

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

**EQUIBIT GROUP LTD., CHRISTOPHER ERIC HORLACHER and  
MARC GODARD**

Plaintiffs

-and-

**CHRISTIAN SAUCIER, DAVID MCFADZEAN, BART DE GROOT,  
ABDELAZIZ OULAD HADJ, VALENTIN GANEV, JOHN DOE NO.1, also  
known as ZEEMOBYDICK, JOHN DOE NO. 2, also known as  
THELOSTBOY@THETWISTEDDIGIT, JOHN DOE NO.3, also known as  
SATOSHI JIMENEZ**

Defendants

**STATEMENT OF DEFENCE AND COUNTERCLAIM OF  
ABDELAZIZ OULAD HADJ and BART DE GROOT**

1. The defendants and plaintiffs by counterclaim, Abdelaziz Oulad Hadj (“Abdelaziz”) and Bart De Groot (“Bart”), deny each and every allegation contained in the statement of claim, unless expressly admitted herein or where no knowledge is plead herein. Abdelaziz and Bart further and expressly plead that the plaintiffs are not entitled to any relief claimed in, *inter alia*, paragraphs 1, 2, 3, and 4 of the statement of claim.
2. Abdelaziz pleads that the words complained of in the statement of claim (“**Words Complained Of**”) were written in good faith, without malice and are not defamatory of the plaintiffs, either in their plain or ordinary meaning or by innuendo, and are substantially true in substance and fact.

3. Bart pleads that the words complained of in the statement of claim (“**Words Complained Of**”) were written in good faith, without malice and are not defamatory of the plaintiffs, either in their plain or ordinary meaning or by innuendo, and are substantially true in substance and fact.
4. Both Abdelaziz and Bart plead that the Words Complained Of either in their plain and ordinary meaning or by innuendo, do not bear, are not understood to bear, and are not capable of bearing the meanings alleged in the statement of claim, and both Abdelaziz and Bart put the plaintiffs to the strict proof of any allegation to the contrary.
5. Abdelaziz and Bart have no knowledge of any of the paragraphs of the statement of claim that make allegations against Christian Saucier, David McFadzean, Valentin Ganev, John Doe No. 1 also known as ZEEMOBYDICK, John Doe No. 2 also known as THELOSTBOY@THETWISTEDDIGIT, and John Doe No. 3 also known as SATOSHI JIMENEZ.

### **The Parties**

6. Bart and Abdelaziz were investors in Equibit Group Ltd. (“Equibit”).
7. Bart and Abdelaziz admit that Equibit advertised itself as a company that would write the code for a decentralized transfer agent service, including the registration of securities, using blockchain—an immutable, digital ledger for recording transactions (the “Code”). These services would be provided via an online, peer-to-peer, Equibit dedicated network (the “Network”) as an open, accountable and transparent alternative to traditional over-the-counter securities trading services.

8. As stated in paragraph 16, similar to Bitcoin, the Network was to contain minable tokens, or, equibits (“EQB Tokens”) with a total of 22 million EQB Tokens minable over 55 years. These Tokens were to have empty information fields, fillable by the Network’s users (such as securities’ issuers) to enable the registration, creation, trade and holding of securities on the Network.
9. Bart initially invested in Equibit on October 28, 2017 (“the investment”). The total investment was as follows:
  - a. there was an initial investment in 10.3 bitcoin;
  - b. an additional 2.5 bitcoin was added to the investment November 2017; and
  - c. this brought the total investment to 12.8 bitcoin or approximately \$60,000.00 United States Dollars.
10. Bart’s investment in Equibit comprised of more or less all of his life savings. Bart is a 23-year-old university student residing in the Netherlands. At the time of the investment, he was just beginning his university studies.
11. After Bart made the investment, the plaintiffs allowed him to access the MVP group chat. This chat included all of the investors who invested more than 10 bitcoin in Equibit.
12. Eventually the chat was moved to the social media platform Discord.
13. Abdelaziz also invested in Equibit on or about October 2017. His investment totaled approximately \$355,000 United States dollars.

