

S1812835

**SUPREME COURT
OF BRITISH COLUMBIA
VANCOUVER REGISTRY**

NO.
VANCOUVER REGISTRY

NOV 30 2018 **IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:



WATERTON GLOBAL RESOURCE MANAGEMENT, INC. and
WATERTON GLOBAL VALUE, L.P.

PLAINTIFFS

AND:

MURRAY BOCKHOLD,
IAN DAWSON and G.R. DAWSON HOLDINGS LIMITED

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,

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(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

Overview

1. The plaintiffs are entities engaged in the business of lending to and investing in metals and mining companies in North America. The defendants are equity investors in a failed mining enterprise currently being operated by the plaintiffs on a care and maintenance basis.
2. The plaintiffs bring this action to seek redress for false and defamatory statements regarding the plaintiffs and their business that have been published by the defendant Murray Bockhold on his business website, with the assistance, financial support, and active encouragement of the defendants Ian Dawson and G.R. Dawson Holdings Limited ("**Dawson Holdings**").

Parties

3. The plaintiff Waterton Global Resource Management, Inc. ("**Waterton Management**") is a company incorporated pursuant to the laws of the Province of Ontario with an address for service for the purpose of this proceeding at 900-980 Howe Street, Vancouver, British Columbia.
4. Waterton Management is a Canadian private equity firm headquartered in Ontario that specializes in the metals and mining sector. From time to time, Waterton carries on business in British Columbia.
5. The plaintiff Waterton Global Value, L.P. ("**Waterton LP**" and, collectively with Waterton Management, "**Waterton**") is a partnership registered pursuant to the laws of the British Virgin Islands with an address for service for the purpose of this proceeding at 900-980 Howe Street, Vancouver, British Columbia.

6. Waterton LP is an investment fund that manages any remaining investments that it may have in the metal and mining sector.
7. Waterton relies upon its reputation in the industry to execute on new potential investment transactions (including in British Columbia from time to time) from which it aims to generate a profit. Waterton also relies upon its reputation in the industry to maintain the confidence and trust of its own investors, as that trust and confidence is integral to Waterton's business, as it is for any institutional asset management platform.
8. The defendant Murray Bockhold is a businessperson residing in Vancouver, British Columbia.
9. Mr. Bockhold is an investment advisor providing services through Bockhold Investment Management Group.
10. Mr. Bockhold, through Bockhold Investment Management Group, operates and maintains a business website promoting his investment advisory services to the public, accessible at the following url: <https://bockholdinvestment.com> (the "**Website**").
11. The defendant Dawson Holdings is a company incorporated pursuant to the laws of the Province of British Columbia with a registered and records office located at #1066-999 West Hastings Street, Vancouver, British Columbia.
12. The defendant Ian Dawson is a businessperson residing in Vancouver, British Columbia.
13. Mr. Dawson is a director of Dawson Holdings.

Background Facts – The Financial Failure of the Borealis Mine

14. Gryphon Gold Corporation ("**Gryphon**") brought the plaintiffs into contact with the defendants.
15. Gryphon was formed in 2003 to develop hard rock mining opportunities. In 2006, Gryphon acquired the Borealis Gold Mine, a gold and silver open-pit heap leaching mining operation near Hawthorne, Nevada (the "**Borealis Mine**").
16. Mr. Bockhold and Dawson Holdings individually or through their respective entities (collectively, the "**Bockhold-Dawson Group**"), were shareholders in Gryphon.
17. In 2012, Gryphon needed financing to continue operations at the Borealis Mine. Gryphon began negotiating to obtain financing from Waterton LP.
18. From 2012 to 2013, Waterton LP loaned money to Gryphon on multiple occasions.
19. On or about April 18, 2012, Waterton LP and Gryphon entered into a Senior Secured Gold Stream Credit Agreement (the "**Senior Secured Credit Agreement**"). Pursuant to

the Senior Secured Credit Agreement, Waterton LP advanced US\$15,000,000 to Gryphon (the “**Senior Facility**”), secured by a first priority charge over Gryphon’s assets.

