

This is the 1st affidavit of
Susan Danielisz in this case and
was made on October 25, 2022



NO. S-194717
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57 and the
BUSINESS CORPORATIONS ACT, R.S.A. 2000, c. B-9

AND

IN THE MATTER OF THE LOUIS RACZ CO. LTD.

AND

Between

1012109 B.C. LTD. and LISA MADDESS

PETITIONERS

and

ETHEL MARY RACZ a/k/a ETUS MARIA RACZ and MICHAEL SIWIK

RESPONDENTS


AFFIDAVIT

I, **Susan Danielisz**, paralegal, of Suite 2400 – 745 Thurlow Street, Vancouver, British Columbia, SWEAR THAT:

1. I am a paralegal with the law firm of McCarthy Tétrault LLP, counsel to MNP Ltd., in its capacity as liquidator of Louis Racz Co. Ltd. and, as such, I have personal knowledge of the matters hereinafter deposed except where stated to be on information and belief, in which case I verily believe them to be true.
2. Attached hereto and marked as indicated are true copies of the following documents:
 - (a) **Exhibit "A"** – Letter from Etus Maria Racz to H. Lance Williams, dated July 30, 2021;
 - (b) **Exhibit "B"** – Letter from Mr Williams to Ms Racz, dated February 18, 2022;

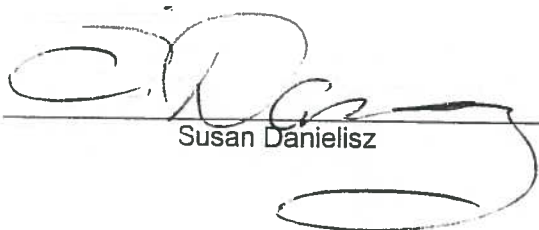
- (c) **Exhibit "C"** – Letter from Ms Racz to Forrest Finn, dated October 20, 2022; and
- (d) **Exhibit "D"** – Letter from Ms Racz to Forrest Finn, dated October 20, 2022.

SWORN BEFORE ME at Vancouver,
British Columbia, on October 25, 2022.



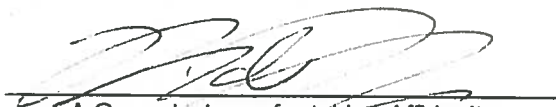
A Commissioner for taking Affidavits for
British Columbia

Michelle de Haas
Articling Student
McCarthy Tétrault LLP
Suite 2400 – 745 Thurlow Street
Vancouver, BC V6E 0C5
Tel: 604-643-7109



Susan Danielisz

This is **Exhibit "A"** referred to in **Affidavit #1** of **Susan Danielisz**, sworn before me at Vancouver, British Columbia, this 25th day of October, 2022.



A Commissioner for taking Affidavits
for British Columbia

TO: CASSELS BROCK & BLACKWELL
ATT: FORREST FINN (FAX 604-691-6120)
FROM: ETUS KARIA RACZ
DATE: AUGUST 2, 2021
NO. OF PAGES INCLUDING COVER: 6

Etus Maria Racz
715 Saraguay Blvd. E.
Pierrefonds, Que. H8Y 2G3

July 30, 2021

BY FACSIMILE

CASSELS
Suite 2200 885 West Georgia Street
Vancouver, B.C. V6C 3Z8

ATTN: VANCE WILLIAMS

RE: Louis Racz Co. Ltd. (the "Company")

Dear Mr. Williams,

I received your letter of July 2, 2021 on July 15.

Your letter does not address the issue of the \$2 million loan from VanCity supposedly procured to pay out the \$1,481,000 (value of the D Preferred shares in my mother's estate). If the liquidator's mandate is to distribute funds to shareholders, it seems Ms. Wood has neglected to distribute 1,481,000 to the shareholders.

I believe the loan was never intended to pay out the D Preferred shares; it was intended to pay Lisa's \$2 million settlement with the Gidney Estate. Had the loan been procured to pay out the D Preferred shares (my mother's estate), the loan would have been for \$1,481,000 and the funds would have been paid out in 2015. Rita's D Preferred shares (\$431,000) were added only to bring the amount of the loan to \$2 million. Why would the company pay capital and interest on Rita's \$431,000 (D Preferred shares)? It seems the lawyers have altered Justice Dardi's decision (i.e. the \$2 million settlement was Lisa's expense not the Company's).

Had the Counterclaim been decided as the lawyers planned, the decision would have been in favor of the Gidney Estate, and the Company would have had to pay the \$2 million settlement instead of Lisa. This might have required a loan. But this is not what the Court decided.