14. The Plaintiff Christopher Eric Horlacher made vague promises about the identities of other investors who were lined up, they told Bart and Abdelaziz that they had sold a significant amount of bitcoin during the 2017 cycle, and that they had been wining and dining other significant investors.
15. However, by November 2018, the plaintiffs still did not have a working product, or a coin, and the plaintiff Horlacher wrote to Bart and Abdelaziz indicated that he wanted to meet in Amsterdam given that many of the Equibit investors were allegedly from Holland.
16. Bart and Abdelaziz met with the plaintiff Horlacher at the DoubleTree SkyLounge in Amsterdam where he was allegedly staying.
17. Horlacher indicated that everything was going according to plan and that they had plenty of funds from other investors.
18. Horlacher then asked for additional money from Bart and Abdelaziz. He said that it was very hard to raise money as a result of a Bear Market since the inception of Cryptocurrencies. Horlacher stated that prices were down 80-90%.
19. Bart and Abdelaziz told Horlacher that they were heavily invested and that they could afford no more money towards an additional investment. Horlacher asked if either Bart or Abdelaziz knew any other rich bitcoin investors who might be keen to support the project. However, Bart and Abdelaziz rejected the offer.
20. Bart and Abdelaziz have lost their entire investments. The plaintiffs have never returned their investments despite repeated requests to do so.

## **The Word Complained of-Bart and Abdelaziz**

21. Bart and Abdelaziz plead, again, that the Words Complained Of are substantially true in substance and fact.
22. Bart and Abdelaziz deny that the plaintiffs' reputation has been lowered or that they have suffered any damages as alleged in the statement of claim, or at all, with respect to the words complained of. In the alternative, if the plaintiffs' reputation has been lowered or if the plaintiffs have suffered any damages, all of which are expressly denied, then the injuries or damages sustained are not due to the Words Complained Of, but rather were caused or contributed to by the plaintiffs own actions.
23. In the alternative, if the plaintiffs' reputation has been lowered, or, if the plaintiff has suffered any damages, all of which are strictly denied, the damages sought are excessive or too remote or both, and the plaintiff has taken no or inadequate steps or actions to mitigate such damages. Moreover, for Horlacher and Marc Godard were moderators of the social media forums where the Words Complained Of were made. At any point, either Godard or Horlacher could have deleted the posts if they believed them to be offensive and failed to do so.
24. Bart and Abdelaziz deny that the plaintiffs have suffered and continue to suffer from any mental pain, or emotional and/or financial distress and puts the plaintiffs to the strict proof thereof.
25. Bart and Abdelaziz deny that the plaintiffs have suffered any damages whatsoever.

26. Bart and Abdelaziz deny that the plaintiffs have suffered economic loss, loss of income, loss of economic opportunities and loss of competitive advantage, as a result of the Words Complained Of, and, puts the plaintiffs to the strict proof thereof.
27. Further, Bart and Abdelaziz specifically deny that any statements made had any actual or implied malice but rather were true.
28. Moreover, Bart and Abdelaziz specifically deny that they acted in any manner which would attract aggravated or punitive damages or costs on a substantial indemnity scale and puts the plaintiffs to the strict proof thereof.
29. In the alternative, Bart and Abdelaziz plead the doctrine of fair comment. Specifically, the Words Complained Of are based on known and provable facts, and are solely an opinion that any person is capable of holding based on those facts, and with no actual or implied malice underlying it.
30. On October 28, 2015, the Ontario Government passed Bill 52, *An Act to amend the Courts of Justice Act, the Libel and Slander Act, and the Statutory Powers and Procedure Act in order to protect expression on matters of public interest*, which is also known as *The Protection of Public Participation Act* (the “Act”). The Act received Royal Assent on November 3, 2015. Bart and Abdelaziz rely on the Act in support of their position that the within lawsuit should be dismissed as an abuse of process.
31. Bart and Abdelaziz further plead that the Words Complained Of in the statement of claim do not bear, are not understood to bear, and are not capable of bearing the meanings alleged in the statement of claim, and Bart and Abdelaziz put the plaintiffs to the strict proof of any allegations to the contrary.

