



Court File No. **VLC-S-S-092628**

NO. _____
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

THE BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 36 (SURREY)

PLAINTIFF

AND:

ROBERT EDWIN CHADWICK,
BARBARA J. MOORE and
COAST CAPITAL SAVINGS CREDIT UNION

DEFENDANTS

WRIT OF SUMMONS

Name and address for each Plaintiff:

THE BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 36 (SURREY)
c/o Woodward Walker
Barristers & Solicitors
Suite 4, 2119 -152 Street
White Rock, BC
V4A 4N7

Name and address of each Defendant:

ROBERT EDWIN CHADWICK
1646 - 184th Street
Surrey, BC
V4P 1M6

BARBARA J. MOORE
1646 - 184th Street
Surrey, BC
V4P 1M6

Canada, 28 days in the case of a person residing in the United States of America, and 42 days in the case of a person residing elsewhere.

[or, if the time for appearance has been set by order of the court, within that time.]

TIME FOR DEFENCE

A Statement of Defence must be filed and delivered to the plaintiff within 14 days after the later of

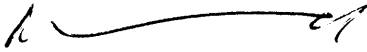
- (a) the time that the Statement of Claim is served on you (whether with this writ of summons or otherwise) or is delivered to you in accordance with the Rules of Court, and
- (b) the end of the Time for Appearance provided for above.

[or, if the time for defence has been set by order of the court, within that time.]

(1)	The address of the registry is: The Law Courts 800 Smithe Street Vancouver, B.C. V6Z 2E1
(2)	The plaintiff's address for delivery is: Woodward Walker Barristers & Solicitors Suite 4 – 2119 – 152 nd Street White Rock, BC V4A 4N7 Attention: Michael C. Woodward Fax number for delivery: (604) 541-9066
(3)	The name and office address of the plaintiff's solicitor is: As above

The plaintiff's claim is: SEE ATTACHED STATEMENT OF CLAIM

Dated: April 7, 2009



Michael C. Woodward
Solicitor for the Plaintiff

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STATEMENT OF CLAIM

1. The Plaintiff, THE BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 36 (SURREY), is a public School District created and continued under the *School Act*, RSBC 1996, c. 412, with its administrative offices at 14225 - 56th Avenue, Surrey, British Columbia.
2. The Defendant, ROBERT EDWIN CHADWICK ("Chadwick"), is a former member of the College of Teachers, and until October 23, 2006 was employed by the Plaintiff in the senior position of Associate Superintendent. Chadwick resides at 1646 - 184th Street, Surrey, British Columbia, a property which he owns (the "Surrey Property").
3. The Defendant, BARBARA J. MOORE ("Moore"), was until October of 2006 employed by the Plaintiff as Administrative Assistant - Student Support Services, and at all material times reported to Chadwick. Moore resides at 1646 - 184th Street, Surrey, British Columbia.

4. Chadwick and Moore are understood to be now married to one another. At the time of Chadwick's interview in 2006 by forensic auditors engaged by the Plaintiff's legal counsel, Chadwick denied any intimate or personal relationship with Moore.

5. The Defendant, COAST CAPITAL SAVINGS CREDIT UNION ("Coast Capital"), is a Credit Union incorporated and continued under the *Credit Union Incorporation Act*, RSBC 1996, c. 82, Incorporation No. F1-0000146, with its head office at #400 - 15117 - 101st Avenue, Surrey, British Columbia.

6. Coast Capital is amalgamated with, and the successor to, Surrey Metro Savings Credit Union ("Surrey Metro").

7. At the Newton branch of Surrey Metro, 13764 - 72nd Avenue, Surrey, British Columbia, Chadwick and Moore opened and operated Account No. 19-046-1830 under the name "SDSU Fund" (the "SDSU Fund account"). Chadwick and Moore were the sole signing authorities on the SDSU Fund account.

8. As particularized below, Chadwick and Moore engaged in a large scale fraud of the Plaintiff through deposit into the SDSU Fund account of cheques from San Diego State University ("SDSU") of San Diego, California, properly payable to the Plaintiff, and through their subsequent conversion and personal use of those funds.

9. As particularized below, Chadwick and Moore engaged in a large scale fraud of the Plaintiff through arrangement and operation of numerous contractual kick-back schemes.

THE SDSU FUND ACCOUNT

10. The Plaintiff contracted with SDSU to provide classroom accommodation, instruction and support services for its International Educational Leadership Program attended by people wishing to earn a Masters of Education degree in areas of specialty relating to education.

11. From at least 1999 through 2003 inclusive, the SDSU program was managed by Chadwick whose overall responsibilities, as Associate Superintendent, included International Education, Continuing Education, Surrey College, Career Education and the Conference Centre.

