

COURT FILE NUMBER

Clerk's Stamp

COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	KEVIN GRIMES
DEFENDANTS	2310000 ALBERTA LTD., 1955687 ALBERTA LTD., and YUIN KIM
DOCUMENT	STATEMENT OF CLAIM

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	LINTOTT LAW 2913 CENTRE STREET NW CALGARY, AB T2E 2V9 ATTENTION: CASS LINTOTT PHONE: 403-520-2288 FAX: 403-230-3477 FILE NO.: 27-14359
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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, Kevin Grimes ("Grimes"), is an individual residing in the City of Costa Mesa, California, United States. At all material times Grimes was an investor in various real estate projects located in Alberta.
2. The Defendant, 2310000 Alberta Ltd. ("231"), is an Alberta corporation with a registered office in the City of Calgary, Alberta.
3. The Defendant, 1955687 Alberta Ltd. ("195"), is an Alberta corporation with a registered office in the City of Calgary, Alberta.
4. The Defendant, Yuin Kim ("Kim"), is an individual residing in the City of Calgary, Alberta. At all material times, Kim was the sole officer and director of 231 and 195, the majority shareholder of 231 and sole shareholder of 195.
5. On or about July 2021, after being advised by Kim of a real estate investment opportunity in the community of Westbrook, Calgary, Alberta (the "Westbrook Project"), Grimes invested the sum of \$250,000.00 as a shareholder's loan to 231.

6. Kim communicated with Grimes on behalf of Finance Alberta Ltd. ("FAL"). FAL was an Alberta Corporation with a registered office in the City of Calgary, Alberta. FAL was struck on September 2, 2021.
7. At the direction of Kim, Grimes forwarded the \$250,000.00 to 195 who Kim claimed to be the parent corporation of 231.
8. Upon payment to 195 of the \$250,000.00 grimes was issued 20 shares in 231 valued at \$1.00 each. The balance of the \$250,000.00 being the shareholder's loan (the "Loan").
9. It was a term of the Loan that the funds were to be utilized to allow 231 to develop the Westbrook Project.
10. From August 2021 to June 2023 Kim provided regular updates to Grimes as to the progress of the Westbrook Project.
11. After June 2023 Kim became evasive, failing to report to Grimes as to the Westbrook Project and the dealings of 231 in general.
12. On December 22, 2023, Kim, in a conversation with Grimes and a third party, threatened to sell the Westbrook Project at a loss in order to avoid having to pay back the Loan.
13. On or about January 1, 2024 Grimes discovered that Kim has made false statements, misrepresenting the Westbrook Project in order to fraudulently induce Grimes to invest in the Westbrook Project and 231.
14. Some of these fraudulent and misrepresenting statements include, but are not limited to:
 - a. 231 had properly issued Grimes shares;
 - b. 231 had a valid and enforceable Unanimous Shareholder's Agreement in place;
 - c. 231 was the parent corporation of 195;
 - d. 231 had proper permits, zoning and authorizations for the Westbrook Project;
 - e. Delays in the Westbrook Project related to permitting delays with the City of Calgary; and
 - f. Such further and other fraudulent and misrepresenting statements as shall be proven at the trial of this matter.
15. On January 1, 2024, Grimes contacted the City of Calgary planning and development department and was advised that Kim had pulled the land use application for Westbrook on July 21, 2021.
16. Despite having pulled the land use application, from July 21, 2021 to the date of this Statement of Claim, Kim continued to advise Grimes that the permits, zoning and authorizations were in place with the City of Calgary.
17. Grimes states, and the fact is, that Kim utilized FAL, 231 and 195 to fraudulently obtain the Loan. The Loan funds having been inappropriately retained by 195, Kim and/or 231.
18. Alternatively, Kim negligently misrepresented the Westbrook Project and Grimes interest in 231 in order to induce Grimes to grant the Loan.
19. Grimes states and the fact is, that Kim, as the sole officer and director and majority shareholder of 231, owed Grimes a duty of care to operate 231 in the interest of all shareholders. Kim has breached his duty of care and as such, is liable for damages to Grimes.
20. Further, and in the alternative, 231 is in breach of the Loan. Grimes claims damages due to 231's breach, rescission of the Loan and unjust enrichment as against 231.

21. Grimes proposes that this action be tried at the Court House, in the City of Calgary, in the Province of Alberta. In Grimes's opinion the trial will not take more than 25 days.

Remedy sought:

22. Wherefore, Grimes claims:

- a. A declaration that 231 in in breach of the Loan;
- b. Rescission of the Loan;
- c. Damages in the amount of \$250,000.00;
- d. A declaration that Kim breached his fiduciary duty to Grimes;
- e. A declaration that 231, 195 and Kim acted fraudulently;
- f. Alternatively, a declaration that 231, 195 and Kim negligently misrepresented the Westbrook Project;
- g. Damages, in an amount to be proven at trial;
- h. Punitive Damages;
- i. Costs on a solicitor client basis;
- j. Alternatively, costs;

NOTICE TO THE DEFENDANT(S)

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 King's Bench at Calgary, Alberta, AND serving your statement of defence or a demand for notice on the plaintiff's(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.