32. Bart and Abdelaziz plead that the plaintiffs were aware of all of the Words Complained Of and yet the plaintiffs failed to comply with section 5(1) of the *Libel and Slander Act*, R.S.O. 1990, c. L. 12. (“*LSA*”), which states that no action for libel in a broadcast lies unless the Plaintiff has, within six weeks after the alleged libel has come to the Plaintiff’s knowledge, given the Defendant notice in writing, specifying the matter complained of, which shall be served in the same manner as a Statement of Claim or by delivering it to a grown-up person at the chief office of the Defendant. The social media forums where the Words Complained Of are alleged to have been posted fall within the definition of a broadcast.

33. Bart and Abdelaziz further plead that, in contravention of section 6 of *LSA*, the plaintiffs failed to commence an action within three months from the time that the alleged libelous messages, i.e. Words Complained Of, came to the knowledge of the plaintiffs. The action is therefore time barred.

34. Insofar as may be necessary, Bart and Abdelaziz plead and rely upon the provisions of the *Libel and Slander Act*, R.S.O. 1990 c. L.12, as amended, and in particular:

- a. s. 21 (regarding plaintiff’s character);
- b. s. 22 (regarding justification);
- c. s. 23-24 (regarding fair comment); and
- d. s. 25 (regarding application of qualified privilege).

35. Bart and Abdelaziz further plead that the plaintiffs use of the tort of defamation in this action becomes a grave tool of oppression and intimidation that violates Bart and Abdelaziz’s right to freedom of expression, contrary to s. 2 (a) and (b) of the *Canadian Charter of Rights and Freedoms*.

36. Bart and Abdelaziz further deny that the Words Complained Of have subject any of the plaintiffs to ridicule, contempt, hatred or personal humiliation of any kind and puts the plaintiffs to the strictest proof thereof.
37. Bart and Abdelaziz further deny that the Words Complained Of results in any economic loss of any kind for any for the plaintiffs and puts the plaintiffs to the strictest proof thereof.
38. Bart and Abdelaziz further deny engaging in conspiracy, knowing receipt and knowing assistance in breach of trust or conversion. In fact, there are no facts plead within the statement of claim to substantiate such allegations and they appear to be made solely against the Employee Defendants.
39. Bart and Abdelaziz therefore respectfully request that the within action be dismissed as against them with costs on a substantial indemnity basis, plus HST, throughout.

### **COUNTERCLAIM**

40. Bart claims against the plaintiff Equibit Group Ltd. and now defendant by counterclaim:
- (a) general damages for breach of contract, negligence, and/or fraud in the amount of \$150,000.00;
  - (b) aggravated and/or punitive damages in the amount of \$100,000.00;
  - (c) prejudgment and post judgment interest pursuant to the *Courts of Justice Act*, R.S.O. 119, c. C.43 as amended;
  - (d) An Order in the nature of a *Mareva* injunction restraining the Defendant by Counterclaim, its servants and agents, and any other person given notice of an Order from removing or otherwise disposing of or dealing with any of the Defendant by

- Counterclaim's assets, wherever situated in the world, until the final determination of this action or until further Order of the Court;
- (e) An Order in the nature of a *Mareva* injunction restraining any person, bank, credit union, financial institution, which holds money standing to the credit of the Defendant by Counterclaim, upon receiving notice of the Order, from dispensing, transferring or otherwise dealing with the Defendant by Counterclaim's assets without Bart's consent until the final determination of this action or until further Order of the Court;
  - (f) a declaration that Bart is entitled to trace the monies fraudulently obtained from him into and through any financial institution, accounts or deposit facilities in the name of the Defendant by Counterclaim and into or through any assets purchased by the Defendant by Counterclaim with Bart's monies and to recover same;
  - (g) a declaration that Bart is entitled to trace his assets into the hands of the Defendant by Counterclaim and that the Defendant by Counterclaim hold all these assets as constructive trustees for Bart;
  - (h) costs of this action on a substantial indemnity basis; and
  - (i) such further and other relief as to this Honourable Court seems just.