20. In January 2013, Waterton LP and Gryphon entered into an agreement (the “**Contribution Agreement**”) under which Waterton LP agreed to forgive 67% of the Senior Facility in exchange for a 60% undivided issued and outstanding ownership interest in Borealis Mining Company, LLC (“**BMC**”), the legal owner of the Borealis Mine. As part of the Contribution Agreement and related documents, Waterton LP also provided several million dollars of additional financing to Gryphon.

Chapter 11 Bankruptcy Proceedings and Aftermath

21. On or about July 29, 2013, Gryphon filed a voluntary petition for relief under Chapter 11 of the U.S. *Bankruptcy Code* to avoid foreclosure on its minority interest in BMC (the “**Gryphon Bankruptcy**”).
22. At Gryphon’s request, a Chapter 11 trustee was appointed (the “**Trustee**”), as Gryphon had no management, no income-producing assets, no employees and no income with which to propound a reorganization plan. Gryphon’s sole asset was a 36% interest in the Borealis Mine, which was encumbered by Waterton LP’s security interest.
23. Waterton LP asserted a secured claim in the Gryphon Bankruptcy in the amount of US\$13.8 million.
24. During the course of the Gryphon Bankruptcy, and prompted by assertions by the Bockhold-Dawson Group, the bankruptcy court (the “**Bankruptcy Court**”) authorized the Trustee to conduct an investigation. To complete the investigation, the Bockhold-Dawson Group loaned the Trustee US\$500,000, which was used almost entirely to finance the Trustee’s investigation into the value of the Borealis Mine.
25. Based on the investigation, the Trustee concluded that, at the then current range of gold prices, the Borealis Mine had no commercial viability, that gold prices of at least US\$1,800 per ounce were required for the Borealis Mine to be of interest to a typical investor, and that there was no likelihood of recovering the money invested in the Borealis Mine. At the time of the investigation, the price of gold was US\$1,200 per ounce. In 2018, the price of gold has ranged from a low of approximately US\$1,175 to a high of approximately US\$1,360.
26. In or about November 2015, the Bankruptcy Court dismissed the Gryphon Bankruptcy, finding that Gryphon had no viable assets and that continuation of the Gryphon Bankruptcy would not provide any potential benefit to the estate or to creditors of the estate.
27. Shortly after the dismissal of the Gryphon Bankruptcy, Waterton LP foreclosed on its collateral security consisting of Gryphon’s remaining membership interests in the

Borealis Mine, with the result that Waterton LP became the owner of a 100% undivided issued and outstanding ownership interest in BMC.

28. Since foreclosure and continuing through to the present, Waterton has operated the Borealis Mine only on a care and maintenance basis.

The Bockhold Website

29. Mr. Bockhold operates and maintains the Website to promote and market his investment advisory services to current and prospective clients.
30. Mr. Dawson and Dawson Holdings have at all material times been aware of the Website and the contents of the Website, and worked together with Mr. Bockhold to provide assistance, financial support, and active encouragement to create, update and maintain the Website.
31. In July 2018, more than 30 months after the dismissal of the Gryphon Bankruptcy, the Bockhold-Dawson Group moved to appoint Mr. Bockhold as the custodian of Gryphon for the purpose of advancing legal claims against Waterton related to the Contribution Agreement.
32. Once Mr. Bockhold was appointed as custodian, Gryphon filed a complaint against Waterton LP and several related entities in the Second Judicial District Court of the State of Nevada in and for the County of Washoe (the "**Gryphon Lawsuit**").
33. Since filing the Gryphon Lawsuit, the defendants have used the Website as a platform to publish unproven allegations of fraud and other wrongdoing against the plaintiffs.
34. In August and September 2018, the Website contained a press release and a handful of court documents.
35. On or about October 12, 2018, Mr. Bockhold convened a telephone call with representatives of the plaintiffs to discuss the Gryphon Lawsuit.
36. During the telephone call, Mr. Bockhold demanded that Waterton make a "deposit" of US\$27 million, and that in exchange he would engage in good faith negotiations regarding settlement of the Gryphon Lawsuit.
37. During the telephone call, Mr. Bockhold also threatened that he would post additional materials on the Website and further disparage the plaintiffs "in the court of public opinion" unless the plaintiffs promptly paid him US\$27 million. Mr. Bockhold further threatened that the plaintiffs should consider his proposal in light of the risk that he posed to the plaintiffs' business.
38. The plaintiffs did not acquiesce to Mr. Bockhold's threats.

