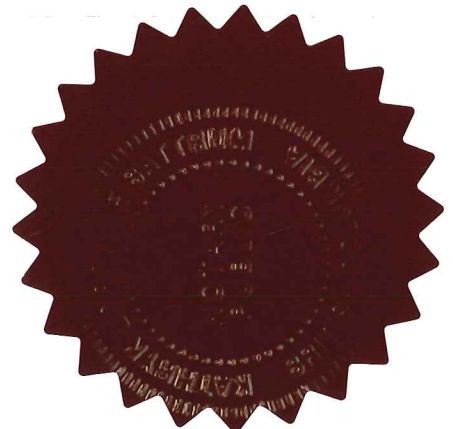


This is Exhibit "D" referred to in the Affidavit of Kurt
Robinson, sworn before me this 1st day of
May, 2017

A Notary Public in and for the Province of
British Columbia

Kathryn Battum Notary Public
43 - 9522 Main Street
Lake Country BC V4V 2L9
778 480 0900

MY COMMISSION IS AN APPOINTMENT FOR LIFE.
A SPECIMEN OF MY SIGNATURE IS ON FILE AT THE
U.S. CONSULATE, VANCOUVER, B.C. CANADA



COURT FILE NUMBER 1603-03142
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON
PLAINTIFFS Sharon Sherman, Sharon Sherman in her capacity as Personal Representative of the Estate of Ruby Sherman, and Georg Beinert

DEFENDANTS Donald Schiemann, Jim Kentel, William Ney, Harold Ruf, Mark Ruf, Harold Schmidt, James Schuelke, Mark Beiderweiden, Harold HaberstocK, James Heinbuch, Cliff HaberstocK, Gene Gabert, Richard Lutz, David Schick, Cindy Willisko, Daryl Becker, Randy Heide, Mark Sander, Judith Burns, Marj Plitt, Gerry Steinke, Keith Kruse, Forrest Stroup, Keith HaberstocK, Melanie Kuhn, David Dressler, Philip Washeim, Greg Giese, Wayne Lunderby, Michael Gillingham, Craig Tufts, Rhonda Buck, Vic Esperanza, Lynn Gergens, Deloyce Weist, Janice Ruf, Candace Rivet, Darla Hennig, Kurt Robinson, Ted Ulmer, David Bode, Roland Kubke, Bill Morgan, John Mueller, Glenn Schaeffer, Marvin Mutschler, Steven Grande, Paul Eifert, Hans Heumann, Grant McMaster, James Werschler, David Schoepp, Encharis Community Housing and Services, Prince of Peace Lutheran Church of Calgary; Lutheran Church – Canada; Lutheran Church – Canada Financial Ministries; Lutheran Church – Canada, The Alberta-British Columbia District; Francis Taman; Bishop & McKenzie LLP; Ronald Chowne; Prowse Chowne LLP; Shepherd's Village Ministries Ltd.

DOCUMENT AMENDED AMENDED AMENDED
STATEMENT OF CLAIM



AMENDED THIS 13 DAY OF FEB AD 2017
FILED FOR THE PLAINTIFFS
JUDICIAL CLERK

ADDRESS FOR SERVICE Allan Garber Professional Corporation
AND Barrister and Solicitor
CONTACT INFORMATION Suite 108, 17707 105 Ave NW
OF Edmonton, Alberta T5S 1T1
PARTY FILING THIS Tel: (587) 400-9310
DOCUMENT Fax: (587) 400-9313
 Lawyer: Allan A. Garber

BROUGHT UNDER THE CLASS PROCEEDINGS ACT

NOTICE TO DEFENDANTS

You are being sued. You are a defendant.

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

Note: State below only facts and not evidence (Rule 13.6)

Statement of facts relied on:

1. The Plaintiff, Sharon Sherman, is approaching retirement and resides in the City of Edmonton, in the Province of Alberta. She is the personal representative of the estate of Ruby Sherman.
2. The Plaintiff, Georg Beinert, resides near Fairview, in the Province of Alberta.
3. The Defendant, the Lutheran Church – Canada, the Alberta-British Columbia District was incorporated as the Alberta and British Columbia District of the Evangelical Lutheran Synod of Missouri, Ohio and other States by way of a special Act of the Alberta Legislature, S.A. 1944, c. 82 *as am*. It was extra-provincially registered in British Columbia on June 19, 1944. In 1991 the District was continued and renamed the Lutheran Church – Canada, the Alberta-British Columbia District (the “ABC District”) pursuant to the *Lutheran Church – Canada, The Alberta British Columbia District Corporation Act*, SA 1991, c. 42. At all times material hereto the head office of the ABC District was 7100 Ada Blvd., Edmonton, Alberta, T5B 4E4.
4. The Defendants Donald Schiemann, Mark Ruf, Jim Kentel, Harold Ruf, James Schuelke, Mark Beiderweiden, Harold Haberstock, James Heinbuch, Cliff Haberstock, Gene Gabert, Richard Lutz, David Schick, Cindy Willisko, Daryl Becker, Randy Heide, Mark Sander, Judith Burns, Marj Plitt, Gerry Steinke, Harold Schmidt, Keith Kruse, William Ney, Forrest Stroup, Keith Haberstock, Melanie Kuhn, David Dressler, Philip Washeim, Greg Giese, Wayne Lunderby, Michael Gillingham, Craig Tufts, Rhonda Buck, Vic Esperanza, Lynn Gergens and Deloyce Weist were all Directors and additionally, Officers of the ABC District, as the case may be, in accordance with the table below:

ABC Directors

<i>June 1, 1997 - May 31, 2000</i>		<i>June 1, 2000 - May 31, 2003</i>	
Position	Name	Position	Name
President	Harold Ruf	President	Donald Schiemann
Vice President	James Schuelke	Vice President	Mark Beiderwieden
Vice President	Mark Beiderwieden	Vice President	Harold Haberstock
Vice President	Harold Haberstock	Vice President	James Schuelke
Secretary	James Heimbuch	Secretary	Randy Heide
Secretary	Cliff Haberstock	Secretary	Mark Sander
Director	Mark Ruf	Director	Mark Ruf
Director	Gene Gabert	Director	Kwang Soo Kim
Director	Jim Kentel	Director	Gene Gabert
Director	Richard Lutz	Director	Richard Lutz
Director	David Schick	Director	Marj Plitt
Director	Cindy Willisko	Director	Gerry Steinke
Director	Daryl Becker	Director	Harold Schmidt
		Director	Cindy Willisko
		Director	Keith Kruse

<i>June 1, 2003 - May 31, 2006</i>		<i>June 1, 2006 - May 31, 2009</i>	
Position	Name	Position	Name
President	Donald Schiemann	President	Donald Schiemann
Vice President	Mark Beiderwieden	Vice President	Mark Ruf
Vice President	Harold Haberstock	Vice President	Harold Haberstock
Vice President	William Ney	Vice President	Forrest Stroup
Secretary	Mark Sander	Secretary	Wayne Lunderby
Director	Mark Ruf	Director	Keith Haberstock
Director	Kwang Soo Kim	Director	Kwang Soo Kim
Director	Jim Kentel	Director	Judith Burns
Director	Richard Lutz	Director	Jim Kentel
Director	Harold Schmidt	Director	Melanie Kuhn
Director	Judith Burns	Director	Richard Lutz
Director	Marj Plitt	Director	Harold Schmidt
Director	Keith Kruse	Director	Keith Kruse

<i>June 1, 2009 - May 31, 2012</i>		<i>June 1, 2012 - May 31, 2015</i>	
Position	Name	Position	Name
President	Donald Schiemann	President	Donald Schiemann
Vice President	Mark Ruf	Vice President	Mark Ruf
Vice President	Harold Haberstock	Vice President	David Dressler
Vice President	David Dressler	Vice President	Craig Tufts
Secretary	Wayne Lunderby	Secretary	Rhonda Buck
Director	Keith Haberstock	Director	Vic Esperanza
Director	Phillip Washeim	Director	Keith Haberstock
Director	Judith Burns	Director	Lynn Gergens
Director	Greg Giese	Director	Greg Giese
Director	Jim Kentel	Director	Jim Kentel
Director	Melanie Kuhn	Director	Melanie Kuhn
Director	Harold Schmidt	Director	Harold Schmidt
Director	Michael Gillingham	Director	Deloyca Weist

5. At all times material hereto the Defendants Janice Ruf, Candace Rivet, Darla Hennig, Ted Ulmer and Kurt Robinson were Officers of the ABC District and members of the ABC District Executive.

6. The Defendant, the Lutheran Church — Canada (the "LCC"), is a religious body incorporated under the *Act to Incorporate Lutheran Church-Canada 7-8 Eliz. II Chap. 68 S.C. 1959* with a registered office located at 3074 Portage Avenue, in the City of Winnipeg, in the Province of Manitoba.
7. The Defendant, the Lutheran Church — Canada Financial Ministries (the "LCCFM"), is a non-profit corporation registered under the laws of Canada and has a registered and records office located at 3074 Portage Avenue, in the City of Winnipeg, in the Province of Manitoba.
8. The Defendant, Prince of Peace Lutheran Church of Calgary, is a religious society incorporated under the laws of Alberta on February 25, 1964 and has a registered office located at 243209 Garden Road NE, Calgary Alberta ("POP Congregation"). It carries on operations as the Prince of Peace Lutheran Church and School.
9. The Defendant Francis Taman ("Taman") is a Barrister and Solicitor and a partner in the law firm of Bishop & McKenzie LLP, which is located at 1700 — 530 8th Avenue, in the City of Calgary, in the Province of Alberta.
10. The Defendant Bishop & McKenzie LLP ("Bishop & McKenzie") is a partnership of barristers and solicitors located at 1700 — 530 8th Avenue, in the City of Calgary, in the Province of Alberta.
11. The Defendant Prowse Chowne LLP ("Prowse Chowne") is a partnership of barristers and solicitors located at 1300-10020 101A Avenue NW, in the City of Edmonton, in the Province of Alberta.
12. The Defendant Ronald Chowne ("Chowne") is a Barrister and Solicitor and a partner in the law firm of Prowse Chowne, which is located at 1300-10020 101A Avenue NW, in the City of Edmonton, in the Province of Alberta.
13. The Defendant Shepherd's Village Ministries Ltd. ("SVML") is a company registered under the laws of Alberta with a registered office located at 1700 — 530 8th Avenue SW, in the City of Calgary, in the Province of Alberta.
14. The Defendants Donald Schiemann, Harold Ruf, Mark Ruf, Ted Ulmer, Gerry Steinke, Steven Grande, Paul Eifert, Hans Heumann, Grant McMaster, James Werschler and David Schoepp were Officers and Directors of SVM at times material to this action.
15. The Defendant Encharis Community Housing and Services ("ECHS") was incorporated November 9, 2005 under the laws of the Province of Alberta with a registered office at 1700 — 530 8 Avenue SW, in the City of Calgary, in the Province of Alberta.

16. The Defendants Donald Schiemann, Mark Ruf, Jim Kentel, David Bode, Roland Kubke, Bill Morgan, John Mueller, Glenn Schaeffer and Marvin Mutschler were at all times material hereto Officers and Directors of ECHS.
17. At all times material hereto the Defendant Donald Schiemann, while serving as the President and a Director of ABC District, was also a Director of LCC and ECHS, and the Vice-President and a Director of SVML.
18. All of the Officers and Directors of the ABC District, ECHS and SVML were at all times material hereto members of a congregation of the LCC.
19. The Defendants Donald Schiemann, Harold Ruf, Mark Ruf, James Schuelke, Mark Beiderwieden, Harold Haberstock, Cliff Haberstock, Keith Haberstock, James Heinbuch, Randy Heide, William Ney, Mark Sander, Forrest Stroup, David Dressler, Wayne Lunderby, Phillip Washeim, Craig Tufts and Vic Esperanza were at all times material hereto ordained ministers in the LCC.

A. The Lutheran Church – Canada [“LCC”]

20. LCC is a statutorily incorporated national religious body operating through and having three separately incorporated Districts as LCC agencies or instrumentalities: the Alberta and British Columbia District, the Central District and the East District.
21. LCC has developed and implemented a program whereby congregations are encouraged to purchase lands upon which to construct churches and schools wherein to carry out the ministry of the Lutheran faith, using funds borrowed from their respective Districts. The source of those funds is deposits made with the Districts by the congregations within those Districts, and by individual members of those congregations, as well as by non-members. LCC refers to this program as “Church Planting” and/or “Church Extension” (the “LCC Church Extension Program”).

B. Lutheran Church – Canada Financial Ministries (“LCCFM”)

22. LCC has delegated the administration of the LCC Church Extension Program to LCCFM.
23. LCCFM was formed to assist LCC districts and member congregations to finance the acquisition of sites and the erection of facilities to aid expansion for programs of ministry, witness, outreach and service or for any other programs of the LCC and/or LCCFM through the LCC Church Extension Program and other activities.
24. The LCCFM is responsible for establishing policies and programs for maintaining, supervising and enlarging the LCC Church Extension Program. It is responsible for

administering those policies and programs on a sound financial basis.

