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No.  
Victoria Registry

**SUPREME COURT  
OF  
BRITISH COLUMBIA**  
*In the Supreme Court of British Columbia*  
**SEAL** Civil Forfeiture Action *in Rem* Against  
Funds held at The Toronto-Dominion Bank in Accounts 9313-7200698, 9313-5006595  
and 9313-50077362 and the Proceeds thereof  
VICTORIA  
REGISTRY  
AUG 30 2016  
Director of Civil Forfeiture  
Plaintiff  
and  
The Owners and all Others Interested in the Bank Accounts,  
in particular CNM Communications Inc. and Easy Padala Inc.  
Defendants

### **NOTICE OF CIVIL CLAIM – CIVIL FORFEITURE (IN REM)**

Name and address of each plaintiff:

Director of Civil Forfeiture  
c/o Ministry of Justice, Legal Services Branch  
1001 Douglas Street, Victoria BC  
V8W 9J7  
Via Fax (250) 387-4002

Description of property: Funds held at The Toronto-Dominion Bank in Accounts 9313-7200698, 9313-5006595 and 9313-50077362 and the Proceeds thereof

*To the defendants:*

TAKE NOTICE that this action has been started against you by the plaintiff for the claim(s) set out in this notice of civil claim.

IF YOU INTEND TO RESPOND TO this action, or if you have a set-off or counterclaim that you wish to have taken into account at the trial, YOU MUST FILE a response to civil claim in Form 2 in the above registry of this court within 21 days after being served with

a copy of the filed notice of civil claim and SERVE a copy of the filed response to civil claim on the plaintiff's(s') address for service.

YOU OR YOUR LAWYER may file the response to civil claim.

APPLICATION FOR JUDGMENT AGAINST THE PROPERTY MAY BE MADE IF YOU FAIL to file the response to civil claim within 21 days after being served with a copy of the filed notice of civil claim.

### CLAIM OF THE PLAINTIFF

#### **Part 1: STATEMENT OF FACTS**

1. The defendant, CNM Communications Inc. ("CNM") is a company incorporated in British Columbia on April 19, 2012 with a registered and records office of 205 – 101 Morrissey Road, Port Moody, BC.
2. Francisco Cortes ("Mr. Cortes") and Zeala Cortes ("Ms. Cortes") are the sole directors and officers of CNM.
3. Mr. Cortes and Ms. Cortes are listed as residents of the address of 205 – 101 Morrissey Road, Port Moody, BC.
4. CNM maintains a US Dollar bank account at the Toronto-Dominion Bank, with an address of Unit 1 - 110 Brew Street, Port Moody, British Columbia, V3H0E4, Canada (the "TD") under account number 9313-7200698 (the "CNM USD Account").
5. The directors of the CNM USD Account are listed as Mr. Cortes and Ms. Cortes.
6. CNM maintains a Canadian Dollar bank account at the TD under account number 9313-5006595 (the "CNM CAD Account").

7. The defendant, Easy Padala Inc. (“Easy Padala”) is a company incorporated in British Columbia on March 8, 2014 with a registered and records office of 205 - 101 Morrissey Road, Port Moody, BC.
8. Mr. Cortes is the officer of Easy Padala. Mr. Cortes and Ms. Cortes are the directors of Easy Padala.
9. Easy Padala maintains a US Dollar bank account at the TD under account number 9313-50077362 (the “Easy Padala USD Account”).
10. Elan Wellness Group Inc. has a company address of 205 – 101 Morrissey Road, Port Moody, BC.

#### **Unlawful Activities**

11. On June 6, 2016, Port Moody Police Department (“PMPD”) commenced an investigation into an allegation that Ms. Gray was defrauded.

#### **Background**

12. On or about April 8, 2016, an 84-year-old, New Jersey resident Doris Gray (“Ms. Gray”) was contacted by an unknown male claiming to be “Christopher Quinn”, working for “Anderson and Quinn Associates Law Firm”, who convinced Ms. Gray in telephone conversations that she had won a grand prize sweepstakes lottery of \$1,500,000.00 USD.
13. Ms. Gray was informed that she needed to make payment on account of taxes incurred by the prize money winnings, so she could receive the grand prize. The bank account that Ms. Gray was to transfer money into was under the name “CNM Communications”, with an address of 205 – 101 Morrissey Road, Port Moody, BC, Canada.

14. On April 18, 2016, Ms. Gray transferred \$49,500 USD to the CNM USD Account.
15. On May 17, 2016, Ms. Gray transferred \$43,000 USD to the CNM USD Account.

