No. S-262487
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

Between

IVAN ROJAS

PLAINTIFF

and

GOEASY LTD., LENDCARE CAPITAL INC.,
EASYFINANCIAL SERVICES INC., and EASYHOME FURNITURE INC.

DEFENDANTS

Brought under the *Class Proceedings Act*, RSBC 1996, c 50

# NOTICE OF CIVIL CLAIM

**This action has been started by the plaintiff 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 plaintiff,
(a) if you reside anywhere in Canada, within 21 days after the date on which a copy of the filed notice of civil claim was served on you,

(b) if you reside in the United States of America, within 35 days after the date on which a copy of the filed notice of civil claim was served on you,

(c) if you reside elsewhere, within 49 days after the date on which a copy of the filed notice of civil claim was served on you, or

(d) if the time for response to civil claim has been set by order of the court, within that time.

## THE PLAINTIFF'S CLAIM

### Part 1: STATEMENT OF FACTS

***Overview***

1. The subprime consumer lending industry enables alternative lenders to profit from financially vulnerable individuals with limited access to traditional credit options offered on more favourable terms. Through point-of-sale and personal loan agreements, companies like the Defendants, LendCare Capital Inc. ("**LendCare**"), Easyfinancial Financial Services Inc. ("**Easyfinancial**"), and Easyhome Furniture Inc. ("**Easyhome**"), and their parent company, goeasy Ltd. ("**Goeasy**"), offer high-interest financing with quick approvals that often carry hidden or compounding costs and high enforcement risks for borrowers.

2. In consideration of such risks, provincial legislators in Canada have enacted laws to protect consumers against predatory lending practices, including by implementing prohibitions on penalties for missed payments under credit agreements, beyond recouping the reasonable costs incurred to enforce or collect on a debt.

3. The Defendants' business model relies on standardized contracts that impose unlawful punitive charges when borrowers miss payments. Upon a missed or late payment (defined as a "default" under the Defendants' credit agreements (the "**Loan Agreements**"), borrowers are subject to an automatic increase in the annual interest rate on their loan principal (typically by a dramatic hike of 10% or higher) (the "**Interest Rate Increase**"), and/or charged fixed nonsufficient fund ("**NSF**") fees for each payment that is dishonoured for any reason (the "**Failed Payment Fee**"), plus additional interest accrued on the Failed Payment Fee(s) (collectively, the "**Penalty Charges**"). The Penalty Charges

are applied without regard to the borrower's circumstances or efforts to remedy the default, and are not grounded in the reasonable or actual costs to the Defendants in administering or enforcing the Loan Agreements upon a default.

4. Through this conduct, the Defendants have breached the *Business Practices and Consumer Protection Act*, SBC 2004 c 2 (the "***BPCPA***") and analogous extra-provincial consumer protection legislation Canada-wide. The effect of the Interest Rate Increase and the Failed Payment Fees, respectively and combined, can dramatically inflate the total cost of credit, penalizing defaulting borrowers beyond the repayment of principal and interest originally contracted, and exposing them to punitive enforcement measures. For many consumers, this practice prolongs indebtedness, restricts their ability to recover financially, and entrenches the very vulnerabilities that lenders like the Defendants purport to accommodate. For some borrowers, the annual interest rate exceeds 35% as a result of the Penalty Charges, thereby constituting interest beyond the criminal rate.

***The Plaintiff and Class Members***

5. The Plaintiff, Ivan Rojas, is a resident of Surrey, British Columbia.

6. On September 16, 2020, Mr. Rojas entered into a Loan Agreement with LendCare (the "**Powersport Financing Agreement**") to finance the purchase of a "2004 Mastercraft X-Star" boat (the "**Sport Boat**"), on the following terms:

(a) Under the Powersport Financing Agreement, LendCare agreed to finance a principal amount of $32,983.78 to purchase the Sport Boat, which it would pay to the vendor directly;

(b) LendCare was granted a security interest in the Sport Boat;

(c) Mr. Rojas agreed to repay the loan through bi-weekly payments over a term of 60 months commencing September 30, 2020, at an annual interest rate of 16.9%;

(d) For each payment dishonoured for any reason, including NSF, Mr. Rojas would be charged a Failed Payment Fee in the amount of $75.00; and

(e) In the event of a default under the Powersport Financing Agreement, which was defined to include missed payments, Mr. Rojas' interest rate would be increased by 10%.

7. On November 11, 2020, Mr. Rojas missed a payment on his loan when his pre-authorized debit was returned due to insufficient funds in his bank account.

8. On November 11, 2020, Mr. Rojas' annual interest rate on the loan increased from 16.9% to 26.9% pursuant to the terms of the Powersport Financing Agreement. As a result, Mr. Rojas' bi-weekly payments increased from $262.79 to $364.62. The new interest rate of 26.9% was applied to the outstanding principal for the remainder of the loan term.

9. To his knowledge, Mr. Rojas did not receive any communications from LendCare notifying him of the missed payment on November 11, 2020 or of the resulting interest rate hike.

10. Since November 11, 2020, Mr. Rojas has missed other payments on his loan due to insufficient funds.

11. On May 9, 2025, Mr. Rojas was charged a lump sum Failed Payment Fee totaling $450.00, which corresponds to six Failed Payment Fees at a rate of $75.00 each.

12. As a result of the interest rate hike, the total cost of borrowing for Mr. Rojas' loan increased dramatically.

***The Class***

13. The Plaintiff brings this action on his own behalf and on behalf of all persons in Canada who have, or previously had, a personal Loan Agreement with the Defendants and were charged an Interest Rate Increase on their principal loan amount and/or were charged a Failed Payment Fee as a result of a missed or late payment (collectively, the

"**Class**" and "**Class Members**") from the date upon which the Defendants began their practice of imposing the Penalty Charges for missed or late payments under their Loan Agreements in Canada, until the date that this action is certified as a class proceeding (the "**Class Period**"). The Class includes a subclass of individuals who entered into a personal Loan Agreement with the Defendants and were charged an annual percentage rate of interest that exceeded 35% on or after January 1, 2025 (the "**Criminal Interest Rate Subclass**" and "**Criminal Interest Rate Subclass Members**").

