



**FORM 1
(RULE 3-1 (1))**

No. 58772
Vernon Registry

In the Supreme Court of British Columbia

Colton Kevin Kumar, 1304139 B.C. LTD. and Kevin Anthony Kumar Plaintiff

and

John McDonald, Heidi Semkowich and McDonald Paralegal Services Ltd. Defendant

and

null Third Party(ies)

NOTICE OF CIVIL CLAIM

[Rule 22-3 of the Supreme Court Civil Rules applies to all forms.]

This action has been started by the plaintiff(s) for the relief set out in Part 2 below.

If you intend to respond to this action, you or your lawyer must

- (a) file a response to civil claim in Form 2 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim on the plaintiff.

If you intend to make a counterclaim, you or your lawyer must

- (a) file a response to civil claim in Form 2 and a counterclaim in Form 3 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim and counterclaim on the plaintiff and on any new parties named in the counterclaim.

JUDGMENT MAY BE PRONOUNCED AGAINST YOU IF YOU FAIL to file the response to civil claim within the time for response to civil claim described below.

Time for response to civil claim

A response to civil claim must be filed and served on the plaintiff(s),

- (a) if you were served with the notice of civil claim anywhere in Canada, within 21 days after that service,
- (b) if you were served with the notice of civil claim anywhere in the United States of America, within 35 days after that service,
- (c) if you were served with the notice of civil claim anywhere else, within 49 days after that service, or
- (d) if the time for response to civil claim has been set by order of the court, within that time.

CLAIM OF THE PLAINTIFF(S)

Part 1: STATEMENT OF FACTS

1. On or around August 22, 2024, the Plaintiff engaged McDonald Paralegal Services Ltd. to provide legal services related to an appeal involving Timothy Lauren Kohut (the "Second Client" or "Tim"), who, along with Terry Wayne Kerslake (the "First Client" or "Terry"), was a borrower with an active promissory note with the Plaintiff's company, 1304139 BC LTD.

The Plaintiff's lending arrangements with both clients were formalized through legally binding promissory notes with the following terms:

For Terry: A principal amount of \$75,000.00 with a 16% annual interest rate, monthly payments of \$2,125.52 beginning on February 7, 2023, due in full by February 7, 2027.

For Tim: A principal amount of \$50,000.00 with a 16% annual interest rate, monthly payments of \$1,085.59 starting on January 19, 2024, due in full by January 19, 2027.

Both promissory notes included provisions allowing the lender to enforce accelerated repayment in cases of default and requiring the borrowers to seek proof of ownership of any debts consolidated under the private loan. These terms are standard, lawful, and promote transparency in the Plaintiff's lending business.

The Plaintiff retained McDonald Paralegal Services Ltd. and consulted specifically with Heidi Semkowich, Paralegal, to review materials related to the appeal and conduct a consultation concerning Tim's appeal. The Plaintiff paid a consultation fee of \$500 and provided confidential information, documents, and instructions in good faith, with a reasonable expectation of loyalty and confidentiality.

Despite this engagement, on September 30, 2024, the Defendants, led by John McDonald, filed a claim against the Plaintiff on behalf of both Terry and Tim. The claim included allegations of unjust enrichment, fraudulent misrepresentation, and operating an "OPCA scam" (Organized Pseudolegal Commercial Argument). These allegations were based on the Plaintiff's requirement for proof of debt ownership, a standard provision in the promissory notes.

The Plaintiff asserts that the Defendants' actions, including defamatory claims and conflict of interest, caused direct harm to the Plaintiff's reputation and business relationships and led to financial losses.

3. Allegations

The Plaintiff brings forward the following specific allegations:

3.1 Conflict of Interest in Breach of the Legal Profession Act and Alberta's Code of Conduct

The Defendants' representation of the Plaintiff in initial consultations related to the appeal, followed by filing a claim against the Plaintiff on behalf of both Terry and Tim, constitutes a clear conflict of interest.

Under Rule 3.4-1 of the Law Society of Alberta's Code of Conduct, a lawyer must avoid representing parties with conflicting interests, particularly when confidential information has been shared.

The Defendants accepted payment from the Plaintiff and then represented the Plaintiff's clients in a manner

directly adverse to the Plaintiff's interests, thereby breaching ethical standards and fiduciary duties owed to the Plaintiff.

3.2 Defamation and Harm to Business Reputation

The Defendants' claim against the Plaintiff included accusations of fraudulent misrepresentation and the operation of an "OPCA scam", both of which were unwarranted and defamatory. Furthermore the defendant has published a webpage on his website calling Kevin and Colton Kumar "well known fraudsters" and "OPCA Gurus" which is completely false and slanderous

The Plaintiff's lending business operates legitimately, and the contractual requirement for proof of debt ownership is a standard due diligence measure in private lending.

The Defendants' false allegations have severely damaged the Plaintiff's reputation within Canada's lending community, harming the Plaintiff's credibility and deterring potential business opportunities.