41. Bart claims against the plaintiffs Christopher Eric Horlacher and Marc Godard and now defendants by counterclaim:

- (a) general damages for fraud in the amount of \$150,000.00;
- (b) aggravated and/or punitive damages in the amount of \$100,000.00;
- (c) prejudgment and post judgment interest pursuant to the *Courts of Justice Act*, R.S.O. 119, c. C.43 as amended;

- (d) An Order in the nature of a *Mareva* injunction restraining the Defendants by Counterclaim, its servants and agents, and any other person given notice of an Order from removing or otherwise disposing of or dealing with any of the Defendants by Counterclaim's assets, wherever situated in the world, until the final determination of this action or until further Order of the Court;
- (e) An Order in the nature of a *Mareva* injunction restraining any person, bank, credit union, financial institution, which holds money standing to the credit of the Defendants by Counterclaim, upon receiving notice of the Order, from dispensing, transferring or otherwise dealing with the Defendants by Counterclaim's assets without Bart's consent until the final determination of this action or until further Order of the Court;
- (f) a declaration that Bart is entitled to trace the monies fraudulently obtained from him into and through any financial institution, accounts or deposit facilities in the name of the Defendants by Counterclaim and into or through any assets purchased by the Defendants by Counterclaim with Bart's monies and to recover same;
- (g) a declaration that Bart is entitled to trace his assets into the hands of the Defendants by Counterclaim and that the Defendants by Counterclaim hold all these assets as constructive trustees for Bart;
- (h) costs of this action on a substantial indemnity basis; and
- (i) such further and other relief as to this Honourable Court seems just.

42. Abdelaziz claims against the plaintiff Equibit Group Ltd. and now defendant by counterclaim:

- (a) general damages for breach of contract, negligence, and/or fraud in the amount of \$500,000.00;

- (b) aggravated and/or punitive damages in the amount of \$100,000.00;
- (c) prejudgment and post judgment interest pursuant to the *Courts of Justice Act*, R.S.O. 119, c. C.43 as amended;
- (d) An Order in the nature of a *Mareva* injunction restraining the Defendant by Counterclaim, its servants and agents, and any other person given notice of an Order from removing or otherwise disposing of or dealing with any of the Defendant by Counterclaim's assets, wherever situated in the world, until the final determination of this action or until further Order of the Court;
- (e) An Order in the nature of a *Mareva* injunction restraining any person, bank, credit union, financial institution, which holds money standing to the credit of the Defendant by Counterclaim, upon receiving notice of the Order, from dispensing, transferring or otherwise dealing with the Defendant by Counterclaim's assets without Abdelaziz's consent until the final determination of this action or until further Order of the Court;
- (f) a declaration that Abdelaziz is entitled to trace the monies fraudulently obtained from him into and through any financial institution, accounts or deposit facilities in the name of the Defendant by Counterclaim and into or through any assets purchased by the Defendant by Counterclaim with Abdelaziz's monies and to recover same;
- (g) a declaration that Abdelaziz is entitled to trace his assets into the hands of the Defendant by Counterclaim and that the Defendant by Counterclaim hold all these assets as constructive trustees for Abdelaziz;
- (h) costs of this action on a substantial indemnity basis; and
- (i) such further and other relief as to this Honourable Court seems just.