### **Investigation**

16. On June 23, 2016, PMPD obtained a Production Order for the CNM USD Account.
17. Between April 8, 2016 and June 15, 2016, 25 deposits were made into the CNM USD Account, totaling \$1,191,377.01 USD.
18. Of these 25 deposits, 13 deposits consisted of wire transfers received from the United States, including Ms. Gray's, totaling \$715,060.50 USD.
19. Subsequent investigation revealed that at least 5 individuals from the United States made police reports, and/or provided information confirming that they had forwarded money to the CNM USD Account under the belief that they were winners of a "sweepstakes lottery grand prize" requiring payment on account of taxes and fees for receipt of the full amount of the prize money.
20. These additional money transfers by these additional fraud victims to the CNM USD Account were similar in nature to Ms. Gray's money transfers.
21. Between April 8, 2016 and June 15, 2016, numerous transfers of funds were made out of the CNM USD Account to several accounts and/or companies registered to Mr. Cortes, including:
  - a. 9 transfers from the CNM USD Account to the Easy Padala USD Account, totaling \$222,039.88 USD;

- b. 3 transfers from the CNM USD Account to the CNM CAD Account, totalling \$99,610.24 USD; and
  - c. 3 transfers from the CNM USD Account to Elan Wellness Group Inc. account, totaling \$90,000.00 USD.
22. Between April 8, 2016 and June 15, 2016, there was an inter-account transfer from the CNM CAD Account to the CNM USD Account, totaling \$23,279.27 USD.
23. Between April 8, 2016 and June 15, 2016, there were 10 transfers from Elan Wellness Group Inc. account to the CNM USD Account, totaling \$453,000.00 USD.

### **Findings of Investigation**

24. The defendants acquired some or all of their financial resources directly or indirectly from the following unlawful activities, including:
- a. Fraud contrary to section 380 of the *Criminal Code of Canada*, RSC 1985, c. C-46 (the "*Criminal Code*"); and
  - b. Laundering Proceeds of Crime contrary to section 462.31 of the *Criminal Code*;
- (collectively, the "Unlawful Activities").
25. The proceeds of the CNM USD Account, the CNM CAD Account and the Easy Padala USD Account (collectively, the "Accounts") were acquired as a result of the participation of the defendants and/or others in the Unlawful Activities.
26. In the alternative, if the defendants were not participants in the Unlawful Activities, they were willfully blind to the use of the Accounts for the purpose of

fraud and laundering proceeds of crime, and therefore are not uninvolved interest holders.

27. If the proceeds of the Accounts are not forfeited, the defendants are likely to use these properties to fund or facilitate the Unlawful Activities or similar activities in the future.

## **Part 2: RELIEF SOUGHT**

1. An order under s. 5(1) of the *Civil Forfeiture Act*, SBC 2005, c. 29 (the “*Act*”) that the defendants’ interest in the Accounts and its proceeds, including any interest, be forfeited to Her Majesty the Queen in right of the Province of British Columbia (the “Government”).
2. An order under s. 5(2) of the *Act* that the Accounts and their proceeds, including any interest, be forfeited to the Government.
3. An order under s. 7(2) of the *Act* that the effective date of forfeiture to the Government is the date these proceedings are commenced.
4. An order under s. 26 of the *Act* that the Accounts and their proceeds be paid into the civil forfeiture account of the consolidated revenue fund.
5. Costs.

## **Part 3: LEGAL BASIS**

1. Under s. 3(1) of the *Act* the plaintiff, Director of Civil Forfeiture (the “Director”), may apply to court for an order forfeiting to the Government property located in British Columbia that is proceeds of unlawful activity. Proceeds of unlawful activity include property that is acquired directly or indirectly from unlawful activity. Unlawful activity includes acts or omissions that at the time of occurrence are offences under an Act of Canada.

2. Under s. 3(2) of the *Act*, the Director may apply to the court for an order forfeiting to the Government property that is an instrument of unlawful activity. An instrument of unlawful activity includes property that has been, or that is likely to be, used to engage in unlawful activity that, in turn, resulted in, was likely to result in, or that may result in in the acquisition of property or an interest in property or caused, was likely to cause, or that may cause serious bodily harm to a person.
3. Under s. 5(1) and 5(2) of the *Act*, the court must forfeit property that is proceeds or instruments of unlawful activity to the Government, subject to certain defences that must be pleaded and proved by the defendants.
4. The Unlawful Activities are offences as defined under section 462.31(1) and 380(1) of the *Criminal Code*.
5. The defendants received funds as a result of money transfers to the CNM USD Account obtained by fraud contrary to section 380(1) of the *Criminal Code*.
6. The defendants transferred fraudulently received money through accounts of non-arm's length companies thereby laundering the proceeds of crime contrary to section 462.31 of the *Criminal Code*.
7. Some or all of the Accounts are proceeds of unlawful activity because they were directly or indirectly acquired, in whole or in part, from the commission of some or all of the Unlawful Activities.
8. Since the proceeds of the Accounts are proceeds of unlawful activity, so too are any of their proceeds.
9. The Accounts are proceeds of crime pursuant to s. 462.3 of the *Criminal Code*.

10. The monetary value of the proceeds of the Accounts are an instrument of unlawful activity because if they are not seized, they will likely be used to facilitate further unlawful activity.
11. Under s. 7(2) of the *Act*, the effective date of forfeiture of personal property that is cash is the date that proceedings are commenced under s. 3 of the *Act*.
12. Under s. 26 of the *Act*, the Director must pay any funds forfeited to the Government into the civil forfeiture account of the consolidated revenue fund.

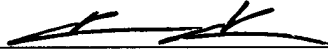
**Plaintiff's address for service:** 1001 Douglas Street, Victoria BC V8W 9J7

**Fax number address for service:** (250) 387-4002

Place of trial: Vancouver, BC

The address of the registry is: 850 Burdett Avenue, Victoria, BC

Date: 29/AUG/2016

  
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Carley Gering  
lawyer for plaintiff