39. In or about October 2018, Mr. Bockhold made good on his threat. Mr. Bockhold, with the encouragement, support and assistance of Mr. Dawson and Dawson Holdings, updated the Website, publishing additional false, defamatory and misleading statements intended to harm the plaintiffs' business and reputation.

Defamatory Statements

40. The Website makes the following defamatory statements concerning the plaintiffs' business, accessible under the following url: <https://bockholdinvestment.com/gryphon-gold/>:
- (a) "The story of Gryphon Gold isn't just a story about one company; it's the account of a "death-spiral loan" business model that has attributed to the demise of an estimated 14 Canadian mining companies with a minimum of \$450 million of lost public shareholder equity."
 - (b) "Waterton has accomplished their take-overs with the assistance of Waterton associates, with un-disclosed connections to Waterton, who were placed on Boards of Directors and positions of authority and likely used these positions to assist in the death spiral(s) of the company(s)."
 - (c) "Waterton's actions to allegedly steal the Mine from the equity investors is not an isolated occurrence; it is Waterton's business strategy."
 - (d) "Waterton and its respective funds have historically invested in, and or acquired, "distressed" assets and companies, including at least fourteen publicly traded companies. In many instances, they funded, and or over-funded companies beyond repayment ability, indirectly forcing the companies into bankruptcy, where, in many instances, they stood as a stalking horse, and ultimately acquired the company assets. In others, they have forced the company into bankruptcy, submitted an offer to acquire assets, and forced consideration of same through submissions to the TSX to halt trading of shares. Waterton has accomplished their take-overs with the assistance of Waterton associates, with un-disclosed connections to Waterton, who were placed on Boards of Directors and positions of authority and likely used these positions to assist in the death spiral(s) of the company(s). They also purposely vend the assets into an LLC which has no disclosure obligations and their [*sic*] is evidence they 'sterilize' corporate records."
41. The words referred to in paragraph 40, in their natural and ordinary meaning, and by innuendo, meant and were understood to mean, *inter alia*, the following:
- (a) The plaintiffs engage in dishonest, unethical, deceptive and fraudulent business practices.
 - (b) The plaintiffs are not trustworthy.

- (c) People should not do business with the plaintiffs.
 - (d) The plaintiffs' business model is purposefully to target companies that are in financial distress and structure financing arrangements so that the company will fail in its repayment obligations and Waterton will be able to acquire the company's assets through bankruptcy or other court proceedings.
 - (e) The plaintiffs' financing arrangements with debtor companies harm equity shareholders in the debtor companies.
 - (f) The plaintiffs' business strategy is to steal from equity investors in debtor companies.
 - (g) The plaintiffs carry out their business strategy with the assistance of individuals with business relationships to Waterton that are placed on Boards of Directors or other positions of authority in debtor companies and use those positions to assist in the financial demise of the companies for the benefit of Waterton.
 - (h) The plaintiffs' relationships with these individuals are purposefully kept secret from and are not disclosed to debtor companies or other stakeholders in the debtor companies.
 - (i) The plaintiffs' business strategy includes the use of limited liability companies (LLCs) to hold company assets to avoid corporate disclosure obligations and to keep their activities secret.
 - (j) The plaintiffs intentionally delete and remove content from corporate records to avoid the disclosure of potentially compromising and damaging material regarding their business practices.
42. The Website makes the following additional defamatory statements concerning the plaintiffs' lending transactions with Gryphon concerning the Borealis Mine and the plaintiffs' activities while in control of the Borealis Mine:
- (a) "Evidence has now been uncovered that, in our opinion, clearly indicates that after Waterton took over ownership of the Mine in January 2013, and during the bankruptcy proceeding, they purposefully suppressed the value of the Mine to support their submissions to the bankruptcy court that the Mine could not turn a profit."
 - (b) "Therefore, as a result of the bankruptcy, which Waterton orchestrated, the stockholders of the Mine, such as Dawson and other clients of Bockhold Investment Management Group, were completely wiped out. Waterton, which had obtained its equity investment by using an alleged fraudulent scheme, retained its investment free and clear of debt."

