have control over  
2 those accounts?

3 A. Well, as I told you earlier, I  
4 had no idea that in the...I forget the Ontario  
5 numbered company name, 233, that it had an  
6 account that Barker's son signed on. I had no  
7 knowledge of that, and no idea what happened to  
8 the money that went in that account. So, I did  
9 not sign on the accounts, I did not see any  
10 account information, and when I saw where money  
11 went is when I read your reports.

12 161. Q. Why were you involved in all this  
13 fraud, Mr. Cook, if you weren't getting any  
14 money? Why at some point wouldn't you have held  
15 your hand up and have gone, "Not only am I  
16 defrauding my business partners and friends, but  
17 I'm not even getting anything out of it." It  
18 doesn't make any sense to me.

19 A. So, you know, at first I  
20 legitimately thought I was going to...wrongly,  
21 was going to fix it. Then eventually, it got  
22 bigger, and it got a lot of other pressures on  
23 it, and...

24 162. Q. So, these "pressures" are they  
25 these bad people visiting you?



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1 A. Yes.

2 163. Q. Were you fearful?

3 A. Yes.

4 164. Q. Were you fearful for your life?

5 A. Yes.

6 165. Q. Are you still fearful for your  
7 life?

8 A. I'm fearful answering your  
9 questions right now when you ask me about these,  
10 because I don't know who's going to see these  
11 transcripts. Yes.

12 166. Q. Okay. And you're saying that you  
13 carried on with...I don't want to put words in  
14 your mouth, you tell me how you carried on with  
15 the fraud?

16 A. Well, I...you probably heard some  
17 comments in the...what you call "my confession",  
18 or the meeting, the minutes of the meeting with  
19 Jackson and Herring. In the middle of...these  
20 people encroach more and more and more on my  
21 home. And along the way, and I've given this  
22 example before, one day they referred an account  
23 to me, and Susan Thompson underwrote the account.  
24 And that account we turned down. And a week  
25 after we turned that account down, that



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1 individual was found dead in his car, and  
2 supposedly suicide. But, that was referred to me  
3 by Rocky Racca, actually.

4 And when those things are going on and  
5 you're not used to those things, forget...you're  
6 just trying to figure out what to do to keep them  
7 away from you. And, "Is there any way out of  
8 this?" There were days when I thought that, you  
9 know, Global Medical owed enough money that we  
10 were going to be able to pay this and get out of  
11 it. However, Global Medical was charged by the  
12 U.S. Department of Justice for breach under their  
13 Medicaid program, which is all available on the  
14 internet if you haven't read it. And they were  
15 fined 10 million bucks, and so there was no  
16 getting paid by them. Or if they paid somebody,  
17 they would have paid Parker or D'Aoust.

18 To my knowledge...anyway, I don't want  
19 to get off on it, but my thing is I didn't know  
20 how to get out of it. I was afraid. At first, I  
21 was stupid and thought, you know, I could fix it.  
22 It just got worse. As it got worse, it was like,  
23 "I don't know what to do." And then, eventually,  
24 it just got to a breaking point, and the same  
25 time that it was going to be found out anyway, I



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1 saw a lawyer and told him my story and he  
2 suggested that I go tell that story to the  
3 chairman of the company, which I did.

4 167. Q. Now, were you aware of...did you  
5 ever come across Mr. Keery, Al Keery?

6 A. I never met him until the time I  
7 testified here in June. His name was given to me  
8 by Marc D'Aoust as the owner of the company, I  
9 think it's 233 something or other, Ontario Inc.  
10 And that D'Aoust would provide me with a company  
11 name, a contact person, who for...the owner of  
12 the company, who the customers of the company  
13 were and then talk-off as to what business they  
14 were in. And the talk-off in that case, I think,  
15 was telephone switches, switching systems for  
16 telephones. I opened the account, did the  
17 paperwork, I signed Keery's name on the Trade  
18 Capital paperwork and on the application. Those  
19 are my signatures, I said that before on the  
20 20th. And that was part of the process to open  
21 the account.

22 I never knew who controlled the account  
23 that the money went in; I didn't know who signed  
24 on it. To be truthful, for all I knew, Al Keery  
25 signed on it, but I never knew; I had no idea.



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1 All I know is I did everything this side of...to  
2 Trade Capital, the paperwork back to Trade  
3 Capital.