25. LCC and its Districts, including the Alberta and British Columbia District, are members of LCCFM.

C. Taman and Bishop & McKenzie LLP

26. At all times material to these proceedings, Taman was a member of the Prince of Peace Congregation located at or near Calgary of the ABC District, and a partner in the law firm of Bishop & McKenzie LLP.

D. The LCC/ABC District Church Extension Fund

27. In or about 1921 and prior to its incorporation in 1944, the ABC District created a Church Extension Program (the "ABC District Church Extension Program") to advance the Church Extension objectives and policies of its parent organization, which was then the Lutheran Church – Missouri Synod ("LCMS") and as of its incorporation in 1959, the LCC.
28. The ABC District operates the ABC District Church Extension Program as a joint enterprise with LCC and/or LCCFM in furtherance of a common purpose, in that:
- a. The ABC District is able to maintain the ABC District Church Extension Program only with the approval of LCC;
 - b. The ABC District is required to operate the ABC Church Extension Program in conformity with policies established by the LCC and/or LCCFM;
 - c. The LCC and/or LCCFM aids the ABC District in motivating individuals, congregations and organizations to place deposits with the ABC District Church Extension Program in a systematic manner;
 - d. The LCC and/or LCCFM provides leadership in advance site acquisition for further expansion of the ministry of the LCC;
 - e. The ABC District was required to provide to the LCC and/or LCCFM, on an annual basis, a complete financial statement of the ABC District Church Extension Program, including monies borrowed and received, total amount of loans outstanding, and any amounts delinquent;
 - f. ABC District, LCC and/or LCCFM all receive direct or indirect financial and other benefits from the ABC District's Church Extension Program, in that:
 - (i) The acquisition and erection of new churches and schools in which to carry out the ministry of the Lutheran faith increases church membership at the congregation level;

- (ii) Increased church membership at the congregation level results in increased member donations to the congregation. Those donations are shared with the District, which in turn shares those donations with the LCC and/or LCCFM;

29. The ABC District, together with the LCC and/or LCCFM as set out above, established two funds:

- a. The Church Extension Fund (the "CEF") is a non-registered fund held by ABC District which offered term deposits, savings accounts and a children's savings program; and
- b. The Lutheran Church Canada, The Alberta-British Columbia District Investment Ltd. ("DIL"), is an incorporated tax-sheltered investment fund offering registered RRSP, RRIF and TFSA investments.

30. At all times material hereto one or all of the Defendants Janice Ruf, Candace Rivet, and Darla Hennig were Managers or in the alternative Administrators of the Church Extension Fund.

31. All of the funds deposited to the ABC District's CEF were held in trust for the depositors by the ABC District as trustee (the "CEF Trust"), on the following terms:

- a. that the monies on deposit in the CEF Trust would be used solely for the purpose of building churches and schools, and would be invested by the ABC District in accordance with the mandate and policies of the ABC District's Church Extension Program; and
- b. that the monies deposited to the CEF Trust would be repaid to the depositors on demand, or alternatively upon maturity if in the form of a term deposit, and with interest.

32. The ABC District and the CEF depositors intended to create, and did create, either expressly or by implication, the CEF Trust on the terms stated above. The CEF Depositors were the beneficiaries of the CEF Trust.

33. Further, or in the alternative, all funds deposited to the ABC District's CEF were impressed with a resulting trust (the "CEF Quistclose Trust") whereby, either expressly or by implication:

- a. Funds on deposit in the CEF were to be used specifically and exclusively for the stated purpose of providing assistance in the mission and ministry of congregations and agencies of the Lutheran Church-Canada;
- b. All deposits in the CEF remained the property of the CEF depositors; and
- c. Deposits in the CEF would be invested by the ABC District in a safe and prudent

manner.

34. The ABC District and the CEF depositors intended to create and did create, either expressly or by implication, the CEF Quistclose Trust on the terms stated above. The CEF depositors were the beneficiaries of the CEF Quistclose Trust.
35. In the further alternative, depositors to the CEF entered into contracts with the ABC District which contained the following express or implied terms:
 - a. That the monies on deposit would be used solely for the purposes of investment in accordance with the mandate and policies of the ABC District Church Extension Program;
 - b. That the monies would be repaid to the depositors on demand, or alternatively upon maturity of the depositor's deposit term, and with interest; and
 - c. That the monies on deposit with the CEF were guaranteed by the ABC District.
36. The ABC District's Department of Stewardship and Financial Ministries (the "DSFM") established Loan Eligibility Policies in respect of the CEF funds which conformed to the policies established by the LCC and/or LCCFM for that purpose. Those Policies limited eligibility for loans to:
 - a. congregations of the ABC District "in good standing," defined as "those congregations which support the mission and ministry of the District and Synod in a responsible way, function under a district approved constitution and comply with the policy and practice established by the Lutheran Church – Canada"; and
 - b. institutions and entities of the LCC, whose constitutions, policies and practices are consistent with those of LCC.
37. Further, according to the Loan Eligibility Policies set by the DSFM, the LCC and/or the LCCFM, loans were to be made for capital projects only, including acquisition of land, purchase or construction of building facilities, major renovations to existing facilities or expansion of existing facilities.
38. The DSFM also set Loan Criteria for the CEF funds in conformity with policies established by the LCC and/or LCCFM for that purpose, including (but not limited to) the following:
 - a. The need for facilities, renovations or property in which to carry out the ministry of the Lutheran faith;
 - b. Need for financing of existing debt;
 - c. Relationship of total loan to property values and/or total assets;

- d. Financial history of congregation and financial projections for future;
- e. Growth potential of area and membership;
- f. The existence of a pledge program for the building project;
- g. Indebtedness per communicant;
- h. Ability of congregation to service debt;
- i. Percentage of total income for debt service; and
- j. Continuity of the debtor congregation's financial support to the ABC District and the LCC.

39. The DSFM also set Loan Conditions for the CEF funds in conformity with policies established by the LCC and/or LCCFM for that purpose, which required debtor congregations to provide certain items before loan funds would be disbursed, including (but not limited to) the following:

- a. Security documentation appropriate to the size and conditions of the loan;
- b. Loan Repayment Agreement signed by the officers of the debtor congregation;
- c. Commitment to promoting Church Extension investments among the members of the debtor congregation; and
- d. Financial statements submitted annually to the DSFM.

40. All loans in excess of \$100,000.00 required the approval of the ABC District's Board of Directors.

41. At times material hereto, the following Officers and Directors of the ABC District were also members of the DSFM, and were thus in an untenable conflict of interest: Jim Kentel, William Ney, Mark Ruf, Harold Schmidt, Mark Beiderweiden, Richard Lutz, Mark Sander, Greg Giese, Darla Hennig and Kurt Robinson.

42. As a result of the ABC District's Church Extension Program and the implementation of the Loan Eligibility Policies, Loan Criteria and Loan Conditions, by the early 1990s the ABC District had built a diverse portfolio of mortgage loans to more than 65 congregations for the construction of churches and schools in which to carry out the ministry of the Lutheran faith. The ABC District guaranteed the investments of depositors in the CEF.

E. The Prince of Peace Village Loans

43. In or about 1993, the ABC District and its Officers and Directors, and/or the POP Congregation, on the advice and with the assistance of Chowne and/or Taman acting as counsel to ABC District and/or the POP Congregation, purchased 156 acres of real property near Calgary, Alberta for \$1,007,700 for the purpose of building a church and a school.
44. The ABC District and/or the POP Congregation set aside certain lands within the POP Village Lands for the location and construction of a church and school for the Prince of Peace Congregation (the "POP Congregation").
45. In or about June 1997, the POP Congregation established a \$26.6 million budget for the construction of a 174 duplex and fourplex unit seniors' housing project called the Prince of Peace Village ("POP Village") to be constructed on a portion of the 156 acres ("the POP Village Lands").
46. The POP Congregation proposed the POP Village development to the ABC District, which approved it on the understanding that the monies for the POP Village would be borrowed from the bank.
47. When sufficient construction loans were not obtainable from the bank, ABC District advanced monies from the CEF Trust or alternatively the CEF Quistclose Trust to develop the POP Village. The ABC District developed the POP Village on its own behalf or alternatively in partnership with the POP Congregation.
48. The POP Village was expanded to include a seniors' assisted living residence ("The Manor"), and an Alzheimer's care centre ("The Harbour").
49. The decision of the ABC District to embark upon the speculative real estate development of the Prince of Peace Village on its own behalf, funded by the CEF, was contrary to the purposes of the ABC District Church Extension Program, which was to provide mortgage financing for congregations to build churches and schools in which to carry out the ministry of the Lutheran faith.
50. The decision of the ABC District and its Officers and Directors to embark upon the speculative real estate development of the POP Village Lands was particularly reckless because the ABC District and its Officers and Directors knew that the POP Village Lands were not supplied with municipal water pipeline services and that the POP Village Lands had no immediate or near-term prospect of being so serviced. As of December 16, 2016, the POP Village Lands are still not serviced with municipal water pipeline services and there is no immediate prospect of such services being available.
51. LCC and/or LCCFM were aware of and approved the ABC District's decision to utilize the CEF monies for the purpose of developing the POP Village. Alternatively, they were

willfully blind to the use of the CEF monies as aforesaid.

52. The POP Village development commenced in 1993 and was carried on by the ABC District from 1993 through 2006.
53. At all times material to these proceedings Taman was the Chairman of the POP Congregation's Housing Committee, and was responsible for advancing the POP Village development on behalf of the POP Congregation.
54. At times material hereto, the Defendants Keith Habersstock and Kurtis Robinson were members of, and held leadership positions in, the POP Congregation. At the same time, Habersstock was an Officer and Director of the ABC District and Robinson was an Officer of the ABC District. As a result, their duties to the ABC District and the CEF depositors were in conflict with their duties and responsibilities to the POP Congregation.
55. The POP Village opened in or about 1998. However, at that time the development was operating at a financial deficit, and continued to do so. The ABC District financed those deficits through additional input of funds from the CEF, and increased its promotion of the CEF to its congregations and their members for the purpose of increasing deposits with which to fund the POP Village deficits.
56. Between 1993 and 2006, the ABC District utilized \$71,800,000.00 of funds on deposit in the CEF for the purchase and construction of the Prince of Peace Village and the lands upon which it was built, including subsidies for high-cost hauled water services provided to the POP Village (the "CEF POP Village Advances").
57. LCC and/or LCCFM were aware of and approved the extension of the CEF POP Village Advances. Alternatively, they were willfully blind to the CEF POP Village Advances.
58. ABC District began selling life leases in the POP Village in 1998. However, it failed to return any part of the proceeds of those sales to the CEF in payment of the CEF POP Village Advances.
59. The CEF POP Village Advances contravened the ABC District's Church Extension Program Loan Eligibility Policies, Loan Criteria and Loan Conditions in respect of the CEF Trust in that:
 - a. The POP Village development was not for the purpose of building churches or schools;
 - b. The POP Village development was a highly speculative real estate adventure;
 - c. The POP Village development was commenced and continued in the absence of

any, or any reliable, financial projections:

- d. The ABC District lacked the experience and qualifications to bring the POP Village to successful completion; and
- e. The CEF POP Village Advances were used in part to fund operating deficits.

60. Further, or in the alternative, the CEF POP Village Advances contravened the terms of the CEF Quistclose Trust in that the POP Village development:

- a. Was not for the purpose of providing assistance to a mission or ministry of a congregation or agency of the LCC;
- b. The POP Village development was a highly speculative real estate adventure;
- c. The POP Village development was commenced and continued in the absence of any, or any reliable, financial projections; and
- d. The ABC District lacked the experience and qualifications to bring the POP Village to successful completion.

F. Transfer of the POP Village Lands to Encharis

61. On November 9, 2005, ABC District, on the advice and with the assistance of Taman, incorporated Encharis Community Housing and Services ("ECHS") to act as the developer of the POP Village.

62. At all times material to these proceedings, ABC District and ECHS were under common control, in that several members of ECHS's Board of Directors were also members of ABC District's Board of Directors, including but not limited to:

- a. Donald Schiemann;
- b. Mark Ruf; and
- c. Jim Kentel.

63. Further, the Defendant Ted Ulmer, an Officer of the ABC District, was also a member of the ECHS Board of Directors.

64. On June 10, 2006, the ABC District transferred to ECHS all of its interest in the POP Village Lands in exchange for a mortgage loan in the amount of approximately \$38,000,000.00 (the "POP Village CEF Mortgage Loan") and the assumption of ABC District's contingent liabilities of approximately \$33,000,000.00 with respect to the POP Village life leases. The POP Village CEF Mortgage Loan was secured by a mortgage registered against the POP Village Lands and a 101 acre parcel of real property in Chestermere, Alberta.

