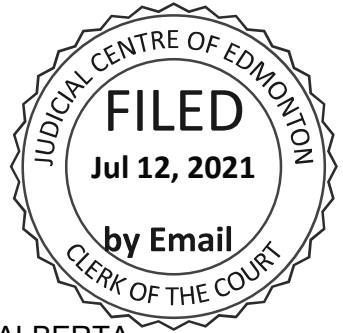


Clerk's Stamp:



COURT FILE NUMBER 2103 10893

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

PLAINTIFF **ROYAL BANK OF CANADA**

DEFENDANTS **RBD CONSTRUCTION LTD., CHRISTINE PRONISHEN and DARREN PRONISHEN**

DOCUMENT **STATEMENT OF CLAIM** \$250 (Invoice #109989)

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
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NOTICE TO DEFENDANTS

You are being sued. You are a defendant.

Go to the end of this document to see what you can do and when you must do it.

Statement of facts relied on:

The Parties

1. The Plaintiff, Royal Bank of Canada ("**RBC**"), is a bank pursuant to the *Bank Act*, SC 1991 c 46, with offices across Canada, including in Alberta.
2. The Defendant, RBD Construction Ltd. ("**RBD**"), is a corporation incorporated pursuant to the laws of Alberta and carrying on business in Alberta. At all material times, RBD operated a construction business in the City of Edmonton, Alberta.
3. The Defendant, Darren Pronishen ("**Darren**"), is an individual ordinarily resident in Alberta.
4. The Defendant, Christine Pronishen ("**Christine**"), is an individual ordinarily resident in Alberta.

Loan Facilities

5. RBC, at the request of RBD and for valuable consideration, made available to RBD four (4) credit facilities, the particulars of which are known to the Defendants, including:
 - (a) a revolving credit line facility in the amount of \$1,000,000, whereby RBD agreed to repay said loan with interest at RBC's prime rate of interest, as declared by RBC from time to time ("**Prime**"), plus 5.00% per annum;
 - (b) a non-revolving term loan facility in the amount of \$121,973.00, whereby RBD agreed to repay said loan with interest at a rate of Prime plus 1.72% per annum;
 - (c) a non-revolving term loan facility in the amount of \$32,733.34, whereby RBD agreed to repay said loan with interest at a rate of Prime plus 2.50% per annum;
 - (d) an operating overdraft facility, whereby RBD agreed to repay said loan with interest at a rate of Prime plus 5.00% per annum;
6. The aforementioned credit facilities are evidenced by way of a Royal Bank of Canada Credit Agreement dated March 24, 2020 (the "**Credit Agreement**").
7. The Credit Agreement provides, among other things, that:
 - a) The revolving credit facility was payable on demand
 - b) The non-revolving term loan facilities had a maturity date of October 7, 2020, and demand could be made thereon upon default;
 - c) RBD would be responsible for all fees (including legal fees), costs and expenses incurred by RBC in connection with the Credit Agreement, including enforcement thereof;
 - d) RBD would be required to pay all material taxes which are or will become due and payable in relation to its business;
 - e) An event of default would arise if, in the opinion of RBC, RBD suffered a material adverse change in its financial condition or operations;
 - f) An event of default would arise if RBD failed to meet any provision within the security, or failed to pay those amounts owing to RBC when they became due;
 - g) RBD would not encumber any of its property for the benefit a third party by granting a security interest thereon without the prior written consent of RBC.
8. Pursuant to a RBC Visa Business Card Agreement dated March 17, 2017 (the "**Visa Business Card Agreement**") RBC made available to RBD Visa Business Cards with an

aggregate limit of \$100,000.00. (The Credit Agreement and the Visa Business Card Agreement are collectively referred to as the “**Loan Agreements**”).

Guarantee

9. In further consideration of RBC agreeing to enter into the Loan Agreements with RBD, the Defendants, Darren, and Christine, jointly and severally, guaranteed payment of RBD's indebtedness to RBC to a maximum of \$1,300,000.00, plus interest at RBC's prime rate of interest plus 5% per annum and costs, including legal costs on a solicitor and own client basis, pursuant to a Guarantee and Postponement of claim dated March 17, 2017 (the “**Guarantee**”).
10. The Guarantee is due and payable on demand and RBC is not bound to exhaust its recourse against any other party before seeking payment under the Guarantee.
11. Pursuant to the Guarantee, Darren, and Christine each assigned and postponed their claims against RBD in favour of RBC (“**Assignment and Postponement**”).
12. The Guarantee is valid and enforceable and in compliance with the *Guarantees Acknowledgment Act*, RSA 2000, c G-11.

The Security

13. As security for the repayment of the indebtedness owing by RBD under the Loan Agreements, RBD granted to RBC as security an interest in all of its present and after acquired personal property pursuant to a General Security Agreement dated March 17, 2017 (the “**GSA**”).
14. RBC has perfected its security interests pursuant to the GSA by registering in the Alberta Personal Property Registry as registration number 17031005531.
15. The provisions of the GSA specifically empower RBC to appoint a receiver or receiver and manager over RBD and its property, assets and undertakings.
16. The provisions of the GSA further provide that RBD agreed to pay RBC's costs of enforcement of the GSA, including legal fees on a solicitor and its own client, full indemnity basis.

