

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

ETIENNE VINCENT MARIO GADBOIS

- and -

MICHEL VACHON



STATEMENT OF CLAIM

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 on 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 of 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 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 \$4000 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 believed the amount claimed for costs is excessive, you may pay the plaintiffs claim and \$400 for costs and have 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 _____

Issued by _____

Local Registrar

Address of court office: 50 Eagle Street West
New Market Ontario
L3Y 6B1

TO: MICHEL VACHON
50 Rue Nordet,
Sherbrooke, Quebec
J1R 0L3

THIS ACTION IS BROUGHT AGAINST YOU UNDER THE SIMPLIFIED PROCEDURE PROVIDED IN RULE 76 OF THE RULES OF CIVIL PROCEDURE.

CLAIM

The Plaintiff claims:

- a) Judgment against the Defendant in the amount of \$105,000.00, representing the principal sum advanced by the Plaintiff to the Defendant pursuant to an unsecured loan agreement, as partial repayment of monies loaned by the Plaintiff to the Defendant.
- b) Judgment against the Defendant for interest at the rate of 6% per annum, calculated from August 1, 2020 to the date of judgment, in accordance with the agreement between the parties.
- c) In the alternative, the Plaintiff claims pre-judgment interest on the sum of \$105,000.00 pursuant to section 128 of the Courts of Justice Act, R.S.O. 1990, as amended, from the date of demand to the date of judgment.
- d) In the alternative, the Plaintiff claims post-judgment interest pursuant to section 129 of the Courts of Justice Act, R.S.O. 1990, as amended.
- e) If applicable, judgment against the Defendant for general damages arising from breach of contract, breach of trust, unjust enrichment, and breach of fiduciary duty, including compensation for irreparable harm sustained by the Plaintiff, in an amount to be determined by this Honourable Court.
- f) If applicable, judgment against the Defendant for punitive and exemplary damages in an amount to be determined by this Honourable Court;
- g) Costs of this action on a substantial indemnity basis, together with any goods and services tax which may be payable on any amount pursuant to the *Excise Tax Act*, R.S.C., 1985, as amended and applicable disbursements; and

h) Such further and other relief as this Honourable Court deems just.

BACKGROUND INFORMATION

1. The Plaintiff (the "Creditor"), Etienne Vincent Mario Gadbois, is an individual residing at 5 Island Court, Whitchurch-Stouffville, Ontario, L4A 3G7, and has resided in Canada for the past 47 years.
2. The Defendant (the "Debtor"), Michel Vachon, is an individual residing at 50 Rue Nordet, Sherbrooke, Quebec, J1R 0L3.
3. The Plaintiff has known the Defendant, Michel Vachon, for approximately 16 years.
4. In or about mid-July 2020, the Defendant made an offer to the Plaintiff regarding anticipated earnings, wherein he represented and guaranteed a return of 6% per annum on the Plaintiff's loan;
5. The Defendant further represented and assured the Plaintiff that the proposed arrangement was lawful and secure;
6. The Plaintiff was advised that the funds would be utilized to advance a second mortgage for the purposes of refinancing and renovation, with a view to increasing the value of the Defendant's property;
7. The Defendant further told the Plaintiff that the funds provided will be extremely helpful to him and used to assist the Defendant with his mortgage obligations following the loss of his employment and separation from his common-law partner;
8. The Plaintiff relied upon the Defendant's representations, acted in reliance thereon, and entrusted the Defendant with the agreed funds;
9. At all material times, the Defendant communicated with the Plaintiff in a courteous, respectful, and reassuring manner;