According to the Company Articles, one director can apply for a loan with an understanding that the other director does not object to the loan. As I did not agree, it was necessary to compel me to accept the proceeds (which did not occur until 2020), thus validating the loan as a legitimate expense of the Company.

While you refer to Judicial decisions (i.e. Adair and Majawa; Gropper was also necessary), I believe an investigation would show the decisions were based on false evidence. It appears that three judges (Gropper, Adair & Majawa) have assisted the lawyers in defrauding the Company of \$2 million and cheating the Montreal shareholders out of at least \$1.6 million. It also appears the lawyers have used the justice system to further their unlawful actions. Looking at the statements of Receipts and Disbursements, they have been well rewarded for their acts. I note that the balance on hand (\$262,351.75) is insufficient to pay out the \$1,481,000 to the shareholders.

Lawyers involved in this scheme:

Ken Friesen (Friesen & Epp) acting for Rita

Ron Argue (Munro & Crawford) acting for Rita

Richards Buell Sutton (acting for VanCity)

Bull Housser & Tupper (acting for Colin Topley)

~~RBC~~ (outside counsel for Colliers International) *BORDEN LANNER GEAUVAIS ("BLG")*

Burns Fitzpatrick (acting for Rita and Lisa)

It appears that six lawyers have defrauded the Company of \$2 million, and I believe this would constitute a conspiracy and would be a criminal offense.

WILL MNP AGREE TO COOPERATE IN AN INDEPENDENT REVIEW OF THE SALE, IN MONTREAL, AND WILL MNP PROVIDE THE DOCUMENTATION REQUIRED FOR THIS REVIEW?

Yours truly,



Etus Maria Racz

C.c. Office of the Attorney General (ATTN: Kathryn Chapman)
Scott Turner
Forrest Finn
Moe Liebman

Date 02/24/16

Munro & Crawford

Page: 1

Client Inquiry - Trust Details (Sorted by Date)

Client #	23423T	Name	LOUIS RACZ CO. LTD.				Resp. Lawyer	20 Ronald Arque	
Matter	Conveyance - Vancouver City Saving Credit Union Mortgage				Arca Law	53 Real Estate			
Contact		Bus. Phone							
Address 1	101-1575 Esquimalt Ave		Cell. Phone						
Address 2			Fax	Date Opened		09/04/15			
City	West Vancouver		E-Mail	Date Last Bill		10/01/15			
Postal	V7V 1R4	Province	BC	GST/HST	Y	PST	Y	Date Last Payment	10/05/15
				Identified	N	Verified	N	Date Last Active	10/05/15
								Exempt	

---TRUST DETAILS

Initials	Date	Payment Type	Ref/Cheque	Receipt #	Description	G/L	Term Due	Regular	Term	Balance	Audit
RJA	09/14/15	EFT		2282	Direct Deposit Richards Buell Sutton	1202		-1,996,341.02	0.00	-1,996,341.02	52786
RJA	09/14/15	CHK	8303		Bull Housser In Trust For 1012109 BC Ltd. - File No. 14319	1202		1,481,000.00	0.00	-515,341.02	52788
RJA	09/28/15	CHK	8390		Rita Louise Racz Redemption of Class D Shares	1202		431,000.00	0.00	-84,341.02	53024
RJA	10/05/15	CHK	8417		Munro & Crawford Account Payment	1202		1,799.77	0.00	-82,541.25	53228
RJA	10/05/15	CHK	8418		Louis Racz Co. Ltd.	1202		82,541.25	0.00	0.00	53242
TOTAL								0.00	0.00	0.00	
TRUST FUNDS BY BANK ACCOUNT											
						BANK ACCOUNT	REGULAR	TERM			
						1202		0.00		0.00	

Cassels

July 2, 2021

BY REGULAR MAIL

Etus Maria Racz
715 Saraguay Blvd. E.
Pierrefonds, QC H8Y 2G3

lwilliams@cassels.com
tel: +1 604 691 6112
file # 049076-00011

Re: Louis Racz Co. Ltd. (the "Company")

We write further to your letter of June 14, 2021. Please note that Mr Finn is an associate with Cassels Brock & Blackwell LLP, counsel to MNP Ltd as liquidator (the "Liquidator"). All correspondence to the Liquidator can be directed to my attention. To confirm, our prior letter of May 17, 2021 was in reply to your letter dated April 29, 2021 and addressed to the Liquidator.