65. On February 17, 2006, ABC District, on the advice and with the assistance of Taman, also incorporated Encharis Management Support and Services ("EMSS") to provide operational services to The Manor and the The Harbour.
66. LCC and LCCFM were aware of and approved the transfer of the POP Village Lands from ABC District to ECHS, and the extension of the POP Village CEF Mortgage Loan. Alternatively they were willfully blind to said facts.
67. The ABC District, its Officers and Directors, did not inform the depositors to the CEF that it had transferred to ECHS all of its interest in the POP Village Lands in exchange for the Mortgage Loan.
68. The ABC District transferred its interest in the POP Village lands to ECHS and authorized the POP Village CEF Mortgage Loan and the POP Village CEF Unsecured Loans for the sole purpose of divesting ABC District of the failing POP Village development and its associated financial liabilities and instead recording the POP Village CEF Mortgage Loan as an asset in the CEF's mortgage portfolio.
69. However, to the knowledge of ABC District, its Officers and Directors, LCC and/or LCCFM, and ECHS and its Officers and Directors, ECHS was insolvent from its inception and continued to operate at a deficit.
70. Subsequent to the transfer of ABC District's interest in the POP Village to ECHS, ECHS was unable to service its mortgage debt to ABC District. Despite this, ABC District approved additional advances of approximately \$7,000,000.00 to ECHS under the POP Village CEF Mortgage Loan and also made unsecured loans to ECHS from the CEF Trust or in the alternative from the CEF Quistclose Trust in the amount of approximately \$28,500,000.00 (the "POP Village CEF Unsecured Loans") in order to allow ECHS to service its mortgage debt and finance its operating deficit in respect of the POP Village.
71. The ABC District, its Officers and Directors approved the POP Village CEF Unsecured Loans in circumstances where they knew or were willfully or recklessly blind to the fact that:
- a. ECHS was insolvent; and
 - b. ECHS was operating at a deficit.
72. LCC and LCCFM were aware of and approved the initial and further advances made to ECHS under the POP Village CEF Mortgage Loan and the extension of the POP Village CEF Unsecured Loans to ECHS in circumstances where LCC and LCCFM knew or were willfully blind to the fact that:
- a. ECHS was insolvent, and
 - b. ECHS was operating at a deficit.

73. The POP Village CEF Mortgage Loan and the POP Village CEF Unsecured Loans (collectively, the "POP Village CEF Loans") contravened the mandate of the ABC District's Church Extension Program and the terms of the CEF Trust, in that they were not made for the purpose of building churches and/or schools in which to carry out the ministry of the Lutheran faith, but rather for the purpose of enabling ECHS to engage in speculative real estate development.
74. The POP Village CEF Loans contravened the terms of the CEF Quistclose Trust in that the CEF funds were not used to provide assistance to a congregation or agency of the LCC, but rather for the purpose of enabling ECHS to engage in speculative real estate development.
75. The Officers and Directors of the ABC District knew or were willfully or recklessly blind to the fact that the CEF POP Village Loans contravened the terms of the CEF Trust or in the alternative the terms of the CEF Quistclose Trust.
76. At all times material to these proceedings, Taman was a director, trustee or like official of ECHS, and also counsel to both ECHS and ABC District.
77. Further, at all times material to these proceedings, Taman was a member of the POP Congregation. As such:
- a. he knew or was willfully blind to the existence of the CEF Trust;
 - b. he knew or was willfully blind to the existence of the CEF Quistclose Trust; and
 - c. he had a personal stake in the development of the POP Village.
78. The POP Village CEF Loans contravened the ABC District's Church Extension Program Loan Eligibility Policies, Loan Criteria and Loan Conditions in respect of the CEF Trust in that:
- a. ECHS was not a "congregation of the ABC District in good standing" nor an institution or entity of the LCC whose constitution, policies and practices were consistent with those of LCC;
 - b. The loan-to-value ratio in respect of each of the Loans was greater than that which would be commercially acceptable, or alternatively was based on an inflated valuation of the POP Village Lands;
 - c. The POP Village development was commenced and continued in the absence of any, or any reliable, financial projections;
 - d. ECHS lacked the experience and qualifications to bring the POP Village to successful completion;
 - e. ECHS had no ability to service the POP Village Loans;

- f. ECHS did not and was not required to provide financial support to ABC District and/or LCC in exchange for the POP Village Loans;
- g. The POP Village Loans were unsecured or alternatively inadequately secured;
- h. The officers of ECHS were not required or alternatively failed to sign Loan Repayment Agreements with ABC District in respect of the POP Village Loans;
- i. ECHS was not required or alternatively failed to make a commitment to promote Church Extension deposits among its members or others;
- j. ECHS was not required or alternatively failed to submit financial statements to the ABC District or alternatively the ABC District failed to scrutinize those financial statements to assess the risk to the POP Village Loans.

79. Further, the POP Village CEF Loans contravened the terms of the CEF Quistclose Trust in that:

- a. ECHS was not a congregation or agency of the LCC;
- b. The loan-to-value ratio in respect of each of the Loans was greater than that which would be commercially acceptable, or alternatively was based on an inflated valuation of the POP Village Lands;
- c. The POP Village development was commenced and continued in the absence of any, or any reliable, financial projections;
- d. ECHS lacked the experience and qualifications to bring the POP Village to successful completion;
- e. ECHS had no ability to service the POP Village Loans;
- f. ECHS did not and was not required to provide financial support to ABC District and/or LCC in exchange for the POP Village Loans;
- g. The POP Village CEF Loans were unsecured or alternatively inadequately secured;

80. The POP Village development was ultimately unsuccessful and ECHS defaulted on the POP Village CEF Loans. There is insufficient equity in ECHS's interest in the POP Village Lands to satisfy the POP Village CEF Loans.

81. By March, 2004, the ABC District, its Officers and Directors, knew or were willfully blind to the fact that the POP Village was losing money every month and that the POP Village was in significant financial difficulty. By 2006, the ABC District, its Officers and

Directors knew or were willfully blind to the fact that ECHS was insolvent and was operating at a deficit. Acting in bad faith, and in league with each other, the ABC District, its Officers and Directors from 2004 until 2015:

- a. failed to advise the depositors to the CEF that the POP Village was in significant financial difficulty;
- b. failed to advise the depositors to the CEF that ECHS was insolvent and was operating at a deficit;
- c. willfully concealed the ABC District's financial difficulties from the CEF depositors; and
- d. misrepresented the ABC District's financial situation to the CEF depositors.

G. The POP Congregation Loan

82. The POP Congregation was a small congregation of about 230 members and consistently ran operating deficits. By about 2005, the POP Congregation operating deficit was \$1,200,000.00. It was unable to meet its operational financial requirements and its obligations to ABC District in respect of previous mortgage loans from the CEF.
83. POP Congregation deficits continued to increase and were met by further loans from the ABC District. By about 2008, ABC District advances to the POP Congregation for construction of the church and school and operating deficits had accumulated to \$8,000,000.00 (the "POP Congregation Loan").
84. The LCC and/or LCCFM were aware of and approved the POP Congregation Loan. Alternatively they were willfully blind to the POP Congregation Loan.
85. The POP Congregation Loan violated the mandate of the ABC District's Church Extension Program and the terms of the CEF Trust in that it was granted, in whole or in part, to pay off the POP Congregation debts and to finance its operating deficit and not for the purposes of building churches and schools in which to carry out the ministry of the Lutheran Church.
86. Further, the Prince of Peace Congregation Loan violated the Loan Eligibility Policies, Loan Criteria and Loan Conditions of the ABC District, and the terms of the CEF Trust, in that:
 - a. The POP Congregation was not financially a "congregation in good standing" within the meaning of the ABC District Loan Eligibility Policy;
 - b. The Prince of Peace Congregation Loan was in whole or in part for operating purposes rather than a capital project;
 - c. The POP Congregation had no ability to service the debt;
 - d. The Prince of Peace Congregation Loan was unsecured or alternatively inadequately

secured;

- e. The Prince of Peace Congregation Loan was not accompanied by a Loan Repayment Agreement signed by the officers of the congregation;
- f. The POP Congregation was operating at a deficit and could not meet its existing financial obligations to the ABC District to repay a previous mortgage loan;
- g. The POP Congregation did not and could not make a commitment to promoting Church Extension deposits among its members; and
- h. The ABC District did not require the POP Congregation to submit its financial statements on an annual basis, or alternatively failed to scrutinize those financial statements to assess the risk that the Prince of Peace Congregation Loan would not be repaid.

87. Further, or in the alternative, the Prince of Peace Congregation Loan violated the terms of the CEF Quistclose Trust, in that:

- a. The POP Congregation Loan was very risky in that the POP Congregation had no ability to service the debt;
- b. The Prince of Peace Congregation Loan was unsecured or alternatively inadequately secured;
- c. The POP Congregation was operating at a deficit and could not meet its existing financial obligations to the ABC District to repay a previous mortgage loan; and
- d. The POP Congregation Loan was used to subsidize operating deficits.

88. In or about 2009, the ABC District on the advice and with the assistance of Taman, forgave \$6,000,000.00 of the \$8,000,000.00 POP Loan in exchange for the right to receive proceeds from the future sale of certain property owned by the POP Congregation (the "POP Congregation Land Sale Proceeds Assignment Agreement").

89. The LCC and/or LCCFM were aware of and approved the POP Congregation Land Sale Proceeds Assignment Agreement. Alternatively they were willfully blind to the Assignment Agreement

90. The POP Congregation Land Sale Proceeds Assignment Agreement does not stipulate a date nor any deadline for the sale of the subject property, and the ABC District has no recourse in the event that the eventual sale proceeds are insufficient to discharge the \$6,000,000.00 loan receivable in full. Accordingly, the POP Congregation Land Sale Proceeds Assignment Agreement is wholly inadequate consideration for ABC District's forgiveness of the POP Congregation's \$6,000,000.00 debt to the CEF Trust or the CEF

Quistclose Trust.

H. The Strathmore Loan

91. In or about August 2007, the ABC District approved a CEF mortgage loan of approximately \$5,850,000.00 to ECHS for the purpose of purchasing real property in Strathmore, Alberta (the "Strathmore Lands") and constructing a 50-unit seniors' condominium development (the "Strathmore Loan").
92. The Strathmore Loan contravened the mandate of the ABC District's Church Extension Program and the terms of the CEF Trust, in that it was not made for the purpose of building churches and/or schools in which to carry out the ministry of the Lutheran faith, but rather for the purpose of enabling ECHS to engage in speculative real estate development.
93. Further, the Strathmore Loan was contrary to the policies and procedures of the ABC District Church Extension Fund, and the CEF Trust, in that:
- a. ECHS was not a "congregation of the ABC District in good standing" nor an institution or entity of the LCC whose constitution, policies and practices were consistent with those of LCC;
 - b. ECHS lacked the experience and qualifications to bring the Strathmore development to successful completion;
 - c. ECHS had no ability to service or repay the Strathmore Loan;
 - d. ECHS did not and was not required to provide financial support to ABC District and/or LCC in exchange for the Strathmore Loan;
 - e. The Strathmore Loan was very risky and inadequately secured;
 - f. The officers of ECHS were not required to sign Loan Repayment Agreements with ABC District in respect of the Strathmore Loan;
 - g. ECHS was not required to make a commitment to promote Church Extension deposits among its members or others; and
 - h. ECHS was not required to submit financial statements to the ABC District, or alternatively the ABC District failed to scrutinize those financial statements to assess the risk to the Strathmore Loan.
94. Further, or in the alternative, the Strathmore Loan was contrary to the terms of the CEF Quistclose Trust in that:

- a. ECHS was not a congregation or agency of the LCC;
 - b. ECHS lacked the experience and qualifications to bring the Strathmore development to successful completion;
 - c. ECHS had no ability to service or repay the Strathmore Loan; and
 - d. The Strathmore Loan was very risky and inadequately secured.
95. In or about August 2008, ECHS transferred the title to the Strathmore Lands to ABC District for consideration of \$1.00. Concurrently, ABC District purported to “extinguish” the Strathmore Loan payable by ECHS to the CEF, thereby simultaneously obtaining the Strathmore Lands on its own account and depriving the CEF Trust or in the alternative the CEF Quistclose Trust of the Strathmore Loan receivable.
96. The LCC and/or LCCFM were aware of the Strathmore Loan and the “extinguishment” of that Loan in exchange for the transfer of the Strathmore Property to ABC District. In the alternative they were willfully blind to said facts.