10. On or about August 1, 2020, the Plaintiff advanced to the Defendant the sum of \$105,000 CAD by way of Bank Draft, which funds the Defendant received and accepted;
11. The Plaintiff made the unsecured loan to the Defendant on very generous terms. The parties agreed that the loan would be for a term of three (3) years, following which it would be repayable either at the Defendant's earliest convenience or upon demand by the Plaintiff;
12. As additional assurance, the Plaintiff was told that the funds were advanced in the context of a marital family relationship, as the Plaintiff having been, at the material time, married to the Defendant's daughter, Katherine Hébert-Vachon;
13. As agreed between the parties, the funds advanced was never intended to be a gift, but rather constituted a loan or a conditional financial contribution made with an expectation of repayment, together with agreed interest, three (3) years after the date the agreement was made or upon demand by the Plaintiff;
14. The Defendant acknowledged that the funds were a loan and not a gift, investment, or capital contribution;
15. The Plaintiff and the Defendant agreed that they had reached a necessary Meeting of the Minds sufficient to create a binding and enforceable verbal loan agreement;
16. The Plaintiff fully performed his obligations under the Oral Loan Agreement by advancing the loan funds to the Defendant in accordance with the parties' agreement;
17. In or about May 2024, the Plaintiff separated from his wife, Katherine Hébert-Vachon;
18. Following the separation, the relationship between the Plaintiff and the Defendant progressively deteriorated to such an extent that the basis and purpose of the financial advance were undermined, ultimately ceasing entirely;

19. The Plaintiff delivered to the Defendant two written Notices of Demand for repayment of the sum of \$105,000, together with interest at the rate of 6% per annum, dated November 25, 2025 and March 26, 2026, respectively;
20. The Defendant has defaulted on the loan and has since wholly refused to repay any portion of the funds advanced, without offering any resolution, excuse or explanation;
21. By reason of the foregoing, the Defendant has been unjustly enriched, the Plaintiff has suffered a corresponding deprivation, and there is no juristic reason for the Defendant to retain the funds;
22. As a result of the Defendant's failure to repay the funds, despite demands duly made, the Plaintiff has suffered monetary loss and financial hardship;
23. No part of the principal sum of \$105,000.00, nor any accrued interest thereon, has been repaid;
24. The Defendant has now ceased all communication with the Plaintiff and has ignored the Plaintiff's written demands for repayment of the funds advanced, together with the accrued annual interest thereon;

CONCLUSION

25. The Plaintiff pleads breach of an oral contract as the primary cause of action. In particular, the Plaintiff alleges that the Defendant dishonestly induced the Plaintiff to advance funds and then breached the loan agreement between the parties;
26. The Plaintiff paid to the Defendant the sum of \$105,000 CAD, having been persuaded by the Defendant's material misrepresentations regarding his stable financial circumstances, his promise to pay interest at the rate of 6% per annum, and his asserted need for financial assistance;
27. Further and in the alternative, the Plaintiff pleads that the Defendant received the Plaintiff's money for the specific purpose of a repayable loan and is bound in equity and good conscience to return it;

28. The Plaintiff states that the Defendant unjustly enriched himself at Plaintiff's cost and the Plaintiff suffered corresponding deprivation as a result of the Defendant's default in loan repayment;
29. The Plaintiff states that the Defendant should be considered a constructive trustee or a trustee *de son tort*;
30. The Plaintiff pleads that, by reason of the Defendant's breach of his promises, breach of agreement, and the resulting financial deprivation, the Plaintiff is entitled to claim general damages arising from the Defendant's conduct;
31. The Plaintiff further pleads that the Defendant's conduct, including the continued refusal to respond to repeated demands for repayment of the entrusted sum, warrants an award of punitive damages;
32. The Plaintiffs propose that this action be tried at the Town of Newmarket, in the Province of Ontario;
33. The Plaintiff has performed all conditions precedent necessary to entitle the Plaintiff to judgment.

Dated: *dsV* Apr 13 12026

Lawyer for the Plaintiff

Name and Address:

*Valerie Kuznetsov
908-255 Gosford blue
North York, ON.
M3A 2L5*

ETIENNE VINCENT MARIO GADBOIS

Plaintiff

MICHEL VACHON

Defendant

Court File No. CV-26-00001376-0000



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SIGNÉ LE
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ONTARIO

SUPERIOR COURT OF JUSTICE

Proceeding commenced at Newmarket

STATEMENT OF CLAIM

V KURZHEV LAW

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Barrister and Solicitor

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