As we noted in our prior letter, the Liquidator was appointed after the sale of the property in accordance with the terms of the appointing Order and the provisions of the British Columbia *Business Corporations Act* (the "*BCBCA*"). The Liquidator's duties include matters such as paying creditors and distributing residual funds to shareholders. The Liquidator's mandate as a court-officer does not include investigating prior grievances or revisiting court orders. As to your questions on those matters, and potential remedies, we recommend that you seek independent legal advice.

In relation to the "unclaimed property" discussions with Mr Turner referenced in your letter, those discussions relate to his application regarding the dividends that were refused by you for a period of time, and you will recall that Mr Turner brought an application to have the funds paid out to the remaining shareholders. You may wish to consult legal counsel to determine what, if anything, Mr Turner's client is required to disclose to you. This is outside the Liquidator's mandate and we cannot offer advice in this regard.

Regarding the sale of the property, the Liquidator understands from the materials filed in court that it occurred on January 31, 2019. Absent a court order directing it to do so, it is not within the Liquidator's mandate to review the sale or the judicial proceedings that preceded it.

Finally, in relation to the loan repaid to you, the Liquidator paid you the loan balance showing on the books and records of the Company, which included the Company's externally prepared financial statements for the 2018 and 2019 fiscal years. If you do not believe this loan is an obligation owing to you, please return the funds and the Liquidator will distribute them to the shareholders. Likewise, should you have evidence of any other obligations of the Company, please provide details to the Liquidator as soon as possible. We enclose a recent statement of receipts and disbursements of the Liquidator showing all funds received and paid to date, and are pleased to address any reasonable requests or questions.

t: 604 691 6100
f: 604 691 6120
cassels.com

Cassels Brock & Blackwell LLP
Suite 2200, HSBC Building, 885 West Georgia Street
Vancouver, BC V6C 3E8 Canada

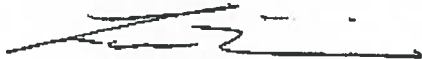
Cassels

Page 2

As the Company is a British Columbia company, and the Liquidator is appointed as a court-officer by the Supreme Court of British Columbia under the *BCBCA*, all matters regarding the liquidation must be dealt with through the British Columbia courts. As such, the Liquidator's mandate and duties will continue to be as required under the *BCBCA* or as directed by the Supreme Court of British Columbia.

Yours truly,

Cassels Brock & Blackwell LLP



Lance Williams
Partner

LW/mr

cc: Moe Liebman, via email - moe@liebmanlegal.com
LEGAL*53476287.3

This is **Exhibit "B"** referred to in **Affidavit #1** of **Susan Danielisz**, sworn before me at Vancouver, British Columbia, this 25th day of October, 2022.



A Commissioner for taking Affidavits
for British Columbia

McCarthy Tétrault LLP
 Suite 2400, 745 Thurlow Street
 Vancouver BC V6E 0C5
 Canada
 Tel: 604-643-7100
 Fax: 604-643-7900

**mccarthy
 tétrault**

H. Lance Williams*
 Partner
 Direct Line: (604) 643-7154
 Email: lwilliams@mccarthy.ca
 *Law Corporation

Assistant: *Katerina Doumakis*
 Direct Line: (604) 643-7910
 Email: kdoumakis@mccarthy.ca

February 18, 2022

Via Mail

Etus Maria Racz
 715 Saraguay Blvd E.
 Pierrefonds, QC H8Y 2G3

Dear Ms. Racz:

Re: Louis Racz Co. Ltd. (the "Company")

We write further to your letter of September 24, 2021, and have been collecting corporate records in order to fully respond. As noted in our letter of September 2, 2021, McCarthy Tétrault LLP is now counsel to MNP Ltd. in its capacity as liquidator of the Company in place of Cassels Brock & Blackwell LLP. Both Forrest Finn and I are now with McCarthy Tétrault LLP, so please direct all further correspondence to us. There appears to be some confusion in your letter: MNP Ltd. is the court-appointed liquidator, Ms Wood is an employee of MNP Ltd., and we are counsel to the liquidator. We are not counsel to Ms Maddess, and you may have us confused with Mr Turner, who is her counsel.

Your latest letter included correspondence between Mr Turner (counsel to Ms Maddess) and your counsel which appears to explain the redemption of shares and how the VanCity mortgage loan came about. We note again that this was considerably before the appointment of the liquidator. We have reviewed the books and records of the Company, and the corporate records confirm that the noted shares were redeemed as indicated and are consistent with the shareholders set out in the Affidavit #1 of Lisa Maddess sworn April 15, 2019 in the proceedings appointing the liquidator. There is no evidence to suggest these shares were not redeemed as indicated. We confirm that MNP Ltd. is not holding funds relating to this redemption.