12. The SDSU Fund account was not a bank account in the name of, or held for the benefit of, the Plaintiff. Chadwick and Moore operated the SDSU Fund account "off record" to the financial affairs of the Plaintiff.

13. Between June 2002 and June 2003, Chadwick and Moore received cheque payments from SDSU totalling \$167,689.32 United States currency ("USD"). These cheque payments by SDSU were on their face payable to the order of:

Surrey School District 36
Attn: Bob Chadwick
400 - 9260 - 140 Street
Surrey V3V 5Z4, Canada

14. The above address is that of the Plaintiff's Conference Centre, where Chadwick had his office.

15. The particulars of the foregoing cheques are as follows:

<u>Cheque #</u>	<u>Date</u>	<u>Amount</u>	<u>Endorsement Details</u>
234-157281	06/11/02	\$27,000.00 USD	Written endorsement "461830 R. Chadwick", per "Scotiabank Data Centre Vancouver" on June 20, 2002, per "Bank of America, NA SEA" on June 21, 2002.
234-158378	06/25/02	\$5,466.41 USD	Written endorsement "461830", plus stamped endorsement "For Deposit Only to the Credit of the Payee(s)", per "Scotiabank Data Centre Vancouver", on July 9, 2002, per "Bank of America, NA SEA" on July 10, 2002.
234-158544	06/27/02	\$4,500.00 USD	Written endorsement "461830", plus stamped endorsement "Surrey Metro Savings Newton Branch Surrey, BC", per "Scotiabank Data Centre Vancouver", on July 23, 2002, per "Bank of America, NA SEA" on July 24, 2002.
234-160365	07/31/02	\$130,000.00 USD	Written endorsement "Robert Chadwick 461830", plus stamped endorsement "Surrey Metro Savings Newton Branch Surrey, BC", per "Scotiabank Data Centre Vancouver", on August 02, 2002, per "Bank of America, NA SEA" on August 05, 2002.

16. Each of the above four cheques were deposited by Chadwick and/or Moore into the SDSU Fund account.

17. In the said 2002-2003 time period, there was a further cheque from SDSU in the amount of \$722.91 USD payable to the order of:

Surrey School District 36
 Attn: Barbara Moore
 400 - 9260 - 140 Street
 Surrey V3V 5Z4, Canada

18. The particulars of the foregoing cheque are as follows:

<u>Cheque #</u>	<u>Date</u>	<u>Amount</u>	<u>Endorsement Details</u>
234-176355	06/03/2003	\$722.91 USD	Written endorsement "Deposit only to 190461830 B.J. Moore Robert Chadwick US", per "Scotiabank Data Centre Vancouver", on July 15, 2003, per "Bank of America, NA SEA" on July 16, 2003.

19. This cheque was deposited by Chadwick and/or Moore into the SDSU Fund account.

20. The total of the above five cancelled cheques evidences diversion to Chadwick and Moore of funds payable to the Plaintiff in the amount, therefore, of \$167,689.32 USD.

21. With then prevailing currency exchange rates, which were substantial and generally exceeded 30%, the total of the above misappropriations by Chadwick and Moore have a true value exceeding \$225,000.

22. Surrey Metro wrongfully and unlawfully facilitated the above-described conversion of the Plaintiff's funds by Chadwick and Moore by permitting and processing the deposit of the said funds into the SDSU Fund account.

23. Coast Capital is lawfully responsible for the said facilitation by Surrey Metro.

24. There is no accounting for the receipt and disbursement of any of the above-described funds deposited to the SDSU Fund account.

25. There is a likelihood, based on SDSU purchase orders, that Chadwick and Moore received further payments from SDSU totalling \$95,900 USD in or about June 2001 and a further \$236,965.05 USD or possibly \$258,450 USD between March 1999 and June 2000.

26. It is not at the present time known whether all or part of the further payments described at Paragraph 25 above, were deposited by Chadwick and Moore into the SDSU Fund account, or what was then done by them by way of subsequent disbursement of those further funds. Those further funds are not accounted for in any of the accounting records of the Plaintiff over which Chadwick and Moore had care and control. The full particulars are within the means of knowledge of Chadwick and Moore. The Plaintiff craves leave to plead further as such particulars become known.

THE KICK-BACK SCHEMES

Templar Productions / Richard Jacoma

27. Templar Productions is a proprietorship operated by Richard Jacoma of Pennsylvania, U.S.A. (collectively, "Jacoma"). Chadwick arranged contracts for service between the Plaintiff and this U.S. based service provider, utilizing a West Vancouver address for the purposes of having a fictional Canadian presence.