I. The Shepherd's Village Loans

97. On July 28, 1999, Shepherd's Village Ministries Ltd. ("SVML") was incorporated for the purpose of acquiring acreages of real property in and about Valleyview, Alberta, and developing 75 seniors' condominium housing units (the "Shepherd's Village Lands").
98. From 2004 to 2005, Chowne and Prowse Chowne were the solicitors for both SVML and ABC District
99. From 2006 to 2013, Taman and Bishop & McKenzie were the solicitors for both SVML and ABC District.
100. Between 1999 and 2014, ABC District advanced to SVML either directly or indirectly through ECHS, CEF monies in the total amount of approximately \$17,000,000.00 for the purpose of acquiring and developing the Shepherd's Village lands (the “Shepherd's Village CEF Loans”).
101. LCC and/or LCCFM were aware of and approved the ABC District's decision to make the Shepherd's Village CEF Advances to SVML. Alternatively they were willfully blind to the said decision.
102. Beginning in 2005, ABC District and SVML were under common control, in that officers and/or directors of ABC District were also officers, directors and/or members of SVML, including (but not limited to): Mark Ruf, Judith Burns, Harold Haberstock and Kwang Soo Kim in 2005, Harold Haberstock, Judith Burns and Kwang Soo Kim in 2006, Donald Schiemann, Harold Haberstock and Judith Burns in 2007, Donald Schiemann and Mark Ruf

in 2008, Donald Schiemann and Jim Kentel in 2009, and Donald Schiemann, Mark Ruf and Jim Kentel from 2010 through 2013. Further, from 2007 through 2013, Donald Schiemann was the President of the ABC District and at the same time the Vice-President of SVML.

103. By virtue of the foregoing, the ABC District, and its Officers and Directors including Mark Ruf, Judith Burns, Harold Haberstock, Kwang Soo Kim, Donald Schiemann and Jim Kentel were in a conflict of interest with respect to the ABC District's dealings with SVML and failed to protect, or in the alternative adequately protect, the interests of the depositors to the CEF.
104. As of November 6, 2006, Taman was the solicitor for SVML.
105. The Shepherd's Village CEF Loans were contrary to the mandate of the ABC District Church Extension Program and the terms of the CEF Trust, in that they were not made for the purpose of building churches and/or schools in which to carry out the ministry of the Lutheran faith, but rather for the purpose of enabling SVML to engage in speculative real estate development.
106. Further, the Shepherd's Village CEF Loans were contrary to the policies and procedures of the ABC District Church Extension Fund, in that:
 - a. SVML was not a "congregation of the ABC District in good standing" nor an institution or entity of the LCC whose constitution, policies and practices were consistent with those of LCC;
 - b. The loan-to-value ratio in respect of the Shepherd's Village CEF Loans was greater than that which would be commercially acceptable;
 - c. The Shepherd's Village development was commenced and continued in the absence of any, or any reliable, financial projections;
 - d. SVML lacked the experience and qualifications to bring the Shepherd's Village development to successful completion;
 - e. SVML had no ability to service or repay the Shepherd's Village CEF Loans;
 - f. SVML did not and was not required to provide financial support to ABC District and/or LCC in exchange for the Shepherd's Village CEF Loans;
 - g. The Shepherd's Village CEF Loans were unsecured or alternatively inadequately secured;
 - h. The officers of SVML were not required to sign Loan Repayment Agreements with ABC District in respect of the Shepherd's Village CEF Loans;

- i. Shepherd's Village was not required to make a commitment to promote Church Extension deposits among its members or others;
- j. SVML was not required to submit financial statements to the ABC District, or alternatively the ABC District failed to scrutinize those financial statements to assess the risk to the Shepherd's Village CEF Loans.

107. Further, the Shepherd's Village CEF Loans were contrary to the terms of the CEF Quistclose Trust in that:

- a. SVML was not a congregation or agency of the LCC;
- b. The loan-to-value ratio in respect of the Shepherd's Village CEF Loans was greater than that which would be commercially acceptable;
- c. The Shepherd's Village development was commenced and continued in the absence of any, or any reliable, financial projections;
- d. SVML lacked the experience and qualifications to bring the Shepherd's Village development to successful completion; and
- e. SVML had no ability to service or repay the Shepherd's Village CEF Loans;

108. Between 2011 and 2014, ABC District and/or ECHS, forgave \$12,575,685.00 of the Shepherd's Village CEF Loans, thereby depriving the CEF Trust and the CEF Quistclose Trust of those funds.

109. LCC and/or LCCFM were aware of and approved the forgiveness of the Shepherd's Village CEF Loans. In the alternative they were willfully blind to said facts

J. The CCAA Proceedings

110. As a result of the events set out herein, the ABC District was unable to meet its obligations to the depositors to the CEF.

111. Knowing they were unable to meet their obligations to the CEF depositors, the ABC District, its Officers and Directors, acting in bad faith, nevertheless continued to encourage and accept or renew deposits to the CEF up to and including December 31, 2014, and deliberately failed to take any steps to inform the depositors to the CEF that their deposits were at risk.

112. The LCC and/or LCCFM were aware of the insolvency of the ABC District and the impending CCAA application. However, LCC and/or LCCFM took no steps to halt the operations of the CEF, or to inform the depositors to the CEF that their deposits were at risk.

113. On January 2, 2015 ABC District, DIL, ECHS and EMSS (the "Applicants") sought protection from their creditors under the *Company's Creditors Arrangement Act*, RSC 1985, c.C-36, as amended (the "CCAA Proceedings"). An Order to that effect was granted by the Court of Queen's Bench of Alberta on January 23, 2015 in Court of Queen's Bench Action No. 1501-00955.
114. Taman and Bishop McKenzie acted as counsel for the Applicants in the CCAA Proceedings
115. The assets of the ABC District are not sufficient to satisfy its approximately \$97,000,000.00 in total outstanding obligations to its members who have made deposits to the CEF.
116. The unlawful actions of each of the Defendants herein described caused or in the alternative contributed to the insolvency of the ABC District.

K. The Plaintiffs

(i) The Plaintiff Georg Beinert

117. Georg Beinert is 57 years of age and currently resides near Fairview, Alberta.
118. Mr. Beinert was baptized a member of the Trinity Lutheran Church in Fairview, Alberta on Nov. 22, 1959 and later became a communicant member of that church through the solemn rite of Confirmation. He is currently a member of Bethel Lutheran Church in Sherwood Park, Alberta.
119. During the early years of his membership at Bethel Lutheran Church, Mr. Beinert was introduced to the ABC District's Church Extension Program. He understood that money deposited in the CEF would be used to build churches for the purpose of gospel ministry.
120. Mr. Beinert was encouraged in church and ABC District bulletins to deposit money in the CEF and DIL trusts. Many congregations had a member who was a CEF representative. The CEF representative also encouraged deposits.
121. In February of 2001, Mr. Beinert inquired about ABC District options, and how safe they were. The Officers of the ABC District represented to Mr. Beinert that:
- a. The CEF deposits were not insured, but that they were very safe because they were backed by the entire assets of the ABC District.
 - b. The CEF had been in existence for 80 years and no one had ever lost a penny.
 - c. The CEF deposits were "more certain than the guarantee of a government."

122. Relying on these representations, and his understanding of the purpose of the CEF, Mr. Beinert began to place deposits in the CEF in February of 2001.
123. Mr. Beinert received regular marketing materials thereafter, such as "7 for 7 for 7" indicating an increasing need for more deposits to "Share the Gospel of Jesus Christ."
124. In February of 2013, Mr. Beinert and his wife sold a parcel of agricultural land for \$300,000.00 net of real estate commissions. After the completion of the sale, they met with the Defendant Harold Schmidt, who was the realtor they had selected to handle the real estate negotiations.
125. During the course of their meeting with Harold Schmidt, Mr. Beinert learned that the Defendant Schmidt was a member of the King of Kings Lutheran Church in St. Albert, Alberta. The Defendant Schmidt advised Mr. Beinert that he was also a long-term member of the Board of Directors of the ABC District.
126. Mr. Beinert advised the Defendant Schmidt that he held deposits in the CEF, and inquired where the best place would be for him to place the \$300,000.00 from the sale of the land. Mr. Beinert was eager to learn about the health of the CEF since he was speaking with a member of the Board of Directors of the ABC District.
127. The Defendant Schmidt advised Mr. Beinert that the CEF was "an excellent investment" and that his deposits in the CEF were "totally safe."
128. On the basis of the Defendant Schmidt's representations, and the marketing materials provided to him by the ABC District, Mr. Beinert proceeded to deposit the sum of \$300,000.00 with the CEF. On February 19, 2013, Mr. Beinert spoke with the Defendant Candace Rivet of the ABC District to make arrangements for the deposit, and was given no indication that there were any problems or risks with the CEF Fund. After speaking with the Defendant Rivet, Mr. Beinert then mailed a cheque in the sum of \$300,000.00 to the Church Extension Fund of the ABC District.
129. In January of 2014, Mr. Beinert received a newsletter/marketing flyer from the ABC District with an entire article about the CEF entitled "A Partner in Ministry ... How and Why it Works." There were no indications that the CEF was in financial difficulty, or that the ABC District had suffered losses on its mortgages, loans or other investments.
130. As of December 31, 2014, Mr. Beinert's CEF account balance was approximately \$380,000.00.
131. On the morning of January 15, 2015, Mr. Beinert learned over CBC radio news that the ABC District was insolvent.

132. By letter dated January 5, 2015, which Mr. Beinert received later in the day of January 15, 2015, the ABC District advised Mr. Beinert that it was "facing some hardships" because "a number of congregations and other ministries have been unable to pay their mortgages ..." Mr. Beinert was further advised that a moratorium was being placed on withdrawals from and deposits to the Church Extension Fund.
133. The current value of his deposits is not currently known, but is substantially less than the book value.

(ii) The Plaintiff Sharon Sherman

134. Sharon Sherman is 65 years of age and resides in Edmonton, Alberta. She is a Christian but is not a member of a Lutheran Church.
135. In 2007, Sharon Sherman and her mother Ruby Sherman made inquiries about Ruby Sherman becoming a resident of the Prince of Peace Manor. Ruby Sherman had been married to a pastor in another Christian denomination, who was now deceased. Ruby Sherman wanted to spend her remaining days living in a Christian environment. Sharon Sherman and Ruby Sherman understood that the Prince of Peace Manor was owned or operated by the Lutheran Church, and made inquiries about Ruby becoming a resident of the Prince of Peace Manor.
136. Sharon and Ruby Sherman were advised by representatives of the Prince of Peace Manor that interest earned on deposits to the CEF would be used to help pay for Ruby Sherman's accommodation charge at the Prince of Peace Manor. Reduced rent was promoted by the Prince of Peace Manor as an inducement to encourage residency and contributions to the CEF.
137. When inquiring about the safety of CEF deposits, they were told by representative of the POP Manor:
- a. The CEF had operated for over 80 years and had never lost a penny.
 - b. The CEF works with congregations to ensure that the congregations are able to meet their repayment obligations, and
 - c. "If you can't trust the Lutheran Church, who can you trust"
138. Relying on these representations, Ruby Sherman placed two CEF deposits with the CEF. The first, in the amount of \$75,000.00, was placed in July, 2007. In October, 2007, she deposited a further \$220,286.00.
139. Ruby Sherman, moved into the Prince of Peace Manor on August 1, 2007. Ruby Sherman was 86 years of age at the time. The monthly charge for accommodation, meals, weekly laundry services and weekly housekeeping was initially \$2,650.00 per month.

There were subsequent increases.

140. In October, 2008, Sharon Sherman became a joint owner of Ruby Sherman's two CEF accounts for the purpose of allowing her to assist her mother in handling her financial affairs.
141. As of December 31, 2014, the balance in the first CEF account was \$75,000.00. The balance in the second CEF account was \$220,286.00.
142. By letter dated January 5, 2015, the ABC District advised Ruby Sherman that it was "facing some hardships" because "a number of congregations and other ministries have been unable to pay their mortgages ..." Ruby Sherman was further advised that a moratorium was being placed on withdrawals from and deposits to the Church Extension Fund.
143. Since January, 2015, Ruby Sherman received no interest on her deposits. The current value of her deposits is not currently known, but is substantially less than the book value.
144. Mrs. Ruby Sherman passed away on October 22, 2016. Sharon Sherman is the personal administrator of the estate of Ruby Sherman.