43. Abdelaziz claims against the plaintiffs Christopher Eric Horlacher and Marc Godard and now defendants by counterclaim:

- (a) general damages for fraud in the amount of \$150,000.00;
- (b) aggravated and/or punitive damages in the amount of \$100,000.00;
- (c) prejudgment and post judgment interest pursuant to the *Courts of Justice Act*, R.S.O. 119, c. C.43 as amended;
- (d) An Order in the nature of a *Mareva* injunction restraining the Defendants by Counterclaim, its servants and agents, and any other person given notice of an Order from removing or otherwise disposing of or dealing with any of the Defendants by Counterclaim's assets, wherever situated in the world, until the final determination of this action or until further Order of the Court;
- (e) An Order in the nature of a *Mareva* injunction restraining any person, bank, credit union, financial institution, which holds money standing to the credit of the Defendants by Counterclaim, upon receiving notice of the Order, from dispensing, transferring or otherwise dealing with the Defendants by Counterclaim's assets without Abdelaziz's consent until the final determination of this action or until further Order of the Court;
- (f) a declaration that Abdelaziz is entitled to trace the monies fraudulently obtained from him into and through any financial institution, accounts or deposit facilities in the name of the Defendants by Counterclaim and into or through any assets purchased by the Defendants by Counterclaim with Abdelaziz' monies and to recover same;
- (g) a declaration that Abdelaziz is entitled to trace his assets into the hands of the Defendants by Counterclaim and that the Defendants by Counterclaim hold all these assets as constructive trustees for Abdelaziz;
- (h) costs of this action on a substantial indemnity basis; and

(i) such further and other relief as to this Honourable Court seems just.

### **Background of Bart and Abdelaziz**

44. Bart was a university student in the Netherlands at the time of his investment in Equibit Group Ltd.

45. Abdelaziz was a trader at the time of his investment in Equibit Group Inc.

46. Bart and Abdelaziz plead and rely upon the allegations in the statement of defence in support of the counterclaim.

### **The Breach of Contract/Negligence Claims Against Equibit Group Ltd. and the Civil Fraud Claim against Christopher Eric Horlacher and Marc Godard**

47. Abdelaziz was a trader at the time of his investment in Equibit Group Inc.

48. Bart and Abdelaziz plead and rely upon the allegations in the statement of defence in support of the counterclaim.

49. Bart invested approximately \$60,000 in United States currency in Equibit Group Inc.

50. Abdelaziz invested approximately \$355,000 in United States currency in Equibit Group Inc.

51. Both Bart and Abdelaziz met with and/or spoke to representatives of Equibit Group Ltd. They were each promised a guaranteed rate of return on their investment and that the investment would never decline.

52. The Defendant by Counterclaim Equibit Group Inc. is a corporation, incorporated pursuant to the laws of Canada, with registered offices in Toronto, Ontario.

53. The Defendant by Counterclaim Christopher Eric Horlacher is an individual residing in Ontario, and a Director of Equibit Group Inc.
54. The Defendant by Counterclaim Marc Goddard is an individual residing in Ontario, and a director of Equibit Group Inc.
55. The Defendant Equibit Group Inc. is vicariously liable of the actions of Horlacher and Goddard as set out below.
56. The Defendant by Counterclaim Christopher Eric Horlacher (“Horlacher”) represented to Bart and Abdelaziz on separate occasions that Equibit Group Inc. had been incorporated in 2015 to write the code for a decentralized transfer service, including the registration of securities, using blockchain-an immutable, digital ledger for recording transactions (the “Code”). These services would be provided via an on-line, peer to peer, Equibit dedicated network (the “Network”) as an open, accountable, and transparent alternative to traditional over-the counter securities trading services.
57. Similar to Bitcoin, Horlacher told Bart and Abdelaziz that the Network was to contain minable tokens, or equibits (“EQB tokens”) with a total of 22 million EQB Tokens minable over 55 years. These tokens were to have empty information fields, fillable by the Network’s users (such as securities’ issuers) to enable the registration, creation, trade, and holding of securities on the Network.
58. On the basis of the above, along with the promise of a guaranteed and unspecified rate of return, Bart and Abdelaziz invested the amounts set out above.