28. Chadwick abetted the splitting of such contracts so that each would fall under a \$10,000 threshold. This was done as a means to reduce scrutiny of Chadwick's activities and to facilitate the below-described kick-back schemes.

29. Pursuant to contracts arranged between the Plaintiff and Jacoma, Chadwick in 2005 received three kick-back payments from that supplier, in the amounts of \$2,500, \$3,000 and \$3,000 which were personally delivered to him by Mr. Lee Weinstein.

30. Lee Weinstein ("Weinstein") was at all material times an employee of the Plaintiff. He was a Principal of the North Surrey Learning Centre, and reported directly to Chadwick.
31. Weinstein resigned his employment with the Plaintiff on October 17, 2006 and made restitutionary payments to the Plaintiff in the amount of \$11,300 on October 13, 2006.
32. Weinstein subsequently withdrew from participation in the above-described kick-back scheme Chadwick had arranged with Jacoma. After this withdrawal, Chadwick arranged in excess of \$40,000 in further contracts between the Plaintiff and Jacoma.
33. On or about April 21, 2006, Chadwick arranged a \$9,500 contract with Jacoma for work on a brochure for Surrey International College. In exchange for this contract, Chadwick arranged that \$6,200 in kick-back payments would be paid to Moore's proprietorship, CRN Enterprises.
34. In furtherance of this scheme, Chadwick and Moore arranged for invoices to be issued to Jacoma by CRN Enterprises in the amounts of \$3,000 and \$3,200 respectively.
35. The said invoices were fraudulent in that no work or services were provided by Moore or CRN Enterprises to Jacoma.
36. The said \$6,200 in kick-back payments was paid by Jacoma by way of cheques dated May 11, 2006 in the amount of \$3,000 and dated May 29, 2006 in the amount of \$3,200, each payable to "Barbara Moore / CRN Enterprises". The said cheques, which were in fact paid in USD, were deposited by Moore into yet another account she owned and controlled at Coast Capital.
37. The said cheques were personally delivered by Jacoma to Chadwick.

Barbara Moore / CRN Enterprises

38. Chadwick and Moore created and abetted a kick-back scheme whereby Moore, herself a School District employee, was to provide \$15,000 in administrative support services to a Literacy B.C. project being run by the School District, and pursuant to which Moore was to pay \$5,000 in kick-back payments to Weinstein.

39. Weinstein did in fact receive \$4,000 in such kick-back payments. The first \$1,000 kick-back payment was made by way of cheque issued by Moore to Weinstein. Chadwick at that point intervened to ensure that all subsequent kick-back payments would be on a cash basis.

I.C.E. Canada Inc.

40. Chadwick and Moore arranged that Moore, through CRN Enterprises, would allegedly perform services to I.C.E. Canada Inc.. I.C.E. Canada Inc. was a supplier of services to the Plaintiff. I.C.E. Canada Inc. invoiced these costs to the Plaintiff, and Chadwick and Moore ensured these invoices were paid by the Plaintiff. Particulars of invoices issued to I.C.E. Canada Inc. by CRN Enterprises include the following:

- (a) May 19, 2005 invoice of \$2,900 for the design and production of education materials;
- (b) January 17, 2006 invoice of \$5,500 to provide ESL assessments to 11 students;
- (c) May 6, 2006 invoice of \$6,500 for 13 days of typesetting, graphic development and proofreading work;
- (d) May 1, 2006 invoice of \$5,000 to provide administration support services to youth from Thailand.

41. At all, or most times, when Moore, through CRN Enterprises, was allegedly providing these services to I.C.E. Canada Inc., Moore was on the payroll as an employee of the Plaintiff, and performing any and all such services while being paid salary by the Plaintiff.

Retail Skills Program

42. Chadwick and Moore arranged that Moore, through CRN Enterprises, would allegedly perform services to the Retail Skills Program being operated by the Plaintiff. Particulars of invoices issued to the Retail Skills Program by CRN Enterprises include the following:

- (a) payment to CRN Enterprises of \$20,000 for providing services from March 6 - December 31, 2006 respectively.

43. At all, or most times, when Moore, through CRN Enterprises was allegedly providing these services to the Retail Skills Program, Moore was on the payroll as an employee of the Plaintiff, and performing any and all such services while being paid salary by the Plaintiff.

44. The Retail Skills Program, operated through the Plaintiff's Surrey College, was operated by the Plaintiff pursuant to a contract arranged by Weinstein and/or Chadwick for Mr. Antew DeJane ("DeJane"), utilizing DeJane's proprietorship, Orbit Educational Consultants ("Orbit").