L. PROPOSED CLASS

145. This is a proposed class proceeding on behalf of the Plaintiffs and all depositors in the Lutheran Church – Canada, Alberta and British Columbia District's Church Extension Fund on January 2, 2015 on behalf of the following putative Classes and Sub-classes:
 - a. The "Alberta Lutheran Class" consisting of:
 - (i) persons resident in Alberta, and the estates of such persons, who are (or were, prior to their death), members of a congregation of the Lutheran-Church Canada;
 - (ii) corporations and societies incorporated under the laws of Alberta and controlled by persons who are members of a congregation of the Lutheran-Church Canada, or controlled by congregations or other institutions based in Alberta which are affiliated with the Lutheran-Church Canada;
 - (iii) sole proprietorships or partnerships carrying on business in Alberta which are owned or controlled by members of a congregation of the Lutheran-Church Canada; and
 - (iv) congregations and other institutions based in Alberta which are affiliated with the Lutheran-Church Canada.
 - b. The "Extra-Provincial Lutheran Class" consisting of:
 - (i) persons resident outside of Alberta, and the estates of such persons, who are

- (or were, prior to their death), members of a congregation of the Lutheran-Church Canada;
- (ii) corporations and societies incorporated under the laws of jurisdictions other than Alberta and controlled by members of a congregation of the Lutheran-Church Canada, or controlled by congregations or other institutions based in Alberta which are affiliated with the Lutheran-Church Canada;
- (iii) sole proprietorships or partnerships carrying on business outside of Alberta which are owned or controlled by a member of a congregation of the Lutheran-Church Canada; and
- (iv) congregations and other institutions based outside of Alberta which are affiliated with the Lutheran-Church Canada.

c. The "Alberta Non-Lutheran Sub-class" consisting of:

- (i) persons resident in Alberta, and the estates of such persons, who were not members of a congregation of the Lutheran-Church Canada;
- (ii) corporations and societies incorporated under the laws of Alberta which are controlled by persons who were not members of a congregation of the Lutheran-Church Canada; and
- (iii) sole proprietorships or partnerships carrying on business in Alberta which are not owned or controlled by members of a congregation of the Lutheran-Church Canada; and
- (iv) any other depositor resident in or carrying on business in Alberta.

d. The "Extra-Provincial Non-Lutheran Class" consisting of:

- (i) persons resident outside of Alberta, and the estates of such persons, who were not members of a congregation of the Lutheran-Church Canada;
- (ii) corporations and societies incorporated under the laws of jurisdictions other than Alberta which are controlled by persons who were not members of a congregation of the Lutheran-Church Canada;
- (iii) sole proprietorships or partnerships carrying on business outside of Alberta which are not owned or controlled by members of a congregation of the Lutheran Church – Canada.
- (iv) any other depositor resident or carrying on business outside of Alberta.

but excluding all members of the putative Classes or Sub-classes who submitted no later than December 15, 2016 an opt-out form in the manner prescribed by the District Sanction Order filed August 5, 2016 in Alberta Court of Queen's Bench Action No. 1501-00955.

M. Liability of ABC District, LCC and LCCFM

(a) Breach of Trust: ABC District/LCC/LCCFM

146. The funds on deposit in the CEF were impressed with an express or implied trust in favour of the Plaintiffs and the putative Class and Sub-class members (the "CEF Trust").
147. As trustee of the CEF Trust, ABC District had a duty to utilize those monies in accordance with the terms of the CEF Trust, which required it to invest the funds in accordance with the ABC District Church Extension Program mandate, policies and procedures.
148. The ABC District failed to utilize the assets of the CEF Trust in accordance with the terms of the Trust, as follows:
- (a) Utilizing the CEF Trust funds to develop the POP Village Lands on its own account or in partnership with the POP Congregation through the POP Village Advances as set out in paras. 43 - 49, 52, 55 - 56 and 59 herein;
 - (b) Transferring the POP Village Lands to ECHS as set out in paras. 64 - 68 herein;
 - (c) Authorizing the POP Village CEF Mortgage Loan and the POP Village CEF Unsecured Loans to ECHS as set out in paras. 61 - 81 herein;
 - (d) Authorizing the Prince of Peace Congregation Loan as set out in paras. 82 - 87 herein;
 - (e) Entering into the POP Congregation Land Sale Proceeds Assignment Agreement as set out in paras. 88 - 90 herein;
 - (f) Authorizing and extinguishing the Strathmore Loan to ECHS in exchange for title to the Strathmore Lands for its own use as set out in paras. 91 - 95 herein;
 - (g) Authorizing and forgiving the Shepherd's Village CEF Loans as set out in paras. 97 - 108 herein.
 - (h) Lending monies on deposit to the CEF to the LCC to fund the LCC's unfunded pension liabilities and failing to obtain security for the loans.
149. Further, or in the alternative, the funds deposited to the ABC District's CEF were impressed with an express or implied resulting trust in favour of the Plaintiffs and the putative Class and Sub-Class members, the CEF Quistclose Trust.
150. As trustee of the CEF Quistclose Trust, ABC District had a duty to utilize those monies in accordance with the terms of the CEF Quistclose Trust for the benefit of the CEF

depositors.

151. The ABC District failed to utilize the assets of the CEF Quistclose Trust in accordance with the terms of the Trust, as follows:

- a. Using funds on deposit to the CEF for purposes of speculative real estate development of the POP Village on its own account, and not for the purpose of providing assistance to congregations and agencies of the Lutheran Church-Canada;
- b. Utilizing the CEF Quistclose Trust funds to develop the POP Village Lands on its own account through the POP Village Advances as set out in paras. 43 – 58 and 60 herein;
- c. Transferring the POP Village Lands to ECHS as set out in paras. 64 – 68 herein;
- d. Authorizing the POP Village CEF Mortgage Loan and the POP Village CEF Unsecured Loans to ECHS as set out in paras. 61 – 81 herein;
- e. Authorizing the Prince of Peace Congregation Loan as set out in paras. 82 – 87 herein;
- f. Entering into the POP Congregation Land Sale Proceeds Assignment Agreement as set out in paras. 88 – 90 herein;
- g. Authorizing and extinguishing the Strathmore Loan to ECHS in exchange for title to the Strathmore Lands for its own use as set out in para. 91 - 95 herein; and
- h. Authorizing and forgiving the Shepherd's Village CEF Loans as set out in paras. 97 - 108 herein.
- i. Lending monies on deposit to the CEF to the LCC to fund the LCC's unfunded pension liabilities and failing to obtain security for the loans.

152. Further, as trustee of the CEF Trust and the CEF Quistclose Trust, the ABC District owed a legal duty to the CEF depositors, pursuant to s. 3(2) of the *Trustee Act*, RSA 2000 c T-8, to invest the trust funds with a view to obtaining a reasonable return while avoiding undue risks, having regard to the nature of the trust. For the reasons stated herein, the ABC District breached its duties under the *Trustee Act*, as a result of which the Plaintiffs and the Class and Sub-class members have suffered damages and loss.

153. The POP Village CEF Loans were fraudulent and dishonest schemes, in that they were knowingly advanced by the ABC District to ECHS for the purpose of divesting the ABC District of the failing POP Village Development and its associated financial liabilities, and instead recording the POP Village CEF Mortgage Loan as an asset in the CEF mortgage

portfolio, for the benefit of ECHS and not for the benefit of the beneficiaries of the CEF and CEF Quistclose Trusts, and constituted a risk and prejudice to the interests of the beneficiaries of the CEF and CEF Quistclose Trusts that the ABC District knew it was not entitled to take.

154. The POP Congregation Loan was a fraudulent and dishonest scheme, in that it was advanced by the ABC District to the POP Congregation for the purpose of enabling the POP Congregation to pay for its operating deficits, and to meet its debt obligations to the ABC District under a previous mortgage which was in default, for the benefit of the POP Congregation and not for the benefit of the beneficiaries of the CEF and CEF Quistclose Trusts, and constituted a risk and prejudice to the interests of the beneficiaries of the CEF and CEF Quistclose Trusts that the ABC District knew it was not entitled to take.
155. The POP Congregation Land Sale Proceeds Assignment Agreement was a knowingly fraudulent and dishonest scheme, in that the forgiveness of \$6 million of the POP Congregation Loan in exchange for the right to receive proceeds from the future sale of land owned by the POP Congregation was wholly inadequate consideration for the ABC District's forgiveness of the debt, and it deprived the CEF of a \$6 million loan receivable. The Sale Proceeds Assignment Agreement was for the benefit of the POP Congregation and not for the benefit of the beneficiaries of the CEF and CEF Quistclose Trusts, and constituted a risk and prejudice to the interests of the beneficiaries of the CEF and CEF Quistclose Trusts that the ABC District knew it was not entitled to take.
156. The transfer of the Strathmore Lands to the ABC District for \$1.00, and the extinguishment of the Strathmore Loan payable by ECHS to the CEF, was a knowingly fraudulent and dishonest scheme, in that it deprived the CEF of the Strathmore Loan receivable, it was for the benefit of ECHA and not for the benefit of the beneficiaries of the CEF and CEF Quistclose Trusts, and it constituted a risk and prejudice to the interests of the beneficiaries of the CEF and CEF Quistclose Trusts that the ABC District knew it was not entitled to take.
157. The forgiveness of the Shepherd's Village CEF Loans by the ABC District was a fraudulent and dishonest scheme, in that it deprived the CEF Trust or the CEF Quistclose Trust of those funds, it was for the benefit of SVML and not for the benefit of the beneficiaries of the CEF and CEF Quistclose Trusts, and constituted a risk and prejudice to the interests of the beneficiaries of the CEF and CEF Quistclose Trusts that the ABC District knew it was not entitled to take.
158. By reason of the foregoing, the ABC District breached the CEF Trust and the CEF Quistclose Trust, causing damages to the Plaintiffs and the putative Class and Sub-class members.
159. As participants in the joint enterprise that is the ABC District's Church Extension program, LCC and/or LCCFM are jointly and severally liable to the Plaintiffs and putative class and Sub-class members for ABC District's breaches of the CEF Trust and CEF

Quistclose Trust as set out herein.

160. In the alternative, LCC and/or LCCFM knowingly assisted ABC District to breach the CEF Trust and the CEF Quistclose Trust and are therefore jointly and severally liable to the Plaintiffs and the putative Class and Sub-class members for rendering knowing assistance to a breach of trust.
161. Further, or in the alternative, LCC and/or LCCFM knowingly received proceeds from the CEF Trust as a result of ABC District's breach of trust by way of payments made by District to the LCC and/or LCCFM, and loans to the LCC from the CEF Trust to fund the LCC's pension liabilities. Accordingly, LCC and/or LCCFM are jointly and severally liable to the Plaintiffs and Class and Sub-class members and are constructive trustees of those monies for the benefit of the Plaintiffs and the putative Class and Sub-class members.

(b) Breach of Contract: ABC District/LCC/LCCFM

162. In the alternative, upon receiving monies from the Plaintiffs and putative Class and Sub-class members for the purpose of deposit to the CEF, the ABC District agreed to repay those monies to the Plaintiffs and putative Class and Sub-class members,
- a. With respect to savings accounts, on demand and with interest at a rate set by the ABC District from time to time; and
 - b. With respect to term deposits, on the maturity date with interest at a rate set by the ABC District at the date of deposit.
163. In breach of its agreements with the Plaintiffs and putative Class and Sub-class members, the ABC District has failed or refused to pay to the Plaintiffs and putative Class and Sub-class members their monies held on deposit with the CEF plus accrued interest,
- a. With respect to term deposits, on the maturity date(s); and
 - b. With respect to savings accounts, at all.
164. On January 2, 2015 ABC District breached its agreements with the Plaintiffs and putative Class and Sub-class members when it notified them that withdrawals from the CEF had been suspended, and it sought protection from its creditors in the *CCAA* proceedings.
165. As participants in the joint enterprise that was the ABC District Church Extension Program, LCC and LCCFM are jointly and severally liable to the Plaintiffs and putative Class and Sub-class members for ABC District's breach of contract.