4 168. Q. And this was all at the behest of  
5 Mr. D'Aoust.

6 A. Yes.

7 169. Q. And Mr. Barker or mainly Mr.  
8 D'Aoust?

9 A. Mainly, Mr. D'Aoust, and again,  
10 Al Keery, to my knowledge, was a friend of his.  
11 I think he's even reported that he had a cottage  
12 or something in his name, that that's where the  
13 name came from. So, he would be the person to  
14 come forward and give these people's names, and  
15 never set up the companies. And to my knowledge,  
16 Barker was fully aware, and sometimes he was in  
17 meetings, sometimes he wasn't, sometimes he would  
18 phone me and ask me if there were issues. But,  
19 those names, and those talk-off scenarios would  
20 come from D'Aoust to me.

21 170. MR. CAREY: Well, you know, Mr. Cook,  
22 I think I'm pretty well finished today.  
23 Subject to any questions that Mr. Gerson  
24 may have, or Mr. Viater may have on the  
25 telephone.



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1 MR. VIATER: I can confirm I don't  
2 have any questions for today.

3 171. MR. CAREY: Mr. Gerson?  
4

5 EXAMINATION BY MR. GERSON:

6 172. Q. Just a couple of quick ones. Do  
7 you affirm that the evidence that you have given  
8 at the previous examination still continues to be  
9 true today?

10 A. Yes, I do.

11 173. Q. You mentioned certain bad people  
12 who you're in fear of your life in relation to.  
13 Do you have any reason to believe that Mr. Keery  
14 has anything to do with that?

15 A. No.

16 174. Q. If I understand correctly, you  
17 were provided with this 233 numbered company by  
18 Mr. D'Aoust?

19 A. Correct.

20 175. Q. He told you Mr. Keery was a  
21 director of it?

22 A. Correct.

23 176. Q. Or rather, it said that on the  
24 Articles of Incorporation you were provided with,  
25 correct?



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1 A. That's correct.

2 177. Q. And you then impersonated Mr.  
3 Keery, correct?

4 A. That's correct.

5 178. Q. You created an e-mail address  
6 alkeery77@gmail.com, over which you had exclusive  
7 control?

8 A. Correct.

9 179. Q. You fabricated invoices that this  
10 233 company had supposedly rendered to various  
11 companies, I believe with Bell Canada and SNC-  
12 Lavalin, correct?

13 A. Correct.

14 180. Q. Those were fabricated invoices  
15 that you created?

16 A. Yes, they were.

17 181. Q. And you used the  
18 alkeery77@gmail.com address to deliver those e-  
19 mails to the company that you were operating for  
20 the Plaintiff. Is that correct?

21 A. That's correct.

22 182. Q. You also created an e-mail  
23 address for someone named Jim Whitehouse, who was  
24 a fictional character, correct?

25 A. Correct.



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1 183. Q. You represented that Mr.  
2 Whitehouse was a director or some kind officer of  
3 SNC-Lavalin, correct?

4 A. Correct.

5 184. Q. That's what you told the  
6 plaintiffs, is that right?

7 A. That's correct.

8 185. Q. And you used that e-mail address  
9 to provide comfort to the plaintiff, that the  
10 fictitious e-mails had reality to them, when in  
11 fact it did not. Is that correct?

12 A. That is correct.

13 186. Q. And in every document that you  
14 were shown in the plaintiff's motion materials  
15 that contained Mr. Keery's signature, you  
16 confirm, in fact, you forged that signature. Is  
17 that correct?

18 A. That's correct.

19 187. Q. And you made up the information  
20 on the client application form for Mr. Keery,  
21 other than his address, social insurance number,  
22 birth date, that sort of thing, all that  
23 information, correct?

24 A. That's correct.

25 188. Q. And you believe you were provided





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1 with the telephone number by Mr. Keery, is that  
2 right?

3 A. Correct.

4 189. Q. To your knowledge, did Mr. Keery  
5 have anything, whatsoever, to do with any of the  
6 dealings that are pleaded in the Statement of  
7 Claim?