59. The Defendant by Counterclaim Marc Goddard (“Goddard”) made identical representations to those set out above to Bart and Abdelaziz whether explicit or by implication.
60. Goddard and Horlacher each assured Bart and Abdelaziz that at the absolute minimum, their investments would never decline in value.
61. Further, Goddard and Horlacher misrepresented to Bart and Abdelaziz that number of investors in Equibit Group Inc. by grossly inflating the amounts that were alleged to have been raised. Specifically, Goddard and Horlacher indicated that multimillions had been invested when in reality there were few investors who had invested a sum of money that was nowhere close to that.
62. Bart and Abdelaziz plead that the defendants by counterclaim perpetrated a fraudulent scheme against them and defrauded them by misrepresenting the nature and purpose of Equibit Group Inc.’s business and management, including the use to which their investment funds were put. Goddard and Horlacher used funds from Bart and Abdelaziz that were intended for the purposes of the development of EQB Tokens for personal use. Among other things, Horlacher and Goddard used Bart and Abdelaziz’s funds for extravagant personal purchases, such as expensive dinners, and for the purchaser and/or renovation of homes.
63. Bart and Abdelaziz further plead that Horlacher and Goddard created false/and or grossly exaggerated statements of account with respect to earnings of Equibit Group Inc. so as to entice Bart and Abdelaziz to believe that Equibit Group Inc. would be profitable. In reality, the financial statements showed a loss.

64. Horlacher and Goddard misrepresented to third parties that Equibit Group Inc. was performing well throughout 2015 to 2020.

65. Horlacher further lied to Bart and Abdelaziz when he informed them that additional funds were needed to save Equibit Group Inc. when his intended use for additional funds was to use them for personal use.

66. As a result of these fraudulent misrepresentations, Bart and Abdelaziz suffered a loss in that their initial investments have all been lost and Equibit Group Inc. appears to be insolvent. Bart and Abdelaziz also lost out on other investment opportunities during a time when the financial markets were performing very well.

67. In the alternative, all of these misrepresentations set out above would constitute negligence in the form of negligent misrepresentations.

### **Tracing and Accounting**

68. Bart and Abdelaziz plead that a tracing and accounting is necessary to determine the whereabouts of their investments. Horlacher and Goddard have variously transferred the investments to accounts controlled by one or both of them or accounts in the name of Equibit Group Inc. and used the investments for their own benefit and for other purposes, the full particulars of which are not known to Bart and Abdelaziz at this time.

### **Punitive Damages**

69. Bart and Abdelaziz plead that the Defendants by Counterclaim scheme was planned and

deliberate. The Defendants by Counterclaim intended to defraud Bart and Abdelaziz and cause them harm. Their conduct was malicious, oppressive and reprehensible. Bart and Abdelaziz are entitled to significant punitive damages as a result.

### **Aggravated Damages**

70. Bart and Abdelaziz have suffered and continue to suffer distress and humiliation as a result of the fraud the defendants by counterclaim have perpetrated against them. As a result, Bart and Abdelaziz claim aggravated damages as outlined above.

### **Statutes Pleaded**

71. In the event that the defendants make an assignment bankruptcy, Bart and Abdelaziz plead and rely on the provisions of ss. 69.4 and 178(1)(d) and (e) of the *Bankruptcy and Insolvency Act* (“BIA”).

72. Bart and Abdelaziz plead and rely on the *Negligence Act*, R.S.O. 1990, c. N-1, and the *Fraudulent Conveyances Act* R.S.O. 1990, c. F.29.

### **Costs**

73. For all of the above reasons, Bart and Abdelaziz plead that this counterclaim be granted with costs payable on a substantial indemnity basis.

### **Place of Trial**

74. Bart and Abdelaziz propose that this counterclaim be tried in the City of Toronto along with the main action.

July 5, 2021

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**CHRISTIAN SAUCIER et. al.**

Court File No. CV-21-00654929-0000

Plaintiffs

Defendants

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***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**  
Proceeding commenced at Toronto

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**STATEMENT OF DEFENCE AND  
COUNTERCLAIM OF ABDELAZIZ OULAD  
HADJ and BART DE GROOT**

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