- (c) "The story of Bockhold/Dawson's involvement in Gryphon Gold goes back to 2012 when the actions of Gryphon's new management and suspicious trading activity raised questions of integrity and fiduciary duty. Years later, and with the testimony of several key employees, we have uncovered that there could be in excess of US\$45 million of gold-laden carbon diverted to a pond on the property. Bockhold/Dawson are seeking justice against ex-management and Waterton, and reparations on behalf of all stakeholders."
- (d) "Mr. Craig concluded that Waterton had altered the ADR process by diverting carbon into the pregnant pond where it accumulated – the carbon Mr. Craig previously saw in the pregnant pond and in the lined ditch was not an accident, but evidence of Waterton's affirmative action to suppress the Mine's value."
- (e) "By putting carbon impregnated with gold into the pond along with coarse carbon from super sacks and diverting the flow of pregnant solution directly into the pond, Waterton suppressed the profitability of the Mine by failing to recover that gold."
- (f) "As explained above, Waterton's chief argument during the bankruptcy proceedings was that the Mine could not be run profitably; in reality, it was holding this carbon and not processing it, purposefully suppressing the Mine's profitability. Waterton never disclosed that it was holding the carbon and not processing it to the bankruptcy court. To this day, Waterton continues to store carbon in the pregnant pond. But it now appears that carbon is being brought into and shipped out of the Mine, with the possibility that Waterton is removing the carbon from the pond to realize its value."
- (g) "There is additional evidence that Waterton suppressed the value of the Mine. Waterton refused to process fresh ore at the Mine, which, as explained above, the Mine had processed in the 1980s. Instead, the Mine only processed previously leached ore, which has a much lower yield."
- (h) "Failure to proceed with crushing new ore during the bankruptcy proceedings further suppressed the value of the Mine, which was undisclosed to the bankruptcy court."

43. The words referred to in paragraph 42, in their natural and ordinary meaning, and by innuendo, meant and were understood to mean, *inter alia*, the following:

- (a) Waterton is a dishonest, unethical, deceptive and untrustworthy enterprise.
- (b) Waterton obtained an equity interest in the Borealis Mine through a fraudulent financing transaction.
- (c) Waterton purposefully orchestrated the bankruptcy of Gryphon to obtain full ownership of the Borealis Mine.
- (d) Waterton purposefully diverted gold into the leach pond at the Borealis Mine.

- (e) Waterton purposefully altered the Absorption Desorption Recovery (ADR) process at the Borealis Mine to divert gold into the leach pond at the Borealis Mine.
 - (f) Waterton purposefully dumped super-sacks of gold-laden carbon into the leach pond at the Borealis Mine.
 - (g) Waterton, before and during the Gryphon Bankruptcy, failed to recover gold that it knew was in the leach pond for the purpose of hiding the true value and potential profitability of the Borealis Mine.
 - (h) Waterton committed fraud by diverting gold-laden carbon into the leach pond at the Borealis Mine.
 - (i) Waterton's diversion of gold-laden carbon and dumping of super-sacks of carbon into the leach pond was done for the purpose of hiding the true value of the Borealis Mine from other stakeholders, the Trustee and the Bankruptcy Court to support Waterton's case in the Gryphon Bankruptcy that the Borealis Mine could not be run profitably.
 - (j) Waterton purposefully hid from other stakeholders in the Borealis Mine, the Trustee and the Bankruptcy Court during the Gryphon Bankruptcy that there was valuable gold in the leach pond.
 - (k) Waterton, before and during the Gryphon Bankruptcy, purposefully failed to operate the Borealis Mine in the most economically advantageous manner by refusing to process fresh ore at the Borealis Mine, instead processing only previously leached ore which is less profitable.
 - (l) Waterton purposefully stopped processing fresh ore after it was demonstrated to be feasible.
 - (m) Waterton's purpose in failing to process fresh ore at the Borealis Mine before and during the Gryphon Bankruptcy was to hide the true value and potential profitability of the Borealis Mine from other stakeholders, the Trustee and the Bankruptcy Court.
 - (n) Waterton purposefully misrepresented the value of the Borealis Mine to the Bankruptcy Court during the Gryphon Bankruptcy to support its argument that the Borealis Mine was economically unfeasible and could not be operated profitably.
 - (o) Waterton obtained full ownership of the Borealis Mine by defrauding other Gryphon stakeholders, the Trustee and the Bankruptcy Court as to the true value and potential profitability of the Borealis Mine.
44. The Website includes a pictorial under the heading "The Waterton "Mining" Process" (the "**Pictorial**") containing further defamatory statements. The pictorial is appended to this notice of civil claim as Schedule "A".