8 A. Not to my knowledge. I'm going  
9 to put a provision on that, and that's again, I  
10 reemphasize that I was not aware...not involved  
11 in anything beyond the set up of Trade Capital.  
12 I, personally, was under the opinion that  
13 somebody has to open a bank account, somebody has  
14 to sign on it to get the money, but I never knew  
15 who that was. Whether it was or wasn't Al Keery,  
16 I only since learned it wasn't him from  
17 proceedings I've been in.

18 MR. CAREY: What proceedings are  
19 those?

20  
21 BY MR. GERSON:

22 190. Q. If I can just finish my  
23 questions. You since have seen bank documents  
24 that were produced by the documents, correct,  
25 which indicate 233 accounts was opened up by



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1 Barker Senior and Barker Junior, correct?

2 A. That's right. And they did a  
3 directors change or something to put Barker  
4 Junior on it so she could sign?

5 191. Q. Right.

6 A. So, that was the first I ever saw  
7 that in those materials.

8 192. Q. So, Mr. Keery had been...was a  
9 director of the company, but if you were to open  
10 the bank account, what you understand from  
11 reading the plaintiff's documents?

12 A. Right.

13 193. Q. Not the plaintiff's documents,  
14 but the bank documents for 233 produced the  
15 plaintiff's materials. What you understand is  
16 that Barker attended the bank and provided a  
17 change of director form to make them directors  
18 rather than Keery. Is that right?

19 A. That's correct.

20 194. Q. So, in fact, the plaintiff, the  
21 evidence of the plaintiff, that you were  
22 intimately involved in creation of the plaintiff  
23 company, is that correct, based on your evidence  
24 today?

25 A. Yes.



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1 195.

2 Q. And the plaintiff company at the  
3 time that you left Trade Capital, let's say when  
4 the Statement of Claim was served, mid-2015, for  
5 example, what is your understanding of Trade  
6 Capital's business at that time? Would it have  
7 been a business at that time?

8 A. I think I left in September of  
9 2013, I forget the exact date, but it would have  
10 been the day...the day I did the Don Jackson  
11 meeting, at that time the company had I think  
12 three legitimate accounts that they collected and  
13 get paid full on, to my knowledge. And I'm not  
14 sure how much they totalled, maybe \$2,000,000 and  
15 then the balance of the book was bad or  
16 fraudulent invoices. I'm not aware if they  
17 called those loans and went after any of those  
18 debtors, or were paid for anything, but that's my  
19 knowledge when I left.

19 196.

20 Q. So, at this point in time, you  
21 expected Trade Capital has no business and is  
22 basically a shell, correct?

23 A. That's my understanding, but I  
24 have no knowledge of that.

24 197.

25 MR. GERSON: Okay. Thank you. I  
have no further questions.



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1 MR. CAREY: Okay. We're done.

2  
3 --- upon adjourning at 3:17 p.m.  
4  
5  
6  
7  
8  
9  
10



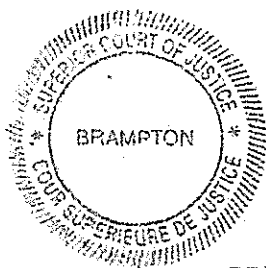
# TAB F

This is Exhibit "F" referred to in the  
Affidavit of Darcy Thompson sworn before  
me, this 12th day of November, 2018.



\_\_\_\_\_  
A Commissioner, etc.

Emily Ann Elizabeth Pace, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires June 13, 2020.



Court File No. *CV-13-4787-00*

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
APPLICATION UNDER Rule 14.05(3)(g) of the *Rules of Civil Procedure*

THE HONOURABLE JUSTICE *RICCHETTI, J.* ) *MONDAY*  
 ) FRIDAY, THE 26<sup>TH</sup> DAY  
 ) OF OCTOBER, 2013

BETWEEN:

TRADE CAPITAL FINANCE CORP.

Applicant(s)

- and -

THE TORONTO-DOMINION BANK also known as TD CANADA TRUST, THE BANK OF NOVA SCOTIA also known as SCOTIABANK, CANADIAN IMPERIAL BANK OF COMMERCE also known as CIBC, ROYAL BANK OF CANADA also known as RBC, BANK OF MONTREAL also known as BMO and WELLS FARGO BANK, NATIONAL ASSOCIATION

Respondent(s)

**ORDER**

**THIS APPLICATION**, brought by the Applicant without notice for a *Norwich Pharmacal* Order was heard this day at the Brampton Courthouse at 7755 Hurontario Street, Brampton, Ontario.