***The Defendants***

14. The Defendant LendCare Capital Inc. is a company incorporated pursuant to the laws of the Province of Ontario with a head office located at 4th Floor, 1315 Pickering Parkway, Pickering, Ontario, L1V 7G5 and extra-provincially registered pursuant to the laws of the Province of British Columbia, having an address for service at Suite 3500, 113 Melville Street, Vancouver, BC, V6E 4E5. LendCare provides point-of-sale financing to Canadian consumers through merchant partnerships and offers consumer financing for a wide range of products and services, including vehicles, automotive repairs, powersports, retail purchases, and healthcare procedures.

15. The Defendant Easyfinancial Services Inc. is a company incorporated pursuant to the laws of the Province of Ontario with a head office located at Suite 510 – 33 City Centre Drive, Mississauga, Ontario, L5B 2N5 and extra-provincially registered pursuant to the laws of the Province of British Columbia, having an address for service at Suite 3500, 113 Melville Street, Vancouver, BC, V6E 4E5. Easyfinancial provides secured and unsecured installment loans to Canadian consumers.

16. The Defendant Easyhome Furniture Inc. is federally incorporated pursuant to the laws of Canada with a registered office at 56 Peter Street, Markham, Ontario, L3P 2A6. Easyhome is a lease-to-own retailer that also offers personal loans to Canadian consumers.

17. The Defendant goeasy Ltd. is a company incorporated pursuant to the laws of the Province of Ontario with a head office located at Suite 510 – 33 City Centre Drive,

Mississauga, Ontario, L5B 2N5 and extra-provincially registered pursuant to the laws of the Province of British Columbia, having an address for service at Suite 3500 – 113 Melville Street, Vancouver, BC, V6E 4E5.

18. At all material times, LendCare, Easyfinancial, and Easyhome each functioned as a joint enterprise with Goeasy in the provision of loan agreements. Each of the individual subsidiaries functioned as an agent of Goeasy for the purposes of the conduct alleged in this claim.

19. LendCare, Easyfinancial, Easyhome, and Goeasy are collectively "**the Defendants**". The Defendants carry on business in Canada, including British Columbia, by offering personal loans and financing agreements to Canadian consumers through retail storefronts, online and mobile platforms, and/or merchant partnerships.

***The Defendants' Loan Agreements***

20. The Defendants enter into the Loan Agreements with consumers, including with the Plaintiff and Class Members, to provide personal loans and/or financing arrangements for personal, family, or household purposes. The Loan Agreements are standard form contracts, with minor variations to the essential terms. The Loan Agreements name LendCare, Easyfinancial, or Easyhome as the lender/credit grantor, and the Plaintiff or Class Members as the borrower. The Loan Agreements are contracts of adhesion; the Plaintiff and Class Members have no input as to the wording or content of the terms.

21. The Loan Agreements require the borrower to repay the loan principal and interest amounts, expressed as an annual percentage rate (the "**Annual Interest Rate**"), through regular installment payments.

22. The Loan Agreements contain uniform or substantially similar terms that:

(a) impose a Failed Payment Fee on the borrower for each payment that is dishonoured for any reason, including for non-sufficient funds in the bank account, account closure, an invalid account number, or a stop payment. Based on the Plaintiff's knowledge at the time of filing, the Defendants'

Failed Payment Fee is typically in the amount of $50.00 or $75.00, which exceeds the reasonable costs the Defendants incur from a dishonoured payment;

(b) stipulate that the borrower will be considered in "default" if, *inter alia*, the borrower fails to make a payment on time and/or fails to comply with any obligation under their Loan Agreement; and

(c) increase the Annual Interest Rate applying to the outstanding loan (typically in an amount of 10%) for the remaining term of the loan in the event of a default, including a missed or delayed payment (the "**Interest Rate Penalty Clause**").

23. For example, a typical LendCare Loan Agreement with Class Members contains the same or substantially similar terms as the following:

> **ARTICLE 5 – DEFAULT INTEREST RATE INCREASE**
>
> You hereby acknowledge and agree that an additional annual rate of interest equal to 10% will be added to the interest rate set out in the Initial Disclosure Statement upon an event of Default (as defined hereunder). This new interest rate will apply for the remainder of the term of this Credit Agreement and the amount of your monthly payments may be increased as a result. For example: If the Annual Interest Rate set out in the Initial Disclosure Statement is 29.9%, then upon you failing to make a payment on time, the Annual Interest Rate on your Credit Agreement will increase to 39.9% until your Debt is paid in full. This Interest Rate Increase provision does not apply in New Brunswick.
>
> **ARTICLE 6 – FEES**
>
> You acknowledge and agree to pay to [LendCare] a dishonoured payment fee in the amount of $75.00 in respect of each payment of yours which is dishonoured by the financial institution on which each payment is drawn (i.e.; for non-sufficient funds in your bank account, account closure, invalid account number, stop payment, etc.). The Fees will be added to the balance owing by you to [LendCare] and shall be added to the principal amount owed for the purposes of calculating interest in the following billing cycle if not paid in full by the payment due date.

**[...]**

**ARTICLE 17 – DEFAULT**

> You will be considered in default ("Default") under the terms of this Credit Agreement if: a) you fail to make a payment on time; b) you fail to repay the Debt at the end of the Term; c) you fail to keep any promise you have made in this Credit Agreement; d) you become insolvent or bankrupt; e) the Goods are lost or destroyed; and f) the Goods are seized in any legal proceeding.

24. A typical Easyfinancial Loan Agreement with Class Members contains the same or substantially similar terms as the following:

> **NON SUFFICIENT FUNDS FEE.** In the event that any cheque or other payment instrument used to make a payment due under the Loan Agreement is not honoured for any reason, a $50.00 NSF Fee will be charged.
>
> **FAILURE TO MAKE PAYMENT.** If payment is not made when due, you must pay any NSF Fee and the entire unpaid principal and accrued interest will immediately become due. There will be an impact on your cost of borrowing because subsequent payments will first pay delinquent interest and principal before being applied to pay current interest and principal owing. Consequently, the interest rate charged will be on a higher principal balance. You are responsible for any legal costs incurred to collect any amount owing.