45. The Pictorial referred to and was understood to refer to Waterton.
46. The words in the Pictorial, in their natural and ordinary meaning, and by innuendo, meant and were understood to mean, *inter alia*, the following:
- (a) Waterton designed the ADR process at the Borealis Mine purposefully to divert gold-containing carbon fines from the carbon columns to the leach pond.
 - (b) The Waterton design results in reduced gold production and financial proceeds.
 - (c) Waterton dumped bagged gold-containing carbon into the leach pond.
 - (d) The Waterton design makes the leach pond a gold inventory for Waterton.
47. The Website contains a section entitled "Press Releases" providing access to a "press release" dated August 20, 2018 entitled "Gryphon Gold Corporation files to reinstate itself" (the "**Press Release**"). In the Press Release, Mr. Bockhold, with the encouragement, support and assistance of Mr. Dawson and Dawson Holdings, falsely and maliciously published of and concerning the plaintiffs the following defamatory words:
- (a) "Surveillance indicates Waterton may be attempting to remove US\$45 million in gold-laden carbon deposited during the pendency of bankruptcy and undisclosed to the court."
 - (b) "This has been a long and arduous journey and we look to the new evidence as verification of our long held allegation that Waterton conspired with the former officers & directors of Gryphon to commit fraud. Our goal is to unwind the unethical death spiral transaction and return the Borealis mine to its rightful owners – the shareholders."
 - (c) "Surveillance of the mine indicates Waterton may be attempting to remove gold-laden carbon from a pond where it was deposited and stored during the pendency of the bankruptcy. In an Order dated August 2, 2018 a Temporary Restraining Order ("TRO") was issued preventing Waterton from removing the contents of the pond. Affidavit evidence indicates there could be in excess of US\$45 million in unaccounted for gold."
48. The words referred to in paragraph 47, in their natural and ordinary meaning, and by innuendo, meant and were understood to mean, *inter alia*, the following:
- (a) Waterton is a dishonest, unethical and untrustworthy enterprise.
 - (b) Waterton obtained control of the Borealis Mine through a fraudulent financing transaction.

- (c) Waterton conspired with officers and directors of Gryphon to commit fraud.
 - (d) Waterton's financing structure with Gryphon was unethical.
 - (e) The US\$45,000,000 million in gold-laden carbon was deposited into the leach pond at the Borealis Mine pond by Waterton during the Gryphon Bankruptcy.
 - (f) Waterton did not disclose to the Bankruptcy Court during the Gryphon Bankruptcy that it had purposefully deposited gold into the leach pond.
 - (g) Waterton is attempting to remove gold from the leach pond at the Borealis Mine.
49. The Press Release was also published by Mr. Bockhold on or about August 20, 2018 as a "News release" on Gryphon's SEDAR issuer profile.
50. The words outlined at paragraphs 40, 42, 44 and 47 (collectively, the "**Defamatory Words**") all referred to, and were understood to refer to, the plaintiffs.
51. The plaintiffs complain of and intend to rely on the entirety of the Defamatory Words.

Scope of Publication

52. The Defamatory Words published on the Website have been accessed, read and viewed by persons in British Columbia, Canada and the world.

Joint Liability

53. The defendants and each of them participated in the publication of the defamatory expression complained of in this notice of civil claim pursuant to a common design and caused, procured, authorized, concurred in, and/or approved publication of the defamatory expression. Without limiting the generality of the foregoing, each defendant created or assisted in creating the content of the aforesaid defamatory expression and further, or in the alternative:
- (a) approved, authorized, incited or encouraged publication of the aforesaid defamatory expression;
 - (b) participated in causing the dissemination of the aforesaid defamatory expression by third parties by posting on the Internet and/or by email and/or by facilitating republication; and
 - (c) communicated to third parties their agreement with the content of the defamatory expression.

Republication

54. The defendants knew and intended and expected that other persons visiting the Website would republish the Defamatory Words complained of in this notice of civil claim and republish it on other Internet websites, or by email, which did in fact occur. Alternatively, such republication or linking by third party Internet websites, and republication by email, was the natural and probable result of the original publication of the defamatory expression.