(c) Breach of Fiduciary Duty: ABC District/LCC/LCCFM

166. Further, by virtue of its position as trustee of the CEF Trust and or in the alternative the CEF Quistclose Trust, the ABC District was in a position to unilaterally exercise power or discretion over the monies of the Plaintiff Beinert and the putative Alberta Lutheran Class and Extra-provincial Lutheran Class members deposited in the CEF Trust and the CEF Quistclose Trust so as to significantly affect their interests.
167. Further, the Plaintiff Beinert and the putative Alberta Lutheran Class and Extra-provincial Lutheran Class members were particularly vulnerable to ABC District's exercise of power or discretion by virtue of the ABC District's position of religious leadership and moral authority over them. Accordingly, and by its own admission, the ABC District owed fiduciary duties to the Plaintiff Beinert and the putative Alberta Lutheran Class and Extra-provincial Lutheran Class members in respect of their deposits to the CEF Trust and the CEF Quistclose Trust, including duties of loyalty, honesty, good faith, and avoidance of any conflict between its duty to the Plaintiffs and putative Class members and its own self-interest.
168. The ABC District breached its fiduciary duties to the Plaintiff Beinert and putative Alberta Lutheran Class and Extra-provincial Lutheran Class members in respect of the CEF Trust by:
- a. Using funds on deposit to the CEF Trust for purposes of speculative real estate development of the POP Village on its own account, or alternatively in partnership with the POP Congregation, and not for the purposes of investment in accordance with the ABC District Church Extension Program mandate as set out in paras. 43 – 60 herein;
 - b. Failing to repay the CEF POP Village Advances to the CEF from the proceeds of sale of life leases in the POP Village as set out in para. 58 herein;
 - c. Authorizing the POP Village CEF Mortgage Loan and the POP Village CEF Unsecured Loans to ECHS, a company under common control with ABC District, for purposes of speculative real estate development contrary to the ABC District Church Extension Program mandate, policies and procedures as set out in paras. 61 – 81 herein;
 - d. Transferring the POP Village Lands to ECHS and authorizing the POP Village CEF Mortgage Loan and the POP Village CEF Unsecured Loans for the sole purpose of avoiding disclosure of the POP Village development's finances to the Plaintiff Beinert and putative Alberta Lutheran Class and Extra-provincial Lutheran Class members as set out in paras. 61 -68 herein;
 - e. Preferring the interests of the POP Congregation to those of its depositors and the beneficiaries to the CEF Trust, including the Plaintiff Beinert and putative Alberta

Lutheran Class and Extra-provincial Lutheran Class members, by entering into the POP Congregation Land Sale Proceeds Assignment Agreement as set out in paras. 88 – 90 herein;

- f. Acquiring the Strathmore Lands from ECHS for its own use by “extinguishing” \$6,000,000.00 of mortgage debt payable by ECHS to the CEF as set out in paras. 91 - 95 herein;
- g. Authorizing the Shepherd’s Village CEF Loans as set out in paras. 97 - 106 herein;
- h. Forgiving \$12,575,685.00 of the Shepherd’s Village CEF Loans as set out in para. 108 herein;
- i. Continuing to solicit and accept deposits to the CEF when ABC District knew or was willfully blind to the fact that it was insolvent and unable to meet its obligations to depositors to the CEF as set out in para. 111 herein; and
- j. Lending monies on deposit to the CEF to the LCC to fund the LCC’s unfunded pension liabilities and failing to obtain security for the loans.

all of which caused damages and loss to the Plaintiff Beinert and putative Alberta Lutheran Class and Extra-provincial Lutheran Class members.

169. Further, or in the alternative, the ABC District breached its fiduciary duties to the Plaintiff Beinert and putative Alberta Lutheran Class and Extra-provincial Lutheran Class members in respect of the CEF Quistclose Trust by:

- a. Using funds on deposit to the CEF Quistclose Trust for purposes of speculative real estate development of the POP Village on its own account, and not for the purpose of providing assistance in the mission and ministry of congregations and agencies of Lutheran Church-Canada as set out in paras. 43 – 58 and 60 herein.
- b. Failing to repay the CEF POP Village Advances to the CEF from the proceeds of sale of life leases in the POP Village as set out in para. 58 herein;
- c. Authorizing the POP Village CEF Mortgage Loan and the POP Village CEF Unsecured Loans to ECHS, a company under common control with ABC District, for purposes of speculative real estate development contrary to the terms of the CEF Quistclose Trust, as set out in paras. 61 – 81 herein;
- d. Transferring the POP Village Lands to ECHS and authorizing the POP Village CEF Mortgage Loan and the POP Village CEF Unsecured Loans for the sole purpose of avoiding disclosure of the POP Village development’s finances to the Plaintiff Beinert and putative Alberta Lutheran Class and Extra-provincial Lutheran Class

members as set out in para. 67 herein;

- e. Preferring the interests of the POP Congregation to those of the CEF depositors and the beneficiaries to the CEF Quistclose Trust, including the Plaintiff Beinert and the putative Alberta Lutheran Class and Extra-provincial Lutheran Class members, by entering into the POP Congregation Land Sale Proceeds Assignment Agreement as set out in paras. 88 - 90 herein;
- f. Acquiring the Strathmore Lands from ECHS for its own use by "extinguishing" \$6,000,000.00 of mortgage debt payable by ECHS to the CEF as set out in paras. 91 - 95 herein;
- g. Authorizing the Shepherd's Village CEF Loans as set out in paras. 97 = 105 and 107 herein;
- h. Forgiving \$12,575,685.00 of the Shepherd's Village CEF Loans as set out in para. 108 herein;
- i. Continuing to solicit and accept or renew deposits to the CEF when ABC District knew or was willfully blind to the fact that it was insolvent and unable to meet its obligations to depositors to the CEF as set out in para. 111 herein
- j. Lending monies on deposit to the CEF to the LCC to fund the LCC's unfunded pension liabilities and failing to obtain security for the loans.

all of which caused damages and loss to the Plaintiff Beinert and the putative Alberta Lutheran Class and Extra-provincial Lutheran Class members.

170. As participants in the joint enterprise that was the ABC District Church Extension Program, LCC and/or LCCFM are jointly and severally liable to the Plaintiff Beinert and putative Alberta Lutheran Class and Extra-provincial Lutheran Class members for ABC District's breaches of fiduciary duty as set out herein.
171. Further, or in the alternative, LCC and/or LCCFM knowingly assisted ABC District to breach its fiduciary duty to the Plaintiff Beinert and putative Alberta Lutheran Class and Extra-provincial Lutheran Class members and accordingly are jointly and/or severally liable for that breach.

(d) Negligence: ABC District/LCC/LCCFM

172. It was reasonably foreseeable to the ABC District that failure to take reasonable care in the investment of the monies received from the Plaintiffs and putative Class and Sub-class members for deposit into the CEF would result in the loss of those monies and damage to the Plaintiffs and putative Class and Sub-Class members.

173. Further:

- a. the ABC District had a distinctly religious purpose;
- b. funds deposited to the CEF were to be used for religious purposes, namely building churches and schools to carry out the ministry of the Lutheran faith or to support the mission and ministry of congregations or agencies of the LCC.
- c. The depositors in the CEF, to the knowledge of the ABC District, were members of the Lutheran or other Christian faiths, or in the case of businesses, were owned or controlled by members of the Lutheran Faith.

174. Accordingly, the ABC District owed a duty of care to the Plaintiffs and putative Class and Sub-class members to take reasonable care in the investment of the monies received from the Plaintiffs and putative Class and Sub-class members for deposit into the CEF.

175. The ABC District breached its duty of care to the Plaintiffs and putative Alberta Class and Sub-class members by way of conduct including but not limited to:

- a. With respect to the POP Village Lands and the CEF POP Village Advances and the POP Village CEF Loans, by way of the conduct set out in paras. 43 - 81 herein;
- b. With respect to the Prince of Peace Congregation Loan, by way of the conduct set out in paras. 82 - 90 herein;
- c. With respect to the Strathmore Loan, by way of the conduct set out in paras. 91 - 95 herein;
- d. With respect to the Shepherd's Village CEF Loans, by way of the conduct set out in paras. 97 - 108 herein;
- e. Lending monies on deposit to the CEF to the LCC to fund the LCC's unfunded pension liabilities and failing to obtain security for the loans,

thereby causing damages and loss to the Plaintiffs and putative Alberta District Class and Sub-class and Extra-provincial District Class and Sub-class members.

176. As participants in the joint enterprise that was the ABC District's Church Extension Program, LCC and LCCFM are jointly and severally liable to the Plaintiffs and putative Class and Sub-class members for ABC District's negligence in the operation of the Church Extension Program.

(e) Liability of LCC/LCCFM

177. Further, or in the alternative:

- a. at all times material to these proceedings the ABC District acted as the agent of LCC and/or LCCFM in the operation and administration of the ABC District's Church Extension Program. The acts, omissions and breaches of duty of ABC District as set out herein occurred within the normal course of the business of LCC and/or LCCFM, and were within the actual or ostensible authority granted to ABC District by LCC and/or LCCFM. Accordingly, LCC and/or LCCFM are vicariously liable for the acts, omissions and breaches of duty of ABC District set out herein.
- b. the LCC and/or LCCFM borrowed money from the CEF to fund their unfunded pension liabilities when they knew that funds from the CEF were to be used for capital loans, and not for pension fund loans. By so acting, the LCC and/or LCCFM knowingly facilitated breaches of the CEF and CEF Quistclose Trusts.

N. Liability of Encharis Community Housing and Services and the Officers and Directors of ECHS.

178. ECHS and the ABC District were at all times material hereto under common control.

179. Further:

- a. ECHS and the ABC District and their respective Officers and Directors were subject to the same governance and administration policies established by LCCFM with respect to funds deposited in the CEF;
- b. ECHS and their Officers and Directors knew of, or were willfully blind to, the existence of the CEF Trust or in the alternative, the existence of the CEF Quistclose Trust; and
- c. All of the Officers and Directors of ECHS were members of a Lutheran congregation.

180. ECHS and its Officers and Directors knew or were willfully blind to the fact that:

- a. ECHS was insolvent and operating at a deficit, and that ECHS had no reasonable prospect of repaying the POP Village CEF Loans;
- b. The POP Village Lands had been purchased and developed with monies from the CEF Trust or from the CEF Quistclose Trust, that the proceeds of the POP Village CEF Loans originated in the CEF Trust or alternatively with the CEF Quistclose Trust, that the POP Village Lands had been transferred to ECHS, and the POP Village CEF Loans made to it by ABC District, in breach of the CEF Trust or alternatively the CEF Quistclose Trust;

- c. The POP Village CEF Mortgage Loans were fraudulent and dishonest schemes, in that they were knowingly advanced by the ABC District to ECHS for the purpose of divesting the ABC District of the failing POP Village Development and its associated financial liabilities, and instead recording the POP Village CEF Mortgage Loan as an asset in the CEF mortgage portfolio for the benefit of ECHS and not for the benefit of the beneficiaries of the CEF and CEF Quistclose Trusts;
- d. The proceeds of the Strathmore Loan originated in the CEF Trust or the CEF Quistclose Trust, and that the extinguishment of the Strathmore Loan deprived the CEF Trust of the CEF Quistclose Trust of the Strathmore Loan receivable, in breach of the CEF Trust and the CEF Quistclose Trust,
- e. The transfer of the Strathmore Lands to the ABC District for \$1.00, and the extinguishment of the Strathmore Loan payable by ECHS to the CEF, was a fraudulent and dishonest scheme, in that it deprived the CEF Trust of the Strathmore Loan receivable, it was for the benefit of ECHS and not for the benefit of the beneficiaries of the CEF and CEF Quistclose Trusts,

all of which was done pursuant to a dishonest and fraudulent scheme which was for the benefit of ECHS and not for the benefit of the beneficiaries of the CEF Trust and the CEF Quistclose Trust, and which constituted a risk and a prejudice to the interests of the beneficiaries of the CEF and Quistclose Trusts that ECHS and its Officers and Directors knew that the ABC District was not entitled to take.

- 181. ECHS and its Officers and Directors are liable to the Plaintiffs and the Class and Sub-class members for knowingly participating in and facilitating the breach of trust by the ABC District.
- 182. Further, ECHS and its Officers and Directors are liable to the Plaintiffs and the Class and Sub-class members for knowing receipt of the POP Village Lands and the proceeds of the POP Village CEF Loans acquired in breach of trust, and are a constructive trustee or alternatively a resulting trustee of the POP Village Lands and the proceeds of the POP Village CEF Loans for the benefit of the Plaintiffs and the Class and Sub-class members.

O. Liability of Shepherd's Village Ministries Ltd. and the Officers and Directors of Shepherd's Village Ministries Ltd.

183. SVML and the ABC District were at all times material hereto under common control.

184. Further:

- a. SVML and the ABC District and their respective Officers and Directors were subject to the same governance and administration policies established by LCCFM

with respect to funds deposited in the CEF;

- b. SVML and its Officers and Directors knew of, or were willfully blind to, the existence of the CEF Trust or in the alternative, the existence of the CEF Quistclose Trust.
- c. All of the Officers and Directors of SVML were members of a Lutheran congregation.

185. SVML and its Officers and Directors knew or were willfully blind to the fact that the Shepherd's Village Lands had been purchased with monies obtained from the CEF Trust or the CEF Quistclose Trust, that the proceeds of the Shepherd's Village CEF Loans originated in the CEF Trust or in the alternative in the CEF Quistclose Trust, that the Loans made to it by ABC District were in breach of the CEF Trust or alternatively the CEF Quistclose Trust, and that the ABC District had forgiven \$12 million of the Shepherd's Village CEF Loans, all of which was done pursuant to a dishonest and fraudulent scheme which was for the benefit of SVML and not for the benefit of the beneficiaries of the CEF Trust and the CEF Quistclose Trust, and which constituted a risk and prejudice to the interests of the beneficiaries of the CEF and Quistclose Trusts that SVML and its Officers and Directors knew that the ABC District was not entitled to take.

186. SVML and its Officers and Directors knowingly participated in and facilitated the breach of trust by the ABC District.

187. Further, SVML and its Officers and Directors are liable to the Plaintiffs and putative Class and Sub-class members for knowing receipt of the Shepherd's Village Lands and the proceeds of the SVML CEF Loans acquired in breach of trust, and are a constructive trustee or alternatively a resulting trustee of the Shepherd's Village Lands and the proceeds of the SVML CEF Loans for the benefit of the Plaintiffs and putative Class and Sub-class members.