25. The Interest Rate Penalty Clause and the Failed Payment Fee in the Defendants' Loan Agreements violate the prohibition on charges imposed on a borrower who fails to make payment as it comes due in consumer loan agreements under the *BPCPA*.

***The Defendants' Misconduct***

26. Pursuant to the Interest Rate Penalty Clause under the Loan Agreements, the Defendants charged the Plaintiff and Class Members interest at a higher rate on the outstanding loan principal upon default during the Class Period. To the Plaintiff's knowledge at the time of filing, the Defendants typically increased the Annual Interest Rate for the Plaintiff and Class Members by a margin of 10 percent upon a missed payment.

27. Further, the Defendants charged the Plaintiff and Class Members a Failed Payment Fee in the amount of as much as $75.00 for each dishonoured payment, including for non-sufficient funds, account closure, an invalid account number, or a stop payment. In many cases, a dishonoured payment by a Class Member led to a missed payment, resulting in a default event under the Loan Agreements. For certain Class Members, this meant the Defendants charged both a Failed Payment Fee and imposed an Interest Rate Increase, resulting in dramatic increases to both the principal loan amount and the total cost of borrowing over the life of the loan.

28. The Defendants enforce the Interest Rate Penalty Clause against the Plaintiff and Class Members regardless of whether:

(a) the Plaintiff and Class Members took steps to remedy their default in good faith within a reasonable time; and/or

(b) the Defendants took any steps to realize their security interest or to collect the debt under the Loan Agreements.

29. At all material times, the Defendants knew or ought to have known that imposing and enforcing the Failed Payment Fee and/or Interest Rate Penalty Clause under the Loan Agreements was unlawful and contravened the *BPCPA* and consumer protection legislation in other provinces.

30. For the Criminal Interest Rate Subclass, the imposition of the Interest Rate Penalty Clause and/or the Failed Payment Fee increased the cost of borrowing under the Loan Agreements to an annual percentage rate of interest that exceeds 35%.

31. At all material times, the Defendants knew or ought to have known that charging the Criminal Interest Rate Subclass Members an annual percentage rate of interest that exceeded 35% was unlawful and contravened section 347 of the *Criminal Code,* RSC, 1985, c C-46 (the "***Criminal Code***").

***Harm to the Plaintiff and Class Members***

32. As a result of the Defendants' breaches of the *BPCPA* and related provincial consumer protection legislation, the Plaintiff and Class Members suffered loss and/or damage in an amount equal to the additional interest, fees, and/or increase in the total cost of borrowing the Plaintiff and Class Members each paid on their loan principal as a result of the Penalty Charges under the Loan Agreements during the Class Period.

**Part 2: RELIEF SOUGHT**

33. The Plaintiff claims on his own behalf and on behalf of other members of the Class:

(a) an order certifying this action as a class proceeding under the *Class Proceedings Act*, RSBC 1996, c 50 (the "***Class Proceedings Act***");

(b) a declaration under section 172(1)(a) of the *BPCPA* that the Defendants have breached sections 75 and/or 8-9 of the *BPCPA*;

(c) damages and/or compensation under sections 105 and 171 of the *BPCPA* in the amount of the Penalty Charges paid by the Plaintiff and Class Members in British Columbia during the Class Period;

(d) a restoration order under section 172(3)(a) of the *BPCPA* in the amount of the Penalty Charges paid by the Plaintiff and Class Members in British Columbia during the Class Period;

(e) relief for contraventions of extra-provincial consumer protection legislation (collectively with the *BPCPA*, the "**Consumer Protection Legislation**"), as follows:

i. damages and/or restitution pursuant to subsections 96(2), 98(2) and/or 142.1(2) of the *Consumer Protection Act,* RSA 2000, c C-26.3 (the "***Alberta CPA***");

ii. damages pursuant to subsection 46(2) and/or 48(2) of *The Cost of Credit Disclosure Act*, SS 2002, c C-41.01 (the "***Saskatchewan CCDA***");

iii. damages and/or restitution pursuant to subsection 54(1), 54(2) and/or 136.1(2) of *The Consumer Protection Act*, CCSM, c C200 (the "***Manitoba CPA***");

iv. restitution pursuant to subsections 93(1) and/or 98(3) of the *Consumer Protection Act, 2002*, SO 2002, c 30, Sched A (the "***Ontario CPA***");

v. damages and/or restitution pursuant to articles 271 and/or 272 of the *Consumer Protection Act*, CQLR c P-40.1 (the "***Quebec CPA***");

vi. damages pursuant to subsections 10(2), 80(2), and/or 81(2) of the *Consumer Protection and Business Practices Act,* SNL 2009, c C-31.1 (the "***Newfoundland CPBPA***");

vii. damages and/or restitution pursuant to sections 34 and/or 72.5 of the *Consumer Protection Act*, CSNu, c C-160 (the "***Nunavut CPA***");

viii. restitution pursuant to section 34 of the *Consumer Protection Act*, RSY 2002, c 40 (the "***Yukon CPA***"); and

ix. restitution pursuant to subsection 46(2) of the *Consumer Protection Act,* RSNWT 1988, c C-17 (the "***Northwest Territories CPA***");

(f) a declaration that the Defendants have been unjustly enriched by the receipt of some, or all, of the Penalty Charges paid by:

i. the Criminal Interest Rate Subclass Members;

ii. Class members resident in Prince Edward Island

and received by the Defendants under the Loan Agreements;

(g) an order that the Defendants account for and make restitution to the Criminal Interest Rate Subclass Members equal to the amount by which the Defendants are found to have been unjustly enriched;

(h) punitive damages;

(i) exemplary damages for Class Members in Québec, Ontario, Alberta, Saskatchewan, Newfoundland, and Nunavut and for the Criminal Interest Rate Subclass Members;

(j) pre-judgment and post-judgment interest under the *Court Order Interest Act*, RSBC 1996, c 79 (the "***Court Order Interest Act***"); and

(k) such further and other relief as this Honourable Court may deem just.