45. DeJane was, at all material times, a temporary employee of the Plaintiff, who reported to Weinstein.

Tsige Balga, DeJane and Orbit

46. Subsequent to completion of the above-described Retail Skills Program, at Chadwick's suggestion and instigation, a further contract was arranged between the

Plaintiff and DeJane. These arrangements were made through Weinstein. Chadwick described the contract as “like the one Richard Jacoma was doing”.

47. In order to disguise the fact that a contract was being made with an employee of the Plaintiff, DeJane, it was arranged that this contract would be made between the Plaintiff and DeJane’s spouse, Tsige Balga. Pursuant to this contract, Weinstein obtained from DeJane kick-back payments in the amount of \$2,000 and \$1,000 respectively. These kick-back payments were delivered by DeJane to Weinstein in approximately August 2005 for transmission of those funds to Chadwick. Weinstein did deliver that said \$3,000 to Chadwick.

48. After this initial contract, Weinstein withdrew from participation in the kick-back scheme Chadwick had arranged with DeJane, and thereafter, DeJane paid Chadwick his kick-backs directly.

49. The Plaintiff says and the fact is that Chadwick and Moore conspired to create, and did participate, in other contractual kick-back schemes and misappropriations of funds, all to the detriment of the Plaintiff. The Plaintiff craves leave to plead further as such particulars become known.

50. As an Associate Superintendent with the Plaintiff, Chadwick had fiduciary obligations to the Plaintiff, which Chadwick ignored and breached as described above.

51. As particularized above, Chadwick and Moore have engaged in conversion, deceit, theft, fraud, misappropriation, conspiracy and breach of fiduciary obligations, all to the direct detriment of the Plaintiff.

52. The Plaintiff says that the actions of Chadwick and Moore as described above give rise to a constructive trust in favour of the Plaintiff over all such funds and payments. The Plaintiff says that such funds and payments are traceable to property and assets and accounts owned and controlled by Chadwick and/or Moore.

53. The Plaintiff says that at least some portion of the above-described funds and payments were utilized to acquire, improve and maintain the Surrey Property. The Plaintiff claims a trust interest over the Surrey Property, and a Certificate of Pending Litigation over the Surrey Property.

54. The legal description of the Surrey Property is:

PID: 001-671-235
Parcel "A" (Reference Plan 3964) of the South West Quarter Section 16,
Township 7 Except: Firstly: Parcel "C" (Reference Plan 8713) and
Secondly: Parcel "One" (Explanatory Plan 12282), New Westminster
District

55. By reason of destruction and/or misdirection of banking and financial records, including those pertaining to the SDSU Program, Chadwick and Moore have committed the tort of spoliation of evidence.

56. By letter from the Plaintiff's Superintendent of Schools, dated October 19, 2006, Chadwick was informed of a hearing to be held before the Plaintiff's Board of School Trustees on November 2, 2006, at which the Board would consider the Superintendent's recommendation that Chadwick be immediately dismissed for cause from his employment with the Plaintiff, on the basis of serious misconduct.

57. Rather than proceed to that hearing before School Trustees, Chadwick resigned his employment immediately on October 23, 2006.

58. Moore resigned her employment with the Plaintiff virtually simultaneously with Chadwick, and in this way avoided immediate dismissal for cause.

59. On or about January 16, 2007, the Plaintiff made demand for restitution of contractual kick-back funds from Chadwick and Moore, but each refused. That said demand did not include matters pertaining to the SDSU Fund account, as that matter came to the Plaintiff's attention only subsequently.

60. The Plaintiff expended very substantial funds investigating the above-described conduct of Chadwick and Moore, which investigation expenses are not reimbursable from any source other than Chadwick and Moore.

WHEREFORE THE PLAINTIFF CLAIMS AS FOLLOWS:

As against Chadwick and Moore, jointly and severally:

- (a) General damages;
- (b) Special damages;
- (c) An accounting;
- (d) Tracing;
- (e) A constructive trust;
- (f) A Certificate of Pending Litigation on the Surrey Property;
- (g) Investigation costs;
- (h) Aggravated damages;
- (i) Punitive damages;

As against Coast Capital:

- (j) General damages;
- (k) Special damages;

As against all Defendants:

- (l) Interest pursuant to the *Court Order Interest Act*, RSBC 1996, c. 79, as amended;

(m) Costs; and

(n) Such further and other relief as this Honourable Court may seem just.

Place of Trial: Vancouver, British Columbia

Dated: April 7, 2009



Michael C. Woodward,
Solicitor for the Plaintiff

Plaintiff's
Address for Delivery:

Woodward Walker
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4, 2119 152 Street
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V4A 4N7
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**WRIT OF SUMMONS and
STATEMENT OF CLAIM**

1002.024

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