P. Liability of Taman and Bishop & McKenzie LLP

188. At all times material to these proceedings Taman was a member of the POP Congregation, the Chairman of the POP Congregation's Housing Committee, and counsel for both ABC District and ECHS.

189. Taman knew of the existence of the CEF Trust and the CEF Quistclose Trust or alternatively was willfully or recklessly blind to the existence of the CEF Trust and the CEF Quistclose Trust.

190. Taman knew or was willfully blind to the fact that the use of CEF monies to finance the purchase and development of the POP Village Lands contravened the intent and purpose of the ABC District Church Extension Program and the terms of the CEF Trust or alternatively

the CEF Quistclose Trust.

191. Acting in bad faith, and for an improper purpose, Taman advised ABC District with respect to, and knowingly facilitated, the following breaches of duty by ABC District for his own direct and/or indirect personal financial benefit in :

- a. The ABC District's breaches of trust as set out in paras. 146 – 161 herein, and
- b. The ABC District's breaches of fiduciary duty as set out in para. 166 – 168 herein,

in order to preserve the relationship between his law firm and the ABC District, to generate legal work and legal fees for himself and his law firm, and to garner future legal work, all of which caused the Plaintiffs and putative Class and Sub-class members to suffer damages and loss.

192. Accordingly, Taman is jointly and severally liable along with the ABC District for the damages and loss caused to the Plaintiffs and putative Class and Sub-class members as a result of those breaches of duty.

193. Acting in bad faith, and for an improper purpose, Taman advised SVML with respect to, and knowingly facilitated, SVML's receipt of the Shepherd's Village Lands and the proceeds of the SVML CEF Loans in breach of the CEF Trust and the CEF Quistclose Trust.

194. Taman knew or was willfully blind to the fact that

- a. the use of CEF monies to finance the purchase and development of the Shepherd's Village Lands contravened the intent and purpose of the ABC District Church Extension Program and the terms of the CEF Trust or alternatively the CEF Quistclose Trust; and
- b. The forgiveness of the Shepherd's Village CEF Loans by the ABC District was a fraudulent and dishonest scheme, in that it deprived the CEF Trust or the CEF Quistclose Trust of those funds, it was for the benefit of SVML and not for the benefit of the beneficiaries of the CEF and CEF Quistclose Trusts, and constituted a risk and prejudice to the interests of the beneficiaries of the CEF and CEF Quistclose Trusts that Taman knew it was not entitled to take.

195. Taman advised SVML with respect to the receipt of the Shepherd's Village Lands and the proceeds of the SVML CEF Loans, and knowingly facilitated the breaches of the CEF Trust and the CEF Quistclose Trust in order to preserve the relationship between his law firm and SVML, and to generate legal work and fees for himself and his firm.

196. Accordingly, Taman is jointly and severally liable with SVML to the Plaintiffs and the

members of the putative Class and Sub-class members for breach of trust, rendering knowing assistance to the breach of the CEF Trust or alternatively the CEF Quistclose Trust and/or knowing receipt of the Shepherd's Village Lands and the proceeds of the SVML CEF Loans in breach of the CEF Trust or alternatively the CEF Quistclose Trust.

197. Taman advised the POP Congregation and/or the ABC District with respect to the POP Congregation Land Sale Proceeds Assignment Agreement referenced in paras. 88 – 90 herein.

198. Taman knew or was willfully blind to the fact that:

- a. The POP Congregation Land Sale Proceeds Assignment Agreement was a fraudulent and dishonest scheme, in that the forgiveness of \$6 million of the POP Congregation Loan in exchange for the right to receive proceeds from the future sale of land owned by the POP Congregation was wholly inadequate consideration for the ABC District's forgiveness of the debt, and it deprived the CEF of a \$6 million loan receivable, and
- b. The Sale Proceeds Assignment Agreement was for the benefit of Taman's own congregation, the POP Congregation, and not for the benefit of the beneficiaries of the CEF and CEF Quistclose Trusts, and constituted a risk and prejudice to the interests of the beneficiaries of the CEF and CEF Quistclose Trusts that the ABC District knew it was not entitled to take.

199. Taman advised the ABC District and/or the POP Congregation with respect to the POP Congregation Land Sale Proceeds Assignment Agreement, and knowingly facilitated the breaches of the CEF Trust and the CEF Quistclose Trust in order to preserve the relationship between his law firm and SVML, and to generate legal work and fees for himself and his firm.

200. Accordingly, Taman is jointly and severally liable with the ABC District and/or the POP Congregation to the Plaintiffs and the members of the putative Class and Sub-class members for breach of trust, rendering knowing assistance to the breach of the CEF Trust or alternatively the CEF Quistclose Trust.

201. Further, at all times material to this proceeding Taman was acting in the ordinary course of the business of Bishop & McKenzie LLP or with the authority of his partners therein. Accordingly, Bishop & McKenzie LLP is vicariously liable for Taman's breaches of duty and wrongful acts as set out in paras. 188 - 199 herein.

202. In the alternative, Bishop & McKenzie LLP had actual knowledge of the wrongful conduct of Taman as set out herein, or was reckless or willfully blind thereto. Therefore, Bishop & McKenzie LLP is liable to the Plaintiffs and the putative Class and Sub-class members for the wrongful conduct of Taman as set out in paras. 188 - 199 herein.

Q. Liability of Chowne and Prowse Chowne

203. Between 2002 and 2005, Ronald Chowne Q.C. of Prowse Chowne advised SVML with respect to SVML's receipt of the Shepherd's Village Lands and the proceeds of the SVML CEF Loans from ABC District.
204. Chowne knew of the existence of the CEF Trust and the CEF Quistclose Trust or in the alternative was willfully blind to the existence of the CEF Trust and the CEF Quistclose Trust.
205. ◇.
206. ◇.
207. ◇.
208. In June, 2006, Ronald Chowne, Q.C. of Prowse Chowne was counsel to ABC District in respect of the POP Village CEF Mortgage Loan to ECHS referenced in paragraph 64 herein.
209. Chowne knew or was willfully blind to the fact that:
- a. ECHS was insolvent and operating at a deficit, and that ECHS had no reasonable prospect of repaying the POP Village CEF Loans;
 - b. the CEF Mortgage Loan contravened the intent and purpose of the ABC District Church Extension Program and the terms of the CEF Trust or alternatively the CEF Quistclose Trust, and that the POP Village CEF Mortgage Loans were fraudulent and dishonest schemes; and
 - c. The POP Village CEF Mortgage Loans were knowingly advanced by the ABC District to ECHS for the purpose of divesting the ABC District of the failing POP Village Development and its associated financial liabilities, and instead recording the POP Village CEF Mortgage Loan as an asset in the CEF mortgage portfolio for the benefit of ECHS and not for the benefit of the beneficiaries of the CEF and CEF Quistclose Trusts, and constituted a risk and prejudice to the interests of the beneficiaries of the CEF and CEF Quistclose Trusts that the ABC District knew it was not entitled to take.
210. Acting in bad faith, and for an improper purpose, Chowne advised the ABC District with respect to the CEF Mortgage Loan and knowingly facilitated the breach of the CEF Trust or alternatively the CEF Quistclose Trust by the ABC District in order to preserve the relationship between his law firm and the ABC District, to generate legal work and legal fees for himself and his law firm, and to garner future legal work, all of which caused the

Plaintiffs and putative Class and Sub-class members to suffer damages and loss.

211. At all times material to this proceeding Chowne was acting in the ordinary course of the business of Prowse Chowne LLP and/or with the authority of his partners therein. Accordingly, Prowse Chowne LLP is vicariously liable for Chowne's breaches of duty and wrongful acts as set out in paras. 208 - 210 herein.
212. In the alternative, Prowse Chowne LLP had actual knowledge of the wrongful conduct of Chowne as set out herein, or was reckless or willfully blind thereto. Therefore, Prowse Chowne is liable to the Plaintiffs and putative Class and Sub-class members for the conduct of Chowne as set out in paras. 208 - 210 herein.
213. Further, at all times material to this proceeding Chowne was acting in the ordinary course of the business of Prowse Chowne LLP and/or with the authority of his partners therein. Accordingly, Prowse Chowne LLP is vicariously liable for Chowne's breaches of duty and wrongful acts as set out in paras. 208 - 210 herein.

R. Liability of ABC District Officers and Directors

a. Negligence

214. It was reasonably foreseeable that failure to take reasonable precautions with respect to the investment of monies received from the Plaintiffs and the putative Class and Sub-class members would result in the loss of those monies and damage to the Plaintiffs and the Class and Sub-class members.
215. Further:
- a. all of the ABC Officers and Directors were members of congregations of the LCC and held positions of leadership in their congregations;
 - b. at all times material hereto, all of the Presidents, Vice Presidents and Secretaries of the ABC District were Directors of the ABC District and ordained ministers in the LCC, save and except for Rhonda Buck, who was secretary from 2012-2015;
 - c. the Officers and Directors of the ABC District knew, or were willfully blind to the fact that funds deposited to the CEF had a uniquely religious purpose and that the funds were to be used for building churches and schools to carry out the ministry of the Lutheran faith (the CEF Trust) and, or in the alternative, to support the mission and ministry of congregations and agencies of the LCC (the CEF Quistclose Trust).
 - d. the Officers and Directors of the ABC District knew that the vast majority of the depositors to the CEF were fellow members of Lutheran congregations, and that

those who were not Lutheran were members of other Christian faiths.

216. By virtue of the foregoing, the ABC Officers and Directors owed the Plaintiffs and the putative Class and Sub-class members a common law duty of care to exercise the care, skill and diligence of a reasonably prudent person in comparable circumstances and specifically, to use the monies on deposit in the CEF for the purposes of:

- a. investment in accordance with the mandate and policies of the ABC District's Church Extension Program, and, or in the alternative,
- b. assisting in the mission and ministry of congregations and agencies of the LCC.

Liability of 1997-2000 ABC Board of Directors and Officers

217. The 1997-2000 ABC Board of Directors and Officers breached their duty of care to the Plaintiffs and the Class and Sub-class members by way of conduct including, but not limited to:

- a. With respect to the POP Village Lands and the CEF POP Village Advances, by way of authorizing, directing and approving the conduct set out in paras. 43 - 60 herein;
- b. With respect to the Shepherd's Village CEF Loans, by way of authorizing, approving and directing the conduct set out in paras. 97 - 107 herein;

Liability of 2000-2003 ABC Board of Directors and Officers

218. The 2000-2003 ABC Board of Directors and Officers breached their duty of care to the Plaintiffs and the Class and Sub-class members by way of conduct including, but not limited to:

- a. With respect to the POP Village Lands and the CEF POP Village Advances, by way of authorizing, directing and approving the conduct set out in paras. 43 - 60 herein;
- b. With respect to the Shepherd's Village CEF Loans, by way of authorizing, directing and approving the conduct set out in paras. 97 - 107 herein;

Liability of 2003-2006 ABC Board of Directors and Officers

219. The 2003-2006 ABC Board of Directors and Officers breached their duty of care to the Plaintiffs, the Class and Sub-class members by way of conduct including, but not limited to:

- a. With respect to the POP Village Lands and the CEF POP Village Advances, by way of authorizing, directing and approving the conduct set out in paras. 43 - 60 herein;
- b. With respect to the Shepherd's Village CEF Loans, by way of authorizing, directing and approving the conduct set out in paras. 97 - 107 herein;

- c. With respect to the transfer of the POP Village Lands to ECHS, and the extension of the POP Village CEF Loans, by authorizing, directing and approving the conduct set out in paras. 61 - 81 herein.

Liability of 2006-2009 ABC Board of Directors and Officers

220. The 2006-2009 ABC Board of Directors and Officers breached their duty of care to the Plaintiffs and putative Class and Sub-class members by way of conduct including but not limited to:
- a. With respect to the transfer of the POP Village Lands to ECHS, and the extension of the POP Village CEF Loans, by authorizing, directing and approving the conduct set out in paras. 61 – 81 herein;
 - b. With respect to the Prince of Peace Congregation Loan, by authorizing, directing and approving the conduct set out in paras. 82 - 90 herein;
 - c. With respect to the Strathmore Loan, by authorizing, directing and approving the conduct set out in paras. 91 – 95 herein; and
 - d. With respect to the Shepherd's Village CEF Loans, by authorizing, directing and approving the conduct set out in paras. 97 – 107 herein.

Liability of 2009-2012 ABC Board of Directors and Officers

221. The 2009-2012 ABC Board of Directors breached their duty of care to the Plaintiffs and putative Class and Sub-class members by way of conduct including but not limited to:
- a. With respect to the Prince of Peace Congregation Loan, by authorizing, directing and approving the conduct set out in para. 88 – 90 herein;
 - b. With respect to the Shepherd's Village CEF Loans, by authorizing, directing and approving the conduct set out in paras. 97 – 108 herein.