While the administrator of Ms Rosilia Racz's estate was Mr Topley, who worked with MNP, his role is independent of the liquidator's appointment, and the distributions and administration by Mr Topley in his role were approved by the court and he was discharged in 2018, prior to the appointment of the liquidator. The two mandates are unrelated. A copy of the discharge order is enclosed. If you have concerns with your mother's estate administration, which is entirely outside of and independent of the liquidator's role, you should contact your counsel.

We note that your letter mischaracterises our letter of September 2, 2021 as stating that the liquidator "was not aware" of the loan repaid to VanCity. With respect, that is incorrect. Our letter states that the liquidator is not aware of further share redemptions and that the liquidator has not repaid a loan to VanCity. The VanCity mortgage was paid by Mr Turner's office prior to the liquidator's appointment and in conjunction with the sale of the building. Should you wish to review documents relating to the payout of that mortgage, you or your counsel should contact

his office. The liquidator will not be undertaking further review of this matter unless directed by the court.

We do not understand what communications you are looking for between Ms Wood and Mr Turner. As indicated above, Mr Turner is counsel to one of the shareholders, and Ms Wood is an employee of the liquidator. The liquidator communicates with various stakeholders in its role, and does not produce it's correspondence absent a court order.

Finally, we note that your original letter cc'ed the attorney general (though it is unclear for which jurisdiction). As we are unclear what role the attorney general would play, or which jurisdiction, we have not cc'ed them on this letter.

Yours truly,

McCarthy Tétrault LLP

Per:

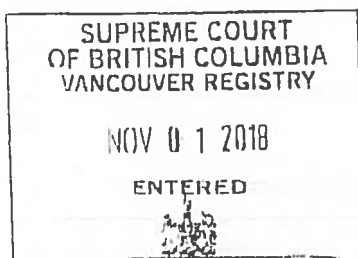


H. Lance Williams*

LW/kd

Enclosure

c. Moe Liebman (by email moe@liebmanlegal.com)
Client



No. P050204
Vancouver Registry

In the Supreme Court of British Columbia

In Probate
Concerning the Estate of
ROSILIA RACZ
otherwise known as
ROSALIA RACZ and ROZALIA RACZ

ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE JUSTICE 31/Oct/2018

MCEWAN

ON THE APPLICATION of Colin W. Topley, Administrator of the Estate of Rosalia Racz, Deceased (the "Applicant"), coming on for hearing at 800 Smithe Street, Vancouver, British Columbia on 31/Oct/2018 and on hearing Kimberly A. Kuntz, counsel for the Applicant, and Kenneth Friesen, counsel for the Respondent, Lisa Maddess, and no one else appearing although duly served;

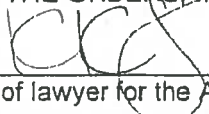
THIS COURT ORDERS that:

1. The accounts of the applicant, Colin W. Topley, Administrator of the Estate of Rosilia Racz, deceased (the "Administrator"), for the period from 01/Oct/2015 to 31/Dec/2017, which accounts are attached to the Statement of Account Affidavit of Colin W. Topley made 26/Feb/2018, are approved and passed as presented;
2. The Administrator is at liberty to pay into Court at the Vancouver Registry the sums of:
 - a. \$6,815.06 in respect of Ethel Mary Racz's second interim distribution from the Estate;
 - b. \$16,320.62 representing Ethel Mary Racz's 33.33% share of the final residue of the estate;

(the "Final Distribution").
3. The payment of the Final Distribution determined under paragraph 2 of this Order into Court shall constitute the full and final payment of the remaining residue owing to Ethel Mary Racz from the Estate of Rosilia Racz;

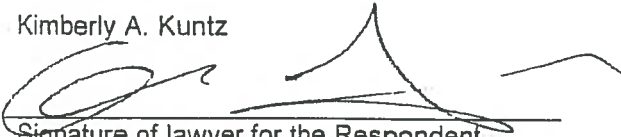
- 4. Upon payment of the Final Distribution into Court, the Administrator is discharged as Administrator of the Estate of Rosilia Racz.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



 Signature of lawyer for the Applicant,
 Colin W. Topley, Administrator of the Estate
 of Rosilia Racz, deceased

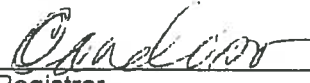
Kimberly A. Kuntz



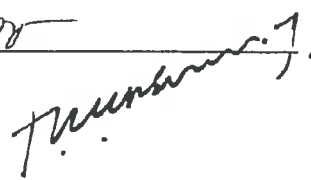
 Signature of lawyer for the Respondent,
 Lisa Maddess

Kenneth Friesen

By the Court.