**Part 3: LEGAL BASIS**

34. The Plaintiff and Class Members plead and rely on the Consumer Protection Legislation, the *Class Proceedings Act*, the *Limitation Act*, SBC 2012, c 13, *Limitation Act*, RSBC 1996, c 266, the *Court Order Interest Act*, the *Court Jurisdiction And Proceedings Transfer Act,* SBC 2003, c 28 (the "***Court Jurisdiction And Proceedings Transfer Act***"), the Supreme Court Civil Rules, and related enactments.

***Business Practices and Consumer Protection Act – General Provisions***

35. The Defendants have breached the *BPCPA*.

36. The Plaintiff and Class Members in British Columbia are "consumers" within the meaning of section 1 of the *BPCPA.* The Loan Agreements are "goods" and/or "services" within the meaning of section 1. The Defendants are "suppliers" within the meaning of section 1. The supply and/or offer of each of the Loan Agreements in British Columbia is a "consumer transaction" within the meaning of section 1.

37. Class Members resident outside of British Columbia plead and rely on the equivalent provisions of the other Consumer Protection Legislation, each as amended

from time to time and with regulations in force at material times, as set out in Schedule A to this Notice of Civil Claim.

***Business Practices and Consumer Protection Act* – Section 75 (Default Charges)**

38. The Defendants have breached section 75 of the *BPCPA*. The Plaintiff and Class Members are each a "borrower", each Defendant is a "credit grantor" and the Loan Agreements are each a "credit agreement", all as defined in section 57(1) of the *BPCPA*.

39. Section 75 of the *BPCPA* prohibits credit grantors from imposing any default charges under credit agreements, except for (a) court ordered costs incurred in collecting or attempting to collect a debt, (b) reasonable charges in respect of costs incurred in realizing a security interest or protecting the subject matter of a security interest after default, or (c) reasonable charges that reflect costs incurred by the credit grantor because of a dishonoured cheque or payment instrument given by the borrower.

40. An increase in the interest payable on the loan principal for a late or missed payment pursuant to the Interest Rate Penalty Clause under the Loan Agreements is a "default charge" within the meaning of section 57(1) of the *BPCPA*.

41. The Failed Payment Fee, typically in the amount of $50.00 or $75.00 for each payment that is dishonoured for any reason, is a "default charge" within the meaning of section 57(1) of the *BPCPA*. The amount of $50.00 or $75.00 exceeds or does not reflect the costs that the Defendants actually incur due to a dishonoured cheque or payment instrument given by a Class Member; nor does it represent costs incurred in realizing a security interest or protecting the subject matter of a security interest. Accordingly, the Failed Payment Fee does not fall within the exceptions under section 75(a) through (c) of the *BPCPA*.

42. The Defendants' actions constitute an imposition of default charges under a credit agreement in breach of section 75 of the *BPCPA*.

43. The Defendants engaged in conduct contrary to section 75 by:

(a) enforcing the Interest Rate Penalty Clause, which increased the interest payable on the loan principal when the Plaintiff and Class Members missed or delayed a payment as it became due under the Loan Agreements;

(b) imposing a Failed Payment Fee that exceeded any reasonable costs incurred by the Defendants for each dishonoured cheque or payment instrument in the administration of the Loan Agreements; and,

(c) enforcing the Interest Rate Penalty Clause and/or the Failed Payment Fee notwithstanding that they have not incurred any proportionate costs or taken any steps to realize the security interest or collect the debt under the Loan Agreements.

***Business Practices and Consumer Protection Act* – Sections 8-9 (Unconscionable Acts or Practices)**

44. In respect of the Criminal Interest Rate Subclass Members, which includes persons whose annual interest rate on the Loan Agreements was raised to 35% or higher on or after January 1, 2025, the Defendants have breached sections 8-9 of the *BPCPA.* The Defendants' contravention of section 347 of the *Criminal Code* constitutes unconscionable acts or practices.

45. Section 9 of the *BPCPA* prohibits suppliers from engaging in unconscionable acts or practices in respect of consumer transactions. Once it is alleged that a supplier committed or engaged in an unconscionable act or practice, the burden of proof that the unconscionable act or practice was not committed or engaged in is on the supplier.

46. The Defendants' violations of sections 8-9 of the *BPCPA* with respect to the Criminal Subclass Members arise out of:

(a) the application of the Interest Rate Penalty Clause resulting in an annual interest rate of 35% or greater under the Loan Agreements effective on or after January 1, 2025;

(b) the application of one or more Failed Payment Fees capitalizing and bearing interest, resulting in an annual interest rate of 35% or greater under the Loan Agreements effective on or after January 1, 2025; and/or,

(c) the combined effect of the Interest Rate Penalty Clause and the Failed Payment Fee(s), resulting in an annual interest rate of 35% or greater under the Loan Agreements, effective on or after January 1, 2025.

47. Each Failed Payment Fee charged by the Defendants is capitalized and bares interest, compounding the Plaintiff's indebtedness contrary to s. 75 and aggravating the harm. The Failed Payment Fee constitutes "interest" as defined in section 347(2) of the Criminal Code. The Failed Payment Fee in the typical amount of $50.00 or $75.00 for each dishonoured payment is not merely the recovery of a disbursement but a penalty.

48. Through enforcing the Penalty Charges, the Defendants received interest at a criminal rate from the Criminal Interest Rate Subclass Members under the Loan Agreements. The Defendants contravened section 347 of the *Criminal Code* by charging the Criminal Interest Rate Subclass Members an annual percentage rate of interest that exceeded 35%.

***Business Practices and Consumer Protection Act - Remedies***

49. As a result of the Defendants' breaches of sections 75 and/or 8-9 of the *BPCPA*, the Plaintiff and Class Members in British Columbia have suffered loss and/or damage, including but not limited to the Penalty Charges paid under the Loan Agreements.

50. The Plaintiff and Class Members in British Columbia have an interest in, and were the source of, the funds received by the Defendants pursuant to the Interest Rate Penalty Clause and/or the Failed Payment Fee under the Loan Agreements, which were obtained due to breaches of sections 75 and/or 8-9 of the *BPCPA*.