Malice

55. The Defamatory Words, and the innuendo arising from them, are false and were maliciously published by Mr. Bockhold, with the encouragement, support and assistance of Mr. Dawson and Dawson Holdings, knowing that they were false or with careless disregard as to whether they were true or not.
56. The defendants, in publishing and maintaining the Defamatory Words on the Website, are carrying out Mr. Bockhold's threat that he would post disparaging materials on the Website and further disparage the plaintiffs "in the court of public opinion" unless the plaintiffs promptly paid him US\$27 million.
57. The predominant purpose of the defendants in publishing the Defamatory Words and maintaining the Defamatory Words on the Website is to expose the plaintiffs to hatred, ridicule and contempt, to lower them in the estimation of others, and to cause them to be shunned or avoided and to exert pressure on the plaintiffs to make payment to the defendants in return for the cessation of the publication and republication of defamatory statements concerning the plaintiffs.

Damages and Injunctive Relief

58. Waterton is in the business of attracting and deploying capital in the mining sector. Waterton's income depends on its ability to do so. The damage to Waterton as a result of the defendants' actions is substantial.
59. The defamatory expression complained of in this notice of civil claim has caused injury, loss and damage to the plaintiffs by exposing them to contempt, ridicule and hatred, and causing other persons to shun or avoid them, and by lowering the plaintiffs in the estimation of right-thinking members of the community.
60. As a further consequence of the publication and republication of the defamatory expression complained of in this notice of civil claim, the plaintiffs continue to suffer loss, damage, and expense, and will continue to incur loss, damage and expense in the future, including past, current and future special damages in the form of loss of income, particulars of which will be provided before trial.

61. By reason of the publication of the Defamatory Words, and all repetitions, republication and broadcasts of them, the plaintiffs have been seriously injured in their character, credit and reputation and have suffered and will continue to suffer damages.
62. The defendants threaten and intend to repeat the publication of the Defamatory Words or similar words.
63. There is a serious risk that the defendants will renew or continue publication of the defamatory expression complained of in this notice of civil claim unless the defendants are restrained from doing so by an Order of this Honourable Court.

False Representations to the Public

64. The Website is used by Mr. Bockhold to promote his services as an investment advisor to his customers and prospective customers.
65. The representations made by Mr. Bockhold concerning the plaintiffs (being the Defamatory Words) are false and misleading in material respects and were knowingly or recklessly made by Mr. Bockhold for the purpose of promoting Mr. Bockhold's own business interests to customers and prospective customers and as such were made in violation of s. 52 of the *Competition Act*, R.S.C. 1985, c. C-34 (the "**Competition Act**").
66. The representations made by Mr. Bockhold (being the Defamatory Words) also constitute deceptive acts or practices contrary to s. 5 of the *British Columbia Business Practices and Consumer Protection Act*, S.B.C. 2004, c. 2 (the "**BPCPA**").
67. Mr. Bockhold is a "supplier" as defined in the *BPCPA*.
68. Mr. Bockhold threatens and continues to make false representations to the public.
69. By reason of the false representations made by Mr. Bockhold concerning the plaintiffs, the plaintiffs have suffered loss and damage.

Part 2: RELIEF SOUGHT

70. The plaintiffs claim the following relief:
 - (a) General damages;
 - (b) Special damages;
 - (c) Aggravated damages;
 - (d) Punitive damages;
 - (e) A declaration that the defendant Murray Bockhold has knowingly made false or misleading material representations to the public with a view to directly or indirectly

promote the supply or use of his products and business interests, contrary to s. 52 of the *Competition Act*, R.S.C. 1985, c. C-34 (the "**Competition Act**");