**ON READING** the Application Record and the Affidavit of Darcy Thompson sworn on October 24, 2013, filed, and on hearing the submissions of counsel for the Applicant, and on noting the undertaking of the Applicant to abide by any Order this



Court may make concerning costs of compliance arising from the granting and enforcement of this Order,

1. **THIS COURT ORDERS** that the Applicant may proceed with this Application on an *ex parte* basis.

2. **THIS COURT ORDERS** the Respondent, The Toronto-Dominion Bank also known as TD Canada Trust ("TD"), to disclose and produce to the Applicant forthwith <sup>copies of</sup> all correspondence, computer data, documents, records, transactions and activities from November 9, 2011 to the date of the expiry of this Order in relation to:

- a. TD bank account number 7303753, located at TD branch 1038 located at 15255 Yonge Street, Aurora, Ontario;
- b. TD bank account number 5233022, located at TD branch 1928 located at 2263 Yonge Street, Toronto, Ontario; and,
- c. TD bank account number 5270311, located at TD branch 1552 located at 2038 Kipling Avenue, Rexdale, Ontario.

3. **THIS COURT ORDERS** TD to disclose and produce to the Applicant forthwith <sup>copies of</sup> all correspondence, computer data, documents, records, transactions and activities from November 9, 2011 to the date of expiry of this Order in relation to:

- a. any and all bank accounts that Virtucall Inc. <sup>including</sup> ~~and/or the owner of~~ TD bank account number 7303753, maintains or has an interest in at TD branch 1038 located at 15255 Yonge Street, Aurora, Ontario;

- b. any and all bank accounts that 2242216 Ontario Inc. <sup>including</sup> ~~and/or the owner of~~ TD bank account number 5233022, maintains or has an interest in at TD branch 1928 located at 2263 Yonge Street, Toronto, Ontario; and,
- c. any and all bank accounts that 2339989 Ontario Inc. <sup>including</sup> ~~and/or the owner of~~ TD bank account number 5270311, maintains or has an interest in at TD branch 1552 located at 2038 Kipling Avenue, Rexdale, Ontario.

4. **THIS COURT ORDERS** the Respondent, The Bank of Nova Scotia also known as Scotiabank ("Scotiabank"), to disclose and produce to the Applicant <sup>Copies of</sup> forthwith all correspondence, computer data, documents, records, transactions and activities from November 9, 2011 to the date of the expiry of this Order in relation to:


- a. Scotiabank bank account number 0141216, located at Scotiabank branch number 10132 located at 14720 Yonge Street, Aurora, Ontario;
- b. Scotiabank bank account number 0151319, located at Scotiabank branch number 10132 located at 14720 Yonge Street, Aurora, Ontario; and,
- c. Scotiabank bank account number 0073911, located at Scotiabank branch number 10132 located at 14720 Yonge Street, Aurora, Ontario.

5. **THIS COURT ORDERS** Scotiabank to disclose and produce to the Applicant <sup>Copies of</sup> forthwith all correspondence, computer data, documents, records, transactions and activities from November 9, 2011 to the date of the expiry of this Order in relation to:


- a. any and all bank accounts that LC Exchange <sup>, including</sup> ~~and/or the owner of~~ Scotiabank bank account number 0141216, maintains or has an interest in at Scotiabank branch number 10132 located at 14720 Yonge Street, Aurora, Ontario;
- b. any and all bank accounts that Greenlink Canada Inc. <sup>, including</sup> ~~and/or the owner of~~ Scotiabank bank account number 0151319, maintains or has an interest in at Scotiabank branch number 10132 located at 14720 Yonge Street, Aurora, Ontario;
- c. any and all bank accounts that Virtucall Inc. <sup>, including</sup> ~~and/or the owner of~~ Scotiabank bank account number 0073911, maintains or has an interest in at Scotiabank branch number 10132 located at 14720 Yonge Street, Aurora, Ontario; and,
- d. any and all bank accounts that Thomas Richard Barker maintains or has an interest in at Scotiabank branch number 10132 located at 14720 Yonge Street, Aurora, Ontario.