51. The Plaintiff and Class Members in British Columbia are entitled to a declaration under section 172(1)(a) of the *BPCPA* that the Defendants have breached sections 75 and/or 8-9 of the *BPCPA*.

52. As a result of the Defendants' breaches of sections 75 and/or 8-9 of the *BPCPA*, the Plaintiff and Class Members in British Columbia have suffered loss and/or damage and are entitled to compensation and/or damages in the amount of the Penalty Charges paid by them during the Class Period pursuant sections 105 and 171 of the *BPCPA.* These same breaches entitle the Plaintiff and Class Members in British Columbia to restoration of the Penalty Charges paid by them during the Class Period pursuant to section 172(3)(a).

***Unjust Enrichment***

53. In relation to the Criminal Interest Rate Subclass Members, the Defendants have been unjustly enriched by the amounts received, directly or indirectly, through the Interest Rate Penalty Clause and/or the Failed Payment Fee under the Loan Agreements. The Criminal Interest Rate Subclass Members have suffered a corresponding deprivation of this same amount.

54. There is no juristic reason for the Defendants to retain these benefits as the Interest Rate Penalty Clause and/or the Failed Payment Fee in the Loan Agreements between the Defendants and the Criminal Interest Rate Subclass Members is illegal, void and/or voidable due to the Defendants' breach of section 347 of the Criminal Code for all such benefits constituting interest with an annual percentage rate exceeding 35% for all such benefits acquired where, on or after January 1, 2025, an enforcement of the Penalty Clauses results in the accrual of interest with an annual percentage rate exceeding 35%.

55. The Criminal Interest Rate Subclass Members are entitled to restitution for the benefits received from them by the Defendants, directly or indirectly, through imposing the Interest Rate Penalty Clause and/or the Failed Payment Fee under the Loan Agreements.

***Punitive Damages***

56. The Defendants' conduct, as outlined in this Notice of Civil Claim, represents a marked departure from ordinary standards of decency and warrants an award of punitive damages. In particular, the Defendants' conduct:

(a) exploited the economic vulnerability and pressing financial need of the Plaintiff and Class Members, including their poor or limited credit histories;

(b) was and continues to be high-handed and outrageous, amounting to a calculated and intentional predation upon low-income and/or vulnerable borrowers;

(c) was and continues to be motivated solely by economic considerations, including generating profits from the Penalty Charges and creating enhanced opportunities for the Defendants to enforce their security interests under the Loan Agreements; and

(d) for the Criminal Interest Rate Subclass, contravenes section 347 of the *Criminal Code*, which was designed to protect economically vulnerable Canadians from exploitation as a result of illegal interest rates and predatory lenders.

57. The Defendants were aware that borrowers who rely on high-interest loans are typically vulnerable, unsophisticated, and/or otherwise financially-constrained individuals. Even without the Interest Rate Penalty Clause and/or the Failed Payment Fee, the Defendants derive substantial revenues and profits from their high-interest loans. By choosing to impose the Interest Rate Penalty Clause and/or the Failed Payment Fee, the Defendants chose to inflate their profits through excessive default penalties at the expense of Canadians least able to afford it.

58. The Defendants also enforced the Interest Rate Penalty Clause in bad faith, including by refusing to provide Class Members the opportunity to remedy missed or late payments within a reasonable time without penalty. In doing so, the Defendants applied

the Interest Rate Penalty Clause in an unduly harsh, burdensome, predatory, and commercially unreasonable manner, undermining the legitimate contractual interests of Class Members in bad faith.

59. The Defendants' misconduct was willful, deliberate, high-handed, oppressive, outrageous, callous, and in contemptuous disregard of their statutory obligations and the rights of consumers. An award of punitive damages is warranted in this case to denounce and deter this predatory lending practice, as compensatory damages and/or restitution alone are inadequate to achieve these objectives.

60. In the alternative, the Defendants' contravention of section 347 of the *Criminal Code* warrants an award of punitive damages for their high-handed, oppressive, and outrageous conduct and predatory lending practices towards the Criminal Interest Rate Subclass Members, as particularized above.

***Limitation Periods***

61. Class Members who entered into the Loan Agreements with the Defendants on or after June 1, 2013 plead and rely on the doctrine of discoverability and section 8 of the *Limitation Act*, SBC 2012, c 13 to postpone the running of the limitation period. Class Members who entered into personal loan agreements with the Defendants on or before May 31, 2013 plead and rely on section 6(4) of the *Limitation Act*, RSBC 1996, c 266 to postpone the running of the limitation period. Class Members could not have reasonably known that a claim existed against the Defendants until the date on which this Notice of Civil Claim was filed.

***Service on the Defendants***

62. The Plaintiff and Class Members have the right to serve this Notice of Civil Claim on the Defendants pursuant to section 10 of the *Court Jurisdiction And Proceedings Transfer Act* because there is a real and substantial connection between British Columbia and the facts alleged in this proceeding pursuant to subsections 10(e)(i) and/or (h) of the *Court Jurisdiction And Proceedings Transfer Act* as this action concerns:

(a) contractual obligations that to a substantial extent were to be performed in British Columbia (section 10(e)(i)); and/or

(b) business carried on in British Columbia (section 10(h)).

Plaintiff's address for service:

Slater Vecchio LLP
1800 - 777 Dunsmuir Street
Vancouver, BC V7Y 1K4

Fax number for service: 604.682.5197

Email address for service: service@slatervecchio.com

Place of trial: Vancouver, BC

The address of the registry is:

800 Smithe Street
Vancouver, BC
V6Z 2E1

Date: April 8, 2026

Signature of lawyer for plaintiff

Sam Jaworski
Charlotte K.B. Harman

Slater Vecchio LLP

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.