Indebtedness Owing to RBC

17. Pursuant to its obligations under the Loan Agreements, RBD is indebted to RBC in an amount that, as of June 30, 2021, equals, \$1,203,290.63, plus further accrued and accruing interest, costs and expenses including legal costs on a solicitor and own client, full indemnity basis (the “**Indebtedness**”) comprised as follows:

Facility	Balance	Interest	Total
Operating overdraft account	\$44,456.41	\$0.00	\$44,456.41
Revolving line of credit	\$1,000,000.00	\$216.44	\$1,000,216.44
Non-revolving term loan ending 15	\$44,189.00	\$233.90	\$44,422.90
Non-revolving term loan ending 16	\$17,177.80	\$121.14	\$17,298.94
VISA account ending in 5876	\$89,848.21	\$0.00	\$89,848.21
VISA account ending in 1690	\$7,047.73		\$7,047.73
		Total	<u>\$1,203,290.63</u>

18. Pursuant to the Guarantee, Darren and Christine are indebted to RBC in an amount that, as of June 30, 2021, equals \$1,203,290.63, plus further accrued and accruing interest, costs and expenses including legal costs on a solicitor and its own client, full indemnity basis) (the “**Guaranteed Indebtedness**”).

Defaults and Demand

19. Default has been made in the payment of the principal sum and payment of interest owing pursuant to the Loan Agreements and secured by the GSA. All sums secured by the GSA are due and owing.
20. RBC has demanded each of the Defendants repay their respective indebtedness to RBC pursuant to the Loan Agreements, GSA, and Guarantee and issued on April 20, 2021, formal demand letters to the Defendants and a Notice of Intention to Enforce Security under subsection 244(1) of the *Bankruptcy and Insolvency Act*, RSC 1985 c B-3 on RBD.
21. Despite demand, the Defendants have failed or refused and continue to fail and refuse to repay their respective indebtedness. By this Statement of Claim RBC does again demand payment of all indebtedness owed by the Defendants.
22. In the alternative, BMO pleads and relies upon the provisions of the *Judgment Interest Act*, RSA 2000, c J-1 and claims interest on all sums due and owing.
23. RBC states that a dispute resolution process would not be beneficial and would not likely result in an agreement between the parties, or alternatively, there is a compelling reason why a dispute resolution process should not be attempted by the parties or in the alternative, engaging in a dispute resolution process would be futile.

Remedy sought:

24. Judgment against the Defendant, RBD Construction Ltd. in the amounts of:
- (a) \$44,456.41 plus interest thereon and from June 30, 2021, at the rate of 5.00% per annum above the prime rate of interest maintained by RBC (“**Prime**”);
 - (b) \$89,848.21 plus interest thereon and from June 30, 2021, at the rate of 19.99%;

- (c) \$7,047.73 plus interest thereon and from June 30, 2021, at the rate of 19.99%;
- (d) \$1,000,216.44 plus interest thereon and from June 30, 2021, at the rate of 1.50% per annum above Prime;
- (e) \$44,422.90 plus interest thereon and from June 30, 2021, at the rate of 1.72% per annum above Prime;
- (f) \$17,298.94 plus interest thereon and from June 30, 2021, at the rate of 2.50% per annum above Prime;

or in such further and other amounts as this Honourable Court may direct.

- 25. Judgment against the Defendants, Darren Pronishen and Christine Pronishen, jointly and severally, in the amount of \$1,203,290.63, plus interest thereon from June 30, 2021, at a rate of 5.00% per annum above Prime, or in such further and other amounts as this Honourable Court may direct.
- 26. Alternatively, interest on all sums due and owing to RBC pursuant to the *Judgment Interest Act*, RSA 2000, c J-1.
- 27. A declaration as to the amounts owed by the Defendants to RBC.
- 28. Costs on a solicitor and his own client, full indemnity basis, or on such further and other basis as this Honourable Court may deem just.
- 29. A declaration that the security granted in favour of RBC may be enforced by the sale of the whole or any part of the property and any assets of RBD Construction Ltd.
- 30. An Order for the appointment of a receiver or receiver and manager of the undertaking, property and assets of RBD Construction Ltd.
- 31. In the alternative, an Order for the appointment of an interim receiver of the undertaking, property and assets of RBD Construction Ltd.
- 32. In the further alternative, such appointment or relief as may be necessary to ensure the preservation of the secured property.
- 33. An Order dispensing with any bond or other security that might otherwise be required to be posted by an interim receiver, receiver, receiver and manager or person tasked with the preservation of the undertaking, property and assets of RBD Construction Ltd.
- 34. An Order that no action at law or otherwise shall be taken or continued against the interim receiver, the receiver or the receiver and manager of RBD Construction Ltd. without leave of this Honourable Court first having been obtained.
- 35. A declaration that the security granted by the Defendants in favour of RBC is valid and enforceable.
- 36. Such further accounts and inquiries as may be necessary.

37. An Order waiving the requirement for the parties to participate in a dispute resolution process as contemplated by Rule 4.16 of the *Alberta Rules of Court*, AR 124/2010.
38. Such further and other relief as the nature of the case may require and this Honourable Court may deem just.

NOTICE TO THE DEFENDANTS

You only have a short time to do something to defend yourself against this claim:

20 days if you are served in Alberta

1 month if you are served outside Alberta but in Canada

2 months if you are served outside Canada

You can respond by filing a Statement of Defence or a Demand for Notice in the office of the clerk of the Court of Queen's Bench at **Edmonton**, Alberta, AND serving your Statement of Defence or a Demand for Notice on the Plaintiff's address for service.

WARNING

If you do not file and serve a Statement of Defence or a Demand for Notice within your time period, you risk losing the law suit automatically. If you do not file, or do not serve, or are late in doing either of these things, a court may give a judgment to the plaintiff against you.