

**SUPREME COURT
OF BRITISH COLUMBIA
VANCOUVER REGISTRY**

No.
Vancouver Registry

MAY 18 2016

In the Supreme Court of British Columbia

Between



Royal Bank of Canada

Plaintiff

And

Norland Forest Products Ltd.
Allan Howard White

Defendants

NOTICE OF CIVIL CLAIM

This action has been started by the plaintiffs for the relief set out in Part 2 below.

If you intend to respond to this action, you or your lawyer must

- (a) file a response to civil claim in Form 2 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim on the plaintiff.

If you intend to make a counterclaim, you or your lawyer must

- (a) file a response to civil claim in Form 2 and a counterclaim in Form 3 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim and counterclaim on the plaintiff and on any new parties named in the counterclaim.

JUDGMENT MAY BE PRONOUNCED AGAINST YOU IF YOU FAIL to file the response to civil claim within the time for response to civil claim described below.

Time for response to civil claim

A response to civil claim must be filed and served on the plaintiffs,

- (a) if you were served with the notice of civil claim anywhere in Canada, within 21 days after that service,

- (b) if you were served with the notice of civil claim anywhere in the United States of America, within 35 days after that service,
- (c) if you were served with the notice of civil claim anywhere else, within 49 days after that service, or
- (d) if the time for response to civil claim has been set by order of the court, within that time.

CLAIM OF THE PLAINTIFFS

PART 1: STATEMENT OF FACTS

1. The Plaintiff, Royal Bank of Canada, is a chartered bank of Canada with an office at 626 6th Avenue, 2nd floor, New Westminster, British Columbia, V3M 6Z2.
2. The Defendant, Norland Forest Products Ltd. (“**Norland**”), is a company incorporated in the Province of British Columbia under incorporation number BC0183089 and has a registered office located at 1900 – 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H3.
3. The Defendant, Allan Howard White (“**White**”), is a businessman whose last known address is 12751 54 Avenue, Surrey, British Columbia, V3X 3C1.
4. Pursuant to a credit agreement (the “**Credit Facility**”) dated February 7, 2016, an operating line of credit in an authorized principal amount of up to \$3,700,000 (the “**Operating Loan**”), a corporate VISA authorized to a limit of \$50,000 (the “**VISA**”) and a revolving lease line of credit in an authorized principal amount of up to \$975,000 (the “**Lease Line**”) were extended by the Plaintiff to Norland. [The Operating Loan, the Visa and the Lease Line are collectively referred to as the “**Loans**”.]
5. As security for the Loans, Norland granted to the Plaintiff a General Security Agreement dated November 16, 2008 (the “**GSA**”), for which financing statements were registered in the Personal Property Registry for the Province of British Columbia on December 6, 2007, June 25, 2008, July 16, 2010, November 22, 2010, April 6, 2011, July 7, 2011 and August 31, 2011 under Base Registration Nos. 075317E, 443545E, 666107F, 873931F, 082555G, 237348G and 328762G respectively, and which charges all of the present and after-acquired personal property of Norland (the “**Norland Collateral**”).

6. By a Guarantee and Postponement of Claim dated November 16, 2007 (the “**White Guarantee**”), White guaranteed Norland’s obligations to the Plaintiff pursuant to the Loans, limited to the principal amount of \$1,600,000.
7. By April 2016, Norland was in default of its obligations to the Plaintiff under the terms of the Loans.
8. By demand letter dated May 4, 2016, the Plaintiff demanded payment from Norland of all amounts owing under the Loans, but Norland has refused, failed or neglected to repay the amounts due and owing to the Plaintiff.
9. By demand letter dated May 4, 2016, the Plaintiff also demanded payment from White of the amounts owing under the White Guarantee, but White has refused, failed or neglected to repay the amounts due and owing to the Plaintiff pursuant to the White Guarantee.
10. Interest accrues on all amounts currently due and all amounts which may become due under the Operating Loan at the prime rate of the Plaintiff plus 1.50% per annum.
11. Interest accrues on all amounts currently due and all amounts which may become due under the VISA at the interest rate of 19.99% per annum.
12. Interest accrues on all amounts currently due and all amounts which may become due under the Lease Line. The contract rates for the various leases under the Lease Line are as follows:
 - (a) Lease 107840919588: 5.69% per annum;
 - (b) Lease 107840920755: 5.71% per annum;
 - (c) Lease 107840922545: 5.94% per annum;
 - (d) Lease 107840927812: 5.70% per annum;
 - (e) Lease 201000002401: 5.36% per annum;
 - (f) Lease 201000004341: 5.27% per annum;
 - (g) Lease 201000015751: 5.10% per annum; and
 - (h) Lease 201000016260: 4.98% per annum.