On November 10th another unrelated client Mark Kilfoy seized payments and referenced McDonald Paralegal Services LTD's slanderous web page via text where it states Kevin Kumar & Colton Kumar are "well known fraudsters" as the reason for his default.

3.3 Interference with Contractual Relations

The Defendants, including Heidi Semkowich at McDonald Paralegal Services Ltd., influenced both Terry and Tim to abandon their appeal and file claims against the Plaintiff, directly interfering with the financial contracts between the Plaintiff and the borrowers.

The Plaintiff had enforceable, valid promissory notes with both clients, and the Defendants' interference led to breaches of these agreements, resulting in economic and reputational losses for the Plaintiff not excluding Mark Kilfoy.

3.4 Malicious and Fraudulent Allegations

The Defendants' allegations of unjust enrichment and fraudulent misrepresentation were made recklessly and without basis, causing intentional harm to the Plaintiff's business.

The term "OPCA scam" is a defamatory label and suggests illegal conduct, which is categorically false. The Plaintiff's lending practices are transparent and lawful, and the Defendants' claims were made with malicious intent to damage the Plaintiff's professional standing.

4. Damages Sought

4.1 Compensatory Damages

The Plaintiff claims compensatory damages for the financial losses and reputational harm caused by the Defendants' actions. This includes legal fees, lost income, and other economic impacts resulting from the Defendants' unethical conduct and interference.

4.2 Punitive Damages

Due to the Defendants' malicious intent and severe breach of professional ethics, the Plaintiff seeks punitive damages. These damages are intended to serve as a deterrent against similar misconduct and to hold the Defendants accountable for the harm caused by their unethical behavior.

Part 2: RELIEF SOUGHT

1. Declaration of Conflict of Interest and Ethical Breach

The Plaintiff requests a court declaration that the Defendants' actions constitute a conflict of interest and breach of the Law Society of Alberta's rules and the Legal Profession Act.

Compensation for Damages

The Plaintiff seeks compensatory damages for financial losses, reputational harm, and legal expenses incurred due to the Defendants' conduct. in the sum of \$500,000.00

The Plaintiff also seeks punitive damages in an amount deemed appropriate by the court to reflect the severity of the Defendants' unethical actions.

Injunction and Court Costs

The Plaintiff requests an injunction preventing the Defendants from further actions against the Plaintiff in this

matter and from representing adverse parties in related cases.

The Plaintiff also seeks court costs and any additional relief this Honourable Court deems just and appropriate.

Part 3: LEGAL BASIS

1. 1. Conflict of Interest Legal Basis: Rule 3.4-1 of the Law Society of Alberta Code of Conduct: A lawyer must avoid representing parties where there is a conflict of interest, except as permitted under the rules. A conflict of interest arises when representation of one client is directly adverse to the interests of another.

Application: The Defendant's firm breached this rule by accepting payment from the Plaintiff for legal services and later representing the Plaintiff's clients (Terry and Tim) in a lawsuit against the Plaintiff. This breach violated the fiduciary duty of loyalty and confidentiality owed to the Plaintiff and caused material harm to the Plaintiff's business and reputation.

2. Defamation Legal Basis: Libel and Slander Act (British Columbia): Defamation arises when false statements about a person or entity are published, causing harm to their reputation. In B.C., actionable defamation includes both libel (written statements) and slander (spoken statements). Truth is the primary defence.

Application: The Defendant's allegations of "fraudulent misrepresentation" and "OPCA scam" were defamatory. These statements were included in public court filings and communications, damaging the Plaintiff's reputation in the private lending industry. The statements were false, as the Plaintiff's lending practices, including the proof-of-debt-ownership provision, are legitimate and lawful. Under British Columbia defamation law, the Defendant's baseless accusations have caused reputational harm to the Plaintiff and warrant compensatory and aggravated damages.

3. Economic Interference Legal Basis: Tort of Inducing Breach of Contract (British Columbia): The tort occurs when a defendant intentionally interferes with a valid and enforceable contract between a plaintiff and a third party, causing harm to the plaintiff. Application: The Defendant or their paralegal at [Law Firm Name] actively persuaded Terry and Tim to abandon their appeal and file claims against the Plaintiff, disrupting their valid promissory notes. These promissory notes are enforceable contracts, and the Defendant's actions caused breaches that resulted in financial and reputational harm to the Plaintiff.

4. Fraudulent Allegations and Malicious Conduct Legal Basis: Tort of Injurious Falsehood (British Columbia): Injurious falsehood occurs when a defendant makes false statements about a plaintiff's business or property, knowing they are false or with reckless disregard for the truth, causing economic harm.

Application: The Defendant's accusations of "fraudulent misrepresentation" and "OPCA scam" were made recklessly and without basis. The Plaintiff's lending agreements include standard terms for verifying debt ownership and were voluntarily entered into by the clients. These false allegations damaged the Plaintiff's credibility and business operations, constituting injurious falsehood under British Columbia law.