Liability of 2012-2015 ABC Board of Directors and Officers

222. The 2012-2015 ABC Board of Directors and Officers breached their duty of care to the Plaintiffs and Class and Sub-class members by way of conduct including but not limited to:
- a. With respect to the Shepherd's Village CEF Loans, by authorizing, directing and approving the conduct set out in paras. 97 - 108 herein.

223. The ABC Board of Directors and Officers breached their duty of care to the putative Class and Sub-class members by authorizing, directing and approving actions and schemes of the ABC District which they knew were dishonest and fraudulent, or in the alternative, they were willfully blind to the dishonest and fraudulent schemes of the ABC District, for the purpose of preferring or promoting their own personal interests and, or in the alternative, the interests of the POP Congregation and, or in the alternative, the interests of SVMML and, or in the alternative, the interests of ECHS, and, or in the alternative, the interests of LCC and/or LCCFM, and not the interests of the ABC District or the CEF depositors. Further, the ABC District Officers and Directors who were in conflicts of interest as previously described failed to disclose them.
224. Further, the actions of the Officers and the Board of Directors of the ABC District were themselves dishonest and fraudulent in that they knowingly authorized, directed and approved risks which they knew that the ABC District had no right to take, resulting in prejudice to the CEF depositors, in circumstances where the Officers and Directors were in undisclosed conflicts of interest.
225. As a result of the foregoing, the Plaintiffs and the putative Class and Sub-Class members have suffered damages and loss.

b. Knowing Participation in a Breach of Trust

226. The Officers and Directors of the ABC District knew of the existence of the CEF Trust and the CEF Quistclose Trust. Alternatively, they were willfully or recklessly blind to the existence of the CEF Trust and the CEF Quistclose Trust.
227. The Officers and Directors of the ABC District caused, facilitated or participated in the breach of trust by the ABC District by knowingly approving, directing and assisting in the dishonest and fraudulent schemes of the ABC District described in paragraphs 153 - 157 herein, or by authorizing, directing and approving knowingly wrongful risks which they knew the ABC District had no right to take, resulting in prejudice, loss and damages to the Plaintiffs and the Class and Sub-class members.
228. In the alternative, the Officers and Directors of the ABC District caused or facilitated the breach of trust by the ABC District by approving, assisting and participating in the ABC District's schemes in circumstances where they were willfully or recklessly blind to the dishonest and fraudulent nature of the ABC District's schemes, resulting in prejudice, loss and damages to the Plaintiffs and the Class and Sub-class members.
229. By virtue of the foregoing, the Plaintiffs and the Class and Sub-Class members have suffered damages and losses.

S. Oppression

230. By virtue of the religious character of the ABC District, its Officers and Directors, and the unique nature and purpose of the CEF Trust and the CEF Quistclose Trust, the Plaintiffs and the putative Class and Sub-class members had a reasonable expectation that the ABC District and its Officers and Directors would avoid conflicts of interest and would not:

- a. engage in dishonest and fraudulent conduct;
- b. unfairly disregard the interests of the Plaintiffs and the putative Classes and Sub-classes;
- c. conceal the true state of the financial affairs of the ABC District and the CEF;
- d. misrepresent the state of the financial affairs of the ABC District and the CEF;
- e. solicit, accept or renew deposits in the CEF when they knew or were willfully blind to the fact that the District was insolvent or on the eve of insolvency.

231. The ABC District and its Officers and Directors engaged in conduct that was oppressive, burdensome, harsh and unfair to the Plaintiffs and the putative Class and Sub-class members, and which failed to comply with the reasonable expectations of the Plaintiffs and the putative Class and Sub-class members by:

- a. Engaging in dishonest and fraudulent conduct;
- b. Unfairly disregarding the interests of the Plaintiffs and the putative Class and Sub-class members;
- c. Concealing or misrepresenting the true state of the financial affairs of the ABC District and the CEF;
- d. Allowing, directing or permitting the ABC District to solicit, accept or renew deposits in the CEF when the District and its Officers and Directors knew or were willfully blind to the fact that the District was insolvent or approaching insolvency; and
- e. Placing themselves in untenable conflicts of interests by serving as Directors of the ABC District while at the same time serving as:
 - (i) Members of the DSFM;
 - (ii) Directors and Officers of ECHS;
 - (iii) Directors and Officers of SVML, all as herein described, and
- f. Failing to disclose their conflicts of interest.

with the result that the legitimate interests of the Plaintiffs and the Class and Sub-class members in the CEF were not protected and were unfairly prejudiced and unfairly disregarded.

232. The conduct of the ABC District and the Officers and Directors of the ABC District constitutes a visible departure from the standards of fair dealing, and demonstrates oppression, or unfair prejudice, or unfair disregard for the interests of the Plaintiff and the putative Class and Sub-class members.

233. By virtue of the foregoing conduct, the Plaintiff and the putative Class and Sub-class members have suffered damage and loss.

T. Punitive Damages

234. The ABC District, its Officers and Directors, LCC and LCCFM, knew or ought to have known that the putative Class and Sub-class members are in large part elderly people who are dependent upon their deposits in the CEF for their retirement and future financial security.

235. Between 1993 and December 31, 2014, the ABC District and its Officers and Directors caused or permitted ABC District to solicit, receive or renew deposits to the CEF from the Plaintiffs and putative Class and Sub-class members when they knew or were willfully blind to the fact that:

- a. the ABC District was in breach of the CEF Trust;
- b. the ABC District was in breach of the CEF Quistclose Trust;
- c. ABC District was insolvent or on the eve of insolvency; and
- d. ABC District was preparing to commence the CCAA Proceedings.

236. Between 1993 and December 31, 2014, LCC and LCCFM knowingly caused or permitted ABC District to solicit, receive or renew deposits to the CEF Trust from the Plaintiffs and the putative Class and Sub-class members when they knew or were willfully blind to the fact that:

- a. the ABC District was in breach of the CEF Trust;
- b. the ABC District was in breach of the CEF Quistclose Trust;
- c. ABC District was insolvent or on the eve of insolvency; and
- d. ABC District was preparing to commence the CCAA Proceedings.

237. The ABC District, its Officers and Directors, willfully concealed from the CEF Depositors the fact that the ABC District was insolvent or on the eve of insolvency.

238. The conduct of the ABC District, its Officers and Directors, LCC and LCCFM as set

out herein has been arrogant, high-handed, callous and reprehensible. It offends ordinary standards of morality and is deserving of condemnation and punishment through an award of punitive damages.

239. The Plaintiffs propose that that trial of this action take place in Edmonton, Alberta.

Remedy sought:

240. The Plaintiffs claim on their own behalf and on behalf of the Alberta Lutheran Class, the Extra-provincial Lutheran Class, the Alberta Non-Lutheran Class and the Extra-Provincial Non-Lutheran Class, the following relief as against the Defendants the ABC District, LCC and LCCFM, jointly and severally:

- (i) Damages for breach of contract;
- (ii) Damages for breach of trust;
- (iii) General damages;
- (iv) Damages for rendering knowing assistance to breach of trust;
- (v) Damages for knowing receipt of trust property;
- (vi) A constructive trust;
- (vii) A resulting trust;
- (viii) Special damages;
- (ix) Punitive damages;
- (x) Damages for oppression;
- (xi) Pre-judgment interest in accordance with the *Judgment Interest Act*;
- (xii) Costs of this proceeding on a solicitor and own client full indemnity basis;
- (xiii) Such further and other relief as this Court deems just.

241. The Plaintiff Beinert claims on his own behalf and on behalf of the Alberta Lutheran Class and the Extra-provincial Lutheran Class, the following relief as against the Defendants the ABC District, LCC and LCCFM, jointly and severally:

- (i) Damages for breach of fiduciary duty.

242. The Plaintiffs claim on their own behalf, and on behalf of Alberta Lutheran Class, the Extra-provincial Lutheran Class, the Alberta Non-Lutheran Class and the Extra-Provincial Non-Lutheran Class, the following relief:

a. As against Taman and Bishop & McKenzie, jointly and severally:

- (i) Damages for breach of trust;
- (ii) Damages for rendering knowing assistance to breach of trust;
- (iii) Pre-judgment interest in accordance with the *Judgment Interest Act*;
- (iv) Costs of this proceeding on a solicitor and own client full indemnity basis;
- (v) Such further and other relief as this Court deems just.

b. As against Shepherd's Village Ministries Ltd. and the Officers and Directors of

Shepherd's Village Ministries Ltd., jointly and severally:

- (i) Damages for knowing receipt of the SVML Lands and the proceeds of the SVML CEF Loans trust in breach of trust;
- (ii) Damages for rendering knowing assistance to breach of trust;
- (iii) Damages for knowing receipt of trust property;
- (iv) A constructive trust;
- (v) A resulting trust;
- (vi) Pre-judgment interest in accordance with the *Judgment Interest Act*;
- (vii) Costs of this proceeding on a solicitor and own client full indemnity basis;
- (viii) Such further and other relief as this Court deems just.

c. As against Shepherd's Village Ministries Ltd., Taman and Bishop & McKenzie, jointly and severally:

- (i) Damages for knowing receipt of the SVML Lands and the proceeds of the SVML CEF Loans in breach of trust;
- (ii) Damages for rendering knowing assistance to breach of trust;
- (iii) Pre-judgment interest in accordance with the *Judgment Interest Act*;
- (iv) Costs of this proceeding on a solicitor and own client full indemnity basis;
- (v) Such further and other relief as this Court deems just.

d. As against the ABC District, the POP Congregation., Taman and Bishop & McKenzie, jointly and severally:

- (i) Damages for knowing receipt of trust funds acquired in breach of trust;
- (ii) Damages for rendering knowing assistance to breach of trust with respect to the Sale Proceeds Assignment Agreement;
- (iii) Pre-judgment interest in accordance with the *Judgment Interest Act*;
- (iv) Such further and other relief as this Court deems just.

e. As against Prowse and Prowse Chown, jointly and severally:

- (i) Damages for breach of trust with respect to the POP Village CEF Mortgage Loan to ECHS;
- (ii) Damages for rendering knowing assistance to breach of trust with respect to the above;
- (iii) Pre-judgment interest in accordance with the *Judgment Interest Act*;
- (iv) Costs of this proceeding on a solicitor and own client full indemnity basis;
- (v) Such further and other relief as this Court deems just.

f. As against Encharis Community Housing and Services and the Officers and Directors of Encharis Community Housing and Services, jointly and severally:

- (i) Damages for knowing receipt of the POP Village Lands and the POP Village CEF Loans in breach of trust;
- (ii) Damages for rendering knowing assistance to breach of trust;
- (iii) Damages for knowing receipt of trust property;

- (iv) A constructive trust;
- (v) A resulting trust;
- (vi) Pre-judgment interest in accordance with the *Judgment Interest Act*;
- (vii) Costs of this proceeding on a solicitor and own client full indemnity basis;
- (viii) Such further and other relief as this Court deems just.

g. As against Encharis Community Housing and Services, Prowse and Prowse Chown, jointly and severally:

- (i) Damages for knowing receipt of the POP Village Lands and the POP Village CEF Loans acquired in breach of trust;
- (ii) Damages for breach of trust with respect to the above;
- (iii) Damages for rendering knowing assistance to breach of trust;
- (iv) Pre-judgment interest in accordance with the *Judgment Interest Act*;
- (v) Such further and other relief as this Court deems just.

h. As against the ABC District Officers and Directors, jointly and severally:

- (i) Damages for negligence;
- (ii) Damages for rendering knowing assistance to breach of trust;
- (iii) Damages for oppression;
- (iv) Punitive damages;
- (v) Pre-judgment interest in accordance with the *Judgment Interest Act*;
- (vi) Costs of this proceeding on a solicitor and own client full indemnity basis;
- (vii) Such further and other relief as this Court deems just.

i. As against the Prince of Peace Congregation:

- (i) Damages for knowing receipt of the POP Congregation Loan and trust funds acquired in breach of trust;
- (ii) Damages for rendering knowing assistance to breach of trust;
- (iii) Damages for knowing receipt of trust property;
- (iv) A constructive trust;
- (v) A resulting trust;
- (vi) Pre-judgment interest in accordance with the *Judgment Interest Act*;
- (vii) Such further and other relief as this Court deems just.

NOTICE TO THE DEFENDANTS

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

20 days if you are served in Alberta

1 month if you are served outside Alberta but in Canada

2 months if you are served outside Canada.

You can respond by filing a statement of defence or a demand for notice in the office of the clerk of the Court of Queen's Bench at Edmonton, Alberta, AND serving your statement of defence or a demand for notice on the Plaintiff's address for service.

WARNING

If you do not file and serve a statement of defence or a demand for notice within your time period, you risk losing the law suit automatically. If you do not file, or do not serve, or are late in doing either of these things, a court may give a judgment to the plaintiff(s) against you.