## ENDORSEMENT ON ORIGINATING PLEADING OR PETITION FOR SERVICE OUTSIDE BRITISH COLUMBIA

The plaintiff claims the right to serve this pleading on the defendant Easyhome Furniture Inc. outside British Columbia on the ground that the *Court Jurisdiction and Proceedings Transfer Act*, SBC 2003, c 28 (the "***CJPTA***") applies because there is a real and substantial connection between British Columbia and the facts on which this proceeding is based. The Plaintiff and Class Members rely on the following grounds, in that this action concerns:

(a) contractual obligations that to a substantial extent were to be performed in British Columbia (section 10(e)(i) of the *CJPTA*); and/or

(b) a business carried on in British Columbia (section 10(h) of the *CJPTA*).

## Appendix

[*The following information is provided for data collection purposes only and is of no legal effect.*]

**Part 1: CONCISE SUMMARY OF NATURE OF CLAIM:**

This is a proposed class proceeding regarding the Defendants' lending practices.

**Part 2: THIS CLAIM ARISES FROM THE FOLLOWING:**

[*Check one box below for the case type that best describes this case.*]

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

[ x ] 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:**

[*Check all boxes below that apply to this case*]

[ x ] a class action

[ ] maritime law

[ ] aboriginal law

[ ] constitutional law

[ ] conflict of laws

[ ] none of the above

[ ] do not know

**Part 4:**

*Court Jurisdiction and Proceedings Transfer Act,* SBC 2003, c 28

*Limitation Act*, SBC 2012, c 13

*Limitation Act*, RSBC 1996, c 266

*Court Order Interest Act*, RSBC 1996, c 79

*Business Practices and Consumer Protection Act*, SBC 2004 c 2

*Consumer Protection Act* (2002), SO 2002, c 30, Sched. A

*Business Practices Act*, RSPEI 1988, c B-7

*Consumer Protection Act*, RSA 2000, c C-26.3

*The Cost of Credit Disclosure Act*, SS 2002, c C-41.01

*The Consumer Protection Act*, CCSM, c C200

*Consumer Protection Act*, CQLR c P-40.1

*Consumer Protection and Business Practices Act,* SNL 2009, c C-31.1

*Consumer Protection Act*, CSNu, c C-160

*Consumer Protection Act*, RSY 2002, c 40

*Consumer Protection Act*, RSNWT 1988, c C-17

*Class Proceedings Act*, RSBC 1996, c 50

## SCHEDULE A

## Other Consumer Protection Legislation

### *Alberta*

1. The Defendants have breached the *Alberta CPA.* Class Members who entered into the Loan Agreements while resident and/or located in Alberta are each a "consumer" within the meaning of subsection 1(1)(b) of the *Alberta CPA.* The Loan Agreements are "services" within the meaning of subsection 1(1)(k). Each of the Defendants is a "supplier" within the meaning of subsection 1(1)(l). The supply of the Loan Agreements in Alberta are "consumer transaction[s]" within the meaning of subsection 1(1)(c).

2. The Plaintiff and Class Members are "borrowers" within the meaning of subsection 58(c) of the *Alberta CPA*. Each of the Defendants is a "credit grantor" within the meaning of subsection 58(m) of the *Alberta CPA*. Each of the Loan Agreements is a "credit agreement" within the meaning of subsection 1(1)(c.1) of the *Alberta CPA*. An increase in the interest payable on the loan principal for a late or missed payment under the Loan Agreements and the Failed Payment Fee are each a "default charge" within the meaning of subsection 58(o) of the *Alberta CPA*.

3. By reason of the Defendants' conduct, the Defendants breached sections 5-6 and/or 69 of the *Alberta CPA*. The Interest Rate Penalty Clause and the Failed Payment Fee each constitute a provision for default charges by a credit agreement in violation of section 69. The Defendants' conduct with respect to the Criminal Interest Rate Subclass Members who entered into the Loan Agreements while resident and/or located in Alberta violates subsections 6(3)(a)-(c) and constitutes "unfair practices" in breach of subsection 6(1.1).

4. As a result of the Defendants' breach of section 69 of the *Alberta CPA*, Class Members who entered into the Loan Agreements while resident and/or located in Alberta are entitled to damages in the amount of the Penalty Charges paid by them during the Class Period pursuant to subsections 96(2), 98(2) and/or 142.1(2)(a). Further or in the alternative, Class Members who entered into the Loan Agreements while resident and/or

located in Alberta are entitled to restitution of the Penalty Charges paid by them during the Class Period pursuant to subsection 142.1(2)(c)(ii).

5. Further or in the alternative, as a result of the Defendants' breach of sections 5-6 of the *Alberta CPA*, the Criminal Interest Rate Subclass Members who entered into the Loan Agreements while resident and/or located in Alberta are entitled to damages in the amount of the Penalty Charges paid by them during the Class Period pursuant to subsections 7(1), 7(3) and/or 13(2)(b) of the *Alberta CPA*.

6. As a result of the Defendants' deliberate breach and/or reckless disregard of their obligations under the *Alberta CPA*, exemplary damages are warranted against each of the Defendants pursuant to section 99. Further or in the alternative, as a result of the Defendants' high-handed and oppressive conduct through their predatory lending practices, punitive damages are warranted against each of the Defendants pursuant to section 142.1(2)(b).

7. The Defendants cannot rely on any arbitration clause, if any such clause exists, due to section 16 of the *Alberta CPA* which invalidates any such clause between a "supplier" and a "consumer" in respect of a "consumer transaction" rendering such a clause void and unenforceable.

8. Class Members who entered into the Loan Agreements while resident and/or located in Alberta have satisfied the notice requirement pursuant to subsection 7.1(1) of the *Alberta CPA* by the delivery of written notice to each of the Defendants, or in the alternative by the filing of this Notice of Civil Claim.

***Saskatchewan***

9. The Defendants have breached the *Saskatchewan CCDA*. Class Members in Saskatchewan are each a "borrower" within the meaning of subsection 2(d) of the *Saskatchewan CCDA*. Each of the Loan Agreements is a "credit agreement" within the meaning of subsection 2(i). Each of the Defendants is a "credit grantor" within the meaning of subsection 2(k). An increase in the interest payable on the loan principal for

a late or missed installment payment under the Loan Agreements and the Failed Payment Fee are each a "default charge" within the meaning of subsection 2(m).