5. Breach of Contract Legal Basis: Implied Terms in Professional Service Contracts (British Columbia): Contracts for professional services, such as legal consultations, include implied terms of loyalty, confidentiality, and competence. A breach occurs when a professional acts in a manner contrary to these implied terms, harming the client. Application: The Defendant breached the implied duty of loyalty by representing the Plaintiff's clients against the Plaintiff in a related matter after accepting a consultation fee. This conduct violated the Plaintiff's trust and caused damages, including legal fees and reputational harm.

6. Negligence Legal Basis: Tort of Professional Negligence (British Columbia): Professionals owe a duty of care to act competently and avoid foreseeable harm to their clients. A breach of this duty that results in harm constitutes negligence. Application: The Defendant failed to uphold their duty of care by engaging in a conflict of interest, making defamatory statements, and negligently misrepresenting the Plaintiff's business practices. This breach of duty caused foreseeable economic and reputational harm to the Plaintiff.

7. Punitive Damages Legal Basis:

Case Law: *Vorvis v. Insurance Corporation of British Columbia*, [1989] 1 SCR 1085: Punitive damages are awarded in British Columbia when a defendant's conduct is malicious, oppressive, or high-handed and departs markedly from reasonable standards of decency. Application to Professional Misconduct: The Defendant's actions—maliciously defaming the Plaintiff, interfering with contracts, and breaching ethical

obligations—warrant punitive damages to punish and deter such misconduct.

Relevant Case Law (British Columbia) Hodgkinson v. Simms, [1994] 3 SCR 377: Establishes fiduciary duty and the requirement for professionals to avoid conflicts of interest. Reinforces the principle that professionals owe a duty of loyalty and care to their clients.

Grant v. Torstar Corp., 2009 SCC 61: Defines defamation and defences, such as truth or fair comment, while emphasizing the importance of protecting reputation from baseless harm.

Dawson v. Helicopter Exploration Co., [1955] SCR 868: Discusses the tort of inducing breach of contract and the need for intentional interference with contractual relations to establish liability.

Hill v. Church of Scientology of Toronto, [1995] 2 SCR 1130: Demonstrates the high threshold for punitive damages in cases involving malicious intent and serious harm to reputation.

Plaintiff's address for service: 3705 40th ave, vernon, British Columbia, Canada V1T 7E5

Fax number address for service (if any):

E-mail address for service (if any): Kumar.ck0014@gmail.com

Place of trial: Vernon Registry

The address of the registry is: 3001 27th Street, Vernon, British Columbia V1T4W5

Date:

Signature of 

Plaintiff

Lawyer for plaintiff(s)

Rule 7-1 (1) of the Supreme Court Civil Rules states:

(1) Unless all parties of record consent or the court otherwise orders, each party of record to an action must, within 35 days after the end of the pleading period,

(a) prepare a list of documents in Form 22 that lists

(i) all documents that are or have been in the party's possession or control and that could, if available, be used by any party at trial to prove or disprove a material fact, and

(ii) all other documents to which the party intends to refer at trial, and

(b) serve the list on all parties of record.

APPENDIX

Part 1: CONCISE SUMMARY OF NATURE OF CLAIM:

This is a claim against John McDonald, Heidi Semkowich and McDonald Paralegal Services Ltd. for professional misconduct, defamation, conflict of interest, and economic interference. The Defendant's firm was retained by the Plaintiff to provide legal services, including a consultation regarding a debt dispute appeal involving the Plaintiff's clients. Despite this engagement, the Defendant later represented these clients in a lawsuit against the Plaintiff, alleging unjust enrichment, fraudulent misrepresentation, and operation of an "OPCA scam." These allegations were false, defamatory, and maliciously intended to damage the Plaintiff's reputation and business. The Defendant's actions breached fiduciary duties under the Law Society of Alberta Code of Conduct, interfered with valid contractual relationships, and caused substantial financial and reputational harm to the Plaintiff. The Plaintiff seeks compensatory and punitive damages, a declaration of professional misconduct, and an injunction to prevent further adverse actions.

Part 2: THIS CLAIM ARISES FROM THE FOLLOWING:

A dispute concerning:

- a motor vehicle accident
- medical malpractice
- another cause

A personal injury arising out of:

- contaminated sites
- construction defects
- real property (real estate)
- personal property
- investment losses
- the lending of money

- an employment relationship
- a will or other issues concerning the probate of an estate
- a matter not listed here
- the provision of goods or services or other general commercial matters

Part 3: THIS CLAIM INVOLVES:

- a class action
- maritime law
- aboriginal law
- constitutional law

- conflict of laws
- none of the above
- do not know

Part 4: Enactments

- Builders Lien Act
- Court Order Interest
- Insurance (Motor Vehicle) Act
- Insurance (Vehicle) Act

- Motor Vehicle Act
- Occupiers Liability Act
- Supreme Court Act
- Wills Variation Act
- Other Libel and Slander Act, Legal Profession act, Tort Law Principles