13. As of May 3, 2016, Norland remains indebted to the Plaintiff in the amount of \$3,644,904.70 plus interest and costs.

14. As of May 3, 2016, White remains indebted to the Plaintiff in the amount of \$1,600,000 plus interest and costs.

PART 2: RELIEF SOUGHT

1. The Plaintiff claims:

- (a) a declaration that Norland has defaulted under the terms of the Loans and the GSA;
- (b) a declaration that the GSA is a charge on all of the Norland Collateral;
- (c) Judgment against Norland in the amount of \$3,644,904.70, together with interest at the Plaintiff's prime interest rate in effect from time to time plus 1.50% per annum, from and including May 4, 2016 to and including the date of judgment;
- (d) a declaration that White has defaulted under the terms of the White Guarantee;
- (e) Judgment against White in the amount of \$1,600,000.00, together with interest at the Plaintiff's prime interest rate in effect from time to time plus 1.50% per annum, from and including May 4, 2016 to and including the date of judgment;
- (f) in the alternative, interest pursuant to the *Court Order Interest Act*, RSBC 1996, c. 79;
- (g) an Order appointing a Receiver or a Receiver-Manager of the assets, undertakings and properties of Norland;
- (h) costs; and
- (i) such further and other relief as this Honourable Court may deem just.

PART 3: LEGAL BASIS

1. Norland has defaulted under the terms of the Credit Facility and the GSA and is liable in debt to the Plaintiff.

2. White has defaulted under the terms of the White Guarantee and is liable in debt to the Plaintiff.

Plaintiffs' address for service: BORDEN LADNER GERVAIS LLP
1200 Waterfront Centre
200 Burrard Street
P.O. Box 48600
Vancouver, British Columbia
V7X 1T2
Attention: Martha Martindale

Fax number address for service (if any): None

E-mail address for service (if any): None

Place of trial: Vancouver, BC

The address of the registry is: 800 Smithe Street
Vancouver, BC V6Z 2E1

Date: 16/MAY/2016



Signature of Martha Martindale

plaintiff lawyer for plaintiff

Royal Bank of Canada

Rule 7-1 (1) of the Supreme Court Civil Rules states:

- (1) Unless all parties of record consent or the court otherwise orders, each party of record to an action must, within 35 days after the end of the pleading period,
 - (a) prepare a list of documents in Form 22 that lists
 - (i) all documents that are or have been in the party's possession or control and that could, if available, be used by any party at trial to prove or disprove a material fact, and
 - (ii) all other documents to which the party intends to refer at trial, and
 - (b) serve the list on all parties of record.

APPENDIX

Part 1: CONCISE SUMMARY OF NATURE OF CLAIM:

The Defendant, Norland, is a borrower pursuant to loans extended by the Plaintiff. The Defendant, White, is a guarantor of the obligations of Norland to the Plaintiff. The Loans are currently in default. The claim against the Defendants is for recovery of money owed by the Defendants to the Plaintiff pursuant to contract.

Part 2: THIS CLAIM ARISES FROM THE FOLLOWING:

A personal injury arising out of:

- a motor vehicle accident
- medical malpractice
- another cause

A dispute concerning:

- contaminated sites
- construction defects
- real property (real estate)
- personal property
- the provision of goods or services or other general commercial matters
- investment losses
- the lending of money
- an employment relationship
- a will or other issues concerning the probate of an estate
- a matter not listed here

Part 3: THIS CLAIM INVOLVES

- a class action
- maritime law
- aboriginal law
- constitutional law
- conflict of laws
- none of the above
- do not know

Part 4:

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