 Registrar





No. P050204
Vancouver Registry

In the Supreme Court of British Columbia

In Probate
Concerning the Estate of
ROSILIA RACZ
otherwise known as
ROSALIA RACZ and ROZALIA RACZ

ORDER MADE AFTER APPLICATION


NORTON ROSE FULBRIGHT CANADA LLP
Barristers & Solicitors
1800 – 510 West Georgia Street
Vancouver, BC V6B 0M3
Telephone: (604) 687-6575
Attention: Kimberly A. Kuntz

Filing Agent: West Coast Title Search

KAK/ker

Matter# 06-2691

This is **Exhibit "C"** referred to in **Affidavit #1** of **Susan Danielisz**, sworn before me at Vancouver, British Columbia, this 25th day of October, 2022.



A Commissioner for taking Affidavits
for British Columbia

10/24/2022 14:45 FAX 5146844292

RACZ

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002

Etus Maria Racz

715 Saraguay Blvd.E.

Pierrefonds, Que. H8Y 2G3

October 20, 2022

BY FACSIMILE

McCarthy Tetrault

Suite 2400, 745 Thurlow Street

Vancouver, B.C. V6E 0C5

ATTN: [REDACTED]

The two million dollar loan from VanCity was not necessary, nor was it necessary to sell Cedar Terrace. The two million dollar loan was obtained to pay the two million dollar settlement with the Gidney Estate. According to the Court's decision (Dardi, J.), the two million dollar settlement was Lisa's responsibility, not the Company's. It seems that Rita and Lisa, assisted by their counsel, Ken Friesen and MNP Senior Vice President Colin Topley, have altered the Court's decision. The \$2.2 million (including interest payments) is a loss to the Montreal shareholders of \$1.1 million. There would have been no loan, no sale and no wind-up if Mr. Topley had not cooperated with Rita and Ken Friesen.

In 2001, Rita and Lisa tried to take over the Company. This endeavour was assisted by Robert Yeager, the Company solicitor. Without an annual general meeting, Mr. Yeager appointed Rita a director and president of the Company. Rita and Lisa immediately began putting personal expenses through the Company and Lisa was taking a salary for management, a position for

10/24/2022 14:45 FAX 5140841292

RACZ

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003

In 2013, I retained Moe Liebman to investigate into the forged affidavits of service filed by Mr. Friesen with the Vancouver Registry. The forged documents used the names of two Montreal notaries. This crime was committed in Montreal and involved a Montreal resident who had cooperated with Mr. Friesen. An investigation will show the reason for the fraudulent transactions which occurred between 2014 and 2019 leading to the sale of Cedar Terrace. The reason given by Rita that she "needs the money for comfort in her old age" is nonsense.

I have, to date, not recovered the \$251,000 withheld by Revenue Quebec. The problems I am having with Revenue Quebec stem from the Releve 3, incorrectly dated 2019, given to Revenue Quebec by Marc Lemieux as instructed by Scott Turner. While Ms. Wood continually states that TSs were filed with CRA, in fact, no TSs were ever filed in regard to the sale.

Considering the "secret sale" and the fraudulent transactions leading to the sale, an independent review is required and it will then be necessary to audit the Company's tax returns for 2019, 2020, 2021 and 2022. These returns were the responsibility of Ms. Wood. The ~~responsibility~~ **will be required for a review of Mr. Wood's actions**

If you are determined to wind-up the Company despite the evidence of fraud, you are required to pay the Montreal shareholders what they are owed and it is a far greater amount than \$69,000.

Yours truly,



Etus Maria Racz

c.c. Kathryn Chapman

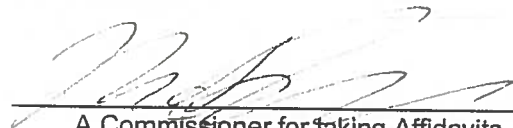
Scott Turner

Moe Liebman

Pierre Paul Persico

343

This is **Exhibit "D"** referred to in **Affidavit #1** of **Susan Danielisz**, sworn before me at Vancouver, British Columbia, this 25th day of October, 2022.