10. By reason of the Defendants' conduct, the Defendants breached section 18(2) of the *Saskatchewan CCDA*. The Interest Rate Penalty Clause and the Failed Payment Fee each constitute a provision for default charges by a credit agreement.

11. As a result of the Defendants' breaches of the *Saskatchewan CCDA*, Class Members in Saskatchewan are entitled to damages in the amount of the Penalty Charges paid by them during the Class Period pursuant to subsection 46(2) and/or 48(2).

12. As a result of the Defendants' deliberate breach and/or reckless disregard of their obligations under *Saskatchewan CCDA*, exemplary damages are warranted against each of the Defendants pursuant to section 49.

***Manitoba***

13. The Defendants have breached the *Manitoba CPA.* Class Members in Manitoba are each a "borrower", Each of the Defendants is a "credit grantor", and the Loan Agreements are each a "credit agreement", all as defined in section 1 of the *Manitoba CPA*. An increase in the interest payable on the loan principal for a default under the Loan Agreements and the Failed Payment Fee are each a "default charge" within the meaning of section 1.

14. By reason of the Defendants' conduct, the Defendants breached section 33.1 of the *Manitoba CPA*. The Interest Rate Penalty Clause and the Failed Payment Fee each constitute a provision for default charges by a credit agreement.

15. As a result of the Defendants' breach of the *Manitoba CPA*, Class Members in Manitoba are entitled to damages in the amount of the Penalty Charges paid by them during the Class Period pursuant to section 54. Further or in the alternative, Class Members in Manitoba are entitled to restitution in the amount of the Penalty Charges paid by them during the Class Period pursuant to subsection 136.1(2).

***Ontario***

16. The Defendants have breached the *Ontario CPA*. Class Members who were located in Ontario when they entered into the Loan Agreements are each a "borrower", each of the Defendants is a "credit grantor", and the Loan Agreements are each a "credit agreement", all as defined in section 66 of the *Ontario CPA*. An increase in the interest payable on the loan principal for a late or missed payment under the Loan Agreements and the Failed Payment Fee are each a "default charge" within the meaning of section 66.

17. By reason of the Defendants' conduct, the Defendants breached section 75 of the *Ontario CPA*. The Interest Rate Penalty Clause and the Failed Payment Fee each constitute an imposition of default charges under a credit agreement.

18. As a result of the Defendants' breaches of the *Ontario CPA*, Class Members who were located in Ontario when they entered into the Loan Agreements are entitled to recover the amount of the Penalty Charges paid by them during the Class Period pursuant to subsection 98(3). In the alternative, Class Members who were located in Ontario when they entered into the Loan Agreements are entitled to restitution of the Penalty Charges paid by them during the Class Period pursuant to subsection 93(1).

19. As a result of the Defendants' deliberate breach and/or reckless disregard of their obligations under the *Ontario CPA*, exemplary damages are warranted against each of the Defendants pursuant to subsection 100(3). Further or in the alternative, as a result of the Defendants' high-handed and oppressive conduct through their predatory lending practices, punitive damages are warranted pursuant to subsection 100(3).

20. The Defendants cannot rely on any arbitration clause or class action waiver, if any such clause or waiver exists, due to sections 7 and 8 of the *Ontario CPA*, which provide the right to begin or be a member of a class proceeding in respect to a consumer agreement and invalidates any clause or waiver that seeks to limit this right.

21. Class Members who were located in Ontario when they entered into the Loan Agreements have satisfied that the notice requirement pursuant to subsection 18(3) of the *Ontario CPA* by the delivery of written notice to the Defendants, or in the alternative by the filing of the Notice of Civil Claim. In the further alternative, Class Members who were located in Ontario when they entered into the Loan Agreements plead that the Court should disregard the requirement for notice pursuant to subsection 18(15) of the *Ontario CPA.*

***Quebec***

22. The Defendants have breached the *Quebec CPA*. Class Members who are resident in Quebec are each a "consumer" within the meaning of article 1e). Each of the Defendants is a "merchant" within the meaning of article 1. The interest payable on the loan principal and the Failed Payment Fee are each "credit charges" within the meaning of article 69. The Loan Agreements are "contracts of credit" within the meaning of article 66.

23. By reason of the Defendants' conduct, the Defendants contravened articles 8 and/or 92 of the *Quebec CPA*. Through the Interest Rate Penalty Clause and/or Failed Payment Fee, the Defendants claimed from Class Members who reside in Quebec charges that were either inconsistent with the parameters set out in article 92, or unreasonable, abusive, lesionary or unconscionable.

24. Class Members who are resident in Quebec are entitled to restoration of the Penalty Charges paid by them during the Class Period pursuant to article 271 of the *Quebec CPA*. Further or in the alternative, Class Members who are resident in Quebec are entitled to compensatory damages in the amount of the Penalty Charges paid by them during the Class Period and/or punitive damages pursuant to article 272 of the *Quebec CPA*. Further or in the alternative, Class Members who are resident in Quebec are entitled to have their obligations under the Loan Agreements reduced pursuant to article 8 and/or 272(c) of the *Quebec CPA*.

***Prince Edward Island***

25. The Defendants have breached the *Cost of Borrowing Disclosure Regulations*, PEI Reg EC16/87 (the "***PEI Regulations***"). Class Members in Prince Edward Island are each a "borrower" within the meaning of subsection 1(a) of the *Consumer Protection Act*, RSPEI 1988, c C-19 (the "***PEI CPA***"). Each of the Defendants is a "lender" within the meaning of subsection 1(i) of the *PEI CPA*.

26. By reason of the Defendants' conduct, the Defendants breached section 4 of the *PEI Regulations*. The Interest Rate Penalty Clause and the Failed Payment Fee each constitute an imposition of a charge or penalty by a lender. The Defendants' breach of section 4 of the *PEI Regulations* negates any juristic reason for their enrichment corresponding to the Penalty Charges.