6. **THIS COURT ORDERS** the Respondent, Canadian Imperial Bank of Commerce also known as CIBC ("CIBC"), to disclose and produce to the Applicant <sup>copies of</sup> forthwith all correspondence, computer data, documents, records, transactions and activities from November 9, 2011 to the date of the expiry of this Order in relation to:

- a. CIBC bank account number 9956611, located at CIBC branch number 05022 located at 136 Rexdale Boulevard, Etobicoke, Ontario; and,


- b. CIBC bank account number 4224213, located at CIBC branch number ~~12010~~ located at 1 St. Clair Avenue West, Toronto, Ontario.  
00122
- 

7. **THIS COURT ORDERS** CIBC to disclose and produce to the Applicant forthwith all correspondence, computer data, documents, records, transactions and activities from November 9, 2011 to the date of the expiry of this Order in relation to:

- a. any and all bank accounts that 2242116 Ontario Inc., <sup>including</sup> ~~and/or the owner of~~ CIBC bank account number 9956611, maintains or has an interest in at CIBC branch number 05022 located at 136 Rexdale Boulevard, Etobicoke, Ontario; and,
- 

- b. any and all bank accounts that Greenlink Canada Inc., <sup>including</sup> ~~and/or the owner of~~ CIBC bank account number 4224213, maintains or has an interest in at CIBC branch number 12010 located at 1 St. Clair Avenue West, Toronto, Ontario.
- 

8. **THIS COURT ORDERS** the Respondent, Royal Bank of Canada also known as RBC ("RBC"), to disclose and produce to the Applicant forthwith <sup>copies of</sup> all correspondence, computer data, documents, records, transactions and activities from November 9, 2011 to the date of the expiry of this Order in relation to:




- a. RBC bank account number 1010289, located at RBC branch number 06492 located at 5125 Sheppard Avenue East, Scarborough, Ontario; and,
- b. RBC bank account number 1010024, located at RBC branch number 00292 located at 99 Mapleview West, Barrie, Ontario.

9. **THIS COURT ORDERS** RBC to disclose and produce to the Applicant forthwith all correspondence, computer data, documents, records, transactions and activities from November 9, 2011 to the date of the expiry of this Order in relation to:


- a. any and all bank accounts that CJR Consulting, <sup>including</sup> ~~and/or the owner of~~ RBC bank account number 1010289, maintains or has an interest in at RBC branch number 06492 located at 5125 Sheppard Avenue East, Scarborough, Ontario;
- b. any and all bank accounts that Millwalk Enterprises Inc., <sup>including</sup> ~~and/or the owner of~~ RBC bank account number 1010024, maintains or has an interest in at RBC branch number 00292 located at 99 Mapleview West, Barrie, Ontario; and,
- c. any and all bank accounts that Jobec Trade Finance Inc. maintains or has an interest in at RBC branch number 3012 located at 7481 Woodbine Avenue, Markham, Ontario.

10. **THIS COURT ORDERS** the Respondent, Wells Fargo Bank, National Association ("Wells Fargo"), to disclose and produce to the Applicant forthwith <sup>copies of</sup> all correspondence, computer data, documents, records, transactions and activities from November 9, 2011 to the date of the expiry of this Order in relation to Wells Fargo bank account number 6175160180, located at the Wells Fargo bank located at 420 Montgomery Street, San Francisco, California, USA.

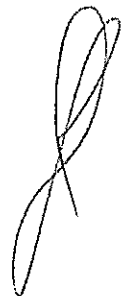
11. **THIS COURT ORDERS** Wells Fargo to disclose and produce to the Applicant forthwith all correspondence, computer data, documents, records, transactions and activities from November 9, 2011 to the date of the expiry of this Order in relation to any and all bank accounts that Instinctive Edge LLC, <sup>including</sup> ~~and/or the owner of~~ Wells Fargo bank account number 6175160180, maintains or has an interest in at the Wells Fargo bank located at 420 Montgomery Street, San Francisco, California, USA.




12. **THIS COURT ORDERS** the Respondent, Bank of Montreal, to disclose and produce to the Applicant forthwith <sup>copies of</sup> all correspondence, computer data, documents, records, transactions and activities from November 9, 2011 to the date of the expiry of this Order in relation to Bank of Montreal bank account number 1044570, located at Bank of Montreal branch number 03682 located at 3022 Bloor Street West, Etobicoke, Ontario.