A Commissioner for taking Affidavits
for British Columbia

TO: MCCARTHY TETRAULT

ATT: FORREST FINN (FAX 604-643-7900)

FROM: ETUS MARIA RACZ

DATE: OCTOBER 24, 2022

RE: LOUIS RACZ CO. LTD.

NO. OF PAGES INCLUDING COVER: 4

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TIME RECEIVED	October 24, 2022 at 12:57:15 p.m. PDT
FAX NUMBER	141
DURATION	4
PAGES	4
STATUS	Received

*** INBOUND NOTIFICATION : FAX RECEIVED SUCCESSFULLY ***

10/24/2022 14:49 FAX 5146844282

RACZ

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Etus Maria Racz
 715 Saraguay Blvd.E.
 Pierrefonds, Que. H8Y 2G3
 October 20, 2022

BY FACSIMILE

McCarthy Tetrault
 Suite 2400, 745 Thurlow Street
 Vancouver, B.C. V6E 0C5

ATTN: FORREST FINN

Dear Mr. Finn,

RE: Louis Racz Co. Ltd. (the "Company")

There has been no response to my letter of July 20, 2022. The enclosures showed the fraudulent means by which Cedar Terrace was sold. Rita's actions in 2014 (i.e. resolutions) and all following resolutions over the next eight years are outside the Articles of the Company.

The two million dollar loan from YooCity was not necessary, nor was it necessary to sell Carter settlement was Lisa's responsibility, not the Company's. It seems that Rita and Lisa, assisted by their counsel, Ken Friesen and MNP Senior Vice President Colin Topley, have altered the Court's decision. The \$2.2 million (including interest payments) is a loss to the Montreal shareholders of \$1.1 million. There would have been no loan, no sale and no wind-up if Mr. Topley had not cooperated with Rita and Ken Friesen.

In 2001, Rita and Lisa tried to take over the Company. This endeavour was assisted by Robert Yeager, the Company solicitor. Without an annual general meeting, Mr. Yeager appointed Rita a director and president of the Company. Rita and Lisa immediately began putting personal expenses through the Company and Lisa was taking a salary for management, a position for

1 of 3

which she was not qualified. This was corrected when I arrived in Vancouver. At that time, a B.C. resident director was required and Rita became a director when she removed my mother, a director, by illicit means. In 2003, Ken Friesen replaced Mr. Yeager as their counsel and Mr. Friesen continued what Mr. Yeager had begun.

In 2013, I retained Moe Liebman to investigate into the forged affidavits of service filed by Mr. Friesen with the Vancouver Registry. The forged documents used the names of two Montreal notaries. This crime was committed in Montreal and involved a Montreal resident who had cooperated with Mr. Friesen. An investigation will show the reason for the fraudulent reason given by Rita that she "needs the money for comfort in her old age" is ~~illicit~~.

I have, to date, not recovered the \$251,000 withheld by Revenue Quebec. The problems I am having with Revenue Quebec stem from the Releve 3, incorrectly dated 2019, given to Revenue Quebec by Marc Lemieux as instructed by Scott Turner. While Ms. Wood continually states that T5s were filed with CRA, in fact, no T5s were ever filed in regard to the sale.

Considering the "secret sale" and the fraudulent transactions leading to the sale, an independent review is required and it will then be necessary to audit the Company's tax returns for 2019, 2020, 2021 and 2022. These returns were the responsibility of Ms. Wood. The documents held by Helena Plecko will be required for a review of Ms. Wood's actions as Liquidator and must not be destroyed.

The Montreal shareholders have not agreed to the wind-up. They have not been treated fairly. The Company is not responsible for Lisa's settlement with the Gidney Estate. This is a loss to me of \$1,000,000 plus \$99,641 (interest on the loan). My legal fees, to date, are \$159,869 and they will increase. There is the loss of income for the years 2019 and 2020. The \$350,000, half of the \$700,000 holdback, is connected to fraud and is solely Rita's expense. The value of the D Preferred shares held by the Estate is \$1,481,000. While Mr. Topley has paid out two thirds of this amount to Lisa, he has forgotten to pay me my one third share. Added to this amount (one third of \$1,481,000) is interest compounded over seven years as the money should have been paid out in 2015.

2 of 3

If you are determined to wind-up the Company despite the evidence of fraud, you are required to pay the Montreal shareholders what they are owed and it is a far greater amount than \$69,000.

Yours truly,



Etus Maria Racz

c.c. Kathryn Chapman

Scott Turner

Moe Liebman

Pierre Paul Persico

3 of 3