- (f) A declaration that the defendant Murray Bockhold has committed or engaged in a deceptive act or practice in respect of a consumer transaction, contrary to s. 5(1) of the *Business Practices and Consumer Protection Act*, S.B.C. 2004, c. 2;
- (g) An interim and permanent injunction restraining the defendants, including the defendants' respective employees, agents and anyone under their respective control, from making, publishing, disseminating or broadcasting the Defamatory Words or words of like or similar effect;
- (h) An interim and permanent injunction restraining the defendant Mr. Bockhold, and Mr. Bockhold's employees, agents and anyone under his respective control, from making any false or misleading representations to the public with a view to directly or indirectly promote the supply or use of a product or any business interest in violation of s. 52 of the *Competition Act*;
- (i) An interim and permanent injunction pursuant to s. 172 of the *BPCPA* restraining Mr. Bockhold, and Mr. Bockhold's employees, agents and anyone under his respective control, from committing or engaging in a deceptive act or practice in respect of a consumer transaction;
- (j) An order that the defendants issue a retraction of their defamatory statements;
- (k) Interest pursuant to the *Court Order Interest Act*, R.S.B.C. 1996, c. 79;
- (l) Costs; and
- (m) Such further and other relief as this Honourable Court should deem fit.

Part 3: LEGAL BASIS

- 71. The defendants, and each of them, have committed the tort of defamation.
- 72. The defendants, and each of them, have committed the tort of injurious falsehood.
- 73. The defendant Mr. Bockhold is a "supplier" pursuant to the *BPCPA*. The representations made by Mr. Bockhold on the Website concerning the plaintiffs (being the Defamatory Words) are deceptive acts or practices in violation of s. 5 of the *BPCPA*. The plaintiffs, being persons that have suffered damage or loss due to a contravention of the *BPCPA*, are entitled to orders pursuant to ss. 171-172 of the *BPCPA*.
- 74. The defendant Mr. Bockhold has knowingly made false or misleading material representations to the public with a view to directly or indirectly promote the supply or use of his products and business interests, contrary to s. 52 of the *Competition Act*. The

plaintiffs, being persons that have suffered loss or damage as a result of conduct that is contrary to the *Competition Act*, are entitled to relief pursuant to s. 36 of the *Competition Act*.

75. The malicious, high-handed, callous and arrogant conduct of the defendants as aforesaid displays a wanton and flagrant disregard for the plaintiffs' rights. Such conduct warrants awards of punitive and aggravated damages to ensure that the defendants are appropriately punished for their conduct and that they are deterred from such conduct in the future.

Plaintiffs' address for service: McEwan Cooper Dennis LLP
#900 – 980 Howe Street
Vancouver, BC V6Z 0C8

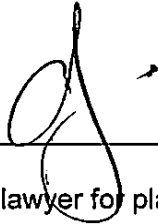
Fax number address for service (if any): 778.300.9393

E-mail address for service (if any): N/A

Place of trial: Vancouver, BC

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

Date: November 30, 2018

Signature of 
 plaintiff lawyer for plaintiffs
 Craig P. Dennis, Q.C.

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 plaintiffs claim against the defendants for defamation and injurious falsehood. The plaintiffs also claim against the defendant Murray Bockhold for breaches of the *Competition Act* and the *Business Practices and Consumer Protection Act*.

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

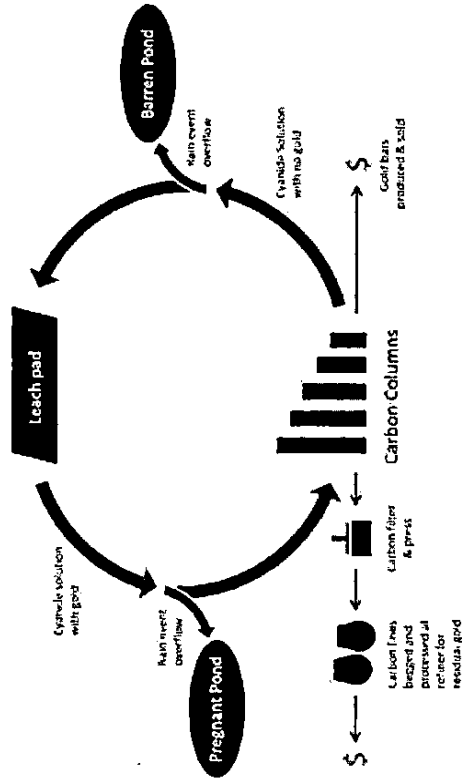
do not know

Part 4:

1. *Competition Act*, R.S.C. 1985, c. C-34.
2. *Business Practices and Consumer Protection Act*, S.B.C. 2004, c. 2.

SCHEDULE "A"

Borealis Process Design



Waterton Process Design