***Newfoundland and Labrador***

27. The Defendants have breached the *Newfoundland CPBPA*. Class Members in Newfoundland and Labrador are each a "consumer" within the meaning of subsection 2(a) of the *Newfoundland CPBPA*. The Loan Agreements are "services" within the meaning of subsection 2(i). Each of the Defendants is a "supplier" within the meaning of subsection 2(j). The supply of the Loan Agreements in Newfoundland and Labrador constitutes "consumer transaction[s]" within the meaning of subsection 2(b).

28. The Class Members in Newfoundland and Labrador are each a "borrower" within the meaning of subsection 45(e) of the *Newfoundland CPBPA*. Each of the Loan Agreements is a "credit agreement" within the meaning of subsection 66(m). Each of the Defendants is a "credit grantor" within the meaning of subsection 66(p). An increase in the interest payable on the loan principal for a late or missed payment under the Loan Agreements and the Failed Payment Fee are each a "default charge" within the meaning of subsection 66(r).

29. By reason of the Defendants' conduct, the Defendants breached sections 8-9 and/or 53 of the *Newfoundland CPBPA*. The Interest Rate Penalty Clause and the Failed Payment Fee each constitute an imposition of a default charge under a credit agreement in violation of section 53. The Defendants' conduct with respect to the Criminal Interest

Subclass Members in Newfoundland and Labrador violates subsection 8(1) and constitutes an "unconscionable act or practice" in breach of section 9(1).

30. As a result of the Defendants' breach of section 53 of the *Newfoundland CPBPA*, Class Members in Newfoundland and Labrador are entitled to damages in the amount of the Penalty Charges paid by them during the Class Period pursuant to subsection 80(2) and/or 81(2).

31. Further or in the alternative, as a result of the Defendants' breaches of sections 8-9 of the *Newfoundland CPBPA*, the Criminal Interest Rate Subclass Members in Newfoundland and Labrador are entitled to damages in the amount of the Penalty Charges paid by them during the Class Period pursuant to subsection 10(2).

32. As a result of the Defendants' deliberate breach and/or reckless disregard of their obligations under the *Newfoundland CPBPA*, exemplary damages are warranted against each of the Defendants pursuant to subsection 81(8) and/or 10(2)(b).

33. The Defendants cannot rely on any arbitration clause or class action waiver, if any such clause or waiver exists, due to section 3 of the *Newfoundland CPBPA*, which invalidates any such clause or waiver, rendering it void.

***Nunavut***

34. The Defendants have breached the *Nunavut CPA*. Class Members in Nunavut are each a "consumer", each of the Defendants is a "supplier", and the Loan Agreements are each a "consumer transaction", all as defined in section 72.1 of the *Nunavut CPA.*

35. Class Members in Nunavut are each a "borrower" and each of the Defendants is a "credit grantor" within the meaning of section 1 of the *Nunavut CPA*. Each of the Loan Agreements constitutes an agreement creating or relating to a debt under section 43. An increase in the interest payable on the loan principal upon a default under the Loan Agreements and the Failed Payment Fee each constitute a default charge under section 43.

36. By reason of the Defendants' conduct, the Defendants breached section 43 and/or 72.3-72.4 of the *Nunavut CPA*. The Interest Rate Penalty Clause in the Loan Agreements and the Failed Payment Fee each constitute a provision for default charges by an agreement creating or relating to a debt in violation of section 43. The Defendants' conduct with respect to the Criminal Interest Rate Subclass Members in Nunavut violates subsections 72.3(a),72.3(b), 72.3(d) and/or 72.3(f) and constitutes an "unconscionable act or practice" in breach of 72.4 of the *Nunavut CPA*.

37. Pursuant to section 45 of the *Nunavut CPA*, the Interest Rate Penalty Clause and the Failed Payment Fee between the Defendants and Class Members in Nunavut is void because it is a pecuniary penalty that is prohibited by section 43. Class Members are entitled to restitution of the Penalty Charges paid by them during the Class Period.

38. Further or in the alternative, as a result of the Defendants' breaches of sections 72.3-72.4 of the *Nunavut CPA*, the Criminal Interest Rate Subclass Members in Nunavut are entitled to damages in the amount of the Penalty Charges paid by them during the Class Period pursuant to subsection 72.5(2)(b). As a result of the Defendants' deliberate breach and/or reckless disregard of their obligations under the *Nunavut CPA* and/or the Defendants' high-handed and oppressive conduct through their predatory lending practices, punitive and/or exemplary damages against each of the Defendants are warranted pursuant to subsection 72.5(2)(b).

***Yukon***

39. The Defendants have breached the *Yukon CPA*. Class Members in Yukon are each a "borrower" and each of the Defendants is a "credit grantor" within the meaning of section 1 of the *Yukon CPA*. An increase in the interest payable on the loan principal upon a default under the Loan Agreements and the Failed Payment Fee each constitute a default charge within the meaning of section 32.

40. By reason of the Defendants' conduct, the Defendants breached section 32 of the *Yukon CPA*. The Interest Rate Penalty Clause in the Loan Agreements and the Failed

Payment Fee each constitute a provision for default charges by an agreement creating or relating to a debt.

41. Pursuant to section 34 of the *Yukon CPA*, the Interest Rate Penalty Clause and the Failed Payment Fee between the Defendants and Class Members in Yukon is void because it is a monetary penalty that is prohibited by section 32. Class Members are entitled to restitution of the Penalty Charges paid by them during the Class Period.

***Northwest Territories***

42. The Defendants have breached the *Northwest Territories CPA*. Class Members in the Northwest Territories are each a "borrower" and each of the Defendants is a "credit grantor" within the meaning of section 1 of the *Yukon CPA*. Each of the Loan Agreements constitutes an agreement creating or relating to a debt within the meaning of section 46. An increase in the interest payable on the loan principal upon a default under the Loan Agreements is a pecuniary penalty within the meaning of section 46(2).

43. Pursuant to section 46(2) of the *Northwest Territories CPA*, the Interest Rate Penalty Clause between the Defendants and Class Members in the Northwest Territories is void because it is a pecuniary penalty that entitles the Defendants to recover more than their loss suffered and/or actual expenses incurred as a result of a default under the Loan Agreements. Class Members are entitled to restitution of the Penalty Charges paid by them during the Class Period.