13. **THIS COURT ORDERS** Bank of Montreal to disclose and produce to the Applicant forthwith <sup>copies of</sup> all correspondence, computer data, documents, records, transactions and activities from November 9, 2011 to the date of the expiry of this Order in relation to:



- a. any and all bank accounts that 2224754 Ontario Ltd. <sup>including</sup> ~~and/or the owner of~~ Bank of Montreal bank account number 1044570, maintains or has an interest in at Bank of Montreal branch number 03682 located at 3022 Bloor Street West, Etobicoke, Ontario; and,
- 

- b. any and all bank accounts that Peter William Cook maintains or has an interest in at Bank of Montreal branch number 3190 located at 3960 Brock Street North, Whitby, Ontario.

14. **THIS COURT ORDERS** that the disclosure referred to in paragraphs 2 to 13, inclusive, shall include but not be limited to:

- i. all files, records, papers, notes, correspondence, memoranda, computer data and other records and information in the Respondent's possession or control with respect to any transactions conducted by, or communications received in relation to the accounts described in paragraphs 2 to 13, inclusive;
- ii. the identity of any persons or entities who instructed the Respondent to conduct any business on behalf of any of the parties and accounts described in paragraphs 2 to 13, inclusive, including the making of any payments or transfers to third parties, the identity of the payees and particulars of the instructions and transactions; and,
- iii. the identity of any persons or entities to whom funds were transferred from the parties and accounts described in paragraphs 2 to 13, inclusive, and particulars of the instructions and the transactions.

15. **THIS COURT ORDERS** that the Applicant shall be allowed to and be provided with sufficient opportunity to inspect, review and copy any information, records, materials or documents produced pursuant to the Order;

~~16. **THIS COURT ORDERS** that the Respondents attend an examination by the Applicant to answer questions with respect any and all transfers or transactions whereby the assets in the accounts described in paragraphs 2 to 13, inclusive, were transferred from the accounts described in paragraphs 2 to 13, inclusive, to other entities.~~



17. **THIS COURT ORDERS** that any bank or other financial institution into which any funds received by any of the parties or the accounts identified in paragraphs 2 to 13, inclusive, have been transferred, sent or deposited to disclose and produce to the Applicant the information in respect of such transactions in accordance with paragraph 14 of this Order for the period of November 9, 2011, to the date of expiry of this Order.

18. **THIS COURT ORDERS** that the Respondents and any other party that has or obtains knowledge of the Application or any resulting Order are prohibited from disclosing the existence of this Application, order or any act or conduct undertaken in compliance with this Order to any other person or party, except for the limited purpose of complying with this Order or obtaining legal advice with respect to compliance with this Order.



for a period of 60 days or until such other date as may be set by this Court

19. THIS COURT ORDERS that the Court file be and is sealed ~~until~~ further Order of this Court to protect the confidentiality of the Application, any resulting Order, and the conduct taken in compliance with any Order.

20. THIS COURT ORDERS that service of this Order may be effected by photocopy of the Order delivered by fax without service of the supporting evidence and that counsel for the affected party may inspect the supporting evidence at the offices of Loopstra Nixon LLP in Toronto on reasonable notice.

21. THIS COURT ORDERS that any affected party is authorized to apply for directions in respect of the Order or to vary or set aside the Order on notice to counsel for the Applicant.

22. THIS COURT ORDERS that a failure to comply with this Order or a breach of the Order constitutes contempt of Court.

23. THIS COURT ORDERS that this Order shall remain in effect for a period of sixty (60) days.

24. THIS COURT ORDERS that this matter shall be brought back before this Court ~~at~~ within 60 days.

ENTERED  
AT BRAMPTON  
OCT 28 2013  
BOOK No. 73-63  
INITIALS

**TRADE CAPITAL FINANCE CORP.**  
(Applicant)

vs

**THE TORONTO-DOMINION BANK et al**  
(Respondents)

Court File No. *CV-13-4787-00*

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**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Brampton

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**ORDER**

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Lawyers for the Applicant

**TRADE CAPITAL FINANCE CORP.**  
(Applicant)

vs

**2321197 ONTARIO INC. et al**  
(Respondents)

Court File No.

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

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**APPLICATION RECORD  
(Volume 1 of 2)**

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